

New Issue

Date of Sale: Tuesday, March 25, 2025  
Between 10:00 and 10:15 A.M., C.D.T.  
(Open Speer Auction)

Investment Rating:  
S&P Global Ratings ... AAA (Stable Outlook)

### Official Statement

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.



## \$9,595,000\*

### CITY OF CRYSTAL LAKE

#### McHenry County, Illinois

#### General Obligation Bonds, Series 2025

Dated Date of Delivery

Book-Entry

Due Serially December 15, 2026-2045

The \$9,595,000\* General Obligation Bonds, Series 2025 (the "Bonds") are being issued by the City of Crystal Lake, McHenry County, Illinois (the "City"). Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2025. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15 in the following years and amounts.

#### AMOUNTS\*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Dec. 15	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due Dec. 15	Interest Rate	Price or Yield	CUSIP Number(1)
\$295,000	2026	%	%		\$475,000	2036	%	%	
305,000	2027	%	%		500,000	2037	%	%	
320,000	2028	%	%		525,000	2038	%	%	
340,000	2029	%	%		550,000	2039	%	%	
355,000	2030	%	%		580,000	2040	%	%	
375,000	2031	%	%		610,000	2041	%	%	
390,000	2032	%	%		630,000	2042	%	%	
410,000	2033	%	%		655,000	2043	%	%	
430,000	2034	%	%		685,000	2044	%	%	
455,000	2035	%	%		710,000	2045	%	%	

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

#### OPTIONAL REDEMPTION

The Bonds due December 15, 2026-2034 inclusive, are not subject to optional redemption. The Bonds due December 15, 2035-2045, inclusive, are callable in whole or in part on any date on or after December 15, 2034 at a price of par and accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

#### PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to finance the replacement of water meters and corresponding equipment, infrastructure and technology throughout the City and to pay the costs of issuing the Bonds. See "THE PROJECT" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The City does not intend to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Official Statement is dated March 12, 2025, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Ms. Jodie Hartman, CPA, MPA, Director of Finance/Treasurer, City of Crystal Lake, 100 West Woodstock Street, Crystal Lake, Illinois 60014, or from the Municipal Advisor to the City:



\*Subject to change.

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement. The CUSIP numbers are subject to change after issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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APPENDIX A - FISCAL YEAR ENDED APRIL 30, 2024 AUDITED FINANCIAL STATEMENTS

APPENDIX B - DESCRIBING BOOK-ENTRY ONLY ISSUANCE

APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D - FORM OF CONTINUING DISCLOSURE UNDERTAKING

OFFICIAL BID FORM

OFFICIAL NOTICE OF SALE

Exhibit A – Example of Issue Price Certificate

## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

<b>Issuer:</b>	City of Crystal Lake, McHenry County, Illinois (the “City”).
<b>Issue:</b>	\$9,595,000* General Obligation Bonds, Series 2025 (the “Bonds”).
<b>Dated Date:</b>	Date of delivery, expected to be on or about April 8, 2025.
<b>Interest Due:</b>	Each June 15 and December 15, commencing December 15, 2025.
<b>Principal Due:</b>	Serially each December 15, commencing December 15, 2026 through 2045, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	The Bonds maturing on or after December 15, 2035, are callable at the option of the City on any date on or after December 15, 2034, at a price of par plus accrued interest to the redemption date. See “ <b>OPTIONAL REDEMPTION</b> ” herein.
<b>Authorization:</b>	The Bonds are being issued pursuant to the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 and a bond ordinance adopted by the City Council of the City on the 18 <sup>th</sup> day of March, 2025, as supplemented by a notification of sale.
<b>Purpose:</b>	Bond proceeds will be used to finance the replacement of water meters and corresponding equipment, infrastructure and technology throughout the City and to pay the costs of issuing the Bonds. See “ <b>THE PROJECT</b> ” herein.
<b>Security:</b>	The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
<b>Investment Rating:</b>	The Bonds have been rated “AAA” (Stable Outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York (“S&P”). See “ <b>INVESTMENT RATING</b> ” herein.
<b>Tax Exemption:</b>	Bond Counsel will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under “ <b>TAX EXEMPTION</b> ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>No Bank Qualification:</b>	The Bonds <b>are not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
<b>Bond Registrar/Paying Agent:</b>	Amalgamated Bank of Chicago, Chicago, Illinois.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about April 8, 2025.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Municipal Advisor:</b>	Speer Financial, Inc., Chicago, Illinois.

\*Subject to change.

**CITY OF CRYSTAL LAKE**  
**McHenry County, Illinois**

Haig Haleblian  
*Mayor*

**City Council Members**

Ellen Brady  
Brett Hopkins

Cameron Hubbard  
Mandy Montford

Ian Philpot  
Denise Smith

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**Officials**

Eric Helm  
*City Manager*

Jodie Hartman  
*Director of Finance/Treasurer*

Nick Hammonds  
*Deputy City Clerk*

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning the City of Crystal Lake, McHenry County, Illinois (the “City”), in connection with the offering and sale of its \$9,595,000\* General Obligation Bonds, Series 2025 (the “Bonds”).

This Official Statement contains “forward-looking statements” that are based upon the City’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the City. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the City nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

\*Subject to change.

## AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are being issued pursuant to the home rule powers of the City, under Section 6, Article VII of the 1970 Constitution of the State of Illinois. The Bonds are issuable pursuant to a bond ordinance to be adopted by the City Council (the “City Council”) of the City on the 18<sup>th</sup> day of March, 2025 (as supplemented by a notification of sale, the “Bond Ordinance”). Bond proceeds will be used to finance the replacement of water meters and corresponding equipment, infrastructure and technology throughout the City (the “Project”) and to pay the costs of issuing the Bonds. See “**THE PROJECT**” herein.

The Bonds constitute valid and legally binding full faith and credit general obligations of the City, and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount (the “Pledged Taxes”), upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, other than interest on the Bonds due on December 15, 2025, which amounts will be paid from lawfully available funds of the City. The Bond Ordinance will be filed with the County Clerk of McHenry County, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the Pledged Taxes.

Whenever funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes levied in the Bond Ordinance for the payment of same, the City Council will, by proper proceedings, direct the deposit of such funds into the bond fund established by the Bond Ordinance for the repayment of the Bonds and further direct the abatement of the Pledged Taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating Pledged Taxes will then be filed with the County Clerk in a timely manner to effect such abatement.

While the Bonds are a general obligation of the City and secured by the Pledged Taxes, the City expects to pay debt service on the Bonds from net revenues of the City’s Water and Sewer System (the “System”).

For information on the System, see “Schedule of Revenues, Expense and Changes in Net Position – Budget and Actual – Budgetary Basis – Waterworks and Sewerage Fund” in the 2024 Audit (as hereinafter defined) which is attached to this Official Statement as **APPENDIX A**.

Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient Defeasance Obligations have been deposited with the Bond Registrar or similar institution having trust powers to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the federal tax-exempt status of the interest on Bonds; and payment, registration, transfer, and exchange; set forth in the Bond Ordinance will be continued for all Bonds whether outstanding Bonds or not. “Defeasance Obligations” means (a) direct and general full faith and credit obligations of the United States Treasury (“Directs”), (ii) certificates of participation or trust receipts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

### THE PROJECT

Bond proceeds will be used to finance the Project and to pay the costs of issuing the Bonds. The Project is estimated to cost \$10,400,000 and will be funded with Bond proceeds and fund balance. The Project is expected to be completed by June 2026.

### SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

**SOURCES:**

Principal Amount.....	\$ _____
Net Original Issue Premium.....	_____
Total Sources.....	\$ _____

**USES:**

Costs of the Project.....	\$ _____
Costs of Issuance(1).....	_____
Total Uses.....	\$ _____

Note: (1) Includes underwriter's discount, fixed costs of issuance and contingencies.

### OPTIONAL REDEMPTION

The Bonds due December 15, 2026-2034, inclusive, are not subject to optional redemption. The Bonds due December 15, 2035-2045, inclusive, are callable in whole or in part on any date on or after December 15, 2034, at a price of par and accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar (the "Register"). Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

## **RISK FACTORS**

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### **Construction Risks**

There are potential risks that could affect the ability of the City to timely complete the Project. While preliminary costs have been projected by the City's consulting architects, not all of the construction contracts have been let by the City. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

### **Finances of the State of Illinois**

While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long term general obligation bonds carry the lowest ratings of all states.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City in future years. Over time, the State has reduced the share of certain of these revenue sources, particularly income tax revenues, that are distributed to local governments, such as the City, through the Local Government Distributive Fund. With respect to income tax revenues, prior to State fiscal year 2011, 10% of income tax revenues were divided among municipalities in the State. That amount was reduced to 5.45% by State fiscal year 2015. In the State's budget for the fiscal year ending June 30, 2023, the portions distributed to local governments are 6.16% and 6.845% of individual and corporate income taxes, respectively. In the State's budget for the fiscal year ending June 30, 2024, the State distributed 6.47% of individual income tax revenues and 6.845% of corporate income tax revenues to local governments. In the State's budget for the fiscal year ending June 30, 2025, the portions distributed to local governments are 6.47% and 6.845% of individual and corporate income taxes, respectively.

In addition, the State's recent budgets have contained provisions reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State fiscal year 2018 and by 5% for State fiscal year 2019 and State fiscal year 2020. All State budgets since the State fiscal year 2020 budget have not included such a reduction. Each State budget since the budget for State fiscal year 2018 has also included a service fee for collection and processing of local imposed sales taxes. Such fee was 2% of such sales taxes for State fiscal year 2018 and was reduced to 1.5% of such sales taxes beginning in State fiscal year 2019.



Pursuant to recent legislation passed by the Illinois General Assembly (House Bill 3144) and signed by the Governor, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) will be exempt from sales tax beginning January 1, 2026. To counter the impact of House Bill 3144 on the City (a reduction of approximately \$2 million), the City increased its Home Rule Sales Tax by 0.5% as of July 1, 2024. Such increase is expected to generate over \$5 million annually to be used to support lead line replacement and new police officers and firefighters.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems may have on the City's future finances.

### **Future Pension Plan Funding Requirements**

The City participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. As of April 30, 2024, the Police Pension Plan had a 58.33% funded ratio. As of April 30, 2024, the Fire Pension Plan had a 76.19% funded ratio. The City also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City. The State released an interim FY2023 report that reflected expected growth in the net pension liability. As of June 30, 2023, the projected net pension liability was \$145.6 billion, an increase of \$5.7 billion or 4% when compared to FY2022.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Fire Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. In recent years, when the required contribution decreased, the City did not decrease its contributions from the prior year. In addition, the City makes contributions based on the assumption of full funding by 2040, exceeding the State's 90% requirement. See "**EMPLOYEE RETIREMENT PLANS**" and "**PENSION AND RETIREMENT OBLIGATIONS**" herein for a more complete discussion.

### **Cybersecurity**

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## **Local Economy**

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

## **Loss or Change of Bond Rating**

The Bonds have received a credit rating from S&P. The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## **Secondary Market for the Bonds**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## **Continuing Disclosure**

A failure by the City to comply with the Continuing Disclosure Undertaking (see "**CONTINUING DISCLOSURE**" and **APPENDIX D** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and may adversely affect the transferability and liquidity of the Bonds and their market price.

## **Suitability of Investment**

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## **Future Changes in Laws**

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

## **Factors Relating to Tax Exemption**

As discussed under “**TAX EXEMPTION**” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## **Bankruptcy**

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

## **Climate Change Risk**

There are potential risks to the State, the City and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The City cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the City, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the City’s finances.

## THE CITY

The City is a home-rule unit located in McHenry County, approximately 50 miles northwest of downtown Chicago, Illinois. The City encompasses approximately 19.24 square miles, and its municipal neighbors include the Cities of McHenry and Woodstock to the north, the Village of Cary to the east, the Villages of Lake in the Hills and Algonquin to the south and the Villages of Huntley and Lakewood and the City of Marengo to the west. Substantial undeveloped and unincorporated areas separate the City from many of its neighbors. The City is the largest municipality in the County.

### **Economic Development**

The City's economic development team has a multi-faceted approach which focuses on recruitment, retention and public relations components geared towards enhancing the business climate in the City. Some key components include the marketing of four TIF districts (as described herein) to help facilitate redevelopment of certain key retail sectors of the City, including the Virginia Street Corridor (Route 14), Main Street, the Three Oaks Recreation Area, and Water's Edge (Route 14). Water's Edge will feature 240 garden apartments, 20 luxury townhomes, more than 50,000 square feet of commercial space and public gathering areas when completed.

All of the City's available properties are actively marketed by the City, using techniques that include marketing brochures, direct recruitment, trade show representation, e-mail blasts and a site selection inventory on the City's website. Working in cooperation with McHenry County Economic Development Corporation, the City works to attract and retain manufacturers that provide significant economic benefits to the City as well as employment opportunities. Along with the Illinois Department of Commerce and Economic Opportunity, the City works to locate and assist businesses with their expansions in or relocations to the City.

New construction in the residential and commercial sectors continues to add value to the City. Of particular note, Lennar, the nation's largest homebuilder, completed construction of all 500 residential units in its Woodlore Estates development in the northeast section of the City. Homes quickly sold as they were being marketed. Woodlore Estates features a range of housing options, including single-family homes, age-restricted ranch homes and attached townhomes.

The Springs at Three Oaks, a 280 unit luxury apartment complex was completed in 2022. Enclave, a 99 unit luxury rental project was completed in 2024 and Redwood, a 304 rental ranch townhome community plans to be completed in 2026. More housing is currently underway including Clover Communities, a 121 unit age-restricted independent living apartment complex; and Woodlore Townes, a 102 unit townhome community adjacent to Woodlore Estates. Additional owner-occupied townhome communities receiving zoning entitlements include Waterside (107 units) and Derbyshire (48 units).

Mercyhealth Hospital and Physician Clinic officially opened July 24, 2023. The estimated \$105 million facility features 13 inpatient beds and two intensive care suites, surgery suites, emergency care and diagnostic services, as well as primary and specialty care physician offices. It is Crystal Lake's first hospital with around-the-clock emergency care. Mercyhealth added an immediate care facility to the campus following the opening of the hospital, thereby expanding the services available to residents and visitors.

Route 14 continues to serve as a prime retail corridor for the City, with a variety of national tenants occupying space in several shopping centers including, but not limited to, Best Buy, Binny's Beverage Depot, Boot Barn, Hobby Lobby, Home Depot, Kohls, Menards, Michaels, Petco, Ross Dress for Less, Sam's Club, Sierra, Steinhafels Furniture, Target, TJ Maxx, Ulta Beauty and World Market, as well as a movie theatre, Regal Theatres, and dining options ranging from fine dining to fast casual. A Walmart Supercenter is located along the Route 31 corridor on the east side of the City.

The downtown sector of the City, which has continued to show substantial strength, exhibits a very low vacancy rate of less than 5% and continues to be a vibrant commercial destination with a mix of unique shops and fine dining establishments. Downtown Crystal Lake is also home to Crystal Lake's first microbrewery, Crystal Lake Brewing Company, which opened in the summer of 2014 and the Raue Center for the Arts, which is an 800-seat theatre that is one of the finest examples of restored art deco architecture in the nation. The Raue Center is the largest performing arts theater in McHenry County.

The City is a regional auto sale market with numerous car dealerships including Anderson Motor Company, a major auto retailer of BMW and Mazda, Fox Valley Volkswagen, Pauly Toyota, Brilliance Honda, Martin Chevrolet, Napleton Buick GMC and M'Lady Nissan. All have completed or are undergoing major renovations to expand their facilities to better serve customers. Approximately 20% of the City's 1% municipal sales taxes come from car sales.

The City is a regional hub for grocery shopping as well with most of the regional brands represented, including Fresh Market, Fresh Thyme, Jewel and Mariano's.

The City of Crystal Lake is home to Camfil, the world's largest filter manufacturer headquartered in Europe, Clayens, an injection molder for thermoplastics specializing in sharp containers and syringes, National Gift Card, a leading provider of secure and innovative gift card technology solutions, Knaack (Werner Company), manufacturer of Weather Guard truck equipment, Aptar Group Inc., a leading global supplier of dispensing systems such as aerosol valves, pumps, closures, and elastomer packaging components to the consumer goods and pharmaceutical markets, and Technipaq, an industry pioneer and innovator that provides flexible, sterilized packaging solutions to the world's leading healthcare, medical device, diagnostic and life sciences companies.

The City is also fortunate to have two Metra stations within its corporate limits. The Northwest Line, which serves Crystal Lake, is the second heaviest traveled line in Metra's system, carrying over 40,000 passengers per weekday.

## **Government**

The City operates under the Council-Manager form of government consisting of a Mayor and six Councilmembers, all elected on at-large basis to four year overlapping terms of office. The Council is responsible for the appointment of a City Manager, approval of the annual budget and adoption of ordinances.

The City provides police, fire rescue and paramedics, public works, engineering and building, planning and economic development, finance and administrative services.

The current elected City officials are:

<u>Name</u>	<u>Position</u>	<u>Year Elected</u>	<u>Term Expires</u>
Haig Haleblian .....	Mayor .....	2021	2027
Ellen Brady .....	Councilmember .....	1999	2027
Brett Hopkins .....	Councilmember .....	2007	2027
Cameron Hubbard .....	Councilmember .....	2013	2025
Mandy Montford .....	Councilmember .....	2021	2025
Ian Philpot.....	Councilmember .....	2021	2025
Denise Smith .....	Councilmember .....	2023	2027

The current administration members include:

<u>Name</u>	<u>Position</u>	<u>Hire Date</u>
Eric Helm.....	City Manager .....	June 19, 2000
Nicholas Hammonds.....	Deputy City Manager and Deputy City Clerk.....	October 23, 2017
Jodie Hartman .....	Director of Finance/Treasurer .....	November 19, 2019
Adam Orton .....	Assistant Director of Finance .....	October 12, 2020
Kathryn Cowlin.....	Director of Community Development .....	September 2, 2014

**City Employees**

As of December 31, 2024, the City employed 228 permanent full-time and 3 part-time employees and 5 seasonal employees. The City has 70 total sworn, full-time police officers, including sergeants, commanders, deputy chiefs and chief. The City’s Fire Department has 60 full-time fire fighters, including the Bureau Chiefs, Deputy Chief and Fire Chief. It serves an area including the entire City with traditional and paramedic services from three stations.

The City Manager is responsible for the day-to-day operations of the City and its employees. Approximately 62% of the permanent full-time employees are represented by labor unions. Listed below are the unions and contract expiration dates.

<u>Union Name</u>	<u>Number of Members</u>	<u>Contract Expires</u>
Metropolitan Alliance of Police Chapter #77.....	53 .....	April 30, 2025
Crystal Lake Professional Firefighters Association Local #3926.....	53 .....	April 30, 2026
IUOE Local #150 .....	36 .....	April 30, 2026

**Transportation**

The City is a 35-mile drive from O'Hare International Airport and is near several major highways and interstates. The City has two Metra train stations within its corporate limits. The Northwest Line is the second busiest line in their nationwide commuter system, carrying over 65,000 commuters every day. The second station is the 2,000-square-foot Pingree Road Metra Station. City residents enjoy the many employment, cultural and recreational opportunities of a major metro city, yet live in a pleasant, friendly, small-town atmosphere.

**Community Life**

Beginning in the 1970s, the City experienced significant changes in both its residential and business population. The population has grown from 14,000 in the early 1970s to over 40,000 today.

Citizens have access to excellent educational, recreational and cultural activities. One of the City's greatest attractions is its public parks system. This includes over 1,600 acres of parks and open space as well as the 230-acre Crystal Lake for fishing, boating, swimming and ice skating. The Crystal Lake Park District sponsors many of the recreational programs held throughout the City and maintains much of the open space.

The Three Oaks Recreation Area provides patrons with a unique recreational experience. It consists of a reclaimed quarry that has pristine waters and excellent fishing. Patrons are able to rent rowboats, canoes, kayaks, sailboats and paddleboards from a rental marina. A grass picnic area and various overlooks provide patrons with breathtaking views of the water and lake islands. In addition, the facility offers scuba diving, hiking trails, a playground/spray park, a wakeboard park, concession areas and patios.

The City is a leader in the region in the areas of planning, growth management and municipal services. The City offers residents a variety of excellent, high-quality programs and services at one of the lowest municipal tax rates in the area. The City also has programs such as a fully staffed professional police department, three 24-hour fire/rescue stations, an aggressive street maintenance program and an annual leaf and brush pickup program. The City also runs a comprehensive curbside recycling program. The City staff and elected officials are dedicated to continuing to make the City one of the premier communities in northern Illinois.

## **Education**

The City boasts two of the best public-school systems in the region - Elementary School District Number 47 and Community High School District Number 155. Citizens are also served by the parochial grade schools of Saint Thomas and Immanuel Lutheran and Faith Lutheran High School of McHenry County. McHenry County Community College is on the City's northern border.

## **Library**

The Crystal Lake Public Library ("CLPL") is a twice-rated top-ten library in the United States according to Hennen's American Public Library Ratings. The CLPL circulates more than one million items each year. The CLPL annually receives more than 400,000 visits and is known for its friendly, professional staff.

CLPL is a City Library and anyone residing or owning a business within the City limits is eligible for a library card. The CLPL offers free internet access and Wi-Fi and hosts programs for patrons from birth through older adults including story times, craft activities, summer and winter reading programs and computer classes. The CLPL also offers homebound delivery and assistive technology for those with special needs.

## SOCIOECONOMIC INFORMATION

### Employment

Substantial employment is available in surrounding communities and throughout the Chicago metropolitan area. Numerous employers are located within the City and in surrounding communities.

Following are lists of large employers located in the City and in the surrounding area.

#### Major City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Elementary School District 47 .....	Education .....	1,528
School District 155 .....	Education .....	725
McHenry County College .....	Education .....	500
Knaack Manufacturing .....	Tool Storage .....	500
Crystal Lake Park District .....	Special District .....	480
Aptar Group .....	Consumer Dispensing and Packaging .....	475
Walmart .....	Retail .....	350
City of Crystal Lake .....	Municipality .....	241
Clayens .....	Thermoplastic Injection Molding .....	230
Technipaq .....	Medical Packaging .....	225
Jewel .....	Grocery .....	220
Mercyhealth .....	Health Services .....	150

Note: (1) Source: The City's 2024 ACFR.

#### Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Hoffman Estates .....	Transform Holdco, LLC .....	Department Store Holding Company (Sears) .....	3,200
Multiple .....	School District Number 300 .....	Education .....	2,750
Hoffman Estates .....	St. Alexius Medical Center .....	Hospital .....	2,500
Elgin .....	Advocate Sherman Hospital .....	Hospital .....	2,200
Barrington .....	Advocate Good Shepherd Hospital .....	Hospital .....	1,700
McHenry .....	Northwestern Hospital - McHenry .....	Hospital .....	1,334
Elgin .....	Amita Health St. Joseph Hospital .....	Hospital .....	1,300
Elgin .....	Sanfilippo & Son, Inc. ....	Snack Foods .....	1,200
McHenry .....	Follett Solutions Co .....	Library Automation Software .....	1,000
McHenry .....	Follett Content Solutions, LLC .....	Wholesale Books .....	1,000

Note: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory and a selective telephone survey.



The following tables show employment by industry and by occupation for the City, McHenry County (the “County”), and the State of Illinois (the “State”) as reported by the U.S. Census Bureau 2019-2023 American Community Survey 5-Year Estimates (the “2019-2023 ACS”) released by the U.S. Census Bureau in December 2024.

### Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining.....	73	0.3%	1,092	0.7%	64,288	1.0%
Construction.....	1,589	7.3%	13,434	8.1%	338,825	5.4%
Manufacturing.....	2,872	13.2%	25,874	15.6%	728,327	11.6%
Wholesale Trade.....	755	3.5%	5,404	3.3%	168,508	2.7%
Retail Trade.....	2,495	11.5%	20,687	12.5%	650,779	10.4%
Transportation and Warehousing, and Utilities.....	1,126	5.2%	8,409	5.1%	433,291	6.9%
Information.....	417	1.9%	2,593	1.6%	103,644	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing .	1,752	8.1%	11,234	6.8%	462,565	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services.....	2,551	11.7%	18,068	10.9%	794,813	12.7%
Educational Services and Health Care and Social Assistance.....	4,262	19.6%	33,505	20.2%	1,470,742	23.5%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	2,225	10.2%	12,304	7.4%	516,702	8.3%
Other Services, Except Public Administration.....	962	4.4%	7,878	4.7%	285,896	4.6%
Public Administration.....	657	3.0%	5,419	3.3%	234,863	3.8%
Total.....	21,736	100.0%	165,901	100.0%	6,253,243	100.0%

Note: (1) Source: 2019-2023 ACS.

### Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts.....	9,106	41.9%	68,364	41.2%	2,660,678	42.5%
Service.....	3,231	14.9%	23,287	14.0%	996,806	15.9%
Sales and Office.....	5,135	23.6%	35,892	21.6%	1,235,237	19.8%
Natural Resources, Construction, and Maintenance.....	1,900	8.7%	15,821	9.5%	443,661	7.1%
Production, Transportation, and Material Moving.....	2,364	10.9%	22,537	13.6%	916,861	14.7%
Total.....	21,736	100.0%	165,901	100.0%	6,253,243	100.0%

Note: (1) Source: 2019-2023 ACS.

### Annual Average Unemployment Rates(1)

Calendar Year	The City	The County	The State
2015.....	5.0%	5.5%	6.0%
2016.....	4.9%	5.4%	5.9%
2017.....	4.0%	4.4%	4.9%
2018.....	3.2%	3.6%	4.4%
2019.....	3.1%	3.4%	4.0%
2020.....	7.9%	8.1%	9.3%
2021.....	4.3%	4.7%	6.1%
2022.....	3.4%	4.0%	4.6%
2023.....	3.5%	3.7%	4.5%
2024(2).....	3.6%	4.0%	4.3%

Notes: (1) Source: Illinois Department of Employment Security.  
 (2) Preliminary rates for December 2024.

## Building Permits

### City Building Permits(I) (Excludes the Value of Land)

Fiscal Year Dates	Residential		Commercial and Industrial	
	Number	Value	Number	Value
5/2015 to 4/2016.....	1	\$ 1,100,000	6	\$ 5,435,068
5/2016 to 4/2017.....	4	1,909,000	5	9,050,000
5/2017 to 4/2018.....	7	3,039,381	4	4,955,000
5/2018 to 4/2019.....	82	28,572,810	4	3,106,558
5/2019 to 4/2020.....	73	38,125,131	2	1,176,208
5/2020 to 4/2021.....	107	64,507,422	5	4,780,821
5/2021 to 4/2022.....	92	43,718,008	2	30,362,473
5/2022 to 4/2023.....	95	57,746,745	2	827,721
5/2023 to 4/2024.....	191	81,618,034	7	5,500,493
5/2024 to 12/2024.....	77	35,245,853	4	5,008,700

Note: (1) Source: the City.

## Housing

The 2019-2023 ACS reported that the median value of the City’s owner-occupied homes was \$287,400. This compares to \$286,900 for the County and \$250,500 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2019-2023 ACS.

### Home Values(I)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	387	3.3%	2,230	2.3%	179,713	5.4%
\$50,000 to \$99,999.....	174	1.5%	1,401	1.5%	293,418	8.8%
\$100,000 to \$149,999.....	576	4.9%	5,131	5.3%	373,012	11.2%
\$150,000 to \$199,999.....	1,131	9.7%	11,743	12.2%	402,625	12.0%
\$200,000 to \$299,999.....	4,047	34.8%	31,637	32.9%	796,642	23.8%
\$300,000 to \$499,999.....	4,675	40.2%	36,278	37.8%	836,453	25.0%
\$500,000 to \$999,999.....	614	5.3%	7,040	7.3%	373,844	11.2%
\$1,000,000 or more.....	38	0.3%	603	0.6%	87,327	2.6%
Total.....	11,642	100.0%	96,063	100.0%	3,343,034	100.0%

Note: (1) Source: 2019-2023 ACS.

### Mortgage Status(I)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage.....	8,100	69.6%	66,670	69.4%	2,056,770	61.5%
Housing Units without a Mortgage.....	3,542	30.4%	29,393	30.6%	1,286,264	38.5%
Total.....	11,642	100.0%	96,063	100.0%	3,343,034	100.0%

Note: (1) Source: 2019-2023 ACS.

**Income**

**Per Capita Personal Income  
 for the Highest Income Counties in the State(1)**

<u>Ranking</u>	<u>County</u>	<u>2019 to 2023</u>
1.....	DuPage County .....	\$57,051
2.....	Lake County .....	55,756
3.....	Monroe County .....	49,438
<b>4.....</b>	<b>McHenry County .....</b>	<b>48,275</b>
5.....	Cook County.....	47,801
6.....	Will County .....	46,216
7.....	Kane County.....	46,013
8.....	Grundy County.....	43,744
9.....	Piatt County .....	43,547
10.....	Kendall County .....	43,127

Note: (1) Source: 2019-2023 ACS.

The following shows the median family income for counties in the State.

**Ranking of Median Family Income(1)**

<u>County</u>	<u>Family Income</u>	<u>Ranking</u>
DuPage County.....	\$136,376	1
Lake County.....	132,828	2
Monroe County.....	128,922	3
Will County.....	124,227	4
<b>McHenry County.....</b>	<b>121,624</b>	<b>5</b>
Kendall County.....	119,150	6
Kane County .....	116,477	7
Cook County .....	102,297	12

Note: (1) Source: 2019-2023 ACS.

The 2019-2023 ACS reported that the City had a median family income of \$121,977. This compares to \$121,624 for the County and \$103,504 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2019-2023 ACS.

**Family Income(1)**

<u>Income</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	293	2.7%	1,212	1.4%	92,276	2.9%
\$10,000 to \$14,999.....	83	0.8%	636	0.8%	49,504	1.6%
\$15,000 to \$24,999.....	84	0.8%	1,669	2.0%	115,394	3.7%
\$25,000 to \$34,999.....	272	2.5%	2,187	2.6%	144,347	4.6%
\$35,000 to \$49,999.....	757	7.0%	5,502	6.5%	255,343	8.2%
\$50,000 to \$74,999.....	1,364	12.6%	10,292	12.2%	440,350	14.1%
\$75,000 to \$99,999.....	1,124	10.4%	11,119	13.2%	413,051	13.2%
\$100,000 to \$149,999.....	2,935	27.2%	20,681	24.5%	664,299	21.2%
\$150,000 to \$199,999.....	1,802	16.7%	13,666	16.2%	404,823	12.9%
\$200,000 or more .....	<u>2,086</u>	<u>19.3%</u>	<u>17,349</u>	<u>20.6%</u>	<u>552,865</u>	<u>17.7%</u>
Total .....	10,800	100.0%	84,313	100.0%	3,132,252	100.0%

Note: (1) Source: 2019-2023 ACS.

The 2019-2023 ACS reported that the City had a median household income of \$105,428. This compares to \$102,836 for the County and \$81,702 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2019-2023 ACS.

### Household Income(I)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000 .....	319	2.1%	3,169	2.7%	262,472	5.2%
\$10,000 to \$14,999 .....	260	1.7%	1,921	1.7%	167,954	3.4%
\$15,000 to \$24,999 .....	525	3.5%	4,342	3.7%	312,209	6.2%
\$25,000 to \$34,999 .....	620	4.2%	5,445	4.7%	325,873	6.5%
\$35,000 to \$49,999 .....	1,195	8.0%	9,558	8.2%	493,412	9.9%
\$50,000 to \$74,999 .....	2,289	15.3%	16,274	14.0%	755,975	15.1%
\$75,000 to \$99,999 .....	1,891	12.7%	15,711	13.5%	637,303	12.7%
\$100,000 to \$149,999 .....	3,447	23.1%	25,245	21.7%	896,614	17.9%
\$150,000 to \$199,999 .....	2,155	14.4%	15,284	13.1%	494,802	9.9%
\$200,000 or more .....	<u>2,216</u>	<u>14.9%</u>	<u>19,380</u>	<u>16.7%</u>	<u>655,290</u>	<u>13.1%</u>
Total .....	14,917	100.0%	116,329	100.0%	5,001,904	100.0%

Note: (1) Source: 2019-2023 ACS.

### Retail Activity

The table below shows the distribution of the municipal portion and Home Rule portion of the Retailers' Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the Illinois Department of Revenue (the "Department") from retailers within the City. The table below indicates the level of retail activity in the City.

### Retailers' Occupation, Service Occupation and Use Tax(I)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change	Home Rule Sales Tax Distributions(3)	Annual Percent Change
2015 .....	\$11,108,899	6.50%(4)	\$5,107,748	3.42%(5)
2016 .....	11,161,675	0.48%	5,045,755	(1.21%)
2017 .....	11,264,212	0.92%	5,056,206	0.21%
2018 .....	11,537,371	2.43%	5,171,845	2.29%
2019 .....	11,961,717	3.68%	5,386,238	4.15%
2020 .....	12,113,219	1.27%	5,432,470	0.86%
2021 .....	11,807,079	(2.53%)	5,312,906	(2.20%)
2022 .....	13,817,827	17.03%	6,617,836	24.56%
2023 .....	14,125,863	2.23%	6,829,663	3.20%
2024 .....	15,103,444	6.92%	7,180,979	5.14%
Growth from 2015 to 2024 .....		35.96%		

- Notes: (1) Source: Illinois Department of Revenue.  
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.  
 (3) Does not reflect the City's July 1, 2024 0.5% Home Rule Sales Tax increase. The City expects the increase to generate over \$5 million annually, which funds will be used to support lead line replacement and new police officers and firefighters.  
 (4) The 2015 percentage is based on a 2014 sales tax of \$9,966,056.  
 (5) The 2015 percentage is based on a 2014 sales tax of \$4,733,066.

Public Act 101-0009, effective June 5, 2019, included the "Leveling the Playing Field for Illinois Retailers Act." This legislation requires certain remote retailers to collect and remit state and locally-imposed sales taxes for the jurisdiction where the product is delivered (destination) starting on July 1, 2020. Information from the Illinois Municipal League (IML) indicates that "local governments could receive \$92 million per state fiscal year." There will, however, be a decrease in collections of Use Tax. Ultimately, the IML anticipates that municipalities will experience a net increase as a result of Public Act 101-0009.

### DEFAULT RECORD

The City has never defaulted on any obligation for which it has pledged its general obligation. In April 2006, the City established Special Service Area Number 45 (“SSA 45”), which comprises certain property within the development known as Bryn Mawr of Crystal Lake (the “Development”). In June 2006, the City issued \$5,935,000 in special service area bonds (the “SSA 45 Bonds”) to pay for a portion of the cost of the public improvements at the Development. The SSA 45 Bonds do not constitute an indebtedness of the City, and no exercise of the City’s taxing power may be compelled on behalf of the SSA 45 Bonds other than the ad valorem property taxes extended within the boundaries of SSA 45. According to City records, private owners of land in SSA 45 failed to pay property taxes beginning in 2010. The properties continue to be in default.

### SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

### DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$31,345,000\* principal amount of general obligation debt. The City also has outstanding \$17,506,235 (as of December 31, 2024) of IEPA loans payable solely from revenues of the System.

Except for the Bonds, the City does not intend to issue any debt within the next twelve months.

#### General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Series 2012	Series 2019A	Series 2022B	Series 2022C	The Bonds(2)	Total Outstanding Debt(2)	Cumulative Retirement(2)	
	(Dec. 15)	(Dec. 15)	(Dec. 15)	(Dec. 15)	(Dec. 15)		Amount	Percent
2025 .....	\$ 265,000	\$ 960,000	\$ 810,000	\$ 520,000	\$ 0	\$ 2,555,000	\$ 2,555,000	8.15%
2026 .....	270,000	1,005,000	515,000	535,000	295,000	2,620,000	5,175,000	16.51%
2027 .....	275,000	1,045,000	200,000	550,000	305,000	2,375,000	7,550,000	24.09%
2028 .....	280,000	1,090,000	0	565,000	320,000	2,255,000	9,805,000	31.28%
2029 .....	285,000	0	0	580,000	340,000	1,205,000	11,010,000	35.13%
2030 .....	295,000	0	0	595,000	355,000	1,245,000	12,255,000	39.10%
2031 .....	300,000	0	0	615,000	375,000	1,290,000	13,545,000	43.21%
2032 .....	310,000	0	0	630,000	390,000	1,330,000	14,875,000	47.46%
2033 .....	0	0	65,000	645,000	410,000	1,120,000	15,995,000	51.03%
2034 .....	0	0	655,000	0	430,000	1,085,000	17,080,000	54.49%
2035 .....	0	575,000	120,000	0	455,000	1,150,000	18,230,000	58.16%
2036 .....	0	975,000	60,000	0	475,000	1,510,000	19,740,000	62.98%
2037 .....	0	1,005,000	55,000	0	500,000	1,560,000	21,300,000	67.95%
2038 .....	0	1,035,000	420,000	0	525,000	1,980,000	23,280,000	74.27%
2039 .....	0	1,065,000	435,000	0	550,000	2,050,000	25,330,000	80.81%
2040 .....	0	0	1,045,000	0	580,000	1,625,000	26,955,000	85.99%
2041 .....	0	0	1,100,000	0	610,000	1,710,000	28,665,000	91.45%
2042 .....	0	0	0	0	630,000	630,000	29,295,000	93.46%
2043 .....	0	0	0	0	655,000	655,000	29,950,000	95.55%
2044 .....	0	0	0	0	685,000	685,000	30,635,000	97.73%
2045 .....	0	0	0	0	710,000	710,000	31,345,000	100.00%
Total .....	\$2,280,000	\$8,755,000	\$5,480,000	\$5,235,000	\$9,595,000	\$31,345,000		

Notes: (1) Source: the City.  
 (2) Subject to change.

\*Subject to change.

### Detailed Overlapping Bonded Debt(I)

	Outstanding Debt	Applicable to the City	
		Percent(2)	Amount
<b>Schools:</b>			
School District Number 46 .....	\$22,635,000	15.84%	\$ 3,586,332
High School District Number 155 .....	10,650,000	41.15%	4,382,365
School District Number 200 .....	65,533,650	0.93%	606,578
School District Number 300 .....	176,815,000	0.01%	13,439
Community College Number 509 .....	173,630,000	0.002%	4,091
Total Schools.....			<u>\$ 8,592,805</u>
<b>Others:</b>			
McHenry County Conservation District .....	\$37,600,000	13.54%	\$ 5,092,420
Lake in the Hills Sanitary District .....	2,445,000	6.43%	157,179
Cary Park District .....	13,637,055	0.04%	5,192
Crystal Lake Park District .....	12,698,000	75.52%	9,589,352
Huntley Park District.....	1,765,000	0.60%	10,554
Total Others.....			<u>\$14,854,696</u>
Total Schools and Other Overlapping Bond Debt.....			<u>\$23,447,502</u>

- Notes: (1) Source: McHenry County Clerk and the MSRB's Electronic Municipal Market Access website ("EMMA").  
 (2) Outstanding debt as of January 14, 2025.  
 (3) Overlapping debt percentages are based on 2023 EAVs for McHenry County, the most current available.

### Statement of Bonded Indebtedness(I)

	Amount Applicable	Ratio To		Per Capita (2020 Census 40,269)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2023 .....	\$1,509,286,921	100.00%	33.33%	\$ 37,480.12
Estimated Actual Value, 2023.....	\$4,527,860,763	300.00%	100.00%	\$112,440.36
Total Direct Bonded Debt (2).....	\$ 31,345,000	2.08%	0.69%	\$ 778.39
<b>Overlapping Bonded Debt:(3)</b>				
Schools .....	\$ 8,592,805	0.57%	0.19%	\$ 213.39
Other .....	14,854,696	0.98%	0.33%	368.89
Total Overlapping Bonded Debt.....	\$ 23,447,502	1.55%	0.52%	\$ 582.27
Total Direct and Overlapping Bonded Debt(2) .....	\$ 54,792,502	3.63%	1.21%	\$ 1,360.66

- Notes: (1) Source: McHenry County Clerk and the City.  
 (2) Subject to change.  
 (3) Overlapping bonded debt as of January 14, 2025.

### LEGAL DEBT MARGIN

As a home rule municipality under the Illinois Constitution, the City has no constitutional or statutory legal debt limitations or property tax limits.

## PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2023 levy year, the City's EAV was comprised of 73% residential, 21% commercial, 5% industrial and less than 1% farm and railroad property valuations.

### City Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2019	2020	2021	2022	2023
Residential.....	\$ 863,066,368	\$ 903,785,948	\$ 936,467,067	\$1,013,312,568	\$1,103,721,571
Commercial .....	262,375,574	265,462,865	275,263,871	296,394,616	317,920,939
Industrial.....	69,136,637	70,787,741	73,138,016	76,805,530	80,953,603
Other(2).....	<u>5,332,207</u>	<u>5,380,622</u>	<u>5,780,699</u>	<u>6,201,983</u>	<u>6,690,808</u>
Total.....	\$1,199,910,786	\$1,245,417,176	\$1,290,649,653	\$1,392,714,697	\$1,509,286,921
Percent Change +(-).....	4.52%(3)	3.79%	3.63%	11.83%	16.94%

- Notes: (1) Source: McHenry County Clerk.  
 (2) Includes farm, mineral and railroad property valuations.  
 (3) Percentage change based on 2018 EAV of \$1,148,033,441.

### Representative Tax Rates(1) (Per \$100 EAV)

	Levy Years				
	2019	2020	2021	2022	2023
<b>City Rates:</b>					
IMRF.....	\$0.0708	\$0.0602	\$0.0581	\$0.0555	\$0.0527
Police Pension.....	0.2242	0.2353	0.2697	0.2500	0.2394
Social Security.....	0.0604	0.0356	0.0268	0.0359	0.0341
School Cross Guard.....	0.0046	0.0044	0.0043	0.0052	0.0050
Fire Protection.....	0.5710	0.5501	0.5383	0.5276	0.5041
Fire Pension.....	<u>0.1569</u>	<u>0.1625</u>	<u>0.1771</u>	<u>0.1641</u>	<u>0.1514</u>
Total City Rate.....	\$1.0879	\$1.0481	\$1.0743	\$1.0382	\$0.9868
McHenry County.....	0.7868	0.7621	0.7365	0.6982	0.6649
McHenry County Conservation District.....	0.2286	0.2236	0.2219	0.2125	0.2030
Algonquin Township.....	0.0573	0.0558	0.0543	0.0524	0.0489
Algonquin Township Road and Bridge.....	0.1323	0.1265	0.1231	0.1201	0.1177
Crystal Lake Park District.....	0.4886	0.4813	0.4703	0.4629	0.4500
Crystal Lake Library District.....	0.3897	0.3755	0.3674	0.3550	0.3374
School District 47.....	3.8851	3.8548	3.8048	3.7496	3.6730
School District 155.....	2.5702	2.5121	2.4754	2.4774	2.4437
Community College District 528.....	<u>0.3564</u>	<u>0.3433</u>	<u>0.3297</u>	<u>0.3060</u>	<u>0.2821</u>
Total Rate(2).....	\$9.9830	\$9.7831	\$9.6577	\$9.4723	\$9.2076

- Notes: (1) Source: McHenry County Clerk.  
 (2) Representative tax rates for other government units are from Algonquin Township tax code number 19002, which represents the largest portion of the City's 2023 EAV, the most current available.

### Tax Extensions and Collections

Levy Year	Coll. Year	Taxes Extended(1)	Total Collections(2)	
			Amount	Percent
2019.....	2020.....	\$13,053,697	\$13,030,707	99.82%
2020.....	2021.....	13,053,672	13,028,661	99.81%
2021.....	2022.....	13,865,914	13,847,890	99.87%
2022.....	2023.....	14,459,457	14,441,441	99.89%
2023.....	2024.....	14,893,749	14,807,230	99.42%

- Notes: (1) Source: McHenry County Clerk.  
 (2) Source: the City's Annual Comprehensive Financial Report for the fiscal year ended April 30, 2024 and the City.

### Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>2023 EAV(2)</u>
Chern Partners LLC .....	\$11,988,033
Continental 544 Fund LLC .....	10,225,435
PMAT Crystal, LLC .....	9,999,116
KPR US LLC.....	7,246,938
Centro Bradley Crystal Lake .....	6,348,998
Cunat Exc III Darlington .....	6,288,177
Chern Randall Baric Randall.....	6,141,295
Stag Industrial Holdings .....	5,232,612
AHRC CLCRYIL01 LLC .....	3,813,717
Crystal Lake LP .....	<u>3,795,228</u>
Total.....	\$71,079,549
Ten largest as a percent of the City's 2023 EAV (\$1,509,286,921).....	4.71%

- Notes: (1) Source: McHenry County Clerk.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2023 EAV is the most current available.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

### Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in multiple installments during the next calendar year.



## **Unpaid Taxes and Annual Tax Sales**

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale. When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

## **Exemptions**

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law (the “Limitation Law”) limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The City cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the City predict the effect of any such change on the City’s finances.

**The City is a Home Rule unit of government and is not subject to the Limitation Law.**

## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The City covenanted in the Bond Ordinance that it will not take any action or fail to take any action which would adversely affect the ability of the City to levy and collect the Pledged Taxes, other than as described under “**AUTHORIZATION, PURPOSE AND SECURITY**” herein. The City also covenanted that it and its officers will comply with all present and future laws concerning the levy, extension and collection of the Pledged Taxes as provided in the Bond Ordinance.

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## FINANCIAL INFORMATION

### General

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the City has legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, intergovernmental income, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

The City has the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the general fund include general government, public safety and public works.

Fire Rescue Fund – This fund accounts for revenues and expenditures related to fire protection, ambulance response, and emergency rescue operations.

Capital and Equipment Replacement Fund – This fund accounts for the revenues collected for and expenditures related to major capital improvements.

All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, included but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

There are no other enterprise funds.

Additionally, the City administers fiduciary (pension trust and agency) funds for assets held by the City in a fiduciary capacity. Included are the City’s Police Pension Fund and Fire Pension Fund that accumulate resources for retirement annuity payments to sworn police officers and firefighters. In addition, the City reports one agency fund, the Special Assessment Fund, which accounts for the collection of special assessments from property owners and payment of the related special assessment liabilities.

## **Cash Management**

Investments are reported at fair value. Fair value is based on quoted market prices. Under State law, the City (and CLPL) are restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by State law:

- Securities issued or granted by the United States.
- Interest bearing savings accounts, certificates of deposit, and time deposits for banks and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Investment Pool.
- Repurchase agreements that meet instrument transaction requirements of Illinois law.

The City's investment policy (excluding the Pension Trust Funds) further restricts what it may invest in to the following types of investment instruments:

- U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations, which have a liquid market with a readily determinable market value.
- Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investment constituting director obligations of any bank that is insured by the Federal Deposit Insurance Corporation.
- Local government investment pools, either state-administered or through joint powers statutes or other intergovernmental agreement legislation.
- Investment-grade obligations (rated A or better) of state, provincial, and local government and public authorities.

The investment policies of the Police and Fire Pension Funds place no further limits on investments beyond those authorized by State statute.

## **Budgetary Procedures**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, certain Debt Services Funds, certain Capital Projects Funds, the Enterprise Fund (i.e., the Water and Sewerage Fund) and the Pension Trust Funds. All annual appropriations lapse at fiscal year end.

The City follows these statutory and local ordinance procedures in establishing the annual budgets:

- a) The City Manager submits to the Council a proposed operating and capital budget for the fiscal year commencing the following January 1 along with revised budget estimates for the current fiscal year. These budgets include proposed expenditures and the means of financing them.
- b) The proposed budget document is available for public inspection prior to passage and a public hearing is conducted at the Council Chambers to obtain public comment.
- c) The budget for the fiscal year commencing the following January 1 is legally enacted through the passage of an ordinance and the revised estimates for the current year budget become the adopted budget, as amended.
- d) The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that decrease the fund balance or increase total expenditures of any fund must be approved by the Council.
- e) All annual budgetary appropriations.
- f) Comparison between actual and budgeted revenue and expenditures items is employed as a management control device during the year for City funds.

## **Financial Reports**

The City’s financial statements are audited annually by certified public accountants. The City’s financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

## **No Consent or Updated Information Requested of the Auditor**

The tables contained in this “**FINANCIAL INFORMATION**” section (the “Excerpted Financial Information”) are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2024 (the “2024 Audit”), which was approved by formal action of the City Council and attached to this Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2024 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2024 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2024 Audit has not been updated since the date of the 2024 Audit. The inclusion of the Excerpted Financial Information and 2024 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2024 Audit. Questions or inquiries relating to financial information of the City since the date of the 2024 Audit should be directed to the City.

## **Summary Financial Information**

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City’s 2024 Audit.

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## Statement of Net Position Governmental Activities

	Audited as of April 30				
	2020	2021	2022	2023	2024
<b>ASSETS:</b>					
Cash and Investments .....	\$ 33,461,539	\$ 41,519,170	\$ 49,381,480	\$ 55,236,578	\$ 59,415,849
Receivables:					
Property Taxes .....	13,221,584	13,144,335	13,965,061	14,631,903	15,188,155
Accounts Receivable .....	1,686,839	2,294,029	1,435,542	1,505,477	1,296,847
Accrued Interest on Investments .....	127,849	80,509	94,921	196,763	227,957
Leases .....	0	0	0	1,584,417	1,537,523
Other .....	353,997	415,747	433,120	404,021	412,287
Prepaid Items .....	3,049,153	3,784,654	4,849,410	5,140,115	5,840,198
Internal Balances .....	19,508	(180,892)	21,946	293,804	(229,129)
Due from Custodial Funds .....	156,810	0	0	0	0
Due from Other Governments .....	4,583,998	5,354,989	5,619,312	5,653,349	6,080,695
Inventory .....	105,128	112,337	117,858	115,872	127,844
Investment in Joint Venture .....	2,627,742	2,766,076	3,253,176	3,638,377	4,598,094
Net Pension Asset .....	0	0	3,295,633	0	0
Capital Assets Not Being Depreciated .....	104,560,401	104,197,411	104,522,110	104,872,091	109,121,207
Capital Assets (Net of Accumulated Depreciation) .....	<u>79,598,328</u>	<u>84,555,723</u>	<u>80,648,819</u>	<u>82,041,849</u>	<u>82,803,759</u>
Total Assets .....	<u>\$243,552,876</u>	<u>\$258,044,088</u>	<u>\$267,638,388</u>	<u>\$275,314,616</u>	<u>\$286,421,286</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension Items - Police Pension Fund .....	\$ 8,660,112	\$ 3,354,105	\$ 4,805,869	\$ 6,444,389	\$ 5,935,557
Pension Items - Firefighters' Pension Fund .....	4,447,167	1,937,557	3,129,417	5,631,109	4,626,427
Pension Items - IMRF .....	1,451,249	1,360,464	653,153	4,456,615	3,144,313
Other Postemployment Benefits .....	<u>890,797</u>	<u>927,954</u>	<u>1,807,030</u>	<u>1,514,439</u>	<u>1,887,145</u>
Total Deferred Outflows of Resources .....	<u>15,449,325</u>	<u>7,580,080</u>	<u>10,395,469</u>	<u>18,046,552</u>	<u>15,593,442</u>
Total Assets and Deferred Outflows of Resources .....	<u>\$259,002,201</u>	<u>\$265,624,168</u>	<u>\$278,033,857</u>	<u>\$293,361,168</u>	<u>\$302,014,728</u>
<b>LIABILITIES:</b>					
Accounts Payable .....	\$ 2,581,908	\$ 5,667,707	\$ 4,943,677	\$ 5,401,083	\$ 6,410,571
Recapture Fees Payable .....	33,002	75,399	75,469	75,520	75,566
Accrued Salaries .....	396,020	581,592	465,598	734,138	701,639
Accrued Interest Payable .....	227,377	122,039	108,459	99,351	84,201
Escrows and Refundable Deposits .....	1,530,046	1,568,352	690,954	657,820	678,762
Due to Component Unit .....	59,415	152,660	191,348	3,069	127,907
Unearned Revenue .....	193,411	143,793	158,350	142,096	107,307
Noncurrent Liabilities:					
Due Within One Year .....	2,636,609	3,434,503	3,345,533	3,121,620	3,215,801
Due In More Than One Year .....	<u>77,076,759</u>	<u>56,999,639</u>	<u>63,761,591</u>	<u>74,372,616</u>	<u>73,305,970</u>
Total Liabilities .....	<u>\$ 84,734,547</u>	<u>\$ 68,745,684</u>	<u>\$ 73,740,979</u>	<u>\$ 84,607,313</u>	<u>\$ 84,707,724</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Pension Items - Police Pension Fund .....	\$ 4,386,268	\$ 6,867,750	\$ 3,515,322	\$ 2,593,007	\$ 1,738,196
Pension Items - IMRF .....	1,886,867	3,472,375	5,738,489	99,502	11,111
Pension Items - Firefighters' Pension Fund .....	2,741,067	9,399,112	4,986,074	4,161,659	3,337,244
Other Postemployment Benefits .....	57,575	51,472	789,818	723,164	796,860
Leases .....	0	0	0	1,565,494	1,466,929
Deferred Property Tax Revenues .....	<u>13,221,584</u>	<u>13,144,335</u>	<u>13,965,061</u>	<u>14,631,903</u>	<u>15,188,155</u>
Total Deferred Inflows of Resources .....	<u>22,293,361</u>	<u>32,935,044</u>	<u>28,994,764</u>	<u>23,774,729</u>	<u>22,538,495</u>
Total Liabilities and Deferred Inflows of Resources .....	<u>\$107,027,908</u>	<u>\$101,680,728</u>	<u>\$102,735,743</u>	<u>\$108,382,042</u>	<u>\$107,246,219</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets .....	\$174,038,413	\$177,510,754	\$175,285,923	\$176,875,488	\$181,837,388
Restricted for:					
Highways and Streets .....	6,251,939	8,163,778	8,523,063	8,117,336	6,536,900
Retirement .....	1,752,583	1,820,320	1,492,602	1,145,024	1,064,479
Public Safety .....	557,705	671,118	533,361	702,720	785,580
Parking .....	143,293	0	16,123	31,929	72,771
Debt Service .....	263,268	328,565	328,810	329,055	0
Capital Projects .....	410,555	1,285,626	1,165,425	1,523,017	2,189,583
Unrestricted .....	<u>(31,443,463)</u>	<u>(25,836,721)</u>	<u>(12,047,193)</u>	<u>(3,745,443)</u>	<u>2,281,808</u>
Total Net Position .....	<u>\$151,974,293</u>	<u>\$163,943,440</u>	<u>\$175,298,114</u>	<u>\$184,979,126</u>	<u>\$194,768,509</u>



**Statement of Activities  
 Governmental Activities  
 Statement of Net (Expense), Revenue and Changes in Net Position**

	Audited Fiscal Year Ended April 30				
	2020	2021	2022	2023	2024
<b>GOVERNMENTAL ACTIVITIES:(1)</b>					
General Government.....	\$ (8,563,123)	\$ (5,286,678)	\$ (5,995,520)	\$ (7,936,136)	\$ (7,153,158)
Public Safety .....	(25,784,600)	(18,901,713)	(20,989,594)	(23,793,284)	(24,980,996)
Highways and Streets.....	(8,008,028)	(6,768,045)	(6,383,286)	(7,363,616)	(9,581,596)
Culture and Recreation.....	(485,547)	(227,844)	(559,810)	(693,964)	(513,430)
Interest.....	(295,700)	(134,854)	(296,979)	(250,474)	(202,288)
Total Governmental Activities .....	<u>\$ (43,136,998)</u>	<u>\$ (31,319,134)</u>	<u>\$ (34,225,189)</u>	<u>\$ (40,037,474)</u>	<u>\$ (42,431,468)</u>
<b>GENERAL REVENUES:</b>					
Taxes:					
Property.....	\$ 13,034,033	\$ 13,698,616	\$ 13,693,963	\$ 14,543,492	\$ 15,248,645
Home Rule Sales .....	5,296,696	5,523,531	6,652,098	6,826,463	7,179,057
Auto Rental .....	42,370	39,076	59,236	60,825	58,694
Franchise Fees.....	700,274	620,139	643,023	604,830	543,973
Telecommunications Fee.....	829,847	664,080	589,605	557,117	528,630
Hotel Occupation.....	278,558	286,198	363,158	329,027	352,400
Other .....	1,199,667	1,776,695	2,011,106	2,015,315	626,955
Intergovernmental:					
Personal Property Replacement.....	153,893	166,446	383,730	526,372	376,351
State Sales and Use.....	13,315,600	14,035,251	15,405,431	15,819,262	16,687,890
State Income Tax .....	4,008,499	4,670,667	5,835,642	6,506,600	6,592,621
Investment income .....	1,317,219	375,853	(1,716,158)	329,908	1,924,376
Miscellaneous.....	2,295,775	1,999,312	1,946,219	1,716,455	2,199,979
Transfers.....	0	(156,810)	(287,190)	0	(98,720)
Total General Revenues.....	<u>\$ 42,472,431</u>	<u>\$ 43,699,054</u>	<u>\$ 45,579,863</u>	<u>\$ 49,835,666</u>	<u>\$ 52,220,851</u>
Change in Net Position.....	\$ (664,567)	\$ 12,379,920	\$ 11,354,674	\$ 9,798,192	\$ 9,789,383
Net Position - Beginning .....	<u>\$152,638,860(2)</u>	<u>\$151,563,520(2)</u>	<u>\$163,943,440</u>	<u>\$175,180,934(2)</u>	<u>\$184,979,126</u>
Net Position - Ending.....	<u>\$151,974,293</u>	<u>\$163,943,440</u>	<u>\$175,298,114</u>	<u>\$184,979,126</u>	<u>\$194,768,509</u>

Notes: (1) Expenses net of program revenues of charges for services, operating grants and contributions, and capital grants and contributions.  
 (2) As restated.

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**General Fund  
 Balance Sheet (I)**

	Audited as of April 30				
	2020	2021	2022	2023	2024
<b>ASSETS:</b>					
Cash and Investments.....	\$ 17,703,939	\$ 16,385,181	\$ 13,148,162	\$ 13,115,284	\$ 15,387,522
Receivables:					
Property Taxes.....	4,527,024	4,905,343	5,709,391	5,709,394	5,839,206
Accounts Receivable.....	483,428	1,106,322	726,398	480,140	410,855
Accrued Interest on Investments.....	89,564	74,546	81,138	180,362	188,505
Leases.....	0	0	0	1,584,417	1,537,523
Other.....	0	42,166	42,006	201,370	201,363
Prepaid Items.....	3,041,285	3,169,919	4,092,210	4,405,755	4,999,799
Inventory.....	105,128	112,337	117,858	115,872	127,844
Due from Other Governments.....	4,451,386	5,176,118	5,430,132	5,456,192	5,873,078
Due from Other Funds.....	249,002	165,270	64,761	80,292	24,789
Advance from Other Funds.....			95,214	181,191	186,773
Total Assets.....	<u>\$30,650,756</u>	<u>\$31,137,202</u>	<u>\$29,507,270</u>	<u>\$31,510,269</u>	<u>\$34,777,257</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,          AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable.....	\$ 1,857,027	\$ 2,256,440	\$ 2,773,039	\$ 2,133,064	\$ 2,343,491
Recapture Fees.....	(42,327)	0	0	0	0
Accrued Salaries.....	246,608	310,049	299,574	289,692	455,663
Escrows and Refundable Deposits.....	1,530,046	1,568,352	690,954	657,820	678,762
Due To Component Unit.....	59,415	152,660	191,348	3,069	127,907
Due to Other Funds.....	16,335	131,586	16,420	10,294	154,862
Unearned Revenue.....	0	56,495	75,663	63,082	22,670
Total Liabilities.....	<u>\$ 3,742,512</u>	<u>\$ 4,475,582</u>	<u>\$ 4,046,998</u>	<u>\$ 3,157,021</u>	<u>\$ 3,783,355</u>
Deferred Inflows of Resources:					
Deferred Revenues - Property Tax.....	\$ 4,527,024	\$ 4,905,343	\$ 5,709,391	\$ 5,709,394	\$ 5,839,206
Lease Items.....	0	0	0	1,565,494	1,466,929
Total Deferred Inflows of Resources.....	<u>\$ 4,527,024</u>	<u>\$ 4,905,343</u>	<u>\$ 5,709,391</u>	<u>\$ 7,274,888</u>	<u>\$ 7,306,135</u>
Fund Balances:					
Nonspendable.....	\$ 3,146,413	\$ 3,282,256	\$ 4,210,068	\$ 4,702,818	\$ 5,314,416
Committed.....	122,612	338,750	424,350	583,848	865,295
Assigned.....	3,632,706	4,687,516	347,797	368,929	2,108,555
Unassigned.....	15,479,489	13,447,755	14,768,666	15,422,765	15,399,501
Total Fund Balances.....	<u>\$22,381,220</u>	<u>\$21,756,277</u>	<u>\$19,750,881</u>	<u>\$21,078,360</u>	<u>\$23,687,767</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances.....	<u>\$30,650,756</u>	<u>\$31,137,202</u>	<u>\$29,507,270</u>	<u>\$31,510,269</u>	<u>\$34,777,257</u>

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## General Fund Statement of Revenues and Expenditures(1)

	Audited Fiscal Year Ended April 30				
	2020	2021	2022	2023	2024
<b>REVENUES:</b>					
Charges for Services .....	\$ 564,354	\$ 294,700	\$ 567,738	\$ 629,919	\$ 1,079,746
Licenses and Permits .....	664,877	934,440	815,415	845,031	1,266,076
Intergovernmental .....	17,505,083	20,406,028	21,777,052	22,918,724	23,772,042
Fines and Forfeitures.....	392,492	295,933	323,749	458,358	498,692
Property Taxes .....	4,229,953	4,564,751	4,954,921	5,767,466	5,768,388
Other Taxes .....	7,147,745	7,133,024	8,307,120	8,441,193	8,987,418
Investment Income .....	1,028,881	345,461	(1,551,558)	558,942	1,623,809
Miscellaneous.....	<u>2,353,478</u>	<u>1,922,878</u>	<u>2,219,468</u>	<u>1,751,406</u>	<u>1,593,482</u>
Total Revenues .....	<u>\$33,886,863</u>	<u>\$35,897,215</u>	<u>\$ 37,413,905</u>	<u>\$41,371,039</u>	<u>\$ 44,589,653</u>
<b>EXPENDITURES:</b>					
Current:					
General Government .....	\$ 7,948,976	\$ 7,176,526	\$ 6,134,663	\$ 6,325,891	\$ 6,766,540
Public Safety .....	14,477,401	14,886,476	15,846,206	17,041,614	17,373,063
Highways and Streets.....	4,708,981	5,055,031	5,596,351	5,976,689	6,164,077
Culture and Recreation.....	647,276	495,401	761,522	912,460	901,246
Debt Service:					
Principal .....	39,476	40,316	41,156	53,571	41,997
Interest and Fees .....	<u>13,969</u>	<u>13,179</u>	<u>12,373</u>	<u>11,543</u>	<u>10,720</u>
Total Expenditures.....	<u>\$27,836,079</u>	<u>\$27,666,929</u>	<u>\$ 28,392,271</u>	<u>\$30,321,768</u>	<u>\$ 31,257,643</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures .....	\$ 6,050,784	\$ 8,230,286	\$ 9,021,634	\$11,049,271	\$ 13,332,010
Other Financing Sources/(Uses):					
Operating Transfers In/(Out).....	\$ (3,299,671)	\$ (8,640,175)	\$(11,163,091)	\$ (9,721,792)	\$(10,784,791)
Proceeds from the Sale of Fixed Assets .....	<u>52,807</u>	<u>195,719</u>	<u>136,061</u>	<u>0</u>	<u>62,188</u>
Total Other Financing Sources/ (Uses).....	<u>\$ (3,246,864)</u>	<u>\$ (8,444,456)</u>	<u>\$(11,027,030)</u>	<u>\$ (9,721,792)</u>	<u>\$(10,722,603)</u>
Excess/(Deficiency) of Revenues and Other Financing Sources/(Uses) Over/(Under) .....	\$ 2,803,920	\$ (214,170)	\$ (2,005,396)	\$ 1,327,479	\$ 2,609,407
Beginning Fund Balance .....	<u>\$19,577,300(1)</u>	<u>\$21,970,447(1)</u>	<u>\$ 21,756,277</u>	<u>\$19,750,881</u>	<u>\$ 21,078,360</u>
Ending Fund Balance .....	<u>\$22,381,220</u>	<u>\$21,756,277</u>	<u>\$ 19,750,881</u>	<u>\$21,078,360</u>	<u>\$ 23,687,767</u>

Note: (1) Restated.

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**General Fund  
 Budget Financial Information(1)**

	Budget Eight Months Ended <u>12/31/2024(2)</u>	Estimate Eight Months Ended <u>12/31/2024(2)(3)</u>	Budget Twelve Months Ended <u>12/31/2025</u>
<b>REVENUES:</b>			
Property Taxes .....	\$ 5,898,176	\$ 5,864,841	\$ 6,309,638
Intergovernmental.....	14,415,658	15,943,391	24,043,455
Licenses and Permits .....	652,000	738,147	805,500
Other Taxes.....	9,026,570	7,073,416	13,888,077
Fines and Forfeits.....	312,000	318,967	465,000
Charges for Services .....	487,000	593,613	607,000
Interest Income.....	250,000	793,155	300,000
Miscellaneous.....	<u>818,033</u>	<u>907,828</u>	<u>967,570</u>
Total Revenues .....	\$31,859,437	\$32,233,358	\$47,386,240
<b>EXPENDITURES:</b>			
General Government.....	\$ 5,786,600	\$ 4,720,319	\$ 8,257,584
Public Safety .....	14,710,628	13,797,042	19,611,060
Highways and Streets.....	5,196,691	4,194,620	7,858,850
Culture and Recreation.....	818,483	686,713	854,145
Debt Service.....	<u>53,763</u>	<u>53,563</u>	<u>53,730</u>
Total Expenditures.....	\$26,566,165	\$23,452,257	\$36,635,369
Revenues Over (Under) Expenditures .....	\$ 5,293,272	\$ 8,781,101	\$10,750,871
Other Financing Sources (Uses).....	\$ (7,022,865)	\$(6,772,103)	\$(5,011,740)
General Fund Surplus/(Deficit).....	\$ (1,729,593)	\$ 2,008,998	\$ 5,739,131

- Notes: (1) Source: the City.  
 (2) On May 1, 2024, the City transitioned from an April 30 fiscal year end to a December 31 fiscal year end.  
 (3) Subject to change.

**PENSION AND RETIREMENT OBLIGATIONS**

The latest audited pension information is contained in **APPENDIX A** herein.

The City participates in three defined benefit pension plans: (i) the Illinois Municipal Retirement Fund (the “*IMRF Plan*”), (ii) the Police Pension Plan (the “*Police Pension Plan*”), and (iii) the Firefighters’ Pension Plan (the “*Fire Pension Plan*” and, together with the IMRF Plan and the Police Plan, the “*Pension Plans*”). The Pension Plans provide defined benefit pension benefits to the City’s employees, retirees and beneficiaries. The IMRF Plan is an agent multiple-employer public employee retirement system, and the Police Pension Plan and the Fire Pension Plan are single-employer pension plans. The City makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Pension Code. This section first describes certain concepts related to pensions generally, then describes the applicable provisions of the Pension Plans. These concepts are more completely described in Note 14 to the Audit attached hereto as **APPENDIX A**.

The Pension Code allows the State Comptroller to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City (*the "Recapture Provisions"*). If the City fails to contribute to the Police Pension Plan or the Fire Pension Plan as required by the Pension Code, the City will be subject to a reallocation of payments of State funds to the City if (i) the City fails to make the required payment for 90 days past the due date, (ii) the subject retirement fund gives notice of the failure to the City, and (iii) such retirement fund certifies to the State Comptroller that such payment has not been made. Upon the occurrence of these events, the State Comptroller will withhold payments of State funds from the City in an amount not in excess of the delinquent payment amount. Should the Recapture Provision be invoked as a result of the City's failure to contribute all or a portion of its required contribution, a reduction in payments of State funds may have an adverse impact on the City's finances.

## **Background Regarding Pension Plans**

### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of a Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (*the "GASB Standards"*) issued by GASB, as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

### *GASB Standards*

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a "Net Pension Liability" or "Net Pension Asset", which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the "*Total Pension Liability*") and the fair market value of the pension plan's assets (referred to as the "*Fiduciary Net Position*").

Furthermore, the GASB Standards employ a rate, referred to in such statements as the "Discount Rate," which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) along-term expected rate of return on a pension plan's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

### *Pension Plans Remain Governed by the Pension Code*

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the City to the Pension Plans in each year.

### **Illinois Municipal Retirement Fund**

The City participates in the IMRF Plan, which is a defined-benefit, agent multiple employer pension plan administered by the IMRF that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF Plan is established and administered under statutes adopted by the General Assembly of the State (the “*General Assembly*”). The Pension Code sets the benefit provisions of the IMRF Plan, which can only be amended by the General Assembly.

Each employer participating in the IMRF Plan, including the City has an employer reserve account with the IMRF Plan separate and distinct from all other participating employers (the “*IMRF Account*”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “*IMRF Board*”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 14 to the Audit for additional information on the IMRF Plan’s actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

### *Contributions*

Both employers and employees contribute to the IMRF Plan. At present, employees contribute 4.50% of their salary to the IMRF Plan, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF Plan to its employees. The annual rate at which an employer must contribute to the IMRF Plan is established by the IMRF Board. The City’s contribution rate for fiscal year 2024 was 9.57% of covered payroll.

For the calendar years ended December 31, 2019 through December 31, 2023, the City contributed the following amounts to IMRF:

CALENDAR YEAR ENDED DECEMBER 31	IMRF CONTRIBUTION
2019	\$1,260,041
2020	1,615,854
2021	1,592,450
2022	1,424,027
2023	1,131,163

Source: The City.

### Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2019 through December 31, 2023 which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION LIABILITY/ASSET	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2019	\$77,456,989	\$69,942,301	\$ 7,514,688	90.30%	7.25%
2020	81,947,151	79,528,510	2,418,641	97.05%	7.25%
2021	85,291,397	91,293,034	(6,001,637)	107.04%	7.25%
2022	89,794,289	78,065,843	11,727,446	86.94%	7.25%
2023	92,960,518	84,150,591	8,809,927	90.52%	7.25%

Source: The City.

See Note 14 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the City's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

### Police Pension Plan

The City provides retirement, death and disability benefits to its sworn police personnel and retirees and their beneficiaries through the Police Pension Plan. The Police Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Police Pension Plan and the amount of employer and employee contributions to the Police Pension Plan are governed by the Pension Code and may only be amended by the General Assembly.

### Contributions

As stated above, both the City and its participating employees make contributions to the Police Pension Plan. At present, employees contribute 9.91% of their salary to the Police Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Police Pension Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Police Pension Plan for such year plus an amount sufficient to bring the total assets of the Police Pension Plan up to 90% of the total actuarial liabilities of the Police Pension Plan by the end of fiscal year 2040, as determined by an actuary (the “*Police Pension Plan Funding Requirement*”). However, the City has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040. The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Police Pension Plan Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Police Pension Plan over a closed period of time, the City’s required contributions to the Police Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

The City’s contribution rate for fiscal year 2024 51.05% of covered payroll. For the fiscal year ended April 30, 2024, the City contributed \$3,482,254 to the Police Pension Plan, which compares to a contribution of \$3,481,415 for the fiscal year ended April 30, 2023.

The City’s actuarially determined contributions and contributions with respect to such contributions for the last five fiscal years were as follows:

FISCAL YEAR ENDED APRIL 30	EMPLOYER CONTRIBUTIONS	ACTUARIALLY DETERMINED CONTRIBUTION (ADC)	% OF ADC
2020	\$2,386,343	\$2,391,323	99.79%
2021	2,685,733	2,690,477	99.82%
2022	2,930,906	2,930,906	100.00%
2023	3,481,415	3,481,415	100.00%
2024	3,482,254	3,368,127	103.39%

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Source: The City.



*Measures of Financial Position*

The following table provides statistical information produced pursuant to the GASB Standards with respect to the Police Pension Plan for each of the last five fiscal years:

FISCAL YEAR ENDED APRIL 30	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2020	\$77,085,285	\$39,455,975	\$37,629,310	51.18%	7.25%
2021	80,786,934	50,745,977	30,040,957	62.81%	7.25%
2022	82,609,705	48,047,669	34,562,036	58.16%	7.25%
2023	86,802,602	49,287,365	37,515,237	56.78%	7.25%
2024	92,431,825	53,915,969	38,515,856	58.33%	7.25%

Source: The City.

For the fiscal year ended April 30, 2024, the City recognized pension expense of \$4,136,894, deferred outflows of resources of \$5,935,557 and deferred inflow of resources of \$1,738,196.

See Note 14 to the Audit, and the related required supplementary information disclosures, for a description of the Police Pension Plan, the City’s funding policy, information on the assumptions and methods used by the actuary for the Police Pension Plan, and the financial reporting information required by the GASB Standards.

**Fire Pension Plan**

The City provides retirement, death and disability benefits to its sworn fire personnel and retirees and their beneficiaries through the Fire Pension Plan. The Fire Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Fire Pension Plan and the amount of employer and employee contributions to the Fire Pension Plan are governed by the Pension Code and may only be amended by the General Assembly.

*Contributions*

As stated above, both the City and its participating employees make contributions to the Fire Pension Plan. At present, employees 9.455% of their salary to the Fire Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Fire Pension Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Fire Pension Plan for such year plus an amount sufficient to bring the total assets of the Fire Pension Plan up to 90% of the total actuarial liabilities of the Fire Pension Plan by the end of fiscal year 2040, as determined by an actuary (the “*Fire Pension Plan Funding Requirement*”). However, the City has adopted a funding policy using the entry-age normal cost method that will result in funding of 100% of the past service cost by 2040. The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution.

As the Fire Pension Plan Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Fire Pension Plan over a closed period of time, the City’s required contributions to the Fire Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

The City’s contribution rate for fiscal year 2024 was 33.51% of covered payroll. For the fiscal year ended April 30, 2024, the City contributed \$2,286,134 to the Fire Pension Plan, which compares to a contribution of \$2,285,797 for the fiscal year ended April 30, 2023.

The City’s pension contributions and contributions with respect to such contributions for the last five fiscal years were as follows:

FISCAL YEAR ENDED APRIL 30	EMPLOYER CONTRIBUTIONS	ACTUARIALLY DETERMINED CONTRIBUTION (ADC)	% OF ADC
2020	\$1,843,179	\$1,847,033	99.79%
2021	1,878,976	1,882,261	99.83%
2022	2,023,991	2,023,967	100.00%
2023	2,285,797	2,203,496	103.74%
2024	2,286,134	2,030,416	112.59%

Source: The City.

### Measures of Financial Position

The following table provides statistical information produced pursuant to the GASB Standards with respect to the Fire Pension Plan for each of the last five fiscal years:

FISCAL YEAR ENDED APRIL 30	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2020	\$58,971,088	\$40,160,833	\$18,810,255	68.10%	7.25%
2021	61,068,801	52,242,066	8,826,735	85.55%	7.25%
2022	63,501,469	49,662,915	13,838,554	78.21%	7.25%
2023	68,210,513	50,785,349	17,425,164	74.45%	7.25%
2024	73,949,130	56,338,408	17,610,722	76.19%	7.25%

Source: The City.

For the fiscal year ended April 30, 2024, the City recognized pension expense of \$2,651,959, deferred outflows of resources of \$4,626,427 and deferred inflows of resources of \$3,337,244.

See Note 14 to the Audit, and the related required supplementary information disclosures, for a description of the Fire Pension Plan, the City’s funding policy, information on the assumptions and methods used by the actuary for the Fire Pension Plan, and the financial reporting information required by the GASB Standards.

## OPEB Summary

The City provides post-employment benefits (“*OPEB*”) other than pensions. The City provides limited health care insurance coverage for its eligible retired employees. Full-time employees who retire and are eligible for a pension under the IMRF Plan, Police Pension Plan or Fire Pension Plan can elect to continue their medical insurance for life by paying the full price of the insurance under any of the Pension Plans offered by the City. They also have the option to continue their dental coverage for 18 months from the date of retirement. The retirees are allowed to participate in the same healthcare plan as active employees but must pay their full premium. Premiums are the same for active and retired employees. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation. See Note 13 to the Audit, and the related required supplementary information disclosures, for a description of the OPEB.

## REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond beginning at the close of business on the first day of the month in which an interest payment date occurs on such Bond (known as the Record Date) and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner’s legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

## TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth in **APPENDIX D** herein.

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **APPENDIX D** herein. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, there is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

## CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (“Chapman and Cutler”), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the City. Chapman and Cutler has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although as Disclosure Counsel to the City, Chapman and Cutler has assisted the City with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the City, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

## OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

## INVESTMENT RATING

The Bonds have been rated “AAA” (Stable Outlook) by S&P. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described in “CONTINUING DISCLOSURE”, the form of which is attached hereto as **APPENDIX D**, neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

## UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on March 25, 2025. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ \_\_\_\_\_ (reflecting the par amount of \$ \_\_\_\_\_, plus a net reoffering premium of \$ \_\_\_\_\_, and less an Underwriter’s discount of \$ \_\_\_\_\_). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the prices or yields set forth on the cover of the Final Official Statement

## MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

### CERTIFICATION

We have examined this Official Statement dated March 12, 2025 for the \$9,595,000\* General Obligation Bonds, Series 2025, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ \_\_\_\_\_  
*City Manager*  
**CITY OF CRYSTAL LAKE**  
McHenry County, Illinois

/s/ \_\_\_\_\_  
*Director of Finance/Treasurer*  
**CITY OF CRYSTAL LAKE**  
McHenry County, Illinois

\*Subject to change.



**APPENDIX A**

**CITY OF CRYSTAL LAKE  
MCHENRY COUNTY, ILLINOIS**

**FISCAL YEAR ENDED APRIL 30, 2024 AUDITED FINANCIAL STATEMENTS**



CITY OF  
*Crystal Lake* Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2024

**CITY OF CRYSTAL LAKE, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2024

Prepared by the Finance Department

Jodie Hartman  
Director of Finance

**CITY OF CRYSTAL LAKE, ILLINOIS**  
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## **INTRODUCTORY SECTION**



CITY OF  
*Crystal Lake*  
ILLINOIS

October 17, 2024

Mayor Haig Haleblian  
Members of the City Council  
Citizens of the City of Crystal Lake, Illinois

We submit to you the Annual Comprehensive Financial Report of the City of Crystal Lake, Illinois, for the fiscal year ended April 30, 2024. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year complete a set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Crystal Lake for the fiscal year ended April 30, 2024.

This report consists of management's representations concerning the finances of the City of Crystal Lake. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis to make these representations, management of the City of Crystal Lake has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Crystal Lake's financial statements in conformity with GAAP. The Finance Department takes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position of the City and the results of its operations as measured by the financial activity of its various funds, and includes all the disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

The City of Crystal Lake's financial statements have been audited by Sikich CPA LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Crystal Lake for the fiscal year ended April 30, 2024 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Crystal Lake's financial statements for the fiscal year ended April 30, 2024, are fairly presented in conformity with GAAP. This "clean" opinion is the highest obtainable opinion, a statement of not

only reliability of the financial information, but also to the high level of professionalism and integrity of the staff. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Crystal Lake's Annual Comprehensive Financial Report presents the Management's Discussion and Analysis (MD&A), basic financial statements and required supplemental information. The MD&A provides an analytical overview of the City's financial activity. Included in the basic financial statements are the government-wide financial statements, fund financial statements and notes to the financial statements. The required supplementary information presents the budgetary comparison schedules and other schedules. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **PROFILE OF THE CITY OF CRYSTAL LAKE**

The City of Crystal Lake, incorporated in 1914, is in the southeastern portion of McHenry County, which is the furthest northwestern county in the Chicago metropolitan region. The City of Crystal Lake currently occupies a land area of 19.24 square miles and serves a population of 40,269 according to the 2020 Decennial Census. The City of Crystal Lake is empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Crystal Lake has operated under the Council-Manager form of government since 1957. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments, including the City Attorney. The City Council is elected at-large on a non-partisan basis. Council members serve four-year staggered terms.

This report encompasses all funds of the City of Crystal Lake. The City of Crystal Lake provides a full range of services, including police and fire protection; recreation; construction and maintenance of highways, streets, and infrastructure; maintenance of the public storm drainage system; water, sanitary sewer service and wastewater treatment; and growth management, planning and development control through the activities of the Community Development Department. In addition to these general governmental activities, the City has certain information relative to the public library (a discretely presented component unit) and police and fire pension systems (blended component units). Therefore, these activities have been included in the City of Crystal Lake's financial reporting entity.

The annual budget serves as the foundation for the City of Crystal Lake's financial planning and control. All agencies of the City of Crystal Lake are required to submit requests for appropriation to the City Manager. The City Manager and Director of Finance use these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than April 30th, the close of the City of Crystal Lake's fiscal year. Starting January 1, 2025, the City's fiscal year will move to match the calendar year which will make December 31<sup>st</sup> the new close of the City's fiscal year. The budget is prepared

by fund and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Crystal Lake operates.

### **Local Economy**

The City of Crystal Lake enjoys a rather stable economic environment. With inflation, supply chain issues, and geopolitical events having a substantial effect on the national economy, the City has been able to withstand the financial consequences without reducing services. The largest single source of revenue is sales tax, which reflects the current economic trends with the attractions of new retail and restaurants.

Development and property management represents a significant challenge and priority for the City. Utilization of impact fees and sophisticated policies requiring development to fund its own infrastructure cost illustrate the fact that the City has growth management initiatives. The City's impact fees and growth-funded infrastructure requirements have ensured that the City's taxpayers are not burdened by development.

New construction in the residential and commercial sectors continues to add value to the City. Of particular note, Lennar, the nation's largest homebuilder, almost completed construction of a 500-unit residential development, Woodlore Estates, on the northeast section of Crystal Lake. The Springs at Three Oaks, a 280 unit luxury apartment complex, was completed in 2022. Enclave, a 99 unit luxury rental project was completed in 2024 and Redwood, a 304 rental ranch townhome community plans to be completed in 2025. More housing is currently underway including Clover Communities, a 121-unit age-restricted independent living apartment complex; and Woodlore Townes, a 47-unit townhome community.

Despite substantial competition that has occurred from commercial growth in many of the areas surrounding Crystal Lake and the difficult retail environment for certain players in the very competitive Chicago arena, the retail sector has remained stable and has grown slightly over the past year. The City has continued to maintain strength as a retail base for serving regular commercial needs for the immediate City population, and has continued as a regional point for commercial activities.

Route 14 serves as a retail corridor for the City of Crystal Lake, with a variety of tenants occupying space in several shopping centers. In 2023, 1,100,122 square feet of commercial space was occupied. The Route 14 corridor provides a variety of large national tenants as well as dining options ranging from fine dining to fast casual.

The downtown sector continues to be a vibrant commercial destination, with its own unique dining, specialty shops, services and entertainment options. The downtown district is home to the Raue Center for the Arts, an 800-seat theatre that provides a unique draw for the downtown area as the largest performing arts theater in McHenry County.

Crystal Lake continues to be an attractive place to live and conduct business. The City is fortunate to have two Metra train stations within the corporate limits. In 2023 Crystal Lake welcomed sixty-five new businesses. The City is also home to several large auto retailers, all of which over the past decade have completed substantial renovations or expansions of their dealerships.

Once again, the City has continued to have a very low property tax rate for municipal services compared to other municipalities in southeastern McHenry County. The continued development of the City's non-residential tax base and the stable retail sector of the community have facilitated this position. The City's retail base helps defray the cost of most General Fund supported services, such as police protection, street maintenance, brush and leaf pickup, and other services. The City has continued to maintain strength as a retail base for serving regular commercial needs for the immediate City population and has continued as a regional point for commercial activities.

### **LONG-TERM FINANCIAL PLANNING**

The City of Crystal Lake is well-positioned for growth, both geographically and economically. Located 50 miles northwest of Chicago, Crystal Lake benefits from a continually growing population and workforce. The City's median household income is approximately 37% above the national average and approximately 31% above the State average. Over 40% of residents twenty-five or older have college degrees, compared to the State and National averages of 37% and 34% respectively.

Crystal Lake, like all municipalities, must continually evolve to meet the changing needs of its citizens. Because the City is a service provider, its main expenditures are personnel-related. City staff continuously examine municipal services for efficiency, effectiveness, usefulness and sustainability, and develops options and strategies that enable the City to match resources (financial, physical and human) to the desired level of service.

The City is committed to maintaining a low property tax rate. On December 5, 2023, the Crystal Lake City Council adopted a property tax levy ordinance that maintained a zero General Fund levy, which has been in place since 1997. The City's overall levy included a modest overall increase of 3%, primarily attributable to increased funding to Fire Rescue Department and the City's pension obligations. With overall growth to the City's tax base from new construction, the impact to property owners was a decrease of 3.5% for the City's levy. The City takes pride in minimizing the use of property taxes, relying upon other revenue sources for funding both operations and capital expenditures.

The City sponsors single employer defined benefit pension plans for its sworn police officers and for its sworn firefighters. Each year, an independent actuary calculates the amount of the annual contribution. As a matter of policy, the City fully funds each year's annual required contributions as determined by the actuary. As of April 30, 2024, the Police Pension plan's fiduciary net position as a percentage of the total pension liability was 58.33%. As of April 30, 2024, the Fire Pension plan's fiduciary net position as a percentage of the total pension liability was 76.19%. Unfunded amounts are being systematically funded as part of the annual required contribution until 2040 when each fund's assets shall be equal to its pension obligations.

The City also provides pension benefits for its non-public safety employees. These benefits are provided through a state-wide plan that is managed by the Illinois Municipal Retirement Fund (IMRF). Additional information on the City's pension arrangements can be found in Note 14 of the financial statements. As of December 31, 2023, the date of the most recent actuarial valuation, the IMRF plan's fiduciary net position as a percentage of the total pension liability was 90.52%.

In 2022, Standard and Poor's upgraded the City to a AAA stable rating. The City of Crystal Lake's AAA credit rating represents the highest credit rating that can be earned by an organization and has been assigned to very few governments within the State of Illinois. According to S&P, the City of Crystal Lake "embodies many characteristics of a 'AAA' issuer, including a diverse economy that is independently strong and growing...with consistently stable financial operating results with no discernible budgetary pressures... and a sophisticated and knowledgeable management team that has strong planning practices." At the end of the current fiscal year, the City had \$45.15 million of debt instruments outstanding. The City also has \$7.33 million relating to Special Service Area obligations which are not the financial responsibility of the City. Under current state statute, the City has no legal debt limit on general obligation debt.

## **FINANCIAL POLICIES**

The City of Crystal Lake's Financial Policies provide the basic framework for the fiscal management of the City. The policies provide guidelines for evaluating both current activities and proposals for future programs. Most of the policies represent longstanding principles, traditions and practices that have guided the City in the past and have helped maintain the City's financial stability. The following are detailed in the City of Crystal Lake's Financial Policies:

- Purchasing
- Travel and Training
- City Credit Card
- Petty Cash
- Donation Acceptance
- Economic Development Incentives
- Cash Receipts
- Accounting and Financial Reporting
- Accounts Payable and Vendor Disbursements
- Surplus Personal Property Disposal
- Accounts Receivable and Collections
- Grant Management
- Annual Budget
- Debt Management
- Investments
- Fraud Reporting
- Capital Assets



## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Crystal Lake for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended April 30, 2023. This results in thirty-four consecutive years that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

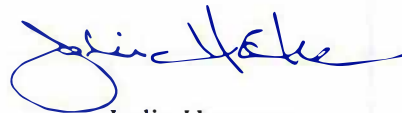
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Crystal Lake received the Distinguished Budget presentation award for the Fiscal Year 2024 Budget document for the sixteenth consecutive year. The City also received its third consecutive Certificate of Achievement for Excellence in Popular Financial Reporting for Fiscal Year 2023. It is an honor for the City of Crystal Lake to receive these three awards from the National GFOA.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report, especially Assistant Finance Director Adam Orton and Accounting Manager Stephanie Wrolson. Without the support given by the Mayor and the City Council and their unfailing commitment to maintaining the highest standards of professionalism in the management of the City of Crystal Lake's finances, this report would not be possible. Recognition and acknowledgement of the essential nature of their support and commitment to effective and responsible local government financial operations, which has enabled a report that is believed to meet the requirements of the GFOA Certificate of Achievement Program again this year, is an appropriate conclusion to this year's report.



Eric Helm  
City Manager



Jodie Hartman  
Director of Finance/Treasurer





# CITY OF CRYSTAL LAKE, ILLINOIS

## CITY OFFICIALS

As of April 30, 2024

### **MAYOR**

Haig Haleblian

### **COUNCILMEMBERS**

Ellen Brady

Cameron Hubbard

Amanda Montford

Brett Hopkins

Ian Philpot

Denise Smith

### **CITY CLERK**

Nick Kachiroubas

### **ADMINISTRATION**

Eric Helm

Nicholas Hammonds

Kathryn Cowlin

Jodie Hartman

Julie Meyer

Steven Weishaar

Michael P. Magnuson

Craig Snyder

James Black

City Manager

Assistant City Manager

Director of Community Development

Director of Finance/Treasurer

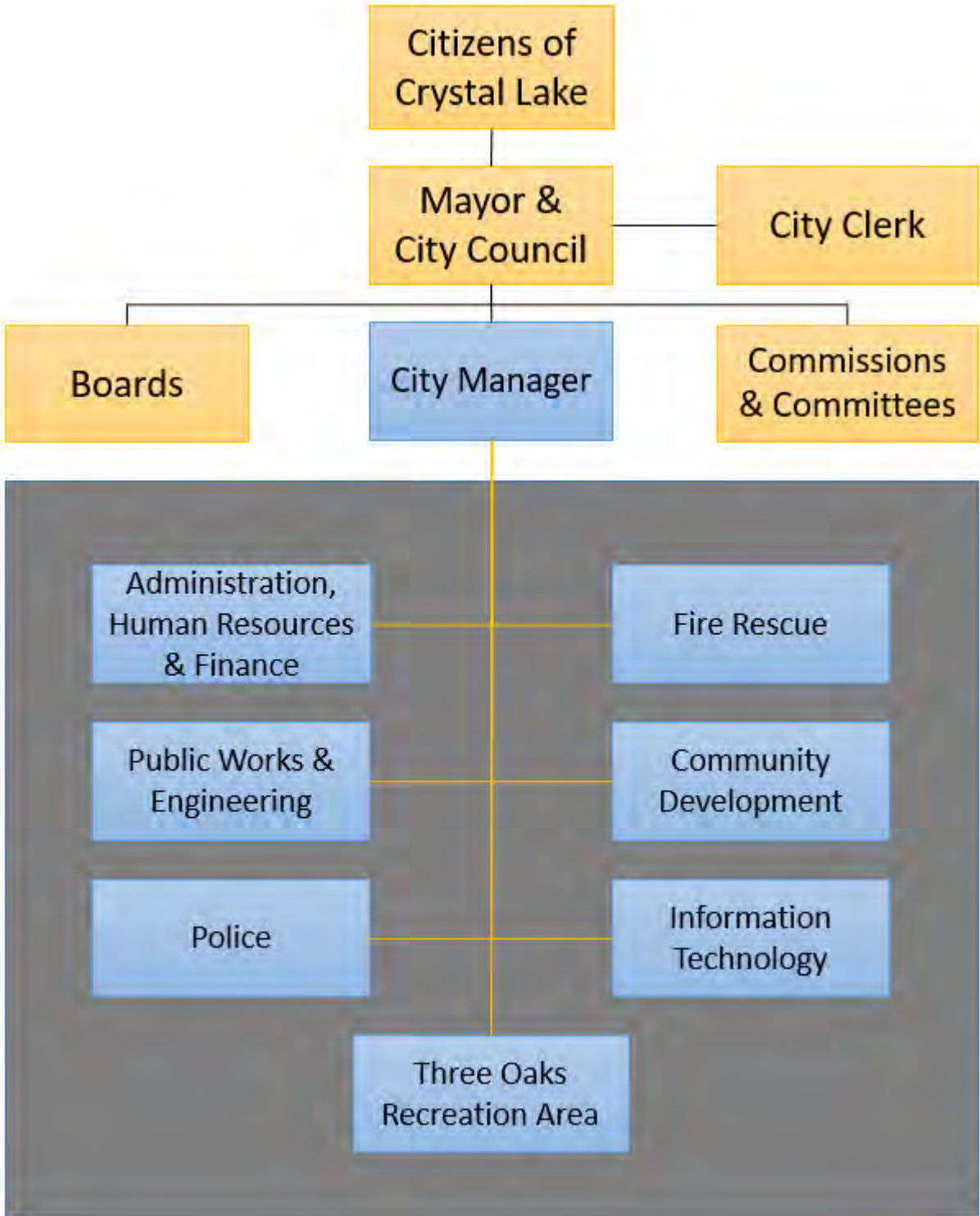
Director of Human Resources

Director of Information Technology

Director of Public Works

Chief of Fire Rescue

Chief of Police





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Crystal Lake  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

April 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the City Council  
City of Crystal Lake, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Crystal Lake, Illinois (the City), as of and for the year ended April 30, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Crystal Lake, Illinois, as of April 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections, and continuing disclosure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sibich CPA LLC*

Naperville, Illinois  
October 17, 2024



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

[SIKICH.COM](http://SIKICH.COM)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor  
Members of the City Council  
City of Crystal Lake, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Crystal Lake, Illinois (the City), as of and for the year ended April 30, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 17, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich CPA LLC*

Naperville, Illinois  
October 17, 2024

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Crystal Lake Management Discussion and Analysis (MD&A) is designed to 1) assist the reader in focusing on significant financial issues, 2) provide an overview of the City's financial activity, 3) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), 4) identify any material deviations from the financial plan (the approved budget), and 5) identify individual fund issues and concerns.

As management of the City of Crystal Lake (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2024. We encourage readers of this document to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to vii of this report.

**FINANCIAL HIGHLIGHTS**

**CITY FUNDS AS A WHOLE**

The statement of net position presents information on all of the City's assets/deferred outflows and liabilities/deferred inflows as of April 30, 2024, with the difference reported as net position.

- **Net position**, excluding the Crystal Lake Public Library, was \$269.34 million.
- **Change in net position** due to activity during the year was an increase of \$17.21 million.
- **Combined revenues** totaled \$85.14 million, an increase of 6.3%
- **Combined expenses** totaled \$67.93 million, a decrease of 0.04%

**GENERAL FUND**

- **Revenues** for the fiscal year totaled \$44.59 million, an increase of \$3.22 million.
- **Expenditures** for the fiscal year totaled \$31.26 million, an increase of \$936k.
- **Fund Balance** as of April 30, 2024 was \$23.69 million. The net change in fund balance due to activity during the fiscal year was an increase of \$2.61 million.

**BUSINESS-TYPE ACTIVITIES (Waterworks and Sewerage Fund)**

- **Operating revenues** for the fiscal year totaled \$15.01 million, an increase of \$588k.
- **Operating expenses** for the fiscal year totaled \$13.67 million, a decrease of \$518k. Depreciation and amortization of capital assets, a non-cash expense totaling \$4.36 million, is included in the operating expenses total.

**LONG-TERM DEBT**

- **Bonded Debt for governmental activities outstanding** as of April 30, 2024 decreased \$824k to \$5.33 million during the year.
- **Bonded Debt for business-type activities outstanding** as of April 30, 2024 decreased \$2.03 million to \$19.37 million during the year.
- **Net Pension Liability for Public Safety Pensions** increased \$1.19 million to \$56.13 million. This includes the liabilities for both Police and Firefighters' Pension Funds.
- **Net Pension Liability for IMRF** (non-sworn employees excluding the Crystal Lake Library) decreased \$2.32 million, to net pension liability of \$7 million as of December 31, 2023.

## CITY OF CRYSTAL LAKE MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL INVESTMENT

- **City-wide assets**, net of depreciation, total \$279.80 million at April 30, 2024, an increase of \$6.50 million.
- **Governmental capital assets** net of depreciation increased \$5.01 million to \$191.92 million.
- **Business-type capital assets** net of depreciation increased \$1.48 million to \$87.87 million, primarily for infrastructure.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The notes to the financial statements are considered integral to the financial statements. In addition to the basic financial statements and notes, this report also contains required supplementary information, other supplementary information and statistical information.

The City's basic financial statements comprise two components: 1) Government-wide financial statements and 2) Fund financial statements. The combination of government-wide and fund financial statements allows the City to present fairly and with full disclosure, the funds and activities of the City and to demonstrate compliance with finance-related legal and contractual provisions.

**Government-wide Financial Statements** are intended to provide an aggregated overview of the City's net position and changes in net position. The government-wide financial statements report on the government as a whole using the same basis of accounting and measurement focus as a private-sector business.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate library for which the City is accountable. This component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 7-10 of this report.

**Fund financial statements** assist in assessing whether the government has raised and spent financial resources in accordance with budget plans and in compliance with finance-related legal requirements. Certain funds, referred to as governmental funds, focus on the short-term flow of *current* financial resources, rather than on the flow of economic resources. Other funds, referred to as proprietary and fiduciary funds, account for the business-type and certain fiduciary activities of the government. These funds follow accounting and reporting principles similar to those of business organizations.

**Governmental funds.** These funds are a generic classification used to refer to all funds other than proprietary and fiduciary funds. The City has twenty (20) governmental funds to account for governmental functions. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for those governmental funds considered to be "major" funds.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental funds account for the inflows and outflows of *current* financial resources. No long-lived assets such as land, buildings, and equipment, nor any long-term liabilities such as bonds payable, are reported on the governmental funds balance sheet. Financial resources must be available to pay current-period obligations. The basic governmental fund financial statements can be found on pages 11-15 of this report.

**Proprietary funds.** These funds are sometimes referred to as *business-type* funds of local government. Examples of proprietary funds are enterprise funds and internal service funds. The City maintains two proprietary funds: the Waterworks and Sewerage Fund and the Group Insurance Fund. The Waterworks and Sewerage Fund is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 16-20 of this report.

**Fiduciary funds.** These funds are used to account for resources held for the benefit of parties outside the government. This includes the City's two pension trust funds and custodial Special Service Area Funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

**Notes to the financial statements.** These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-81 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits, as well as budgetary comparison schedules for major funds for which an appropriation was approved. Required supplementary information can be found on pages 82-96 of this report.

**Other supplementary information.** This includes combining and individual fund statements and schedules, which can be found beginning on page 97 of this report.

**Statistical information.** The statistical section of the annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementation information says about the City's overall financial health. Statistical information can be found beginning on page 149.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Net Position**

The Statement of Net Position is a high-level view of the total assets, deferred outflows, liabilities and deferred inflows of the primary government. The resulting net position is allocated to three categories: Net Investment in Capital Assets, Restricted funds and Unrestricted Funds. Net assets may serve over time as a useful indicator of a government's financial position.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Net Position  
As of April 30, 2023 and 2024**

Category	Governmental Activities		Business-type Activities		Total Primary Government	
	4/30/2024	4/30/2023	4/30/2024	4/30/2023	4/30/2024	4/30/2023
Current and other assets	\$ 94,496,320	\$ 88,400,676	\$ 37,009,571	\$ 34,820,787	\$ 131,505,891	\$ 123,221,463
Capital assets	191,924,966	186,913,940	87,872,033	86,387,966	279,796,999	273,301,906
<b>Total assets</b>	<b>286,421,286</b>	<b>275,314,616</b>	<b>124,881,604</b>	<b>121,208,753</b>	<b>411,302,890</b>	<b>396,523,369</b>
Deferred Outflows	15,593,442	18,046,552	2,434,306	3,007,085	18,027,748	21,053,637
<b>Total assets &amp; deferred outflows</b>	<b>302,014,728</b>	<b>293,361,168</b>	<b>127,315,910</b>	<b>124,215,838</b>	<b>429,330,638</b>	<b>417,577,006</b>
Current liabilities	8,185,953	7,113,077	6,931,752	7,329,888	15,117,705	14,442,965
Long-term liabilities	76,521,771	77,494,236	42,375,201	45,464,818	118,896,972	122,959,054
<b>Total liabilities</b>	<b>84,707,724</b>	<b>84,607,313</b>	<b>49,306,953</b>	<b>52,794,706</b>	<b>134,014,677</b>	<b>137,402,019</b>
Deferred Inflows	22,538,495	23,774,729	3,441,582	4,274,264	25,980,077	28,048,993
<b>Total liabilities &amp; deferred inflows</b>	<b>107,246,219</b>	<b>108,382,042</b>	<b>52,748,535</b>	<b>57,068,970</b>	<b>159,994,754</b>	<b>165,451,012</b>
Net position:						
Net Invest. In Capital Assets	181,837,388	176,875,488	55,271,549	54,686,616	237,108,937	231,562,104
Restricted	10,649,313	11,849,081	-	-	10,649,313	11,849,081
Unrestricted	2,281,808	(3,745,443)	19,295,826	12,460,252	21,577,634	8,714,809
<b>Total net position</b>	<b>\$ 194,768,509</b>	<b>\$ 184,979,126</b>	<b>\$ 74,567,375</b>	<b>\$ 67,146,868</b>	<b>\$ 269,335,884</b>	<b>\$ 252,125,994</b>

Total assets increased \$14.78 million during the year, including an increase of \$8.29 million in current and other assets including cash and investments. The current year also includes an increase of \$960k in the City's equity investment in Southeast Emergency Communications (SEECOM) for a total of \$4.60 million. Created by intergovernmental agreement, SEECOM is a consolidated emergency communications center which provides dispatch services and is owned in common by the City and two other municipalities. Capital assets increased \$6.50 million for the year.

Deferred outflows of resources decreased \$3.03 million over the year. This is mostly attributable to the pension items for the IMRF, Police and Firefighters pensions, which decreased a combined \$3.41 million. Other Post-Employment Benefits (OPEB) saw an increase of \$395k. OPEB liability relates to health insurance provided to 1) retired eligible employees who pay the full premium, and 2) health insurance costs for any public safety employees awarded Public Safety Employee Benefits Act (PSEBA) benefits due to sustained catastrophic injuries while responding to emergencies. Another required deferred outflow represents the cost to retire water wells from service calculated at \$903k.

Total liabilities decreased \$3.39 million for the year. Current liabilities increased \$675k, and long-term liabilities decreased \$4.06 million. Of this amount, the increase to net pension liability for public safety pensions (sworn employees) totaled \$1.19 million. The net pension liability for non-sworn employees through the Illinois Municipal Retirement Fund (IMRF) decreased \$2.32 million for a total of \$7 million. Also, a component of long-term liabilities, lease obligations decreased \$296k. While its fleet leasing program continues, the City is no long exclusively leasing vehicles for its fleet. Outstanding bonded debt decreased \$2.86 million.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Deferred inflows of resources decreased \$2.07 million over the year. Deferred inflows for pension items accounted for most of the net decrease. IMRF and the police and fire pensions saw a combined decrease of \$1.81 million. Deferred inflows related to leases decreased \$895k. Changes to deferred inflows relating to the property tax levy and other postemployment benefits make up the remainder of the change.

As of April 30, 2024, net position for the City was \$269.34 million. The largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire those assets still outstanding. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net assets (\$10.65 million) represents resources that are subject to external restrictions relative to their use.

The remaining *balance of unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position is \$21.58 million at April 30, 2024. GASB requires the City to recognize the net pension liability totaling \$63.12 million at April 30, 2024 for its three pension plans and requires the City to recognize net other post-employment benefit obligations totaling \$6.30 million. Unrestricted net position increased \$12.86 million from the previous fiscal year primarily due to revenues exceeding expenses.

**Statement of Activities**

The Statement of Activities illustrates the change in net position throughout the fiscal year. A snapshot of the statement is provided below, with greater detail on pages 9-10 of this report.



**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Activities  
For the Year Ended April 30, 2023 and 2024**

Category	Governmental Activities		Business-type Activities		Total Primary Government	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 8,361,879	\$ 8,034,322	\$ 16,775,808	\$ 15,397,219	\$ 25,137,687	\$ 23,431,541
Operating grants/contributions	1,933,578	2,238,021	-	-	1,933,578	2,238,021
Capital grants/contributions	665,817	2,601,288	-	109,003	665,817	2,710,291
General revenues:						
Taxes	24,538,354	24,937,069	2,596,683	1,000,000	27,135,037	25,937,069
Intergovernmental	23,656,862	22,852,234	1,326,955	-	24,983,817	22,852,234
Investment earnings	1,924,376	329,908	936,253	246,960	2,860,629	576,868
Other	2,199,979	1,716,455	224,268	638,101	2,424,247	2,354,556
<b>Total revenues</b>	<b>63,280,845</b>	<b>62,709,297</b>	<b>21,859,967</b>	<b>17,391,283</b>	<b>85,140,812</b>	<b>80,100,580</b>
<b>Expenses:</b>						
General Government	8,868,981	9,204,627	-	-	8,868,981	9,204,627
Public Safety	30,928,000	30,424,252	-	-	30,928,000	30,424,252
Highways and Streets	11,648,259	11,473,336	-	-	11,648,259	11,473,336
Culture and Recreation	1,745,214	1,558,416	-	-	1,745,214	1,558,416
Interest on long-term debt	202,288	250,474	-	-	202,288	250,474
Water/Sewer	-	-	14,538,180	15,048,735	14,538,180	15,048,735
<b>Total expenses</b>	<b>53,392,742</b>	<b>52,911,105</b>	<b>14,538,180</b>	<b>15,048,735</b>	<b>67,930,922</b>	<b>67,959,840</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>9,888,103</b>	<b>9,798,192</b>	<b>7,321,787</b>	<b>2,342,548</b>	<b>17,209,890</b>	<b>12,140,740</b>
Transfers:	(98,720)	-	98,720	-	-	-
<b>Change in net position</b>	<b>9,789,383</b>	<b>9,798,192</b>	<b>7,420,507</b>	<b>2,342,548</b>	<b>17,209,890</b>	<b>12,140,740</b>
Beginning net position	184,979,126	175,298,114	67,146,868	64,820,265	252,125,994	240,118,379
Change in accounting principle	-	(117,180)	-	(15,945)	-	(133,125)
<b>Ending net position</b>	<b>\$ 194,768,509</b>	<b>\$ 184,979,126</b>	<b>\$ 74,567,375</b>	<b>\$ 67,146,868</b>	<b>\$ 269,335,884</b>	<b>\$ 252,125,994</b>

Overall, revenues for the City totaled \$85.14 million, an increase of \$5.04 million from the prior fiscal year. Expenses city-wide totaled \$67.92 million, a decrease of \$29k from the prior fiscal year. The resulting change from the fiscal year activities is an increase in net position of \$17.21 million, representing growth of 6.8%. The change in accounting principle in FY2022/23 was due to the implementation of GASB Statement No. 87, *Leases*. See Note 6D for more information.

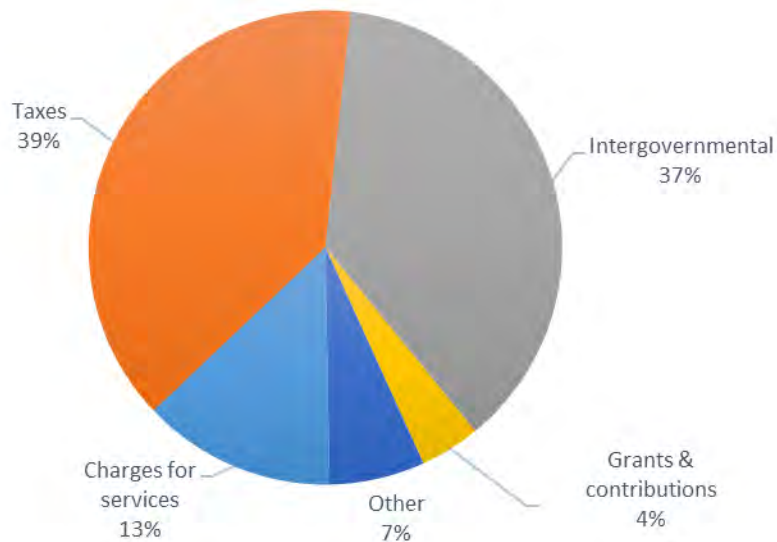
**Governmental Activities**

As is typical for governmental activities of local governments, program revenues cover a small percentage of program expenses, with general revenues covering the majority of expenses. For this fiscal year, governmental program expenses of \$53.39 million exceeded program revenues of \$10.96 million by \$42.43 million; general revenues of \$52.32 million are used to make up the difference. With governmental revenues performing better than anticipated while expenses remained low, the City experienced a \$9.79 million surplus in governmental activities.

*Revenues*

The following graph indicates the breakdown of governmental revenue by type for the fiscal year. Diversification by source is an important factor in financial stability. The City does not rely heavily on any one particular category.

### Governmental Activity Revenue

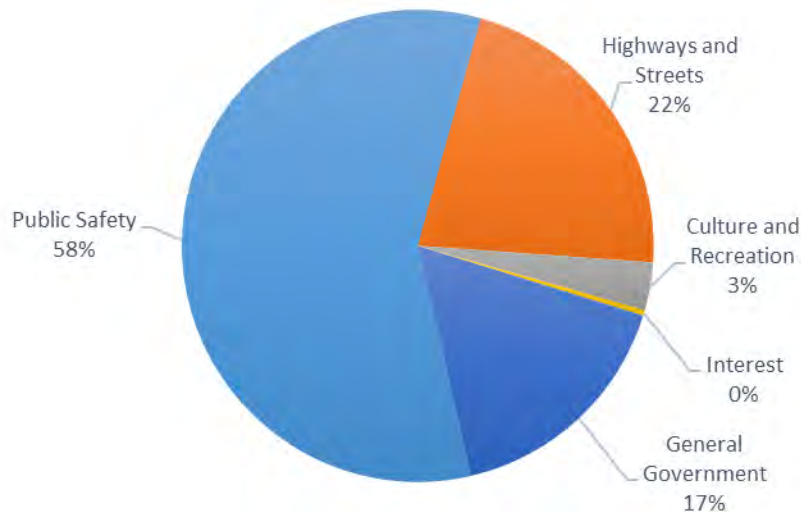


- Charges for services increased \$328k for the year, and grant and contribution revenues decreased by \$2.24 million.
- Intergovernmental revenues increased \$805k. States Sales and Use Taxes were up \$869k and State Income Tax was up \$86k.
- Investment earnings ended the year at \$1.92 million, an increase of \$1.59 million primarily due to improved yields and a shorter average maturity within the investment portfolio.
- Revenue from taxes decreased \$399k. Receipts from the Home Rule Sales Tax increased \$352k while the Telecommunications Tax (down \$28k) continued to decline year over year. In prior fiscal years, a portion of the utility taxes went into the governmental activities. In FY2022/23, \$1.68 million of utility taxes was used for governmental activities. However, in FY2023/24, all utility taxes were dedicated to business-type activities.
- Other revenues of \$2.20 million increased \$483k. This category includes recognition of interest of \$504k on funds held with the Intergovernmental Risk Management Agency (IRMA). This category also includes capital facility fees, reimbursements from other agencies, and host fees for transfer facilities.

#### *Expenses*

Governmental activity expenses represent the costs to operate the City's core services, excluding water and sewer service. The following chart shows the breakdown of governmental expenses by activity.

### Governmental Activity Expenses



Public safety expenses, which account for the largest share, increased by \$504k (1.7%) to \$30.93 million. The increase in police and fire pension liability represents a significant portion of the increase in public safety expenses due to the actuarial accrued liability increasing more than the investment returns. As the change in pension obligation is not a source or use of funds, it is only shown in the high-level Statement of Activities and not the remainder of financial reports within the report.

General Government expenses decreased \$335k (-3.6%) over the prior year. This decrease is due in part to a decrease in IMRF pension liability due to investment returns coming in higher than the investment projections. Highway and Streets increased \$175k (1.5%) from the prior year due to an increase in personnel expenditures resulting from contractual obligations. Interest expense on long-term debt for governmental activities decreased \$48k as debt service continues to be paid down.

#### **Business-type activities**

The Waterworks and Sewerage Fund activity resulted in an increase to net position of \$7.42 million from the fiscal year's activity. Net position ended the fiscal year with \$74.57 million.

#### *Revenues*

Charges for services increased \$1.38 million (9.0%) from the prior year. In FY2023/24, there was a 3% increase to the water and sewer rates that took effect September 1, 2023, but consumption trends are down overall. Connection fees increased \$434k (34.7%) to \$1.69 million due to increase in issuance of multi-family and single family home permits issued in FY2023/24.

In order to fund capital needs, all utility taxes totaling \$2.60 million were deposited in the business-type funds. In prior fiscal years, utility taxes were divided between the Capital and Equipment Replacement Fund and the Water and Sewer Capital Replacement Fund. Investment income for business-type revenues increased \$689k up to \$936k.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Expenses*

Operating expenses of the Waterworks and Sewerage Fund were \$518k lower than the previous year, a decrease of 3.7% due to the reclassification of a position into the General Fund, the net change in the IMRF pension expense, and a reversal of retainage for a large capital project. Principal payments decreased by \$194k to \$3.06 million and interest expenses increased \$7.7k to \$866k per the debt service payment schedules. Depreciation and amortization expense increased \$195k to \$4.36 million.

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$63.15 million, an increase of \$3.03 million from the prior year. The unassigned portion of the ending fund balances totaled \$15.21 million and is available to spend at the City's discretion. The remainder of the combined ending fund balance is restricted or assigned to indicate it is not available for spending. Restricted and assigned funds are reserved to pay debt service, retirement, street improvement or other specific costs, or are reserved for prepaid items such as insurance and inventories.

*General Fund*

At the end of the fiscal year, the General Fund had a fund balance of \$23.69 million, with \$15.40 million as unassigned. As a measure of the General Fund's capacity to provide a sufficient cash flow for day-to-day operations, offset unanticipated downturns to General Fund revenues or provide an ability to make emergency purchases, it may be useful to compare unassigned fund balance to operating expenditures. The unassigned fund balance represented 49.3% of FY2023/24 General Fund operating expenditures.

The ending fund balance of the General Fund increased by \$2.61 million. General Fund revenues totaled \$44.59 million, an increase of \$3.22 million (7.8%). Intergovernmental revenue was up \$853k. Charges for services were up \$450k, as review fees, parking receipts and Three Oaks Recreation fee revenues were all higher than the prior year. Sales Tax increased \$1.01 million to \$15.17 million. General Fund expenditures totaled \$31.26 million, an increase of \$936k (3.1%).

*Fire Rescue Fund*

The Fire Rescue Fund is also a major governmental fund, with an ending fund balance of \$8.68 million. This was an increase of \$1.04 million from annual activity. Revenues increased \$43k (0.3%) to \$12.73 million. Primary revenue sources of the Fire Rescue Fund include charges for services to other agencies, ambulance transport fees, and a property tax. Expenditures increased \$120k (1.0%). Of the increase, personnel costs alone increased \$110k, most of which is the result of salary increases based on labor contracts and overtime required to maintain minimum staffing levels.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Capital and Equipment Replacement Fund*

The ending fund balance in the Capital and Equipment Replacement Fund was \$16.10 million, a decrease of \$3.45 million from the prior year, a planned draw-down of fund balance for multiple larger projects. Revenues for the year of \$420k included \$238k in taxes from video gaming. In prior fiscal years, utility taxes were divided between the Capital and Equipment Replacement Fund and the Water and Sewer Capital Replacement Fund. In fiscal year 2023/24, all utility taxes were budgeted for the Water and Sewer Capital Replacement Fund. Other financing sources included \$492k in financing for new leased vehicles and \$9.51 million from other funds as transfers in for capital purchases.

Expenditures totaled \$13.88 million, compared to budgeted expenditures of \$24.31 million; several projects were delayed due to supply chain issues and availability of contractors. Major projects for the year included the annual street resurfacing program (\$1.46 million), the sidewalk and curb program (\$573k), new vehicle and equipment purchases and leases (\$1.85 million), building improvements (\$2.53 million), and road/intersection improvements (\$4.04 million). To mitigate tax increases, one-time capital and equipment replacement expenditures are funded using unassigned fund balance and/or bond proceeds.

*Other Governmental Funds*

The City maintains several other governmental funds. In aggregate, fund balances of other governmental funds increased \$2.83 from the previous year. Highlights from some of these funds include:

- The Motor Fuel Tax Fund had a fund balance of \$6.53 million as of April 30, 2024, a decrease of \$1.58 million. The entire balance is restricted for purposes of roadway improvements. Expenditures of Motor Fuel Tax dollars require authorization from the Illinois Department of Transportation, as well as the Crystal Lake City Council. Other financing uses (transfers out to the Capital and Equipment Replacement Fund) of \$2.94 million provided roadway, intersection and pedestrian path improvements, as well as the construction of a salt storage building.
- The IMRF/FICA Fund is used to account for revenues derived from a separate tax levy. Disbursement of these funds are restricted to the payment of employer contributions to Social Security, Medicare and to the Illinois Municipal Retirement Fund. The ending fund balance in the IMRF/FICA Fund is \$1.06 million, a decrease of \$81k due to an intentional drawdown of fund balance reserves.
- The Restricted Police Fund consists of revenues collected by the Police Department for specific infractions such as DUI, drug forfeitures and vehicle impoundments. The restricted accounts are governed by State or Federal statutes. These funds are limited in their potential uses and must be used by the Police Department for purposes directly related to DUI and drug related enforcement and prevention. The ending fund balance in the Restricted Police Fund is \$786k, an increase of \$83k.
- The Three Oaks Debt Service Fund accounts for debt service costs associated with a tax increment financing redevelopment project within the Vulcan Lake TIF District. This fund had no revenues during fiscal year 2023/24, but received other financing sources of \$1.02 million. This includes \$1.02 million in debt service payments. The ending fund balance is \$0.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- The Water's Edge TIF Project Fund is used to account for funds associated with the tax increment financing district created to assist in the redevelopment of the former Crystal Court Shopping Center. The fund received its first tax increment revenue in the amount of \$32k for fiscal year 2023/24. Over the past three fiscal years, the General Fund has advanced the Water's Edge TIF Project Fund \$187k to cover planning and engineering expenditures.

*Proprietary Funds*

Proprietary funds are sometimes referred to as *business-type* funds of a local government. The City maintains two proprietary funds. The Waterworks and Sewerage enterprise fund is used to account for the acquisition, operations and maintenance of Waterworks and Sewerage facilities and services, including capital improvements and debt service obligations. This fund is predominately self-supporting through user charges. The Group Insurance Fund is an internal service fund that accounts for assets associated with funding the City's group health insurance.

Total net position of the Waterworks and Sewerage Fund increased \$7.42 million through fiscal year activity to \$74.57 million at April 30, 2024. Of the total, \$55.27 million represents the City's net investment in capital assets. The remaining \$19.30 million of total net position, represents unrestricted net position. Expenses included water main and storm sewer replacements, construction of new deep well #19, generator replacements for lift stations #12, #19 and #20, improvements to water treatment plant #2, equipment replacement at wastewater treatment plant #3 and engineering costs for various projects.

The Group Insurance Fund had an ending fund balance of \$2.0 million, all of which is unrestricted. The majority of revenues (\$6.24 million) came from employer and employee contributions. Group health insurance premiums totaling \$5.76 million accounted for most of the fund's expenses. Other minor expenses include wellness costs and other professional services.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As the main operating fund of the City, the General Fund represents a range of revenues and expenditures. Revenues that are not restricted, committed or assigned to other functions are recorded in the General Fund. Operating costs of most major departments are recorded here as well, such as aspects of police protection, street maintenance, economic development, planning, engineering, fleet and facility maintenance and administration.

Actual revenues of \$44.59 million surpassed budget expectations by \$4.45 million. Combined with other financing sources, inflows exceeded budget by \$4.52 million. Transfers in to the General Fund were higher than budgeted due to the actual amount of tax increment received from the Virginia Street TIF.

Expenditures ended the year \$1.80 million below budget. Other financing uses ended the year \$4.18 million above budget, primarily due to a one-time transfer from the General Fund to the Capital and Equipment Replacement Fund. This planned transfer utilizes \$6 million of operating surplus to provide advanced funding of future capital needs.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights  
Fiscal Year Ended April 30, 2024**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>Revenues &amp; Other Financing Sources</b>				
Taxes	\$ 14,428,726	\$ 14,755,806	\$ 327,080	2.3%
Licenses and permits	639,000	1,266,076	627,076	98.1%
Intergovernmental	22,920,594	23,772,042	851,448	3.7%
Charges for services	833,650	1,079,746	246,096	29.5%
Fines and forfeits	334,000	498,692	164,692	49.3%
Investment Income	300,000	1,623,809	1,323,809	441.3%
Other revenue	687,254	1,593,482	906,228	131.9%
Sub-total revenues	40,143,224	44,589,653	4,446,429	11.1%
Other financing sources	139,180	212,493	73,313	52.7%
<b>Total Revenues and Other Financing Sources</b>	<b>40,282,404</b>	<b>44,802,146</b>	<b>4,519,742</b>	<b>11.2%</b>
<b>Expenditures and Other Financing Uses</b>				
General Government	7,545,814	6,766,540	(779,274)	-10.3%
Public Safety	17,733,100	17,373,063	(360,037)	-2.0%
Highways and Streets	6,882,788	6,164,077	(718,711)	-10.4%
Culture and Recreation	846,603	901,246	54,643	6.5%
Debt service	52,924	52,717	(207)	-0.4%
Sub-total expenditures	33,061,229	31,257,643	(1,803,586)	-5.5%
Other financing uses				
Transfers to Other Funds	6,755,304	10,935,096	4,179,792	61.9%
<b>Total Expenditures and Other Financing Uses</b>	<b>39,816,533</b>	<b>42,192,739</b>	<b>2,376,206</b>	<b>6.0%</b>
<b>Change in Fund Balance</b>	<b>\$ 465,871</b>	<b>\$ 2,609,407</b>	<b>\$ 2,143,536</b>	

During the fiscal year, the City of Crystal Lake Council approved one amendment to the General Fund budget, increasing the Executive Department's budget to reflect donations received for the Crystal Lake fireworks display (\$30k).

**Major General Fund Revenues**

*State Sales Tax* receipts of \$15.17 million surpassed its budgeted amount by \$768k. Receipts from sales tax continue to grow as prices rise with inflation. Starting January 2021, the State began classifying online retail purchases into the State Sales Tax distributions by purchase destination rather than as Use Tax and distributed per capita. So in addition to sales of groceries and general merchandise, online purchases are now supporting State Sales Tax revenues.

*Home Rule Sales Tax* receipts of \$7.18 million exceeded budgeted expectations by \$200k. Purchases of groceries are exempt from Home Rule Sales Tax, however staple items and online retail orders are not exempted.

*Income Tax* receipts ended the fiscal year at \$6.59 million. This total slightly exceeded the budgeted amount by \$140k.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Use Tax* totaled \$1.52 million for FY2023/24. This was less than its budgeted expectation by \$121k. Online retail sales that were formerly in Use Tax are now being remitted under the Sales Tax category.

*Hotel Tax* receipts ended the fiscal year at \$352k. The Hotel Tax exceeded its budgeted amount by \$7,400 and brought in \$23k more than the prior fiscal year.

*Building permits* of \$1.10 million exceeded budgeted expectations by \$601k. Lennar Homes continues to construct single-family and age-targeted single-family homes in addition to townhomes in the northeast corner of the City near Routes 176 and 31. Several large multi-family projects also account for the increase in building permit revenue.

*Investment earnings* of \$1.62 million surpassed budget expectations by \$1.32 million. The increase in investment earnings was mainly driven by improved yields and a shorter average maturity within the investment portfolio. As the City is restricted statutorily on the types of investment vehicles, the City invests idle funds with a professional investment management firm to maximize earning potential while remaining compliant with restrictive investment options allowed by Illinois Statute.

*Other revenue* of \$1.59 million exceeded budget expectations by \$906k. This category includes an interest earnings credit of \$504k arising from assets held in trust at the Intergovernmental Risk Management Agency (IRMA). IRMA is an entity that was created under Illinois state law which allows municipalities to band together in order to pool risk management needs for general liability and workers' compensation insurance.

*Charges for services* ended the fiscal year at \$1.08 million which was \$246k above budgeted expectations. Beach admission and boat rental revenues at Three Oaks Recreation Area were \$70k above their budgeted expectations as hot, dry weather drove attendance at the park. Plan review fees ended the year \$143k higher than the budgeted amount. Of this increase, \$113k was for the engineering site review for a new, mixed use development.

**Major General Fund Expenditures**

Across all functions, spending within the General Fund ended the fiscal year under budget. This is a combination of savings from a variety of items. Some savings include the following:

- Personnel related expenditures ended the year below budget due to vacated positions, which remain open unless deemed critical to City operations.
- Contractual services expenditures were under budget mainly in professional services as projects were delayed or managed internally.

**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2024, totaled \$279.80 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, and machinery and equipment.



**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Assets, Net of Depreciation and Amortization  
As of April 30, 2023 and 2024**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 24	FYE 23	FYE 24	FYE 23	FYE 24	FYE 23
Land and Improvements	\$ 104,097,773	\$ 103,734,813	\$ 2,209,776	\$ 2,209,776	\$ 106,307,549	\$ 105,944,589
Building and Improvements	20,347,199	19,428,374	17,569,683	18,959,703	37,916,882	38,388,077
Machinery, Equip. & Vehicles	7,261,812	7,193,484	5,035,310	5,390,827	12,297,122	12,584,311
Construction in Progress	5,023,434	1,137,278	4,998,248	8,214,156	10,021,682	9,351,434
Infrastructure	55,194,748	55,419,991	58,059,016	51,613,504	113,253,764	107,033,495
Total	\$ 191,924,966	\$ 186,913,940	\$ 87,872,033	\$ 86,387,966	\$ 279,796,999	\$ 273,301,906

During the fiscal year, the City invested \$15.08 million in capital (buildings, equipment and infrastructure). Major capital asset acquisitions made during the fiscal year included:

- Eight new leased vehicles for the Police Department
- Five police vehicles
- Two ambulances
- A heavy rescue vehicle
- A Public Works wheel loader
- Two public works pickup trucks
- A Public Works asphalt trailer
- Public Works garage floor replacement
- Three Oaks Storage Building improvements
- City Hall overhead paging system
- Wireless system upgrade
- Salt storage building at Wastewater Treatment Plan #2
- Crystal Lake Train Station
- Three Oaks Playground Surface Replacement
- City Hall building improvements
- Dole Avenue reconstruction
- Three Oaks lake level adjustment
- Annual road resurfacing program
- Lift station generator replacements
- New deep well #19
- Water main replacements
- Storm sewer system improvements
- Water and wastewater treatment plant improvements

Additional information on the City's capital assets can be found in Note 5 of this report.

**LONG-TERM DEBT**

In March 2022, the City received a bond rating upgrade from AA+ to AAA from S&P Global Ratings with a stable outlook. Some factors cited by S&P Global Ratings for the rating increase include:

- **Maintenance of very strong reserves and liquidity;**
- **Very strong management conditions, with robust planning and policies;**
- **Very low debt profile, with manageable pension costs;**
- **Strong institutional framework as a home-rule community.**

**CITY OF CRYSTAL LAKE  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

At the end of the current fiscal year, the City had \$45.15 million of debt outstanding, including \$1.20 million in lease liability. The chart below summarizes the City’s outstanding long-term debt by debt instrument.

**Long-Term Debt Outstanding  
As of April 30, 2023 and 2024**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 24	FYE 23	FYE 24	FYE 23	FYE 24	FYE 23
General Obligation Bonds	\$ 5,327,518	\$ 6,151,364	\$19,367,482	\$21,398,636	\$ 24,695,000	\$ 27,550,000
Unamortized Bond Premium	436,973	530,758	569,011	700,101	1,005,984	1,230,859
IEPA Loans	-	-	18,021,057	17,952,107	18,021,057	17,952,107
General Obligation Note	-	-	230,000	455,000	230,000	455,000
Lease Liability	986,480	1,176,190	215,466	321,999	1,201,946	1,498,189
Total	\$ 6,750,971	\$ 7,858,312	\$38,403,016	\$40,827,843	\$ 45,153,987	\$ 48,686,155

Currently, the City has four general obligation bonds outstanding. As of April 30, 2024, the total outstanding balance general obligation is \$24.70 million, of which \$5.33 million is attributed to governmental activities and \$19.37 million is related to business-type activities.

Taxable General Obligation Bonds, Series 2022A, was repaid in December 2023.

The City has two loan agreements with the Illinois Environmental Protection Agency. The first began in 2015 and authorized the City to borrow \$14.78 million to fund improvements to the City’s wastewater treatment plants. The City is currently awaiting the final disbursement on the second IEPA loan. This loan is providing funding for improvements to the City’s water treatment plant #2 and has an outstanding payable balance of \$7.41 million. Both loans are paid on a semi-annual basis over 20 years. As of April 30, 2024, the City has a total outstanding loan payable of \$18.02 million.

The City also has an outstanding balance of \$230k on a general obligation promissory note. This note was issued in 2015. The note was issued to finance costs of water main replacements and water capacity enhancements. The note will be repaid December 2024.

Additional information on the City’s long-term debt can be found in Note 6 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

High inflation, supply chain issues, and geopolitical conflicts continue to inject uncertainty into the economy. However, the City enjoys a healthy mix of retail diversity which has proven to weather economic downturns well. Management continually monitors revenues sources and cash balances into order to ensure sufficient resources are available to support City services.

Some revenue sources of the City rely on the allocation and distribution of funds from the State of Illinois, such as Income Tax and Use Tax. The State has reduced the municipal share of Income Tax historically and may look to this source again to offset their own fiscal shortages. The State budget contains a structural financial imbalance. Since the pressures of this imbalance will continue into the next budget, it is likely that additional local government diversions may be proposed in future years.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Effective January 1, 2026, the State of Illinois will eliminate the 1% tax on groceries. In anticipation of this loss of revenue, the City has increased its home rule sales tax by 0.5% to 1.25% which took effect starting July 1, 2024. This is the first home rule sales tax increase since its inception in 2008.

In June 2024, the City no longer required all residents and businesses to purchase a City vehicle license sticker. Previously, the vehicle license sticker was required for any motor vehicles kept or used within the corporate limits of the City for more than 30 days during the calendar year. Revenue generated from the sale of vehicle stickers was used to offset a portion of the cost of road improvements each year. Going forward, the City will utilize a portion of the new home rule sales tax to supplement the road improvement program.

A water and sewer rate increase of 3% went into effect on September 1, 2024. These increases provide a necessary funding mechanism to allow the Waterworks and Sewerage Fund to remain financially independent and provide for some capital investment to maintain Waterworks and Sewerage infrastructure systems.

As of May 1, 2024, the user fee currently charged for emergency medical patients who are transported to the hospital via a Crystal Lake Fire Rescue ambulance automatically adjusted to match the rate generated by the State of Illinois Ground Emergency Transportation (GEMT) program. The City files an annual report of ambulance service related expenses and is assigned a GEMT rate per call on an annual basis. The GEMT rate will be provide a consistent annual rate calculation based on actual expenses incurred. Additionally, the City will also no longer bill residents for the portion of the ambulance transportation bill remaining after any insurance adjustments. This is the first adjustment to the ambulance user fee rate since 2017.

The City has traditionally operated on a fiscal year that would start on May 1st of each year and end April 30th of the following year. The City of Crystal Lake will transition its fiscal year to a calendar year basis effective January 1, 2025. In order to achieve this transition, the City will operate a shortened, 8-month fiscal year which will be called Fiscal Year 2024B. This transitional fiscal year (FY 2024B) started on May 1, 2024 and will end on December 31, 2024. The benefits of making this conversion include aligning the City's budget with the annual tax levy request, federal W2 and 1099 reporting, and State of Illinois Motor Fuel Tax audit cycles. A significant benefit is that is also allows for the entire construction season for many capital projects to fall within a single fiscal year.

To keep the fiscal year 2024B budget balanced, the City of Crystal Lake continues to utilize spending control measures that include taking advantage of cooperative purchasing opportunities through joint purchasing agreements, seeking competitive bids, and avoid filling vacated positions unless they are critical to City operations. Whenever possible, grant funding is sought to offset program and project costs.

The fiscal year 2024B budget continues funding General Fund services without the use of a General Fund property tax. General Fund services include Police, Community Development, Streets, Storm Sewers, Fleet and Facilities Maintenance, as well as Legal, City Administration and the Three Oaks Recreation Area. In order to mitigate tax increases, one-time capital and equipment replacement expenditures are continue to be funded using unassigned fund balance and/or bond proceeds. Bonds are not be used to finance operating deficits and fund balances are maintained in accordance with City financial policies.

**CITY OF CRYSTAL LAKE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jodie Hartman, Director of Finance, 100 W. Woodstock Street, Crystal Lake, Illinois 60014.

## **BASIC FINANCIAL STATEMENTS**

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2024

	Governmental Activities	Business-Type Activities	Total	Component Unit Crystal Lake Public Library
<b>ASSETS</b>				
Cash and Investments	\$ 59,415,849	\$ 29,034,825	\$ 88,450,674	\$ 5,034,849
Receivables (Net, Where Applicable, of Allowances for Uncollectible)				
Property Taxes	15,188,155	-	15,188,155	5,042,097
Accounts Receivable	1,296,847	3,925,607	5,222,454	44
Accrued Interest on Investments	227,957	80,246	308,203	7,566
Leases	1,537,523	3,524,617	5,062,140	-
Other	412,287	-	412,287	-
Prepaid Items	5,840,198	215,147	6,055,345	62,016
Internal Balances	(229,129)	229,129	-	-
Due from Other Governments	6,080,695	-	6,080,695	-
Due from Primary Government	-	-	-	127,907
Inventory	127,844	-	127,844	-
Investment in Joint Venture	4,598,094	-	4,598,094	-
Capital Assets Not Being Depreciated	109,121,207	7,208,024	116,329,231	2,472,561
Capital Assets (Net of Accumulated Depreciation)	82,803,759	80,664,009	163,467,768	5,048,837
<b>Total Assets</b>	<b>286,421,286</b>	<b>124,881,604</b>	<b>411,302,890</b>	<b>17,795,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other Postemployment Benefits	1,887,145	128,317	2,015,462	60,361
Pension Items - IMRF	3,144,313	1,403,489	4,547,802	1,178,265
Pension Items - Police Pension	5,935,557	-	5,935,557	-
Pension Items - Firefighters' Pension	4,626,427	-	4,626,427	-
Well Asset Retirement Obligation	-	902,500	902,500	-
<b>Total Deferred Outflows of Resources</b>	<b>15,593,442</b>	<b>2,434,306</b>	<b>18,027,748</b>	<b>1,238,626</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>302,014,728</b>	<b>127,315,910</b>	<b>429,330,638</b>	<b>19,034,503</b>

(This statement is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**STATEMENT OF NET POSITION (Continued)**

April 30, 2024

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit Crystal Lake Public Library</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,410,571	\$ 2,547,586	\$ 8,958,157	\$ 170,061
Recapture Fees Payable	75,566	-	75,566	-
Accrued Salaries	701,639	88,055	789,694	152,498
Accrued Interest Payable	84,201	371,501	455,702	-
Escrows and Refundable Deposits	678,762	192,971	871,733	17,288
Due to Component Unit	127,907	-	127,907	-
Unearned Revenue	107,307	3,731,639	3,838,946	-
Long-Term Liabilities				
Due Within One Year	3,215,801	3,406,265	6,622,066	87,825
Due in More than One Year	73,305,970	38,968,936	112,274,906	2,064,105
<b>Total Liabilities</b>	<b>84,707,724</b>	<b>49,306,953</b>	<b>134,014,677</b>	<b>2,491,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue - Property Taxes	15,188,155	-	15,188,155	5,042,097
Deferred Inflows - Leases	1,466,929	3,382,441	4,849,370	-
Other Postemployment Benefits	796,860	54,182	851,042	25,488
Pension Items - IMRF	11,111	4,959	16,070	4,163
Pension Items - Police Pension	1,738,196	-	1,738,196	-
Pension Items - Firefighters' Pension	3,337,244	-	3,337,244	-
<b>Total Deferred Inflows of Resources</b>	<b>22,538,495</b>	<b>3,441,582</b>	<b>25,980,077</b>	<b>5,071,748</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>107,246,219</b>	<b>52,748,535</b>	<b>159,994,754</b>	<b>7,563,525</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	181,837,388	55,271,549	237,108,937	7,521,398
Restricted				
Highways and Streets	6,536,900	-	6,536,900	-
Retirement	1,064,479	-	1,064,479	446,393
Public Safety	785,580	-	785,580	-
Parking	72,771	-	72,771	-
Debt Service	-	-	-	-
Capital Projects	2,189,583	-	2,189,583	-
Library	-	-	-	927,968
Working Cash	-	-	-	54,240
Unrestricted	2,281,808	19,295,826	21,577,634	2,520,979
<b>TOTAL NET POSITION</b>	<b>\$ 194,768,509</b>	<b>\$ 74,567,375</b>	<b>\$ 269,335,884</b>	<b>\$ 11,470,978</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 8,868,981	\$ 1,715,823	\$ -	\$ -
Public Safety	30,928,000	5,753,213	136,057	57,734
Highways and Streets	11,648,259	269,142	1,797,521	-
Culture and Recreation	1,745,214	623,701	-	608,083
Interest	202,288	-	-	-
Total Governmental Activities	53,392,742	8,361,879	1,933,578	665,817
Business-Type Activities				
Waterworks and Sewerage	14,538,180	16,775,808	-	-
Total Business-Type Activities	14,538,180	16,775,808	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 67,930,922</b>	<b>\$ 25,137,687</b>	<b>\$ 1,933,578</b>	<b>\$ 665,817</b>
<b>COMPONENT UNIT</b>				
Crystal Lake Public Library	\$ 5,066,033	\$ 250,294	\$ 61,211	\$ -



	<b>Net (Expense) Revenue and Change in Net Position</b>			<b>Component Unit Crystal Lake Public Library</b>
	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
	\$ (7,153,158)	\$ -	\$ (7,153,158)	\$ -
	(24,980,996)	-	(24,980,996)	-
	(9,581,596)	-	(9,581,596)	-
	(513,430)	-	(513,430)	-
	(202,288)	-	(202,288)	-
	(42,431,468)	-	(42,431,468)	-
	-	2,237,628	2,237,628	-
	-	2,237,628	2,237,628	-
	(42,431,468)	2,237,628	(40,193,840)	-
	-	-	-	(4,754,528)
<b>General Revenues</b>				
<b>Taxes</b>				
Property	15,248,645	-	15,248,645	4,939,498
Home Rule Sales	7,179,057	-	7,179,057	-
Auto Rental	58,694	-	58,694	-
Franchise Fees	543,973	-	543,973	-
Telecommunications Fee	528,630	-	528,630	-
Hotel Occupation	352,400	-	352,400	-
Other	626,955	2,596,683	3,223,638	-
<b>Intergovernmental</b>				
Personal Property Replacement	376,351	-	376,351	-
State Sales and Use	16,687,890	-	16,687,890	-
State Income Tax	6,592,621	-	6,592,621	-
Grants	-	1,326,955	1,326,955	-
Investment Income	1,924,376	936,253	2,860,629	256,174
Miscellaneous	2,199,979	224,268	2,424,247	319,571
Transfers In (Out)	(98,720)	98,720	-	-
<b>Total</b>	<b>52,220,851</b>	<b>5,182,879</b>	<b>57,403,730</b>	<b>5,515,243</b>
<b>CHANGE IN NET POSITION</b>	<b>9,789,383</b>	<b>7,420,507</b>	<b>17,209,890</b>	<b>760,715</b>
<b>NET POSITION, MAY 1</b>	<b>184,979,126</b>	<b>67,146,868</b>	<b>252,125,994</b>	<b>10,710,263</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 194,768,509</b>	<b>\$ 74,567,375</b>	<b>\$ 269,335,884</b>	<b>\$ 11,470,978</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2024

	<b>General</b>	<b>Fire Rescue Fund</b>	<b>Capital Equipment and Replacement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
<b>ASSETS</b>					
Cash and Investments	\$ 15,387,522	\$ 8,706,976	\$ 18,671,806	\$ 15,126,884	\$ 57,893,188
Receivables (Net of Allowance Where Applicable)					
Property Taxes	5,839,206	7,532,785	-	1,816,164	15,188,155
Accounts Receivable	410,855	677,122	-	147,699	1,235,676
Accrued Interest on Investments	188,505	39,452	-	-	227,957
Leases	1,537,523	-	-	-	1,537,523
Other	201,363	-	-	210,924	412,287
Prepaid Items	4,999,799	199,748	232,848	-	5,432,395
Inventory	127,844	-	-	-	127,844
Due from Other Governments	5,873,078	-	46,376	161,241	6,080,695
Due from Other Funds	24,789	-	481,032	80	505,901
Advance from Other Funds	186,773	-	-	-	186,773
<b>TOTAL ASSETS</b>	<b>\$ 34,777,257</b>	<b>\$ 17,156,083</b>	<b>\$ 19,432,062</b>	<b>\$ 17,462,992</b>	<b>\$ 88,828,394</b>

(This statement is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS

April 30, 2024

	<b>General</b>	<b>Fire Rescue Fund</b>	<b>Capital Equipment and Replacement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,343,491	\$ 610,874	\$ 3,336,607	\$ 119,599	\$ 6,410,571
Recapture Fees	-	-	-	75,566	75,566
Accrued Salaries	455,663	245,976	-	-	701,639
Escrows and Refundable Deposits	678,762	-	-	-	678,762
Due to Component Unit	127,907	-	-	-	127,907
Due to Other Funds	154,862	-	356	579,812	735,030
Advance to Other Funds	-	-	-	186,773	186,773
Unearned Revenue	22,670	84,637	-	-	107,307
<b>Total Liabilities</b>	<b>3,783,355</b>	<b>941,487</b>	<b>3,336,963</b>	<b>961,750</b>	<b>9,023,555</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue - Property Tax	5,839,206	7,532,785	-	1,816,164	15,188,155
Deferred Inflow - Leases	1,466,929	-	-	-	1,466,929
<b>Total Deferred Inflows of Resources</b>	<b>7,306,135</b>	<b>7,532,785</b>	<b>-</b>	<b>1,816,164</b>	<b>16,655,084</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,089,490</b>	<b>8,474,272</b>	<b>3,336,963</b>	<b>2,777,914</b>	<b>25,678,639</b>
<b>FUND BALANCES</b>					
<b>Nonspendable</b>					
Prepaid Items	4,999,799	199,748	232,848	-	5,432,395
Inventory	127,844	-	-	-	127,844
Advances	186,773	-	-	-	186,773
<b>Restricted</b>					
Retirement Purposes	-	-	-	1,064,479	1,064,479
Public Safety	-	-	-	785,580	785,580
Parking	-	-	-	72,771	72,771
Highway and Street Maintenance	-	-	-	6,536,900	6,536,900
Park Development	-	-	-	1,996,142	1,996,142
Capital Projects Funds	-	-	-	193,441	193,441
<b>Committed</b>					
Capital Facilities	865,295	1,082,161	-	-	1,947,456
<b>Assigned</b>					
Promotion of Tourism	373,668	-	-	-	373,668
Historical Preservation Services	5,294	-	-	-	5,294
Capital Projects Funds	-	-	15,862,251	4,000,000	19,862,251
Special Revenue Funds	-	7,399,902	-	222,538	7,622,440
Subsequent Year's Budget	1,729,593	-	-	-	1,729,593
<b>Unassigned</b>					
General Fund	15,399,501	-	-	-	15,399,501
Unassigned (Deficit)	-	-	-	(186,773)	(186,773)
<b>Total Fund Balances</b>	<b>23,687,767</b>	<b>8,681,811</b>	<b>16,095,099</b>	<b>14,685,078</b>	<b>63,149,755</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 34,777,257</b>	<b>\$ 17,156,083</b>	<b>\$ 19,432,062</b>	<b>\$ 17,462,992</b>	<b>\$ 88,828,394</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2024

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 63,149,755</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	191,924,966
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	4,598,094
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(5,327,518)
Lease Liability	(986,480)
Compensated Absences Payable	(2,907,164)
Interest Payable	(84,201)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(436,973)
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(4,837,729)
The other postemployment benefit liability is shown as a liability on the statement of net position	(5,899,329)
The net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(38,515,856)
The net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(17,610,722)
Differences between expected and actual experiences and assumption changes for the Other Postemployment Benefit Plan are recognized as deferred outflows and inflows of resources on the statement of net position	1,090,285
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	3,133,202
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	4,197,361
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,289,183
The net position of the Internal Service Fund is included in the governmental activities in the statement of net position	1,991,635
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 194,768,509</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2024

	<b>General</b>	<b>Fire Rescue Fund</b>	<b>Capital Equipment and Replacement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Charges for Services	\$ 1,079,746	\$ 4,995,737	\$ -	\$ 110,298	\$ 6,185,781
Licenses and Permits	1,266,076	-	81,800	154,605	1,502,481
Intergovernmental	23,772,042	27,858	-	2,517,006	26,316,906
Fines and Forfeitures	498,692	-	-	96,947	595,639
Property Taxes	5,768,388	7,338,820	-	2,141,437	15,248,645
Other Taxes	8,987,418	-	238,314	63,977	9,289,709
Investment Income	1,623,809	57,985	-	242,582	1,924,376
Miscellaneous	1,593,482	307,955	99,873	192,781	2,194,091
<b>Total Revenues</b>	<b>44,589,653</b>	<b>12,728,355</b>	<b>419,987</b>	<b>5,519,633</b>	<b>63,257,628</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General Government	6,766,540	-	-	1,397,531	8,164,071
Public Safety	17,373,063	11,684,191	-	393,567	29,450,821
Highways and Streets	6,164,077	-	-	1,034,064	7,198,141
Culture and Recreation	901,246	-	-	13,460	914,706
<b>Debt Service</b>					
Principal	41,997	-	658,004	781,850	1,481,851
Interest and Fiscal Charges	10,720	-	60,069	240,434	311,223
Capital Outlay	-	-	13,160,786	-	13,160,786
<b>Total Expenditures</b>	<b>31,257,643</b>	<b>11,684,191</b>	<b>13,878,859</b>	<b>3,860,906</b>	<b>60,681,599</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>13,332,010</b>	<b>1,044,164</b>	<b>(13,458,872)</b>	<b>1,658,727</b>	<b>2,576,029</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Leases Issued	-	-	491,512	-	491,512
Transfers In	150,305	-	9,512,816	5,066,361	14,729,482
Transfers (Out)	(10,935,096)	-	-	(3,893,106)	(14,828,202)
Proceeds from sale of capital assets	62,188	-	-	-	62,188
<b>Total Other Financing Sources (Uses)</b>	<b>(10,722,603)</b>	<b>-</b>	<b>10,004,328</b>	<b>1,173,255</b>	<b>454,980</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,609,407</b>	<b>1,044,164</b>	<b>(3,454,544)</b>	<b>2,831,982</b>	<b>3,031,009</b>
<b>FUND BALANCES, MAY 1</b>	<b>21,078,360</b>	<b>7,637,647</b>	<b>19,549,643</b>	<b>11,853,096</b>	<b>60,118,746</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 23,687,767</b>	<b>\$ 8,681,811</b>	<b>\$ 16,095,099</b>	<b>\$ 14,685,078</b>	<b>\$ 63,149,755</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2024

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 3,031,009</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	9,738,773
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(206,537)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,481,851
The forgiveness of principal on long-term debt is reported in the statement of activities	23,217
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements Lease Liability	(491,512)
The change in accrued interest payable is reported as interest expense on the statement of activities	15,150
The change in compensated absences is an increase of expenses on the statement of activities	(17,572)
The change in other postemployment benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	(234,741)
The change in Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	378,713
The change in Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	(654,640)
The change in Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	(365,825)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation and amortization Change in investment in joint venture Amortization of bond premiums or discounts	(4,521,210) 959,717 93,785
The change in net position of Internal Service Funds is reported in governmental activities	559,205
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,789,383</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2024

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Internal Service</b>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 29,034,825	\$ 1,522,661
Receivables		
Accounts	3,925,607	61,171
Accrued Interest	80,246	-
Leases	3,524,617	-
Prepaid Items	215,147	407,803
Due from Other Funds	253,858	-
	<hr/>	<hr/>
Total Current Assets	37,034,300	1,991,635
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
Capital Assets		
Capital Assets Not Being Depreciated	7,208,024	-
Capital Assets Being Depreciated, Net	80,664,009	-
	<hr/>	<hr/>
Net Capital Assets	87,872,033	-
	<hr/>	<hr/>
Total Noncurrent Assets	87,872,033	-
	<hr/>	<hr/>
Total Assets	124,906,333	1,991,635
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other Postemployment Benefits	128,317	-
Pension Items - IMRF	1,403,489	-
Well Asset Retirement Obligation	902,500	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	2,434,306	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	127,340,639	1,991,635
	<hr/>	<hr/>

(This statement is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

April 30, 2024

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Internal Service</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 2,547,586	\$ -
Accrued Salaries	88,055	-
Accrued Interest Payable	371,501	-
Escrows and Customer Deposits	192,971	-
Unearned Revenue	3,731,639	-
Accrued Compensated Absences	230,851	-
Due to Other Funds	24,729	-
Total OPEB Liability	26,839	-
General Obligation Bonds Payable	2,100,489	-
Promissory Note Payable	230,000	-
IEPA Loan Payable	698,342	-
Lease Liability	119,744	-
	10,362,746	-
<b>LONG-TERM LIABILITIES</b>		
Compensated Absences	230,850	-
Total OPEB Liability	374,286	-
IMRF Net Pension Liability	2,159,359	-
General Obligation Bonds Payable	17,836,004	-
IEPA Loan Payable	17,322,715	-
Lease Liability	95,722	-
Well Asset Retirement Obligation	950,000	-
	38,968,936	-
Total Long-Term Liabilities	38,968,936	-
Total Liabilities	49,331,682	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - Leases	3,382,441	-
Other Postemployment Benefits	54,182	-
Pension Items - IMRF	4,959	-
	3,441,582	-
Total Deferred Inflows of Resources	3,441,582	-
Total Liabilities and Deferred Inflows and Resources	52,773,264	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	55,271,549	-
Unrestricted	19,295,826	1,991,635
<b>TOTAL NET POSITION</b>	<b>\$ 74,567,375</b>	<b>\$ 1,991,635</b>

See accompanying notes to financial statements.



**CITY OF CRYSTAL LAKE, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2024

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Internal Service</b>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 14,785,335	\$ 6,236,238
Miscellaneous Income	224,268	81,399
Total Operating Revenues	15,009,603	6,317,637
<b>OPERATING EXPENSES</b>		
Administration	789,069	5,759,765
Water Operations	5,087,428	-
Sewer Operations	3,428,507	-
Depreciation and Amortization	4,357,778	-
Well ARO Amortization	9,500	-
Total Operating Expenses	13,672,282	5,759,765
<b>OPERATING INCOME</b>	<b>1,337,321</b>	<b>557,872</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Expense	(865,898)	-
Other Tax	2,596,683	-
Investment Income	936,253	1,333
Connection Fees	1,686,553	-
Grants	1,326,955	-
Rental Income	303,920	-
Total Non-Operative Revenues (Expenses)	5,984,466	1,333
<b>NET INCOME BEFORE TRANSFERS AND</b>	<b>7,321,787</b>	<b>559,205</b>
<b>TRANSFERS IN</b>	98,720	-
<b>CHANGE IN NET POSITION</b>	7,420,507	559,205
<b>NET POSITION, MAY 1</b>	<b>67,146,868</b>	<b>1,432,430</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 74,567,375</b>	<b>\$ 1,991,635</b>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the Year Ended April 30, 2024

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 14,678,430	\$ 1,115,271
Receipts from Internal Service Transactions	-	5,124,229
Receipts from Miscellaneous Revenues	224,268	81,399
Payments to Suppliers	(5,102,363)	(5,816,675)
Payments to Employees	(4,399,106)	-
	<hr/>	<hr/>
Net Cash from Operating Activities	5,401,229	504,224
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Amounts Received from (Paid to) Other Funds	(522,933)	-
Transfer in	98,720	-
Other Tax	2,596,683	-
Connection Charges	1,686,553	-
Rental Income	202,172	-
	<hr/>	<hr/>
Net Cash from Noncapital Financing Activities	4,061,195	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Assets Purchased	(5,033,254)	-
Principal Payments on Long-Term Debt	(2,941,686)	-
Principal Payments on Leases	(120,048)	-
Proceeds from Long-Term Debt	275,265	-
Interest Payments on Long-Term Debt	(912,464)	-
	<hr/>	<hr/>
Net Cash from Capital and Related Financing Activities	(8,732,187)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investment Securities	(2,184,283)	-
Proceeds from Sale and Maturities of Investment Securities	4,263,039	-
Interest Received	846,882	1,333
	<hr/>	<hr/>
Net Cash from Investing Activities	2,925,638	1,333
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,655,875	505,557
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	11,613,870	1,017,104
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 15,269,745	\$ 1,522,661
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(This statement is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2024

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Waterworks and Sewerage Fund</u>	<u>Internal Service</u>
<b>CASH AND INVESTMENTS</b>		
Cash and Cash Equivalents	\$ 15,269,745	\$ 1,522,661
Investments	13,765,080	-
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 29,034,825</u>	<u>\$ 1,522,661</u>
<b>NONCASH TRANSACTIONS</b>		
Capital Assets Purchased in Accounts Payable	\$ 1,909,753	\$ -
IEPA Loan Receivable	(479,217)	-
Assets Acquired through Lease	13,515	-
Unrealized Gain/(Loss) on Investments	93,661	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<u>\$ 1,537,712</u>	<u>\$ -</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Income	\$ 1,337,321	\$ 557,872
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities		
Depreciation and Amortization	4,357,778	-
Well ARO Amortization	9,500	-
Changes in Assets and Liabilities		
Receivables	(105,249)	3,262
Prepays	(110,017)	(56,910)
Deferred Outflows of Resources -		
Pension Items - IMRF	585,757	-
OPEB	(22,478)	-
Accounts Payable	37,398	-
Accrued Salaries	13,477	-
Accrued Compensated Absences	24,412	-
Net Pension Liability - IMRF	(715,345)	-
Total OPEB Liability	26,143	-
Deferred Inflows of Resources		
Pension Items - IMRF	(39,455)	-
OPEB	3,643	-
Customer Deposits	(1,656)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 5,401,229</u>	<u>\$ 504,224</u>

See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

April 30, 2024

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and Short-Term Investments	\$ 704,615	\$ 500,385
Investments, at Fair Value		
Investments Held in the Illinois Police Officers' Pension Investment Fund	53,502,963	-
Investments Held in the Illinois Firefighters' Pension Investment Fund	56,044,583	-
Receivables		
Accounts Receivable	-	5
Prepaid Expenses	6,862	-
	<hr/>	<hr/>
Total Assets	110,259,023	500,390
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts Payable	4,646	-
	<hr/>	<hr/>
Total Liabilities	4,646	-
	<hr/>	<hr/>
<b>NET POSITION</b>		
Restricted for Pensions	110,254,377	-
Restricted for Debt Service	-	500,390
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 110,254,377</b>	<b>\$ 500,390</b>
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See accompanying notes to financial statements.

**CITY OF CRYSTAL LAKE, ILLINOIS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended April 30, 2024

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 5,768,388	\$ -
Employee	1,771,089	-
Property Owner	-	178,273
Total Contributions	<u>7,539,477</u>	<u>178,273</u>
Investment Income		
Net Appreciation in Fair Value of Investments	8,871,511	-
Interest	1,446,592	20,796
Total Investment Income	10,318,103	20,796
Less Investment Expense	<u>(115,518)</u>	-
Net Investment Income	<u>10,202,585</u>	<u>20,796</u>
Total Additions	<u>17,742,062</u>	<u>199,069</u>
<b>DEDUCTIONS</b>		
Pension Benefits	7,481,946	-
Miscellaneous	78,453	-
Debt Service		
Principal	-	95,000
Interest and Fiscal Charges	-	106,973
Total Deductions	<u>7,560,399</u>	<u>201,973</u>
NET INCREASE (DECREASE)	10,181,663	(2,904)
<b>NET POSITION</b>		
May 1	<u>100,072,714</u>	<u>503,294</u>
April 30	<u>\$ 110,254,377</u>	<u>\$ 500,390</u>

See accompanying notes to financial statements.

# CITY OF CRYSTAL LAKE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Crystal Lake, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### A. Reporting Entity

The City was incorporated in 1914. The City is a home-rule community operating under a Council-Manager form of government and provides services that include police, fire, water and sewer utility, street maintenance, community development and general administrative services.

As required by GAAP, these financial statements present the City (the primary government) and its component units. As defined by GAAP and established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government

#### Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS), a fiduciary component unit of the City. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected by pension beneficiaries and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

**Firefighters' Pension Employees Retirement System**

The City's sworn firefighters participate in Firefighters' Pension Employees Retirement System (FPERS), a fiduciary component unit of the City. FPERS functions for the benefit of these employees and is governed by a five-member pension board.

Two members appointed by the City's Mayor, one elected pension beneficiary and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

**Discretely Presented Component Unit**

The City's component unit is reported in a separate column to emphasize that it is legally separate from the City.

The Crystal Lake Public Library (Library) is governed by a nine-member Board of Trustees appointed by the Mayor of the City. The Library is financially accountable to the City, as the City's approval is needed for the Library to issue bonded debt. The Library's fiscal year end is the same as the City's. Separate financial statements for the Library are not available.

**Other Governmental Entities**

Several other governmental entities have operations within the City but are separate legal entities. These entities include School District Nos. 47 and 155, Crystal Lake Civic Center Authority and the Crystal Lake Park District. The City is not financially accountable for these entities nor is there a financial benefit/burden relationship with these entities and, therefore, they are not included in the City's reporting entity. In addition, the City does not believe that it is a component unit of any other entity.

**B. Fund Accounting**

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The City utilizes pension trust funds (for its Police and Firefighters' Pension Funds) and custodial funds (for its Special Service Area debt service funds), which are generally used to account for assets that the City holds in a fiduciary capacity.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity other than interfund service transactions has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The service administered by the City and accounted for in the General Fund include general government, public safety and public works.

The Fire Rescue Fund accounts for revenues and expenditures related to fire protection, ambulance response and emergency rescue operations.

The Capital Equipment and Replacement Fund accounts for revenues for and expenditures related to major capital improvements.

The City reports the following major proprietary funds:

The Waterworks and Sewerage Fund accounts for all provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the City reports the following Internal Service Funds:

The Internal Service Fund accounts for the City's group health insurance provided to other departments of the City on a cost reimbursement basis. These funds are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

The City reports pension trust funds as fiduciary component units to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports three Special Service Area debt service funds as custodial funds.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period.

Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state by others at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The City reports unearned revenue and deferred revenue on its financial statements. Unearned revenue and deferred revenue arises when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue or deferred revenue is removed from the financial statements and revenue is recognized.

**E. Cash and Investments**

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the City's enterprise fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**F. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the financial statements. Interfund loans, if any, are classified as advances to/from other funds.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method on a first-in/first-out (FIFO) basis. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items using the consumption method.

I. Tangible and Intangible Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	25-50
Machinery, Equipment and Vehicles	3-15
Infrastructure - Streets and Bridges	50-80
Infrastructure - Water and Sewer System	60
Intangible Assets	2-5

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statements No. 87, *Leases*, are for lease contracts of nonfinancial assets including vehicles and equipment.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

K. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts and accounting gains/losses on refundings are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and accounting gains/losses on refunding. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

L. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Manager and Finance Director. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. In accordance with the City's fund balance policy, the unassigned General Fund balance will be maintained at a target level of 25% to 50% of annual budgeted expenditures. Balances in excess of 50% may be transferred to the Capital Replacement Fund to support future capital projects.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Fund Balance/Net Position (Continued)

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

O. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **2. DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Funds. The deposits and investments of the Pension Trust Funds are held separately from those of other funds and are controlled by the respective pension boards.

The City is limited to investments allowed by Illinois Compiled Statutes (ILCS). The City's investment policy further restricts what it may invest in to the following types of investment instruments: U.S. Government obligations, U.S. Government agency obligations and U.S. Government instrumentality obligations, which have a high liquid market with readily determinable fair value, interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investment constituting director obligations of any bank that is insured by the FDIC, local government investment pools, either state-administered or through joint powers statutes or other intergovernmental agreement legislation and investment-grade obligations (rated A or better) of state, provincial and local government and public authorities, The Illinois Funds and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security, safety and risk avoidance while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity and total return.

### **A. City Deposits with Financial Institutions**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The City shall enter into a collateral agreement with the financial institution; and the agreement shall outline the types of assets that may be utilized as collateral, the amount of collateral required, and the methodology. The amount of collateral provided would not be less than 105% of the fair value of the net amount of public funds secured. Pledged collateral will be held by the City or in safekeeping and evidenced by a written agreement. If collateral is held in safekeeping, it must be held at an independent third-party institution. A collateral agreement will preclude the release of the pledged assets, without an authorized signature from the City, but the agreement will allow for an exchange of collateral of like value. The City will accept any of the following assets as collateral: negotiable obligations of the United States Government and negotiable obligations of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. City Investments**

The following table presents the investments and maturities of the City's debt securities as of April 30, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Securities	\$ 14,362,887	\$ 7,183,990	\$ 7,178,897	\$ -	-
U.S. Agency Securities	22,087,286	7,442,434	14,644,852	-	-
Certificates of Deposits	17,449,665	6,389,140	11,060,525	-	-
Corporate Bonds	341,388	341,388	-	-	-
Municipal Bonds	6,155,807	2,479,403	3,676,404	-	-
<b>TOTAL</b>	<b>\$ 60,397,033</b>	<b>\$ 23,836,355</b>	<b>\$ 36,560,678</b>	<b>\$ -</b>	<b>-</b>

The City has the following recurring fair value measurements as of April 30, 2024: The U.S. agency obligations, U.S. Treasury obligations, corporate bonds, the state and municipal obligations and the negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

In accordance with its investment policy, the City limits its exposure to interest rate risk by limiting the weighted average maturity of the portfolio to no more than two years and limits the maximum maturity of any investment to three years from the date of purchase, unless matched to a specific future cash flow need, as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting investment in commercial paper and corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs).

The U.S. agency obligations are rated AAA, the corporate bonds are rated AA2 or not rated, the state and municipal bonds are rated Aa2 to AAA or not rated. The U.S. Treasury securities and negotiable CDs are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy requires that all security transactions, including collateral for repurchase agreements, be held by an independent third-party custodian designated by the City and evidenced by safekeeping receipts and a written custodial agreement.



**CITY OF CRYSTAL LAKE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

B. City Investments (Continued)

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy limits the amount the City may invest in any one issuer to 10% of the portfolio.

**3. RECEIVABLES - PROPERTY TAXES**

Property taxes for the 2023 levy year attach as an enforceable lien on January 1, 2023, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1 and August 1, and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

The 2023 taxes are intended to finance the 2025 fiscal year and are not considered available or earned for current operations and, therefore, are shown as deferred revenue. The 2024 tax levy has not been recorded as a receivable at April 30, 2024, as the tax attached as a lien on property as of January 1, 2024; however, the tax will not be levied until December 2024 and, accordingly, is not measurable at April 30, 2024.

**4. DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of the following amounts at April 30, 2024:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 3,640,237
Home Rule Sales Tax	1,641,609
Local Use Tax	370,167
Cannabis Tax	103,969
Motor Fuel Tax	144,830
Video Gaming Tax	46,376
Telecommunications Tax	<u>133,507</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 6,080,695</u>
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**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2024, is as follows:

	Balances May 1	Increases/ Transfers	Decreases/ Transfers	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 103,734,813	\$ 362,960	\$ -	\$ 104,097,773
Construction in Progress	1,137,278	3,932,480	46,324	5,023,434
Total Capital Assets Not Being Depreciated	104,872,091	4,295,440	46,324	109,121,207
Capital Assets Being Depreciated				
Buildings and Improvements	36,380,506	1,762,754	-	38,143,260
Machinery, Equipment and Vehicles	18,530,819	1,859,271	624,179	19,765,911
Infrastructure	85,399,451	1,376,119	-	86,775,570
Total Capital Assets Being Depreciated	140,310,776	4,998,144	624,179	144,684,741
Intangible Capital Assets Being Amortized				
Machinery and Equipment	2,308,012	491,513	177,411	2,622,114
Total Intangible Assets Being Amortized	2,308,012	491,513	177,411	2,622,114
Less Accumulated Depreciation for				
Buildings and Improvements	16,952,132	843,929	-	17,796,061
Machinery, Equipment and Vehicles	12,762,917	1,291,423	493,411	13,560,929
Infrastructure	29,979,460	1,601,362	-	31,580,822
Total Accumulated Depreciation	59,694,509	3,736,714	493,411	62,937,812
Less Accumulated Amortization for Intangible Capital Assets				
Machinery And Equipment	882,430	784,496	101,642	1,565,284
Total Accumulated Amortization for Intangible Capital Assets	882,430	784,496	101,642	1,565,284
Total Capital Assets and Intangible Capital Assets Being Depreciated and Amortized, Net	82,041,849	968,447	206,537	82,803,759
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 186,913,940</b>	<b>\$ 5,263,887</b>	<b>\$ 252,861</b>	<b>\$ 191,924,966</b>

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
General and Administrative	\$ 424,163
Public Safety	1,152,508
Highways and Streets	1,575,840
Culture and Recreation	584,203
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,736,714</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS (Continued)**

Amortization expense was charged to governmental activities functions/programs of the primary government as follows:

**GOVERNMENTAL ACTIVITIES**

General and Administrative	\$ 10,151
Public Safety	247,820
Highways and Streets	<u>526,525</u>

**TOTAL AMORTIZATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

**\$ 784,496**

	Balances May 1,	Increases/ Transfers	Decreases/ Transfers	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 2,209,776	\$ -	\$ -	\$ 2,209,776
Construction in Progress	8,214,156	5,420,362	8,636,270	4,998,248
Total Capital Assets Not Being Depreciated	<u>10,423,932</u>	<u>5,420,362</u>	<u>8,636,270</u>	<u>7,208,024</u>
Capital Assets Being Depreciated				
Buildings and Improvements	37,226,061	-	-	37,226,061
Machinery, Equipment and Vehicles	10,783,605	304,622	-	11,088,227
Infrastructure	112,930,205	8,739,616	-	121,669,821
Total Capital Assets Being Depreciated	<u>160,939,871</u>	<u>9,044,238</u>	<u>-</u>	<u>169,984,109</u>
Intangible Capital Assets Being Amortized				
Machinery and Equipment	559,280	13,515	-	572,795
Total Intangible Assets Being Amortized	<u>559,280</u>	<u>13,515</u>	<u>-</u>	<u>572,795</u>
Less Accumulated Depreciation for				
Buildings And Improvements	18,266,358	1,390,020	-	19,656,378
Machinery, Equipment and Vehicles	5,786,604	499,856	-	6,286,460
Infrastructure	61,316,701	2,294,104	-	63,610,805
Total Accumulated Depreciation	<u>85,369,663</u>	<u>4,183,980</u>	<u>-</u>	<u>89,553,643</u>
Less Accumulated Amortization for Intangible Capital Assets				
Machinery And Equipment	165,454	173,798	-	339,252
Total Accumulated Amortization for Intangible Capital Assets	<u>165,454</u>	<u>173,798</u>	<u>-</u>	<u>339,252</u>
Total Capital Assets and Intangible Capital Assets Being Depreciated and Amortized, Net	<u>75,964,034</u>	<u>4,699,975</u>	<u>-</u>	<u>80,664,009</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 86,387,966</u>	<u>\$ 10,120,337</u>	<u>\$ 8,636,270</u>	<u>\$ 87,872,033</u>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT**

**A. General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the City and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$9,235,000 General Obligation Bonds of 2012, annual installments of \$245,000 to \$850,000 interest at 2.000% to 2.625% payable each June 15 and December 15.	General and Debt Service	\$ 468,679	\$ -	\$ 41,996	\$ 426,683	\$ 43,676
	Waterworks and Sewerage	2,321,321	-	208,004	2,113,317	216,324
\$14,330,000 General Obligation Bonds of 2019, annual installments of \$270,000 to \$1,860,000 interest at 3% to 5% payable each June 15 and December 15.	General and Debt Service	5,682,685	-	781,850	4,900,835	800,835
	Waterworks and Sewerage	5,847,315	-	1,078,150	4,769,165	114,165
\$1,020,000 General Obligation Bonds, series 2022A, annual installments of \$770,000 to \$250,000, interest at 2.05% to 2.45% payable each June 15 and December 15.	Waterworks and Sewerage	250,000	-	250,000	-	-
\$6,740,000 General Obligation, series 2022B, annual installments of \$60,000 to \$1,260,000, interest at 3.00% to 4.00% payable each June 15 and December 15.	Waterworks and Sewerage	6,740,000	-	-	6,740,000	1,260,000
\$6,770,000 General Obligation Refunding Bonds of 2022C, annual installments of \$495,000 to \$645,000, interest at 2.650% payable each June 15 and December 15.	Waterworks and Sewerage	6,240,000	-	495,000	5,745,000	510,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>		<b>\$27,550,000</b>	<b>\$ -</b>	<b>\$ 2,855,000</b>	<b>\$24,695,000</b>	<b>\$ 2,945,000</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**B. General Obligation Promissory Note**

General Obligation Promissory Notes currently outstanding are as follows:

	Fund Debt Retired by	Balance May 1	Additions	Retirements	Balance April 30	Current Portion
\$1,900,000 General Obligation Promissory Notes, Series 2015, annual installments of \$210,000 to \$230,000, interest at 2.151% payable each June 15 and December 15.	Waterworks and Sewerage	\$ 455,000	\$ -	\$ 225,000	\$ 230,000	\$ 230,000
<b>TOTAL</b>		<b>\$ 455,000</b>	<b>\$ -</b>	<b>\$ 225,000</b>	<b>\$ 230,000</b>	<b>\$ 230,000</b>

**C. IEPA Loan**

The City, through the Illinois Environmental Protection Agency (IEPA), received a low interest loan to fund improvements to two of the City's wastewater treatment plants on a reimbursement basis. Under the terms of the agreement, the City can borrow up to \$14,840,101. The City borrowed \$14,779,811 and has total outstanding loans payable of \$10,611,557 as of April 30, 2024. The loan is to be paid on a semi-annual basis over 20 years, including interest at 1.86%.

The City, through the IEPA, received a low interest loan to fund improvements to a water treatment plant on a reimbursement basis. Under the terms of the agreement, the City can borrow up to \$7,409,500. The loan is still in disbursement and a debt service maturity schedule is not yet available at April 30, 2024. The loan has total outstanding loan payable of \$7,409,500 as of April 30, 2024. The loan is to be paid on a semi-annual basis over 20 years, including interest at 1.35%.

**D. Lease Liability**

The City entered into a fleet management lease agreement in June 2018. The agreement covers various individual leases for the right-to-use vehicles and equipment with varying lease terms. The leases have expirations dates ranging from May 2025 and February 2029. Payments ranging from \$1,331 to \$3,344 are due in monthly installments. Total intangible right-to-use assets for governmental activities and business type activities acquired under the fleet management agreement was \$1,269,345 as of April 30, 2024.

The City entered into a lease arrangement in February 2023, for the right-to-use equipment. Payments of \$21,437 are due in annual installments, through February 2025. Total intangible right-to-use assets for governmental activities and business type activities acquired under this agreement are \$21,028 as of April, 2024.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**D. Lease Liability (Continued)**

The annual requirements to amortize to maturity leases outstanding for governmental activities and business type activities as of April 30, 2024, are as follows:

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Leases		Leases	
	Principal	Interest	Principal	Interest
2025	\$ 522,987	\$ 51,618	\$ 119,744	\$ 11,816
2026	296,239	23,788	55,822	5,674
2027	119,515	9,648	21,657	3,127
2028	33,553	2,747	18,243	597
2029	14,186	726	-	-
<b>TOTAL</b>	<b>\$ 986,480</b>	<b>\$ 88,527</b>	<b>\$ 215,466</b>	<b>\$ 21,214</b>

**E. Debt Service Requirements to Maturity**

Debt service requirements to maturity for governmental activities long-term debt is as follows:

Fiscal Year	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 844,511	\$ 211,229
2026	1,004,516	173,013
2027	1,050,356	133,723
2028	1,091,196	92,559
2029	1,137,036	49,720
2030-2034	199,903	12,862
<b>TOTAL</b>	<b>\$ 5,327,518</b>	<b>\$ 673,106</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**E. Debt Service Requirements to Maturity (Continued)**

Debt service requirements to maturity for business-type activities long-term debt is as follows:

Fiscal Year	Business-Type Activities					
	IEPA Loans		General Obligation Bonds		General Obligation Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 698,342	\$ 194,143	\$ 2,100,489	\$ 583,095	\$ 230,000	\$ 4,947
2026	711,392	181,093	1,550,484	509,145	-	-
2027	724,685	167,800	1,274,644	458,556	-	-
2028	738,227	154,258	978,804	419,004	-	-
2029	752,022	140,463	797,964	391,281	-	-
2030-2034	3,976,225	486,199	4,120,097	1,635,621	-	-
2035-2039	3,010,664	113,033	4,900,000	1,078,273	-	-
2040-2043	-	-	3,645,000	219,783	-	-
<b>TOTAL</b>	<b>\$ 10,611,557</b>	<b>\$ 1,436,989</b>	<b>\$ 19,367,482</b>	<b>\$ 5,294,758</b>	<b>\$ 230,000</b>	<b>\$ 4,947</b>

**F. Changes in Long-Term Liabilities**

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 6,151,364	\$ -	\$ 823,846	\$ 5,327,518	\$ 844,511
Unamortized Bond Premium	530,758	-	93,785	436,973	-
Lease Liability	1,176,190	491,512	681,222	986,480	522,987
Compensated Absences*	2,889,592	1,462,368	1,444,796	2,907,164	1,453,581
Net Pension Liability - IMRF*	6,440,354	-	1,602,625	4,837,729	-
Net Pension Liability - Fire*	17,425,164	185,558	-	17,610,722	-
Net Pension Liability - Police*	37,515,237	1,000,619	-	38,515,856	-
Total OPEB Liability*	5,365,578	533,751	-	5,899,329	394,722
<b>TOTAL</b>	<b>\$ 77,494,237</b>	<b>\$ 3,673,808</b>	<b>\$ 4,646,274</b>	<b>\$ 76,521,771</b>	<b>\$ 3,215,801</b>

\*The General Fund resources are used to liquidate these liabilities.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**F. Changes in Long-Term Liabilities (Continued)**

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1 (Restated)	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 21,398,636	\$ -	\$ 2,031,154	\$ 19,367,482	\$ 2,100,489
Promissory Note Payable	455,000	-	225,000	230,000	230,000
IEPA Loans Payable	17,952,107	754,482	685,532	18,021,057	698,342
Unamortized Bond Premium	700,101	-	131,090	569,011	-
Lease Liability	321,999	13,515	120,048	215,466	119,744
Well Asset Retirement Obligation	950,000	-	-	950,000	-
Compensated Absences	437,289	243,057	218,645	461,701	230,851
Net Pension Liability	2,874,704	-	715,345	2,159,359	-
Total OPEB Liability	374,982	26,143	-	401,125	26,839
<b>TOTAL</b>	<b>\$ 45,464,818</b>	<b>\$ 1,037,197</b>	<b>\$ 4,126,814</b>	<b>\$ 42,375,201</b>	<b>\$ 3,406,265</b>

**G. Legal Debt Margin**

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.



**6. LONG-TERM DEBT (Continued)**

H. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding are not a direct responsibility of the City. The City will continue to collect taxes assessed on the SSA bonds and forward to bondholders any payments received. The amounts collected are accounted for in a Custodial Fund until they are remitted to the bondholders.

The City has the following SSA bond issues outstanding at April 30, 2024:

Special Service Area No. 45 Bonds, Series 2006 - original principal \$5,935,000, due in annual installments of \$80,000 to \$435,000, commencing February 2007 through February 2031; interest at 4.40% to 5.50% payable semiannually on August 1 and February 1. The outstanding principal balance at April 30, 2024, was \$5,440,000.

Special Service Area No. 46 Refunding Bonds, Series 2016 - original principal \$2,445,000 issued in December 2016, due in annual installments of \$30,000 to \$245,000, commencing March 2017 through March 2036; interest at 2.75% to 4.40% payable semiannually on September 1 and March 1. The outstanding principal balance at April 30, 2024, was \$1,885,000.

I. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various shallow water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells is 96 years.

**7. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for and finances of health insurance premiums paid in the Internal Service Fund.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**7. RISK MANAGEMENT (Continued)**

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasi-governmental and nonprofit public service entities.

The IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers; a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

The City also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial services, unemployment claim administration, extensive risk management/loss control consulting and training programs, and a risk information system and financial reporting services for its members. The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes their deductible portion of each occurrence (\$10,000 for the City), and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

**8. INDIVIDUAL FUND DISCLOSURES**

As of April 30, 2024, advances to/from other funds were as follows:

Payable Fund	Receivable Fund	Amount
Nonmajor Governmental	General	<u>\$ 186,773</u>
<b>TOTAL ADVANCES TO/FROM OTHER FUNDS</b>		<u><b>\$ 186,773</b></u>

The purposes of significant due from/due to other funds are as follows:

- \$186,773 advance from the General Fund to the Water's Edge TIF Fund for TIF expenditures. Repayment is not expected within one year.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

As of April 30, 2024, due to/from other funds were as follows:

Payable Fund	Receivable Fund	Amount
General	Waterworks and Sewerage	\$ 154,782
Capital Replacement	Waterworks and Sewerage	356
Nonmajor Governmental	Capital Replacement	481,032
Waterworks and Sewerage	General	24,729
Nonmajor Governmental	Waterworks and Sewerage	98,720
General	Nonmajor Governmental	80
Nonmajor Governmental	General	60
<b>TOTAL DUE TO/FROM OTHER FUNDS</b>		<b><u>\$ 759,759</u></b>

The purposes of significant due from/due to other funds are as follows:

- \$154,782 due from General Fund to the Waterworks and Sewerage Fund for various chargebacks for taxes and capital expenditures. Repayment is expected within one year.
- \$481,032 due from Nonmajor Governmental Fund (Motor Fuel Tax Fund) to the Capital Replacement Fund for capital expenditures. Repayment is expected within one year.
- \$24,729 due from Waterworks and Sewerage Fund to the General Fund to for various chargebacks and capital expenditures. Repayment is expected within one year.
- \$98,720 due from Nonmajor Governmental Fund (Three Oaks Development Fund) to the Waterworks and Sewerage Fund for capital expenditures. Repayment is expected within one year.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

Interfund transfers during the year ended April 30, 2024, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Capital Replacement	\$ -	\$ 6,000,000
Nonmajor Governmental	150,305	4,935,096
Total General	<u>150,305</u>	<u>10,935,096</u>
Capital Replacement		
General	6,000,000	-
Nonmajor Governmental	3,512,816	-
Total Capital Replacement	<u>9,512,816</u>	<u>-</u>
Waterworks and Sewerage		
Nonmajor Governmental	98,720	-
Total Capital Replacement	<u>98,720</u>	<u>-</u>
Nonmajor Governmental		
General	4,935,096	150,305
Capital Replacement	-	3,512,816
Waterworks and Sewerage	-	98,720
Nonmajor Governmental	131,265	131,265
Total Nonmajor Governmental	<u>5,066,361</u>	<u>3,893,106</u>
<b>TOTAL</b>	<u><b>\$ 14,828,202</b></u>	<u><b>\$ 14,828,202</b></u>

The purpose of significant transfers is as follows:

- \$935,096 transferred from the General Fund to Nonmajor Governmental Funds (Vulcan Lakes Debt Service). This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt. This transfer will not be repaid.
- \$4,000,000 transferred from the General Fund to Nonmajor Governmental Funds (Vehicle Replacement Fund) for the purchase of vehicles and equipment. This transfer will not be repaid.
- \$9,512,816 transferred to the Capital Equipment Replacement Fund from the General and Nonmajor Governmental funds for the purchase of equipment and capital projects. This transfer will not be repaid.

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

The Vulcan Lakes Tax Increment Financing (TIF) District was created to spur comprehensive development around US 14 and Main Street, to include residential, retain and recreational facilities (Three Oaks Recreation Area). Initial funding for land acquisition and engineering services (\$2,039,724) was provided using General Fund reserves. Available property tax increment will be used to retire outstanding bonds that were issued for the purposes of constructing the Three Oaks Recreation Area. Remaining increments, if any, are intended to be used to pay back the General Fund. The interfund receivable is reported net of an allowance of the same amount at April 30, 2024.

The Virginia Street Corridor Tax Increment Financing (TIF) District was intended to spur comprehensive revitalization of the Virginia Street Corridor and includes streetscape improvements/beautification and redevelopment of key identified sites. Initial funding \$(1,740,096) for the Virginia Street project was provided using Home Rule Sales Tax. In accordance with resolution 2008R-88, future tax increment could be used to provide reimbursement of Home Rule Sales Tax to the General Fund. The outstanding balance at April 30, 2024 was \$1,081,276 and is reported net of an allowance of the same amount.

The Waters Edge TIF Project Fund reported a deficit fund balance of \$186,773 at April 30, 2024.

**9. CONTINGENT LIABILITIES**

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**10. JOINT VENTURE**

The City is a founding member of SEECOM - Southeast Emergency Communication (SEECOM). SEECOM is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SEECOM is a cooperative joint venture organized for the purpose of providing the equipment, services and other items necessary and appropriate for the establishment, operation and maintenance of the joint public safety communications system for the mutual benefit of the members of SEECOM.

The founding members of SEECOM consist of the City of Crystal Lake, Illinois, the Village of Algonquin, Illinois and the Village of Cary, Illinois.

SEECOM is governed by an Executive Board established with the three voting members consisting of the Village Manager/Village Administrator/City Manager, or their respective staff designees, from the three founding communities. Two nonvoting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These nonvoting Board members represent other user communities. Each member of the Executive Board is entitled to one vote.

Each of SEECOM's three members paid an initial entry fee as determined and agreed to by SEECOM's Executive Board and the three members. Each member also pays a portion of the initial capital cost financed by the issuance of a bond. Each member's portion of the initial capital costs is based on the actual capital cost multiplied by the member's proportionate share of the number of calls for services from the preceding year. Each member pays a percentage of the operating costs of SEECOM, as determined by the total operational cost less contracted services by each member's proportional share of the calls for service handled by SEECOM. Calls for service are one year in arrears.

All property, real and personal, acquired by SEECOM is owned in common by the members under the intergovernmental agreement. Each of the three members under the intergovernmental agreement are liable for the debts and liabilities of SEECOM. The intergovernmental agreement establishing SEECOM is in effect for a period of 15 years from the effective date of December 2002. Thereafter, it is automatically renewed with no affirmative action by the three members for successive five-year periods commencing May 1 until notice of termination is given. Any terminating member shall remain liable for their share of the capital expenditures incurred prior to the effective date of their termination. Upon termination by any member, SEECOM shall reimburse the terminated member for its share of the undepreciated value of SEECOM's capital assets. SEECOM is located at 100 Municipal Complex, Crystal Lake, Illinois 60014. A separate audit report for SEECOM is available through its office.

The City reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the City remitted \$1,316,425 to SEECOM during fiscal year 2024. In addition, the City's equity interest in the joint venture's net position of \$4,598,094 is recorded within the governmental activities column of the statement of net position.

**11. CONSTRUCTION COMMITMENTS**

The City has commitments under construction contracts of approximately \$17,703,045 outstanding at April 30, 2024.

**12. TAX ABATEMENTS**

The City has entered into redevelopment and enhanced sales tax incentive agreements with a local business whereby the city has agreed to reimburse the business for actual project costs related to the expansion of their existing facilities within the City. Under terms of the agreement, the City will pay 40% of local sales tax attributable to the business and received by the City for the 12-month period preceding the annual payment date. The maximum cumulative payment under this agreement is the lower of 50% of actual project costs or \$600,000. The agreement shall terminate ten years after the effective date of the agreement or the date on which the business has been paid by the City an amount equal to the maximum cumulative payment. The payment information of the agreement is summarized as follows:

Effective Date of Agreement	Maximum Cumulative Payment	Current Year Payments	Cumulative Payments at April 30, 2024
March 1, 2019	\$ 600,000	\$ 46,401	\$ 162,343

**13. OTHER POSTEMPLOYMENT BENEFITS**

**A. Plan Description**

In addition to providing the pension benefits described, the City provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities.

**B. Benefits Provided**

The City provides postemployment health care and life insurance benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. All health care benefits are provided through the City's health insurance plan. Eligible, full-time employees who retire and elect to continue their medical insurance must pay the full price of insurance.

Benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching age 65 years, Medicare becomes the primary insurer and the City's plan becomes secondary.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

B. Benefits Provided (Continued)

For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible.

C. Membership

At April 30, 2024, membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	29
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>254</u>
<b>TOTAL</b>	<u><u>283</u></u>
Participating employers	<u>1</u>

D. Total OPEB Liability

The City and Library’s total OPEB liability of \$6,489,145 was measured as of April 30, 2024, and was determined by an actuarial valuation as of May 1, 2023.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2024, as determined by an actuarial valuation as of May 1, 2023 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	N/A
Inflation	3.00%
Salary Increases	3.50%
Discount Rate	4.42%
Healthcare Cost Trend Rates	4.00% Initial 4.50% Ultimate



**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA

Mortality rates follow the PubG.H-2010(B) mortality table with future mortality improvement using Scale MP-2020.

F. City - Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2023	<u>\$ 5,740,560</u>
Changes for the Period	
Service Cost	155,201
Interest	230,093
Changes in Benefit Terms*	73,522
Difference Between Expected and Actual Experience	596,741
Changes in Assumptions**	(102,106)
Benefit Payments	(421,561)
Other	<u>28,004</u>
Net Changes	<u>559,894</u>
BALANCES AT APRIL 30, 2024	<u>\$ 6,300,454</u>

\*Benefit term changes related to PSEBA participants changing from 100% payment for the least expensive plan provided to all employees to 100% payment for any plan selected. In addition, 100% payment for dental coverage is no longer provided.

\*\*Changes in assumption related to the discount rate were made in 2024.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

G. Library - Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2023	\$ 200,765
Changes for the Period	
Service Cost	4,648
Interest	6,891
Changes in Benefit Terms*	2,202
Difference Between Expected and Actual Experience	17,872
Changes in Assumptions**	(3,058)
Benefit Payments	(12,625)
Other	<u>(28,004)</u>
Net Changes	<u>(12,074)</u>
BALANCES AT APRIL 30, 2024	<u>\$ 188,691</u>

\*Benefit term changes related to 100% payment for dental coverage no longer being provided.

\*\*Changes in assumption related to the discount rate were made in 2024.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

H. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.42% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.42%) or 1 percentage point higher (5.42%) than the current rate:

	1% Decrease (3.42%)	Current Discount Rate (4.42%)	1% Increase (5.42%)
City - Total OPEB Liability	\$ 6,794,451	\$ 6,300,454	\$ 5,856,887
Library - Total OPEB Liability	203,486	188,691	175,407
<b>TOTAL - TOTAL OPEB LIABILITY</b>	<b>\$ 6,997,937</b>	<b>\$ 6,489,145</b>	<b>\$ 6,032,294</b>

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.00% to 4.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 3.50%) or 1 percentage point higher (5.00% to 5.50%) than the current rate:

	1% Decrease (3.00% to 3.50%)	Current Discount Rate (4.00% to 4.50%)	1% Increase (5.00% to 5.50%)
City - Total OPEB Liability	\$ 5,786,850	\$ 6,300,454	\$ 6,889,287
Library - Total OPEB Liability	173,309	188,691	206,326
<b>TOTAL - TOTAL OPEB LIABILITY</b>	<b>\$ 5,960,159</b>	<b>\$ 6,489,145</b>	<b>\$ 7,095,613</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2024, the City recognized OPEB expense of \$639,735.

At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,150,949	\$ 34,060
Changes in Assumptions	864,513	816,982
<b>TOTAL</b>	<b>\$ 2,015,462</b>	<b>\$ 851,042</b>

For the year ended April 30, 2024, the Library recognized OPEB expense of \$19,159.

At April 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 34,470	\$ 1,020
Changes in Assumptions	25,891	24,468
<b>TOTAL</b>	<b>\$ 60,361</b>	<b>\$ 25,488</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending April 30,	City	Library	Total
2025	\$ 180,920	\$ 5,418	\$ 186,338
2026	180,920	5,418	186,338
2027	180,920	5,418	186,338
2028	180,920	5,418	186,338
2029	180,920	5,418	186,338
Thereafter	259,820	7,783	267,606
<b>TOTAL</b>	<b>\$ 1,164,420</b>	<b>\$ 34,873</b>	<b>\$ 1,199,293</b>

**14. DEFINED BENEFIT PENSION PLANS**

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or [www.imrf.org](http://www.imrf.org).

The table below is a summary for all City pension plans as of and for the year ended April 30, 2024:

	IMRF	Police Pension	Fire Pension	Total
Net Pension Liability	\$ 6,997,088	\$ 38,515,856	\$ 17,610,722	\$ 63,123,666
Deferred Outflows of Resources	4,547,802	5,935,557	4,626,427	15,109,786
Deferred Inflows of Resources	16,070	1,738,196	3,337,244	5,091,510
Pension Expense	364,485	4,136,894	2,651,959	7,153,338

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund

A. *Plan Membership*

At December 31, 2023, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	227
Inactive Employees Entitled to but not yet Receiving Benefits	126
Active Employees	165
 TOTAL	 518

B. *Benefits Provided*

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

C. *Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2024 was 9.57% of covered payroll.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

D. *Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2023
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Asset Valuation Method	Fair Value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

E. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25% at December 31, 2023. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

F. *City - Changes in the Net Pension Liability (Asset)*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2023	\$ 71,317,112	\$ 62,002,055	\$ 9,315,057
Changes for the Period			
Service Cost	884,174	-	884,174
Interest	5,061,392	-	5,061,392
Difference Between Expected and Actual Experience	453,294	-	453,294
Changes in Assumptions	9,625	-	9,625
Employer Contributions	-	898,401	(898,401)
Employee Contributions	-	425,122	(425,122)
Net Investment Income	-	6,741,728	(6,741,728)
Benefit Payments and Refunds	(3,893,778)	(3,893,778)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	661,203	(661,203)
Net Changes	2,514,707	4,832,676	(2,317,969)
BALANCES AT DECEMBER 31, 2023	\$ 73,831,819	\$ 66,834,731	\$ 6,997,088



**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

G. *Library - Changes in the Net Pension Liability (Asset)*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2023	\$ 18,477,177	\$ 16,063,788	\$ 2,413,389
Changes for the Period			
Service Cost	229,076	-	229,076
Interest	1,311,330	-	1,311,330
Difference Between Expected and Actual Experience	117,441	-	117,441
Changes in Assumptions	2,494	-	2,494
Employer Contributions	-	232,762	(232,762)
Employee Contributions	-	110,143	(110,143)
Net Investment Income	-	1,746,679	(1,746,679)
Benefit Payments and Refunds	(1,008,819)	(1,008,819)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	171,307	(171,307)
Net Changes	651,522	1,252,072	(600,550)
BALANCES AT DECEMBER 31, 2023	\$ 19,128,699	\$ 17,315,860	\$ 1,812,839

There were changes in assumptions related to mortality rates compared to the previous valuation.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

H. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2024, the City recognized pension expense of \$364,485 and the Library recognized pension expense of \$94,432.

At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 821,793	\$ 16,070
Changes in Assumption	6,613	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,427,659	-
Employer Contributions After the Measurement Date	291,737	-
TOTAL	<u>\$ 4,547,802</u>	<u>\$ 16,070</u>

\$291,737 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the reporting year ending April 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows on the following page:

**CITY OF CRYSTAL LAKE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

H. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

At April 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 212,914	\$ 4,163
Changes in Assumption	1,713	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	888,054	-
Employer Contributions After the Measurement Date	75,584	-
<b>TOTAL</b>	<b>\$ 1,178,265</b>	<b>\$ 4,163</b>

\$75,584 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the reporting year ending April 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	City	Library	Total
2025	\$ 917,559	\$ 237,725	\$ 1,155,284
2026	1,411,310	365,649	1,776,959
2027	2,374,283	615,141	2,989,424
2028	(463,157)	(119,997)	(583,154)
2029	-	-	-
Thereafter	-	-	-
<b>TOTAL</b>	<b>\$ 4,239,995</b>	<b>\$ 1,098,518</b>	<b>\$ 5,338,513</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund (Continued)

I. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City - Net Pension Liability (Asset)	\$ 15,919,486	\$ 6,997,088	\$ (214,885)
Library - Net Pension Liability (Asset)	4,124,496	1,812,839	(55,674)
<b>TOTAL - NET PENSION LIABILITY (ASSET)</b>	<b>\$ 20,043,982</b>	<b>\$ 8,809,927</b>	<b>\$ (270,559)</b>

Police Pension Plan

A. *Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. A separate report is not issued for the Police Pension Fund.

The Police Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The Police Pension Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

B. *Plan Membership*

At April 30, 2024, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	13
Active Plan Members	67
 TOTAL	 137

C. *Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

C. *Benefits Provided (Continued)*

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

D. *Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by 2040. However, the City has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040. For the year ended April 30, 2024, the City's contribution was 51.05% of covered payroll.

E. *Illinois Police Officers' Pension Investment Fund*

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

F. *Investment Policy*

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

G. *Deposits with Financial Institutions*

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. At April 30, 2024, all deposits are covered by federal depository insurance.

H. *Investments*

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at [www.ipopif.org](http://www.ipopif.org).

I. *Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2024.

J. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$53,502,963 at April 30, 2024. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2024. The plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

K. *Investment Rate of Return*

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments as calculated by the Fund's Treasurer, net of pension plan investment expense, was 9.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

L. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2024, using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2024
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	3.75% to 21.54%
Investment Rate	7.25%
Cost of Living Adjustments	2.25%
Asset Valuation Method	Fair Value

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

M. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

N. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ended April 30, 2024.

The table below presents the pension liability of the City, for year ended April 30, 2024, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 51,682,469	\$ 38,515,856	\$ 27,770,764

O. *Changes in the Net Pension Liability*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT MAY 1, 2023	\$ 86,802,602	\$ 49,287,365	\$ 37,515,237
Changes for the Period			
Service Cost	1,502,290	-	1,502,290
Interest	6,122,048	-	6,122,048
Difference Between Expected and Actual Experience	2,726,586	-	2,726,586
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Employer Contributions	-	3,482,254	(3,482,254)
Employee Contributions	-	686,958	(686,958)
Other Contributions	-	438,073	(438,073)
Net Investment Income	-	4,757,914	(4,757,914)
Benefit Payments and Refunds	(4,721,701)	(4,721,701)	-
Administrative Expense	-	(14,894)	14,894
Net Changes	5,629,223	4,628,604	1,000,619
BALANCES AT APRIL 30, 2024	\$ 92,431,825	\$ 53,915,969	\$ 38,515,856

The Police Pension Plan was 58.33% funded as of April 30, 2024.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

P. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2024, the City recognized police pension expense of \$4,136,894. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,406,741	\$ 1,243,512
Changes in Assumption	823,670	494,684
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,705,146</u>	<u>-</u>
<b>TOTAL</b>	<u><b>\$ 5,935,557</b></u>	<u><b>\$ 1,738,196</b></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Fiscal Year Ending April 30,</u>	
2025	\$ 324,734
2026	2,006,163
2027	818,533
2028	210,932
2029	491,711
Thereafter	<u>345,288</u>
<b>TOTAL</b>	<u><b>\$ 4,197,361</b></u>

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan

A. *Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The Firefighters' Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

The Firefighters' Pension Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

B. *Plan Membership*

At April 30, 2024, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	55
 TOTAL	 93

C. *Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

C. *Benefits Provided (Continued)*

service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

D. *Contributions*

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' Pension Fund (the Fund). If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy using the entry-age normal cost method that will result in funding of 100% of the past service cost by 2040. The City's contribution was 33.51% of covered payroll for the year ended April 30, 2024.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

E. *Illinois Firefighters' Pension Investment Fund*

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

F. *Deposits with Financial Institutions*

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. All deposits at April 30, 2024, are covered by federal depository insurance.

G. *Investments*

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at [www.ifpif.org](http://www.ifpif.org).

H. *Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2024.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

I. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$56,044,583 at April 30, 2024. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2024. The plan may redeem shares by giving notice by 5:00 pm central time on the 1<sup>st</sup> of each month. Requests properly submitted on or before the 1<sup>st</sup> of each month will be processed for redemption by the 14<sup>th</sup> of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

J. *Investment Policy*

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

K. *Investment Rate of Return*

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

L. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2024, using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2024
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	3.75% to 8.78%
Investment Rate	7.25%
Cost of Living Adjustments	2.25%
Asset Valuation Method	Fair Value

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

L. *Actuarial Assumptions (Continued)*

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

M. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

N. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ended April 30, 2024.

The table below presents the net pension liability of the City, for year ended April 30, 2024, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 28,980,267	\$ 17,610,722	\$ 8,364,519

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

O. *Changes in the Net Pension Liability*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT MAY 1, 2023	\$ 68,210,513	\$ 50,785,349	\$ 17,425,164
Changes for the Period			
Service Cost	1,642,278	-	1,642,278
Interest	4,845,209	-	4,845,209
Difference Between Expected and Actual Experience	2,011,375	-	2,011,375
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Employer Contributions	-	2,286,134	(2,286,134)
Employee Contributions	-	646,058	(646,058)
Net Investment Income	-	5,444,671	(5,444,671)
Benefit Payments and Refunds	(2,760,245)	(2,760,245)	-
Administrative Expense	-	(63,559)	63,559
Net Changes	5,738,617	5,553,059	185,558
BALANCES AT APRIL 30, 2024	\$ 73,949,130	\$ 56,338,408	\$ 17,610,722

The Firefighters' Pension Plan was 76.19% funded as of April 30, 2024.



**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

P. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended April 30, 2024, the City recognized firefighters' pension expense of \$2,651,959. At April 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,410,197	\$ 3,152,286
Changes in Assumption	584,866	184,958
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,631,364</u>	<u>-</u>
<b>TOTAL</b>	<u><b>\$ 4,626,427</b></u>	<u><b>\$ 3,337,244</b></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Fiscal Year Ending April 30,</u>	
2025	\$ (202,529)
2026	1,482,636
2027	94,718
2028	(504,115)
2029	13,226
Thereafter	<u>405,247</u>
<b>TOTAL</b>	<u><b>\$ 1,289,183</b></u>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**15. PENSION TRUST FUNDS**

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

A. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 414,991	\$ 289,624	\$ 704,615
Investments Held in the Illinois Police Officers' Pension Investment Fund	53,502,963	-	53,502,963
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	56,044,583	56,044,583
Prepaid Expenses	-	6,862	6,862
<b>Total Assets</b>	<b>53,917,954</b>	<b>56,341,069</b>	<b>110,259,023</b>
<b>LIABILITIES</b>			
Accounts Payable	1,985	2,661	4,646
<b>Total Liabilities</b>	<b>1,985</b>	<b>2,661</b>	<b>4,646</b>
<b>NET POSITION</b>	<b>\$ 53,915,969</b>	<b>\$ 56,338,408</b>	<b>\$ 110,254,377</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**15. PENSION TRUST FUNDS (Continued)**

Fiduciary Funds Summary Financial Information (Continued)

B. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 3,482,254	\$ 2,286,134	\$ 5,768,388
Employee	1,125,031	646,058	1,771,089
Total Contributions	4,607,285	2,932,192	7,539,477
Investment Income			
Net Appreciation in Fair Value of Investments	4,414,806	4,456,705	8,871,511
Interest Earned	397,072	1,049,520	1,446,592
Less Investment Expense	(53,964)	(61,554)	(115,518)
Net Investment Income	4,757,914	5,444,671	10,202,585
Total Additions	9,365,199	8,376,863	17,742,062
<b>DEDUCTIONS</b>			
Benefits and Refunds	4,721,701	2,760,245	7,481,946
Administrative	14,894	63,559	78,453
Total Deductions	4,736,595	2,823,804	7,560,399
NET INCREASE	4,628,604	5,553,059	10,181,663
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
May 1	49,287,365	50,785,349	100,072,714
April 30	\$ 53,915,969	\$ 56,338,408	\$ 110,254,377

**16. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY**

A. Summary of Significant Accounting Policies

The accounting policies of the Library conform to GAAP as applicable to governments. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1. Fund Accounting

Governmental Funds

The accounts of the Library are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three fund types and one broad fund category as follows:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

2. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred.

The modified accrual basis of accounting is followed by the governmental funds on the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes as available if they are collected within 60 days after year end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**16. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)**

**B. Deposits and Investments**

The Library maintains a cash and investment pool that is available for use by all funds, including the Library’s funds and excluding the pension trust fund. Each fund’s portion of this pool is displayed on the financial statements as “cash and investments.” In addition, deposits and investments are separately held by several of the Library’s funds.

The Library is authorized to invest in all investments allowed by ILCS. These include deposits/investments insured by the FDIC, obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds (a money market fund created by the State Legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

**1. Library Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the Library’s deposits may not be returned to it. The Library’s investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Library or the Library’s agent in the Library’s name.

**2. Library Investments**

As of April 30, 2024, the Library had investments and maturities as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Notes	\$ 1,766,716	\$ 1,299,461	\$ 467,255	\$ -	\$ -
Certificates of Deposits	212,000	212,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,978,716</b>	<b>\$ 1,511,461</b>	<b>\$ 467,255</b>	<b>\$ -</b>	<b>\$ -</b>

**16. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)**

B. Deposits and Investments (Continued)

2. Library Investments (Continued)

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The U.S Treasury Notes and Certificates of Deposits are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by taking in account the cash flow needs of the Library regarding maturities on investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Library's investment policy does not address credit risk. The Illinois Funds and money market mutual funds are rated AAA by Standard and Poor's, the certificates of deposits are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. The Illinois Funds and money market mutual funds are not subject to custodial credit risk.

Concentration of the credit risk is the risk that the Library has a high percentage of their investments invested in one investment. The Library's investment policy requires diversification of investments to avoid unreasonable risk but does not contain any specific diversification targets.

The Library's investment policy does not specifically prohibit the use of or the investment in derivatives.

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**16. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)**

C. Receivables

Property taxes for the 2023 levy year attach as an enforceable lien on January 1, 2023, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, and August 1, and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically.

The Library has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the 2023 taxes are intended to finance the 2025 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of April 30, 2024, as the tax has not yet been levied by the Library and will not be levied until December 2024 and, therefore, the levy is not measurable at April 30, 2024.

D. Capital Assets

The following is a summary of changes in the Library's capital assets during the fiscal year:

	Balances May 1	Additions/ Transfers	Retirements/ Transfers	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 2,472,561	\$ -	\$ -	\$ 2,472,561
Total Capital Assets Not Being Depreciated	2,472,561	-	-	2,472,561
Capital Assets Being Depreciated				
Building and Improvements	9,555,207	-	16,939	9,538,268
Machinery, Equipment and Vehicles	412,992	-	27,218	385,774
Total Capital Assets Being Depreciated	9,968,199	-	44,157	9,924,042
Less Accumulated Depreciation for				
Building and Improvements	4,367,083	232,783	14,519	4,585,347
Machinery, Equipment and Vehicles	268,362	44,128	22,632	289,858
Total Accumulated Depreciation	4,635,445	276,911	37,151	4,875,205
Total Capital Assets Being Depreciated, Net	5,332,754	(276,911)	7,006	5,048,837
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 7,805,315</b>	<b>\$ (276,911)</b>	<b>\$ 7,006</b>	<b>\$ 7,521,398</b>

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**16. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)**

E. Long-Term Debt

During the fiscal year, the following changes occurred in liabilities reported in general long-term debt:

	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
Compensated Absences	\$ 145,109	\$ 77,845	\$ 72,554	\$ 150,400	\$ 75,200
Net Pension Liability	2,413,389	-	600,550	1,812,839	-
Total OPEB Liability	200,765	-	12,074	188,691	12,625
<b>TOTAL</b>	<b>\$ 2,759,263</b>	<b>\$ 77,845</b>	<b>\$ 685,178</b>	<b>\$ 2,151,930</b>	<b>\$ 87,825</b>

**17. LESSOR LEASES**

The City has entered into seven separate lease agreements to lease space on cell towers for the placement of cellular communications equipment. Payments ranging from \$45,000 to \$121,319 are due to the City in annual installment. The lease agreements have expiration dates ranging from December 2029 to April 2049. The lease agreements are noncancelable and maintain interest rates ranging from 1.53% to 2.55%.

The City entered a lease agreement in January 2016 to lease space on a cell tower for the placement of cellular communications equipment. Payments ranging from \$282 to \$446 are due to the City in monthly installments, through May 2046. The lease agreement is non-cancelable and maintains an interest rate of 2.51%.

The City entered a lease agreement in January 2024 to lease space with an emergency dispatch center. Payments ranging from \$3,750 to \$6,576 are due to the City in quarterly installments, through April 2044. The lease agreement is non-cancelable and maintains an interest rate of 3.41%.

During the year, the City recognized lease revenue of \$895,435 and interest revenue of \$122,048 related to leases.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Charges for Service	\$ 833,650	\$ 833,650	\$ 1,079,746	\$ 246,096
Licenses and Permits	639,000	639,000	1,266,076	627,076
Intergovernmental	23,120,594	22,920,594	23,772,042	851,448
Fines and Forfeitures	334,000	334,000	498,692	164,692
Property Taxes	5,767,047	5,767,047	5,768,388	1,341
Other Taxes	8,461,679	8,661,679	8,987,418	325,739
Investment Income	300,000	300,000	1,623,809	1,323,809
Miscellaneous	662,254	687,254	1,593,482	906,228
<b>Total Revenues</b>	<b>40,118,224</b>	<b>40,143,224</b>	<b>44,589,653</b>	<b>4,446,429</b>
<b>EXPENDITURES</b>				
General Government	7,520,814	7,545,814	6,766,540	(779,274)
Public Safety	17,733,100	17,733,100	17,373,063	(360,037)
Highway and Streets	6,882,788	6,882,788	6,164,077	(718,711)
Cultural Recreation	846,603	846,603	901,246	54,643
Debt Service				
Principal	41,997	41,997	41,997	-
Interest and Fees	10,927	10,927	10,720	(207)
<b>Total Expenditures</b>	<b>33,036,229</b>	<b>33,061,229</b>	<b>31,257,643</b>	<b>(1,803,586)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>7,081,995</b>	<b>7,081,995</b>	<b>13,332,010</b>	<b>6,250,015</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	139,180	139,180	150,305	11,125
Transfers (Out)	(6,755,304)	(6,755,304)	(10,935,096)	(4,179,792)
Proceeds from Sale of Capital Assets	-	-	62,188	62,188
<b>Total Other Financing Sources (Uses)</b>	<b>(6,616,124)</b>	<b>(6,616,124)</b>	<b>(10,722,603)</b>	<b>(4,106,479)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 465,871</b>	<b>\$ 465,871</b>	<b>2,609,407</b>	<b>\$ 2,143,536</b>
<b>FUND BALANCE, MAY 1</b>			<b>21,078,360</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 23,687,767</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE RESCUE FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Charges for Services	\$ 4,762,667	\$ 4,762,667	\$ 4,995,737	\$ 233,070
Intergovernmental	-	-	27,858	27,858
Property Taxes	7,348,000	7,348,000	7,338,820	(9,180)
Investment Income	40,000	40,000	57,985	17,985
Other	60,500	60,500	307,955	247,455
<b>Total Revenues</b>	<b>12,211,167</b>	<b>12,211,167</b>	<b>12,728,355</b>	<b>517,188</b>
<b>EXPENDITURES</b>				
Public Safety				
Personnel Services	10,002,855	10,002,855	10,026,090	23,235
Contractual Services	1,514,660	1,514,660	1,287,696	(226,964)
Materials and Supplies	383,905	383,905	370,161	(13,744)
Miscellaneous	-	-	244	244
<b>Total Expenditures</b>	<b>11,901,420</b>	<b>11,901,420</b>	<b>11,684,191</b>	<b>(217,229)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 309,747</b>	<b>\$ 309,747</b>	<b>1,044,164</b>	<b>\$ 734,417</b>
<b>FUND BALANCE, MAY 1</b>			<b>7,637,647</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 8,681,811</b>	

(See independent auditor's report.)

# CITY OF CRYSTAL LAKE, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2024

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### 1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, certain Special Revenue (except SSA 47 Fund), Debt Service (except the Special Assessment No. 149 Fund and Crystal Heights Debt Service), Capital Projects (except the NCLPB Project Fund and Vehicle Replacement Fund), Enterprise Fund, Internal Service Fund and Pension Trust Funds.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them. The budget is prepared on a basis consistent with GAAP, except for depreciation is not budgeted in the Waterworks and Sewerage Fund, principal issuances, capital outlay and pension and OPEB expenses.

A public hearing is conducted to obtain taxpayer comments. Prior to May 1, the budget is legally enacted for the General Fund, Special Revenue Funds (exception noted above), Debt Service Funds (exception noted above), Capital Projects Funds (exception noted above), Enterprise Funds, Internal Service and Pension Trust Funds.

Expenditures may not legally exceed the total appropriated amounts for each fund. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, expenditures in excess of the total appropriated amount must be approved by the City Council. During the year, the budget was amended by the City Council. The Library's financial statements have been compared to the working budget, which is less than the appropriation amounts.

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Actuarially Determined Contribution	\$ 1,452,892	\$ 1,410,404	\$ 1,430,059	\$ 1,385,397	\$ 1,365,266	\$ 1,559,628	\$ 1,543,084	\$ 1,346,193	\$ 1,144,495
Contributions in Relation to the Actuarially Determined Contribution	1,452,892	1,410,404	1,430,059	1,385,397	1,365,266	1,559,628	1,543,084	1,346,193	1,144,495
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered Payroll	\$ 11,133,366	\$ 10,753,366	\$ 11,069,426	\$ 11,160,501	\$ 11,377,411	\$ 11,337,608	\$ 11,696,490	\$ 12,029,760	\$ 11,956,072
Contributions as a Percentage of Covered Payroll	13.05%	13.12%	12.92%	12.41%	12.00%	13.76%	13.19%	11.19%	9.57%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Actuarially Determined Contribution	\$ 1,973,564	\$ 1,869,923	\$ 1,992,354	\$ 2,091,066	\$ 2,418,845	\$ 2,391,323	\$ 2,690,477	\$ 2,930,906	\$ 3,481,415	\$ 3,368,127
Contributions in Relation to the Actuarially Determined Contribution	1,778,970	2,059,342	1,989,776	2,089,940	2,415,148	2,386,343	2,685,733	2,930,906	3,481,415	3,482,254
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ 194,594</b>	<b>\$ (189,419)</b>	<b>\$ 2,578</b>	<b>\$ 1,126</b>	<b>\$ 3,697</b>	<b>\$ 4,980</b>	<b>\$ 4,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (114,127)</b>
Covered Payroll	\$ 5,773,467	\$ 5,437,640	\$ 5,691,409	\$ 5,953,131	\$ 6,099,597	\$ 6,149,431	\$ 6,433,892	\$ 6,335,246	\$ 6,683,400	\$ 6,820,983
Contributions as a Percentage of Covered Payroll	30.81%	37.87%	34.96%	35.11%	39.60%	38.81%	41.74%	46.26%	52.09%	51.05%

Notes to the Required Supplementary Information

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 18 years; the asset valuation method was five-year smoothed market and the interest rate assumption was 7.25% annually.

The lag between information in actuarial reports and actual contributions made are the result of tax collection cycles.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Actuarially Determined Contribution	\$ 1,720,093	\$ 1,767,767	\$ 1,518,852	\$ 1,609,399	\$ 1,884,348	\$ 1,847,033	\$ 1,882,261	\$ 2,023,967	\$ 2,203,496	\$ 2,030,416
Contributions in Relation to the Actuarially Determined Contribution	1,555,655	1,928,928	1,690,980	1,608,539	1,881,728	1,843,179	1,878,976	2,023,991	2,285,797	2,286,134
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ 164,438</u>	<u>\$ (161,161)</u>	<u>\$ (172,128)</u>	<u>\$ 860</u>	<u>\$ 2,620</u>	<u>\$ 3,854</u>	<u>\$ 3,285</u>	<u>\$ (24)</u>	<u>\$ (82,301)</u>	<u>\$ (255,718)</u>
Covered Payroll	\$ 5,531,971	\$ 5,744,609	\$ 5,908,574	\$ 6,229,293	\$ 6,482,045	\$ 7,075,908	\$ 7,047,861	\$ 6,827,656	\$ 6,560,707	\$ 6,822,798
Contributions as a Percentage of Covered Payroll	28.12%	33.58%	28.62%	25.82%	29.03%	26.05%	26.66%	29.64%	34.84%	33.51%

Notes to the Required Supplementary Information

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 18 years; the asset valuation method was five-year smoothed market; and the interest rate assumption was 7.25% annually.

The lag between information in actuarial reports and actual contributions made are the result of tax collection cycles.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL PENSION LIABILITY</b>									
Service Cost	\$ 1,211,429	\$ 1,199,753	\$ 1,173,075	\$ 1,117,896	\$ 1,160,290	\$ 1,204,021	\$ 1,147,812	\$ 1,124,209	\$ 1,113,250
Interest	4,343,976	4,539,611	4,819,887	4,947,320	5,275,067	5,544,651	5,856,444	6,068,226	6,372,722
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,001,063)	121,980	126,838	1,257,266	283,884	1,603,138	(174,967)	1,618,129	570,735
Changes of Assumptions	79,521	(248,700)	(1,994,006)	2,166,714	-	(699,531)	-	-	12,119
Benefit Payments, Including Refunds of Member Contributions	(1,903,179)	(1,959,499)	(2,251,265)	(2,546,931)	(2,883,298)	(3,162,117)	(3,485,043)	(4,307,672)	(4,902,597)
Net Change in Total Pension Liability	2,730,684	3,653,145	1,874,529	6,942,265	3,835,943	4,490,162	3,344,246	4,502,892	3,166,229
Total Pension Liability - Beginning	58,420,423	61,151,107	64,804,252	66,678,781	73,621,046	77,456,989	81,947,151	85,291,397	89,794,289
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 61,151,107</b>	<b>\$ 64,804,252</b>	<b>\$ 66,678,781</b>	<b>\$ 73,621,046</b>	<b>\$ 77,456,989</b>	<b>\$ 81,947,151</b>	<b>\$ 85,291,397</b>	<b>\$ 89,794,289</b>	<b>\$ 92,960,518</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - Employer	\$ 1,390,362	\$ 1,424,559	\$ 1,388,105	\$ 1,469,484	\$ 1,260,041	\$ 1,615,854	\$ 1,592,450	\$ 1,424,027	\$ 1,131,163
Contributions - Member	485,951	490,006	507,135	503,413	553,793	528,825	556,887	573,623	535,265
Net Investment Income	256,105	3,526,328	9,228,845	(3,068,591)	11,122,244	9,737,032	13,281,939	(11,142,027)	8,488,407
Benefit Payments, Including Refunds of Member Contributions	(1,903,179)	(1,959,499)	(2,251,265)	(2,546,931)	(2,883,298)	(3,162,117)	(3,485,043)	(4,307,672)	(4,902,597)
Other	(702,990)	335,991	(550,873)	1,044,285	(412,236)	866,615	(181,709)	224,858	832,510
Net Change in Plan Fiduciary Net Position	(473,751)	3,817,385	8,321,947	(2,598,340)	9,640,544	9,586,209	11,764,524	(13,227,191)	6,084,748
Plan Fiduciary Net Position - Beginning	51,234,516	50,760,765	54,578,150	62,900,097	60,301,757	69,942,301	79,528,510	91,293,034	78,065,843
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 50,760,765</b>	<b>\$ 54,578,150</b>	<b>\$ 62,900,097</b>	<b>\$ 60,301,757</b>	<b>\$ 69,942,301</b>	<b>\$ 79,528,510</b>	<b>\$ 91,293,034</b>	<b>\$ 78,065,843</b>	<b>\$ 84,150,591</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 10,390,342</b>	<b>\$ 10,226,102</b>	<b>\$ 3,778,684</b>	<b>\$ 13,319,289</b>	<b>\$ 7,514,688</b>	<b>\$ 2,418,641</b>	<b>\$ (6,001,637)</b>	<b>\$ 11,728,446</b>	<b>\$ 8,809,927</b>



<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	83.01%	84.22%	94.33%	81.91%	90.30%	97.05%	107.04%	86.94%	90.52%
Covered Payroll	\$ 10,752,994	\$ 10,717,757	\$ 10,847,310	\$ 11,174,779	\$ 11,382,497	\$ 11,751,668	\$ 11,564,632	\$ 11,936,530	\$ 11,882,891
Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll	96.63%	95.41%	34.84%	119.19%	66.02%	20.58%	(51.90%)	98.26%	74.14%

In 2016, changes in assumptions related to the discount rate.

In 2017, changes in assumptions related to salary rates, inflation rates, and mortality rates.

In 2018, changes in assumptions related to the discount rate.

In 2020, changes in assumptions related to salary rates, price inflation, retirement age and mortality rates.

In 2023, changes in assumptions related to mortality rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Ten Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>TOTAL PENSION LIABILITY</b>										
Service Cost	\$ 1,420,407	\$ 1,406,344	\$ 1,384,616	\$ 1,480,535	\$ 1,514,366	\$ 1,428,215	\$ 1,536,190	\$ 1,537,742	\$ 1,427,059	\$ 1,502,290
Interest	3,863,133	4,154,656	4,647,595	4,740,074	4,795,473	5,108,983	5,486,253	5,480,564	5,844,925	6,122,048
Changes of Benefit Terms	-	-	-	-	-	264,843	-	-	(42,061)	-
Differences Between Expected and Actual Experience	925,823	(652,931)	(90,119)	(3,331,174)	1,017,819	394,864	(91,869)	(1,345,391)	931,558	2,726,586
Changes of Assumptions	-	4,302,384	(2,002,799)	2,903,482	(1,868,828)	1,047,031	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,118,147)	(2,258,561)	(2,564,023)	(2,763,423)	(3,154,254)	(3,254,765)	(3,228,925)	(3,850,144)	(3,968,584)	(4,721,701)
Net Change in Total Pension Liability	4,091,216	6,951,892	1,375,270	3,029,494	2,304,576	4,989,171	3,701,649	1,822,771	4,192,897	5,629,223
Total Pension Liability - Beginning	54,343,666	58,434,882	65,386,774	66,762,044	69,791,538	72,096,114	77,085,285	80,786,934	82,609,705	86,802,602
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 58,434,882</b>	<b>\$ 65,386,774</b>	<b>\$ 66,762,044</b>	<b>\$ 69,791,538</b>	<b>\$ 72,096,114</b>	<b>\$ 77,085,285</b>	<b>\$ 80,786,934</b>	<b>\$ 82,609,705</b>	<b>\$ 86,802,602</b>	<b>\$ 92,431,825</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - Employer	\$ 1,778,970	\$ 2,059,342	\$ 1,989,776	\$ 2,089,940	\$ 2,415,148	\$ 2,386,343	\$ 2,685,733	\$ 2,930,906	\$ 3,481,415	\$ 3,482,254
Contributions - Member	568,526	579,535	551,461	570,493	633,079	608,715	798,533	1,030,717	1,088,129	1,125,031
Net Investment Income	1,700,649	(528,210)	3,391,766	2,829,729	1,623,122	(1,363,475)	11,056,030	(2,788,427)	661,661	4,757,914
Benefit Payments, Including Refunds of Member Contributions	(2,118,147)	(2,258,561)	(2,564,023)	(2,763,423)	(3,154,254)	(3,254,765)	(3,228,925)	(3,850,144)	(3,968,584)	(4,721,701)
Other	(30,088)	(53,004)	(37,390)	(16,115)	(16,137)	(20,134)	(21,369)	(21,360)	(22,925)	(14,894)
Net Change in Plan Fiduciary Net Position	1,899,910	(200,898)	3,331,590	2,710,624	1,500,958	(1,643,316)	11,290,002	(2,698,308)	1,239,696	4,628,604
Plan Fiduciary Net Position - Beginning	31,857,107	33,757,017	33,556,119	36,887,709	39,598,333	41,099,291	39,455,975	50,745,977	48,047,669	49,287,365
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 33,757,017</b>	<b>\$ 33,556,119</b>	<b>\$ 36,887,709</b>	<b>\$ 39,598,333</b>	<b>\$ 41,099,291</b>	<b>\$ 39,455,975</b>	<b>\$ 50,745,977</b>	<b>\$ 48,047,669</b>	<b>\$ 49,287,365</b>	<b>\$ 53,915,969</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 24,677,865</b>	<b>\$ 31,830,655</b>	<b>\$ 29,874,335</b>	<b>\$ 30,193,205</b>	<b>\$ 30,996,823</b>	<b>\$ 37,629,310</b>	<b>\$ 30,040,957</b>	<b>\$ 34,562,036</b>	<b>\$ 37,515,237</b>	<b>\$ 38,515,856</b>

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019*	2020	2021	2022	2023	2024
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.77%	51.32%	55.25%	56.74%	57.01%	51.18%	62.81%	58.16%	56.78%	58.33%
Covered Payroll	\$ 5,773,467	\$ 5,437,640	\$ 5,691,409	\$ 5,953,131	\$ 6,099,597	\$ 6,149,431	\$ 6,433,892	\$ 6,335,246	\$ 6,683,400	\$ 6,820,983
Employer's Net Pension Liability as a Percentage of Covered Payroll	427.44%	585.38%	524.90%	507.18%	508.18%	611.92%	466.92%	545.55%	561.32%	564.67%

Tier II Police retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September. The average increase in the CPI-U for September 1992 through September 2022 was 2.52% (on a compounded basis). Changes in Benefit Terms in 2023 related to Tier II benefit increases.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2021.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2020.

In 2020, the results reflect plan benefit changes under PA-101-0610 (SB 1300). These legislative changes reflect modifications to the Tier II plan provisions.

\*Changes in assumptions related to the discount rate were made in 2019.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>TOTAL PENSION LIABILITY</b>										
Service Cost	\$ 1,458,713	\$ 1,480,463	\$ 1,597,021	\$ 1,663,767	\$ 1,518,410	\$ 1,593,494	\$ 1,806,035	\$ 1,768,476	\$ 1,742,756	\$ 1,642,278
Interest	2,591,488	2,898,718	3,314,039	3,466,784	3,583,943	3,890,887	4,065,873	4,152,925	4,519,254	4,845,209
Changes of Benefit Terms	-	-	-	-	-	496,787	-	-	(83,818)	-
Differences Between Expected and Actual Experience	1,419,845	(85,631)	20,498	(1,976,589)	221,515	(507,207)	(2,198,565)	(1,513,765)	766,930	2,011,375
Changes of Assumptions	-	2,768,663	(1,386,277)	(48,865)	419,832	598,398	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,178,766)	(1,286,016)	(1,381,293)	(1,495,603)	(1,482,619)	(1,537,360)	(1,575,630)	(1,974,968)	(2,236,078)	(2,760,245)
Net Change in Total Pension Liability	4,291,280	5,776,197	2,163,988	1,609,494	4,261,081	4,534,999	2,097,713	2,432,668	4,709,044	5,738,617
Total Pension Liability - Beginning	36,334,049	40,625,329	46,401,526	48,565,514	50,175,008	54,436,089	58,971,088	61,068,801	63,501,469	68,210,513
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 40,625,329</b>	<b>\$ 46,401,526</b>	<b>\$ 48,565,514</b>	<b>\$ 50,175,008</b>	<b>\$ 54,436,089</b>	<b>\$ 58,971,088</b>	<b>\$ 61,068,801</b>	<b>\$ 63,501,469</b>	<b>\$ 68,210,513</b>	<b>\$ 73,949,130</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - Employer	\$ 1,555,655	\$ 1,928,928	\$ 1,690,980	\$ 1,608,539	\$ 1,881,728	\$ 1,843,179	\$ 1,878,976	\$ 2,023,991	\$ 2,285,797	\$ 2,286,134
Contributions - Member	539,487	570,933	544,683	584,464	603,777	660,175	666,374	645,544	620,325	646,058
Net Investment Income	1,873,564	292,962	2,510,351	2,061,996	2,384,267	662,186	11,129,344	(3,204,390)	507,519	5,444,671
Benefit Payments, Including Refunds of Member Contributions	(1,178,766)	(1,286,016)	(1,381,293)	(1,495,603)	(1,482,619)	(1,537,360)	(1,575,630)	(1,974,968)	(2,236,078)	(2,760,245)
Other	(66,256)	(51,823)	(58,025)	(16,840)	(22,532)	(18,449)	(17,831)	(69,328)	(55,129)	(63,559)
Net Change in Plan Fiduciary Net Position	2,723,684	1,454,984	3,306,696	2,742,556	3,364,621	1,609,731	12,081,233	(2,579,151)	1,122,434	5,553,059
Plan Fiduciary Net Position - Beginning	24,958,561	27,682,245	29,137,229	32,443,925	35,186,481	38,551,102	40,160,833	52,242,066	49,662,915	50,785,349
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 27,682,245</b>	<b>\$ 29,137,229</b>	<b>\$ 32,443,925</b>	<b>\$ 35,186,481</b>	<b>\$ 38,551,102</b>	<b>\$ 40,160,833</b>	<b>\$ 52,242,066</b>	<b>\$ 49,662,915</b>	<b>\$ 50,785,349</b>	<b>\$ 56,338,408</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,943,084</b>	<b>\$ 17,264,297</b>	<b>\$ 16,121,589</b>	<b>\$ 14,988,527</b>	<b>\$ 15,884,987</b>	<b>\$ 18,810,255</b>	<b>\$ 8,826,735</b>	<b>\$ 13,838,554</b>	<b>\$ 17,425,164</b>	<b>\$ 17,610,722</b>

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.14%	62.79%	66.80%	70.13%	70.82%	68.10%	85.55%	78.21%	74.45%	76.19%
Covered Payroll	\$ 5,531,971	\$ 5,744,609	\$ 5,908,574	\$ 6,229,293	\$ 6,482,045	\$ 7,075,908	\$ 7,047,861	\$ 6,827,656	\$ 6,560,707	\$ 6,822,798
Employer's Net Pension Liability as a Percentage of Covered Payroll	233.97%	300.53%	272.85%	240.61%	245.06%	265.84%	125.24%	202.68%	265.60%	258.12%

Tier II Firefighter retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September. The average increase in the CPI-U for September 1992 through September 2022 was 2.52% (on a compounded basis). Changes in Benefit Terms in 2023 related to Tier II benefit increases.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2020.

In 2020, the results reflect plan benefit changes under PA-101-0610 (SB 1300). These legislative changes reflect modifications to the Tier II plan provisions.

Changes in assumptions related to the discount rate were made in 2019.

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Annual money-weighted rate of return, net of investment expense	5.30%	(1.60%)	9.98%	7.62%	4.20%	(2.96%)	29.29%	(5.53%)	1.00%	9.70%

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Annual money-weighted rate of return, net of investment expense	7.26%	0.74%	7.77%	6.26%	7.25%	1.67%	27.24%	(6.23%)	0.70%	10.70%

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Seven Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2019	2020	2021	2022	2023	2024
<b>TOTAL OPEB LIABILITY</b>							
Service Cost	\$ 120,186	\$ 124,957	\$ 109,111	\$ 150,761	\$ 219,673	\$ 163,893	\$ 159,849
Interest	160,856	163,403	159,615	133,554	122,330	230,052	236,984
Differences Between Expected and Actual Experience	-	-	(66,180)	-	955,826	-	614,613
Changes of Benefit Terms	-	-	-	-	54,086	-	75,724
Changes of Assumptions	-	79,519	951,236	151,438	(653,700)	(74,780)	(105,164)
Benefit Payments	(224,631)	(209,087)	(201,398)	(229,398)	(298,059)	(316,015)	(434,186)
Net Change in Total OPEB Liability	56,411	158,792	952,384	206,355	400,156	3,150	547,820
Total OPEB Liability - Beginning	4,164,077	4,220,488	4,379,280	5,331,664	5,538,019	5,938,175	5,941,325
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 4,220,488</b>	<b>\$ 4,379,280</b>	<b>\$ 5,331,664</b>	<b>\$ 5,538,019</b>	<b>\$ 5,938,175</b>	<b>\$ 5,941,325</b>	<b>\$ 6,489,145</b>
Covered-Employee Payroll	\$ 21,087,988	\$ 23,410,540	\$ 23,397,653	\$ 24,788,593	\$ 23,594,626	\$ 24,419,749	\$ 24,698,571
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	20.01%	18.71%	22.79%	22.34%	25.17%	24.33%	26.27%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumption related to the discount rate were made in 2024. Changes in benefit terms related to PSEBA benefits were made in 2024.

Changes in assumption related to the discount rate were made in 2023.

Changes in assumption related to the discount rate, starting per capita costs, health care trend rates were made in 2022. Changes in benefit terms related to updating decrements and PSEBA benefits were made in 2022.

Changes in assumption related to the discount rate were made in 2021.

Changes in assumption related to the projected total payroll increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates, disability rates and the discount rate were made in 2020.

Changes in assumption related to the discount rate were made in 2019.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)



**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Charges for Services				
Review Fees	\$ 90,000	\$ 90,000	\$ 232,698	\$ 142,698
Parking	120,000	120,000	124,201	4,201
Police Revenue	85,000	85,000	86,828	1,828
Other Fees	201,000	201,000	242,250	41,250
Rental Income	337,650	337,650	393,769	56,119
Total Charges for Services	833,650	833,650	1,079,746	246,096
Licenses and Permits				
Liquor Licenses	125,000	125,000	147,399	22,399
Miscellaneous Licenses and Permits	14,000	14,000	17,375	3,375
Building Permits	500,000	500,000	1,101,302	601,302
Total Licenses and Permits	639,000	639,000	1,266,076	627,076
Intergovernmental				
Income Tax	6,452,518	6,452,518	6,592,621	140,103
Local Use Tax	1,639,775	1,639,775	1,518,838	(120,937)
Replacement Tax	355,857	355,857	376,351	20,494
State Sales Tax	14,601,444	14,401,444	15,169,052	767,608
Grants	71,000	71,000	115,180	44,180
Total Intergovernmental	23,120,594	22,920,594	23,772,042	851,448
Fines and Forfeitures				
Police Fines	279,000	279,000	444,197	165,197
Adjudication Fines	55,000	55,000	54,495	(505)
Total Fines and Forfeitures	334,000	334,000	498,692	164,692
Property Taxes	5,767,047	5,767,047	5,768,388	1,341
Other Taxes				
Auto Rental Tax	51,932	51,932	58,694	6,762
Franchise Fees - Cable	603,438	603,438	543,973	(59,465)
Home Rule Sales Tax	6,979,256	6,979,256	7,179,057	199,801
Hotel Tax	345,000	345,000	352,400	7,400
Telecommunications Tax	482,053	482,053	528,630	46,577
Cannabis Tax	-	200,000	324,664	124,664
Total Other Taxes	8,461,679	8,661,679	8,987,418	325,739
Investment Income	300,000	300,000	1,623,809	1,323,809
Miscellaneous				
Host Fees	420,000	420,000	434,477	14,477
Other	242,254	267,254	1,159,005	891,751
Total Miscellaneous	662,254	687,254	1,593,482	906,228
<b>TOTAL REVENUES</b>	<b>\$ 40,118,224</b>	<b>\$ 40,143,224</b>	<b>\$ 44,589,653</b>	<b>\$ 4,446,429</b>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Executive Department				
Personal Services	\$ 22,800	\$ 22,800	\$ 22,800	\$ -
Contractual Services	475,675	500,675	477,625	(23,050)
Total Executive Department	<u>498,475</u>	<u>523,475</u>	<u>500,425</u>	<u>(23,050)</u>
Legal and Judiciary Department				
Contractual Services	563,695	563,695	717,292	153,597
Total Legal and Judiciary Department	<u>563,695</u>	<u>563,695</u>	<u>717,292</u>	<u>153,597</u>
Administration Department				
Personal Services	1,838,051	1,838,051	1,699,494	(138,557)
Contractual Services	312,473	312,473	241,356	(71,117)
Materials and Supplies	82,756	82,756	77,031	(5,725)
Total Administration Department	<u>2,233,280</u>	<u>2,233,280</u>	<u>2,017,881</u>	<u>(215,399)</u>
Administration Adjudication Department				
Personal Services	32,557	32,557	29,411	(3,146)
Contractual Services	33,000	33,000	18,254	(14,746)
Materials and Supplies	1,100	1,100	-	(1,100)
Total Administration Adjudication Department	<u>66,657</u>	<u>66,657</u>	<u>47,665</u>	<u>(18,992)</u>
Community Development				
Personal Services	1,778,578	1,778,578	1,702,729	(75,849)
Contractual Services	877,679	877,679	472,748	(404,931)
Materials and Supplies	21,334	21,334	21,610	276
Total Community Development	<u>2,677,591</u>	<u>2,677,591</u>	<u>2,197,087</u>	<u>(480,504)</u>
Information Technology				
Personal Services	217,905	217,905	193,358	(24,547)
Contractual Services	739,397	739,397	612,608	(126,789)
Materials and Supplies	523,814	523,814	480,224	(43,590)
Total Information Technology	<u>1,481,116</u>	<u>1,481,116</u>	<u>1,286,190</u>	<u>(194,926)</u>
Total General Government	<u>7,520,814</u>	<u>7,545,814</u>	<u>6,766,540</u>	<u>(779,274)</u>

(This schedule is continued on the following pages.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY</b>				
Police Department				
Personal Services	\$ 9,923,096	\$ 9,923,096	\$ 9,761,375	\$ (161,721)
Contractual Services	1,617,595	1,617,595	1,430,507	(187,088)
Materials and Supplies	388,748	388,748	370,255	(18,493)
Total Police Department	<u>11,929,439</u>	<u>11,929,439</u>	<u>11,562,137</u>	<u>(367,302)</u>
Pension Obligation				
Police Pension Contribution	3,481,415	3,481,415	3,482,254	839
Fire Pension Contribution	2,285,632	2,285,632	2,286,134	502
Total Pension Obligation	<u>5,767,047</u>	<u>5,767,047</u>	<u>5,768,388</u>	<u>1,341</u>
Fire and Police Commission				
Contractual Services	36,614	36,614	42,538	5,924
Total Fire and Police Commission	<u>36,614</u>	<u>36,614</u>	<u>42,538</u>	<u>5,924</u>
Total Public Safety	<u>17,733,100</u>	<u>17,733,100</u>	<u>17,373,063</u>	<u>(360,037)</u>
<b>HIGHWAY AND STREETS</b>				
Engineering Department				
Personal Services	1,120,554	1,120,554	1,060,180	(60,374)
Contractual Services	256,280	256,280	185,798	(70,482)
Materials and Supplies	31,870	31,870	26,345	(5,525)
Total Engineering Department	<u>1,408,704</u>	<u>1,408,704</u>	<u>1,272,323</u>	<u>(136,381)</u>
Street Department				
Personal Services	1,843,622	1,843,622	1,686,286	(157,336)
Contractual Services	1,632,230	1,632,230	1,564,985	(67,245)
Materials and Supplies	315,553	315,553	271,643	(43,910)
Total Street Department	<u>3,791,405</u>	<u>3,791,405</u>	<u>3,522,914</u>	<u>(268,491)</u>
Fleet Services				
Personal Services	662,223	662,223	572,382	(89,841)
Contractual Services	86,284	86,284	115,291	29,007
Materials and Supplies	20,762	20,762	24,808	4,046
Total Fleet Services	<u>769,269</u>	<u>769,269</u>	<u>712,481</u>	<u>(56,788)</u>

(This schedule is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>HIGHWAY AND STREETS (Continued)</b>				
Facility Services				
Personal Services	\$ 252,715	\$ 252,715	\$ 254,749	\$ 2,034
Contractual Services	655,871	655,871	399,227	(256,644)
Materials and Supplies	4,824	4,824	2,383	(2,441)
Total Facility Services	<u>913,410</u>	<u>913,410</u>	<u>656,359</u>	<u>(257,051)</u>
Total Highways and Streets	<u>6,882,788</u>	<u>6,882,788</u>	<u>6,164,077</u>	<u>(718,711)</u>
<b>CULTURE AND RECREATION</b>				
Park Operations				
Personal Services	470,953	470,953	434,706	(36,247)
Contractual Services	279,925	279,925	291,392	11,467
Materials and Supplies	95,725	95,725	175,148	79,423
Total Three Oaks Recreation	<u>846,603</u>	<u>846,603</u>	<u>901,246</u>	<u>54,643</u>
Total Culture and Recreation	<u>846,603</u>	<u>846,603</u>	<u>901,246</u>	<u>54,643</u>
<b>DEBT SERVICE</b>				
Principal	41,997	41,997	41,997	-
Interest and Fees	10,927	10,927	10,720	(207)
Total Debt Service	<u>52,924</u>	<u>52,924</u>	<u>52,717</u>	<u>(207)</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 33,036,229</u></u>	<u><u>\$ 33,061,229</u></u>	<u><u>\$ 31,257,643</u></u>	<u><u>\$ (1,803,586)</u></u>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL AND EQUIPMENT REPLACEMENT FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Licenses and Permits	\$ 60,000	\$ 60,000	\$ 81,800	\$ 21,800
Other Taxes	208,567	208,567	238,314	29,747
Miscellaneous Income	687,215	687,215	99,873	(587,342)
<b>Total Revenues</b>	<b>955,782</b>	<b>955,782</b>	<b>419,987</b>	<b>(535,795)</b>
<b>EXPENDITURES</b>				
Debt Service				
Principal	715,534	715,534	658,004	(57,530)
Interest	78,172	78,172	60,069	(18,103)
Capital Outlay				
Information Technology	871,200	871,200	396,696	(474,504)
Police	1,365,572	1,365,572	993,009	(372,563)
Streets	7,772,925	7,772,925	3,627,672	(4,145,253)
Road Reconstruction	2,175,000	2,175,000	2,029,915	(145,085)
Community Development	539,000	539,000	116,040	(422,960)
Engineering	4,595,345	4,595,345	1,970,538	(2,624,807)
Fleet and Facility Services	3,611,644	3,611,644	2,557,533	(1,054,111)
Fire Rescue	1,559,011	1,559,011	915,980	(643,031)
Parks Operations	982,000	982,000	540,778	(441,222)
Administration	40,000	40,000	12,625	(27,375)
<b>Total Expenditures</b>	<b>24,305,403</b>	<b>24,305,403</b>	<b>13,878,859</b>	<b>(10,426,544)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(23,349,621)</b>	<b>(23,349,621)</b>	<b>(13,458,872)</b>	<b>9,890,749</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases Issued	830,563	830,563	491,512	(339,051)
Transfers In (Out)	9,947,362	9,947,362	9,512,816	(434,546)
<b>Total Other Financing Sources (Uses)</b>	<b>10,777,925</b>	<b>10,777,925</b>	<b>10,004,328</b>	<b>(773,597)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (12,571,696)</b>	<b>\$ (12,571,696)</b>	<b>(3,454,544)</b>	<b>\$ 9,117,152</b>
<b>FUND BALANCE, MAY 1</b>			<b>19,549,643</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 16,095,099</b>	

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**



**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2024

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 8,893,800	\$ -	\$ 6,233,084	\$ 15,126,884
Receivables				
Property Taxes	1,372,821	-	443,343	1,816,164
Accounts Receivable	147,699	-	-	147,699
Other	76,394	-	134,530	210,924
Due from Other Governments	161,241	-	-	161,241
Due from Other Funds	80	-	-	80
<b>Total Assets</b>	<b>10,652,035</b>	<b>-</b>	<b>6,810,957</b>	<b>17,462,992</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 10,652,035</b>	<b>\$ -</b>	<b>\$ 6,810,957</b>	<b>\$ 17,462,992</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 115,854	\$ -	\$ 3,745	\$ 119,599
Recapture Fees Payable	-	-	75,566	75,566
Due to Other Funds	481,092	-	98,720	579,812
Advances due to other funds	-	-	186,773	186,773
<b>Total Liabilities</b>	<b>596,946</b>	<b>-</b>	<b>364,804</b>	<b>961,750</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue - Property Taxes	1,372,821	-	443,343	1,816,164
<b>Total Deferred Inflows of Resources</b>	<b>1,372,821</b>	<b>-</b>	<b>443,343</b>	<b>1,816,164</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,969,767</b>	<b>-</b>	<b>808,147</b>	<b>2,777,914</b>

(This statement is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2024

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>FUND BALANCES</b>				
Restricted				
IMRF/FICA	\$ 1,064,479	\$ -		\$ 1,064,479
Public Safety	785,580	-	-	785,580
Park Development	-	-	1,996,142	1,996,142
Parking	72,771	-	-	72,771
Highway and Street Maintenance	6,536,900	-	-	6,536,900
Capital Improvement Projects	-	-	193,441	193,441
Unrestricted				
Assigned				
Special Revenue Funds	222,538	-	-	222,538
Capital	-	-	4,000,000	4,000,000
Unassigned (Deficit)	-	-	(186,773)	(186,773)
Total Fund Balances	<u>8,682,268</u>	<u>-</u>	<u>6,002,810</u>	<u>14,685,078</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 10,652,035</u>	<u>\$ -</u>	<u>\$ 6,810,957</u>	<u>\$ 17,462,992</u>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2024

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Charges for Services	\$ 110,298	\$ -	\$ -	\$ 110,298
Licenses and Permits	154,605	-	-	154,605
Intergovernmental	1,908,923	-	608,083	2,517,006
Fines and Forfeitures	96,947	-	-	96,947
Property Taxes	1,821,234	-	320,203	2,141,437
Other Taxes	63,977	-	-	63,977
Investment Income	240,880	87	1,615	242,582
Miscellaneous	113,015	-	79,766	192,781
<b>Total Revenues</b>	<b>4,509,879</b>	<b>87</b>	<b>1,009,667</b>	<b>5,519,633</b>
<b>EXPENDITURES</b>				
Current Operating				
General Government	1,055,919	285,966	55,646	1,397,531
Public Safety	393,567	-	-	393,567
Highways and Streets	1,034,064	-	-	1,034,064
Culture and Recreation	13,460	-	-	13,460
Debt Service				
Principal	-	781,850	-	781,850
Interest and Fiscal Charges	-	240,434	-	240,434
<b>Total Expenditures</b>	<b>2,497,010</b>	<b>1,308,250</b>	<b>55,646</b>	<b>3,860,906</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,012,869</b>	<b>(1,308,163)</b>	<b>954,021</b>	<b>1,658,727</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,022,787	4,043,574	5,066,361
Transfers (Out)	(3,512,816)	(43,679)	(336,611)	(3,893,106)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,512,816)</b>	<b>979,108</b>	<b>3,706,963</b>	<b>1,173,255</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,499,947)</b>	<b>(329,055)</b>	<b>4,660,984</b>	<b>2,831,982</b>
<b>FUND BALANCES, MAY 1</b>	<b>10,182,215</b>	<b>329,055</b>	<b>1,341,826</b>	<b>11,853,096</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 8,682,268</b>	<b>\$ -</b>	<b>\$ 6,002,810</b>	<b>\$ 14,685,078</b>

(See independent auditor's report.)

## **NONMAJOR SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenues derived from specific restricted taxes or other restricted or committed revenue sources which, by law, are restricted to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

Motor Fuel Tax - To account for the maintenance and various street improvements in the City. Financing is provided by the City's share of motor fuel tax allotments. State statutes require those allotments to be used to maintain streets.

IMRF/FICA - To account for revenues derived from a separate tax levy and disbursement of these funds for contributions to the state-sponsored Illinois Municipal Retirement Fund and to Social Security and Medicare.

Road/Vehicle License - To account for revenues received from the county road and bridge taxes and to account for revenue from vehicle license fees.

School Crossing Guard - To account for expenditures related to school crossing guards.

Restricted Police Fund - To account for revenues derived from narcotic asset seizures and expenses incurred from activities intended to restrict such activities.

Commuter Parking Fund - To account for revenues derived from and expenses incurred to maintain the commuter parking lot.

SSA 47 - To account for the accumulation of resources for, and the payment of, inspection, maintenance and repair costs of storm water facilities in Special Service Area No. 47. Financing is being provided by a property tax levy on property owners in the Special Service Area No. 47.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

April 30, 2024

	<b>Motor Fuel Tax</b>	<b>IMRF/ FICA</b>	<b>Road/ Vehicle License</b>	<b>School Crossing Guard</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 6,815,753	\$ 1,064,403	\$ 104,169	\$ 120,993
Receivables				
Property Taxes, Net	-	1,297,603	-	75,218
Accounts Receivable	91,070	-	-	-
Other	25,623	76	8	26,973
Due from Other Governments	144,830	-	-	-
Due from Other Funds	-	-	-	-
<b>Total Assets</b>	<b>7,077,276</b>	<b>2,362,082</b>	<b>104,177</b>	<b>223,184</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 7,077,276</b>	<b>\$ 2,362,082</b>	<b>\$ 104,177</b>	<b>\$ 223,184</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 62,690	\$ -	\$ 2,178	\$ 27,427
Due to Other Funds	481,032	-	-	-
<b>Total Liabilities</b>	<b>543,722</b>	<b>-</b>	<b>2,178</b>	<b>27,427</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue - Property Tax	-	1,297,603	-	75,218
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,297,603</b>	<b>-</b>	<b>75,218</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>543,722</b>	<b>1,297,603</b>	<b>2,178</b>	<b>102,645</b>
<b>FUND BALANCES</b>				
Restricted				
IMRF/FICA	-	1,064,479	-	-
Public Safety	-	-	-	-
Parking	-	-	-	-
Highway and Street Maintenance	6,533,554	-	-	-
Assigned	-	-	101,999	120,539
<b>Total Fund Balances</b>	<b>6,533,554</b>	<b>1,064,479</b>	<b>101,999</b>	<b>120,539</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,077,276</b>	<b>\$ 2,362,082</b>	<b>\$ 104,177</b>	<b>\$ 223,184</b>

<b>Restricted Police</b>	<b>Commuter Parking</b>	<b>SSA 47</b>	<b>Total</b>
\$ 778,789	\$ 5,598	\$ 4,095	\$ 8,893,800
-	-	-	1,372,821
-	56,629	-	147,699
8,563	15,151	-	76,394
16,411	-	-	161,241
-	80	-	80
<u>803,763</u>	<u>77,458</u>	<u>4,095</u>	<u>10,652,035</u>
-	-	-	-
-	-	-	-
<u>\$ 803,763</u>	<u>\$ 77,458</u>	<u>\$ 4,095</u>	<u>\$ 10,652,035</u>
\$ 18,183	\$ 4,627	\$ 749	\$ 115,854
-	60	-	481,092
<u>18,183</u>	<u>4,687</u>	<u>749</u>	<u>596,946</u>
-	-	-	1,372,821
-	-	-	1,372,821
<u>18,183</u>	<u>4,687</u>	<u>749</u>	<u>1,969,767</u>
-	-	-	1,064,479
785,580	-	-	785,580
-	72,771	-	72,771
-	-	3,346	6,536,900
-	-	-	222,538
<u>785,580</u>	<u>72,771</u>	<u>3,346</u>	<u>8,682,268</u>
<u>\$ 803,763</u>	<u>\$ 77,458</u>	<u>\$ 4,095</u>	<u>\$ 10,652,035</u>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended April 30, 2024

	<b>Motor Fuel Tax</b>	<b>IMRF/ FICA</b>	<b>Road/ Vehicle License</b>	<b>School Crossing Guard</b>
<b>REVENUES</b>				
Charges for Service	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	154,605	-
Intergovernmental	1,797,521	-	-	-
Fines and Forfeitures	-	-	-	-
Property Taxes	-	1,263,758	484,460	71,816
Other Taxes	-	-	-	-
Investment Income	238,775	1,679	220	158
Miscellaneous	17,515	-	5,927	63,417
<b>Total Revenues</b>	<b>2,053,811</b>	<b>1,265,437</b>	<b>645,212</b>	<b>135,391</b>
<b>EXPENDITURES</b>				
General Government	-	888,348	-	-
Public Safety	-	148,058	-	126,834
Highways and Streets	697,127	296,116	40,821	-
Culture and Recreation	-	13,460	-	-
<b>Total Expenditures</b>	<b>697,127</b>	<b>1,345,982</b>	<b>40,821</b>	<b>126,834</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,356,684</b>	<b>(80,545)</b>	<b>604,391</b>	<b>8,557</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(2,940,466)	-	(572,350)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,940,466)</b>	<b>-</b>	<b>(572,350)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,583,782)</b>	<b>(80,545)</b>	<b>32,041</b>	<b>8,557</b>
<b>FUND BALANCES, MAY 1</b>	<b>8,117,336</b>	<b>1,145,024</b>	<b>69,958</b>	<b>111,982</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 6,533,554</b>	<b>\$ 1,064,479</b>	<b>\$ 101,999</b>	<b>\$ 120,539</b>

<b>Restricted Police</b>	<b>Commuter Parking</b>	<b>SSA 47</b>	<b>Total</b>
\$ -	\$ 110,298	\$ -	\$ 110,298
-	-	-	154,605
111,402	-	-	1,908,923
-	96,947	-	96,947
-	-	1,200	1,821,234
63,977	-	-	63,977
-	43	5	240,880
26,156	-	-	113,015
<b>201,535</b>	<b>207,288</b>	<b>1,205</b>	<b>4,509,879</b>
-	166,446	1,125	1,055,919
118,675	-	-	393,567
-	-	-	1,034,064
-	-	-	13,460
<b>118,675</b>	<b>166,446</b>	<b>1,125</b>	<b>2,497,010</b>
<b>82,860</b>	<b>40,842</b>	<b>80</b>	<b>2,012,869</b>
-	-	-	(3,512,816)
-	-	-	(3,512,816)
82,860	40,842	80	(1,499,947)
702,720	31,929	3,266	10,182,215
<b>\$ 785,580</b>	<b>\$ 72,771</b>	<b>\$ 3,346</b>	<b>\$ 8,682,268</b>

(See independent auditor's report.)



**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,860,249	\$ 1,860,249	\$ 1,797,521	\$ (62,728)
Investment Income	20,000	20,000	238,775	218,775
Miscellaneous	49,035	49,035	17,515	(31,520)
<b>Total Revenues</b>	<b>1,929,284</b>	<b>1,929,284</b>	<b>2,053,811</b>	<b>124,527</b>
<b>EXPENDITURES</b>				
Highway and Streets				
Contractual Services	227,500	227,500	150,215	(77,285)
Materials and Supplies	733,000	733,000	546,912	(186,088)
<b>Total Expenditures</b>	<b>960,500</b>	<b>960,500</b>	<b>697,127</b>	<b>(263,373)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>968,784</b>	<b>968,784</b>	<b>1,356,684</b>	<b>387,900</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(6,335,832)	(6,335,832)	(2,940,466)	3,395,366
<b>Total Other Financing Sources (Uses)</b>	<b>(6,335,832)</b>	<b>(6,335,832)</b>	<b>(2,940,466)</b>	<b>3,395,366</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,367,048)</b>	<b>\$ (5,367,048)</b>	<b>(1,583,782)</b>	<b>\$ 3,783,266</b>
<b>FUND BALANCE, MAY 1</b>			<b>8,117,336</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 6,533,554</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
IMRF/FICA FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 1,272,510	\$ 1,272,510	\$ 1,263,758	\$ (8,752)
Investment Income	2,000	2,000	1,679	(321)
<b>Total Revenues</b>	<u>1,274,510</u>	<u>1,274,510</u>	<u>1,265,437</u>	<u>(9,073)</u>
<b>EXPENDITURES</b>				
Personnel Services				
General Government	1,007,471	1,007,471	888,348	(119,123)
Public Safety	167,912	167,912	148,058	(19,854)
Highways and Streets	335,824	335,824	296,116	(39,708)
Culture and Recreation	15,265	15,265	13,460	(1,805)
<b>Total Expenditures</b>	<u>1,526,472</u>	<u>1,526,472</u>	<u>1,345,982</u>	<u>(180,490)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (251,962)</u>	<u>\$ (251,962)</u>	<u>(80,545)</u>	<u>\$ 171,417</u>
<b>FUND BALANCE, MAY 1</b>			<u>1,145,024</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 1,064,479</u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ROAD/VEHICLE LICENSE FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Licenses and Permits	\$ 170,000	\$ 170,000	\$ 154,605	\$ (15,395)
Property Taxes	453,000	453,000	484,460	31,460
Investment Income	100	100	220	120
Miscellaneous	-	-	5,927	5,927
<b>Total Revenues</b>	<b>623,100</b>	<b>623,100</b>	<b>645,212</b>	<b>22,112</b>
<b>EXPENDITURES</b>				
Highways and Streets	50,750	50,750	40,821	(9,929)
<b>Total Expenditures</b>	<b>50,750</b>	<b>50,750</b>	<b>40,821</b>	<b>(9,929)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>572,350</b>	<b>572,350</b>	<b>604,391</b>	<b>32,041</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(572,350)	(572,350)	(572,350)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(572,350)</b>	<b>(572,350)</b>	<b>(572,350)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,041</b>	<b>\$ 32,041</b>
<b>FUND BALANCE, MAY 1</b>			<b>69,958</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 101,999</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SCHOOL CROSSING GUARD FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 71,900	\$ 71,900	\$ 71,816	\$ (84)
Investment Income	100	100	158	58
Miscellaneous	71,900	71,900	63,417	(8,483)
	<hr/>			
Total Revenues	143,900	143,900	135,391	(8,509)
<hr/>				
<b>EXPENDITURES</b>				
Public Safety				
Contractual Services	143,799	143,799	126,834	(16,965)
	<hr/>			
Total Expenditures	143,799	143,799	126,834	(16,965)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ 101</u>	<u>\$ 101</u>	8,557	<u>\$ 8,456</u>
FUND BALANCE, MAY 1			<u>111,982</u>	
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 120,539</u></u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RESTRICTED POLICE FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 45,500	\$ 45,500	\$ 111,402	\$ 65,902
Other Taxes	60,000	60,000	63,977	3,977
Miscellaneous Income	500	500	26,156	25,656
<b>Total Revenues</b>	<b>106,000</b>	<b>106,000</b>	<b>201,535</b>	<b>95,535</b>
<b>EXPENDITURES</b>				
Public Safety				
Miscellaneous	164,997	164,997	118,675	(46,322)
<b>Total Expenditures</b>	<b>164,997</b>	<b>164,997</b>	<b>118,675</b>	<b>(46,322)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (58,997)</b>	<b>\$ (58,997)</b>	<b>82,860</b>	<b>\$ 141,857</b>
<b>FUND BALANCE, MAY 1</b>			<u>702,720</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 785,580</u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUTER PARKING LOT FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Charges for Services	\$ 75,000	\$ 75,000	\$ 110,298	\$ 35,298
Fines and Forfeitures	50,000	50,000	96,947	46,947
Investment Income	-	-	43	43
<b>Total Revenues</b>	<b>125,000</b>	<b>125,000</b>	<b>207,288</b>	<b>82,288</b>
<b>EXPENDITURES</b>				
General Government				
Personnel Services	131,252	131,252	131,252	-
Contractual Services	142,078	142,078	32,148	(109,930)
Materials and Supplies	4,619	4,619	3,046	(1,573)
<b>Total Expenditures</b>	<b>277,949</b>	<b>277,949</b>	<b>166,446</b>	<b>(111,503)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(152,949)</b>	<b>(152,949)</b>	<b>40,842</b>	<b>193,791</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	152,949	152,949	-	(152,949)
<b>Total Other Financing Sources (Uses)</b>	<b>152,949</b>	<b>152,949</b>	<b>-</b>	<b>(152,949)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>40,842</b>	<b>\$ 40,842</b>
<b>FUND BALANCE, MAY 1</b>			<b>31,929</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 72,771</b>	

(See independent auditor's report.)

## **NONMAJOR DEBT SERVICE FUNDS**

Debt Service are used to account for the resources restricted, committed or assigned for the payment of interest and principal on general and special obligation debt other than that payable from the Special Assessment Fund and debt issued for and serviced by the Proprietary Funds.

Special Assessment No. 149 - To account for the accumulation of resources for, and the payment of, principal and interest on the General Obligation Bonds, Series 1997 related to the North Shore water and sewer project. Financing is being provided by assessments to property owners in the North Crystal Lake Park Beach Subdivision.

Crystal Heights Debt Service - To account for the accumulation of resources to retire principal and interest on the 2004 General Obligation Bonds related to Crystal Heights. Financing is being provided by assessments to property owners in Special Service Area No. 43 (Crystal Heights Subdivision).

Three Oaks Debt Service - To account for debt service costs associated with the Three Oaks Recreation Area within the Vulcan Lake TIF.

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS

April 30, 2024

	<b>Special Assessment No. 149</b>	<b>Crystal Heights Debt Service</b>	<b>Three Oaks Debt Service</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Assets	-	-	-	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCES</b>				
None	-	-	-	-
Total Fund Balances	-	-	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(See independent auditor's report.)



**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2024

	<b>Special Assessment No. 149</b>	<b>Crystal Heights Debt Service</b>	<b>Three Oaks Debt Service</b>	<b>Total</b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ 87	\$ -	\$ 87
Total Revenues	-	87	-	87
<b>EXPENDITURES</b>				
General Government				
Contractual	-	-	503	503
Other	-	285,463	-	285,463
Debt Service				
Principal Retirement	-	-	781,850	781,850
Interest and Fiscal Charges	-	-	240,434	240,434
Total Expenditures	-	285,463	1,022,787	1,308,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(285,376)	(1,022,787)	(1,308,163)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,022,787	1,022,787
Transfers (Out)	(43,573)	(106)	-	(43,679)
Total Other Financing Sources (Uses)	(43,573)	(106)	1,022,787	979,108
NET CHANGE IN FUND BALANCES	(43,573)	(285,482)	-	(329,055)
FUND BALANCES, MAY 1	43,573	285,482	-	329,055
<b>FUND BALANCES, APRIL 30</b>	\$ -	\$ -	\$ -	\$ -

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
THREE OAKS DEBT SERVICE FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
General Government				
Contractual	1,000	1,000	503	(497)
Debt Service				
Principal Retirement	781,850	781,850	781,850	-
Interest and Fiscal Charges	240,435	240,435	240,434	(1)
Total Expenditures	1,023,285	1,023,285	1,022,787	(498)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,023,285)	(1,023,285)	(1,022,787)	498
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	1,023,285	1,023,285	1,022,787	(498)
Total Other Financing Sources (Uses)	1,023,285	1,023,285	1,022,787	(498)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ -	

(See independent auditor's report.)

## **NONMAJOR CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for resources restricted, committed or assigned for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Proprietary Funds.

Main Street TIF Project Fund - To account for the initial planning and engineering design services of the Main Street TIF, including improvements to the Main Street and Crystal Lake Avenue intersection.

Virginia Street Corridor TIF Project Fund - To account for the initial planning and engineering design services of the Virginia Street Corridor TIF, intended to spur a comprehensive revitalization of this area.

Vulcan Lakes TIF Project Fund - To account for the initial planning and engineering design services of the Vulcan Lakes TIF, intended to spur a comprehensive revitalization of this area and will include residential, retail and recreational facilities.

Three Oaks Development - To account for funds from developers set aside for the future development of the Three Oaks Recreation Area.

NCLPB Project Fund - To account for the proceeds of Series 1997 General Obligation Bonds used in the construction and installation of water mains, sewer mains and roadway improvements in the North Crystal Lake Park Beach area.

Waters Edge TIF Project Fund - To account for the initial planning and engineering design services of the Waters Edge TIF.

Vehicle Replacement Fund - To account for operations related to City vehicle replacement.

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS

April 30, 2024

	<b>Main Street TIF Construction</b>	<b>Virginia Street Corridor TIF</b>	<b>Vulcan Lakes TIF District</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and Investments	\$ 85,566	\$ -	\$ -
Receivables			
Property Taxes, Net	64,856	202,074	125,736
Other	6	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	150,428	202,074	125,736
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 150,428</b>	<b>\$ 202,074</b>	<b>\$ 125,736</b>
<hr/>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Recapture Fees Payable	-	-	-
Due to Other Funds	-	-	-
Advances Due to Other Funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue - Property Tax	<hr/>	<hr/>	<hr/>
	64,856	202,074	125,736
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	64,856	202,074	125,736
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	64,856	202,074	125,736
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Restricted			
Park Development	-	-	-
Capital Improvements	85,572	-	-
Assigned			
Capital	-	-	-
Unassigned (Deficit)	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	85,572	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 150,428</b>	<b>\$ 202,074</b>	<b>\$ 125,736</b>
	<hr/>	<hr/>	<hr/>

<b>Three Oaks Development</b>	<b>NCLPB Project Fund</b>	<b>Waters Edge TIF Project</b>	<b>Vehicle Replacement</b>	<b>Total</b>
\$ 2,094,755	\$ 49,018	\$ 3,745	\$ 4,000,000	\$ 6,233,084
-	-	50,677	-	443,343
107	134,417	-	-	134,530
<u>2,094,862</u>	<u>183,435</u>	<u>54,422</u>	<u>4,000,000</u>	<u>6,810,957</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 2,094,862</u>	<u>\$ 183,435</u>	<u>\$ 54,422</u>	<u>\$ 4,000,000</u>	<u>\$ 6,810,957</u>
\$ -	\$ -	\$ 3,745	\$ -	3,745
-	75,566	-	-	75,566
98,720	-	-	-	98,720
-	-	186,773	-	186,773
<u>98,720</u>	<u>75,566</u>	<u>190,518</u>	<u>-</u>	<u>364,804</u>
-	-	50,677	-	443,343
-	-	50,677	-	443,343
<u>98,720</u>	<u>75,566</u>	<u>241,195</u>	<u>-</u>	<u>808,147</u>
1,996,142	-	-	-	1,996,142
-	107,869	-	-	193,441
-	-	-	4,000,000	4,000,000
-	-	(186,773)	-	(186,773)
<u>1,996,142</u>	<u>107,869</u>	<u>(186,773)</u>	<u>4,000,000</u>	<u>6,002,810</u>
<u>\$ 2,094,862</u>	<u>\$ 183,435</u>	<u>\$ 54,422</u>	<u>\$ 4,000,000</u>	<u>\$ 6,810,957</u>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended April 30, 2024

	<b>Main Street TIF Project</b>	<b>Virginia Street Corridor TIF Project</b>	<b>Vulcan Lakes TIF Project</b>
<b>REVENUES</b>			
Property Tax	\$ 48,640	\$ 150,984	\$ 88,484
Investment Income	89	36	27
Intergovernmental	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	<u>48,729</u>	<u>151,020</u>	<u>88,511</u>
<b>EXPENDITURES</b>			
General Government			
Contractual	820	820	820
Other	-	-	-
Total Expenditures	<u>820</u>	<u>820</u>	<u>820</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>47,909</u>	<u>150,200</u>	<u>87,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers (Out)	-	(150,200)	(87,691)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,200)</u>	<u>(87,691)</u>
NET CHANGE IN FUND BALANCES	47,909	-	-
FUND BALANCES (DEFICIT), MAY 1	<u>37,663</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<u><u>\$ 85,572</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<b>Three Oaks Development</b>	<b>NCLPB Project Fund</b>	<b>Waters Edge TIF Project</b>	<b>Vehicle Replacement</b>	<b>Total</b>
\$ -	\$ -	\$ 32,095	\$ -	\$ 320,203
1,456	-	7	-	1,615
608,083	-	-	-	608,083
-	79,766	-	-	79,766
609,539	79,766	32,102	-	1,009,667
-	-	37,684	-	40,144
-	15,502	-	-	15,502
-	15,502	37,684	-	55,646
609,539	64,264	(5,582)	-	954,021
-	43,574	-	4,000,000	4,043,574
(98,720)	-	-	-	(336,611)
(98,720)	43,574	-	4,000,000	3,706,963
510,819	107,838	(5,582)	4,000,000	4,660,984
1,485,323	31	(181,191)	-	1,341,826
\$ 1,996,142	\$ 107,869	\$ (186,773)	\$ 4,000,000	\$ 6,002,810

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MAIN STREET TIF PROJECT FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 40,000	\$ 40,000	\$ 48,640	\$ 8,640
Investment Income	-	-	89	89
<b>Total Revenues</b>	<b>40,000</b>	<b>40,000</b>	<b>48,729</b>	<b>8,729</b>
<b>EXPENDITURES</b>				
Contracted Services	820	820	820	-
<b>Total Expenditures</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>39,180</b>	<b>39,180</b>	<b>47,909</b>	<b>8,729</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(39,180)	(39,180)	-	39,180
<b>Total Other Financing Sources (Uses)</b>	<b>(39,180)</b>	<b>(39,180)</b>	<b>-</b>	<b>39,180</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>47,909</b>	<b>\$ 47,909</b>
<b>FUND BALANCE, MAY 1</b>			<u>37,663</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 85,572</u>	

(See independent auditor's report.)



**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
VIRGINIA STREET CORRIDOR TIF PROJECT FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 140,000	\$ 140,000	\$ 150,984	\$ 10,984
Investment Income	-	-	36	36
<b>Total Revenues</b>	<b>140,000</b>	<b>140,000</b>	<b>151,020</b>	<b>11,020</b>
<b>EXPENDITURES</b>				
General Governmental Contractual	820	820	820	-
<b>Total Expenditures</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>139,180</b>	<b>139,180</b>	<b>150,200</b>	<b>11,020</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(139,180)	(139,180)	(150,200)	(11,020)
<b>Total Other Financing Sources (Uses)</b>	<b>(139,180)</b>	<b>(139,180)</b>	<b>(150,200)</b>	<b>(11,020)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCE, MAY 1</b>			<b>-</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
VULCAN LAKES TIF PROJECT FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 71,750	\$ 71,750	\$ 88,484	\$ 16,734
Investment Income	-	-	27	27
<b>Total Revenues</b>	<b>71,750</b>	<b>71,750</b>	<b>88,511</b>	<b>16,761</b>
<b>EXPENDITURES</b>				
General Governmental Contractual	820	820	820	-
<b>Total Expenditures</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>70,930</b>	<b>70,930</b>	<b>87,691</b>	<b>16,761</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(70,930)	(70,930)	(87,691)	(16,761)
<b>Total Other Financing Sources (Uses)</b>	<b>(70,930)</b>	<b>(70,930)</b>	<b>(87,691)</b>	<b>(16,761)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>FUND BALANCE, MAY 1</b>			<b>-</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
THREE OAKS DEVELOPMENT FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Investment Income	\$ 500	\$ 500	\$ 1,456	\$ 956
Intergovernmental	-	-	608,083	608,083
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>609,539</b>	<b>609,039</b>
<b>EXPENDITURES</b>				
None	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>500</b>	<b>500</b>	<b>609,539</b>	<b>609,039</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(1,400,000)	(1,400,000)	(98,720)	1,301,280
<b>Total Other Financing Sources (Uses)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>	<b>(98,720)</b>	<b>1,301,280</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,399,500)</b>	<b>\$ (1,399,500)</b>	<b>510,819</b>	<b>\$ 1,910,319</b>
<b>FUND BALANCE, MAY 1</b>			<u>1,485,323</u>	
<b>FUND BALANCE, APRIL 30</b>				<u><u>\$ 1,996,142</u></u>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WATERS EDGE TIF PROJECT FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ 32,095	32,095
Investment income	-	-	7	7
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>32,102</b>	<b>32,102</b>
<b>EXPENDITURES</b>				
General Governmental Contractual	45,000	45,000	37,684	(7,316)
<b>Total Expenditures</b>	<b>45,000</b>	<b>45,000</b>	<b>37,684</b>	<b>(7,316)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (45,000)</b>	<b>\$ (45,000)</b>	<b>(5,582)</b>	<b>\$ 39,418</b>
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>(181,191)</u>	
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<u>\$ (186,773)</u>	

(See independent auditor's report.)

**MAJOR ENTERPRISE FUNDS**

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS  
WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Charges for Sales and Services				
Water Sales	\$ 6,989,237	\$ 6,989,237	\$ 7,308,999	\$ 319,762
Sewer Sales	6,897,293	6,897,293	6,991,688	94,395
Penalties	310,000	310,000	290,660	(19,340)
Water Meter Fees	45,000	45,000	119,168	74,168
Meter Rental Fees	7,000	7,000	20,147	13,147
Water Turn On Fee	10,000	10,000	14,448	4,448
Red Tag Fee	30,000	30,000	40,225	10,225
Miscellaneous Income	115,000	115,000	224,268	109,268
Total Operating Revenues	<u>14,403,530</u>	<u>14,403,530</u>	<u>15,009,603</u>	<u>606,073</u>
<b>OPERATING EXPENSES</b>				
Administration	5,583,079	5,583,079	1,467,593	(4,115,486)
Water Operations	20,369,723	20,369,723	8,988,191	(11,381,532)
Sewer Operations	8,395,681	8,395,681	4,821,192	(3,574,489)
Total Operating Expenses	<u>34,348,483</u>	<u>34,348,483</u>	<u>15,276,976</u>	<u>(19,071,507)</u>
OPERATING INCOME (LOSS)	<u>(19,944,953)</u>	<u>(19,944,953)</u>	<u>(267,373)</u>	<u>19,677,580</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
IEPA Loan Proceeds	9,061,472	9,061,472	754,482	(8,306,990)
Principal payments	(4,414,660)	(4,414,660)	(3,061,734)	1,352,926
Interest Expense	(16,133)	(16,133)	(865,898)	(849,765)
Other Tax	2,702,890	2,702,890	2,596,683	(106,207)
Investment Income	128,000	128,000	936,253	808,253
Grants	2,279,815	2,279,815	1,326,955	(952,860)
Rental Income	336,353	336,353	303,920	(32,433)
Connection Fees	625,000	625,000	1,686,553	1,061,553
Total Non-Operating Revenues (Expenses)	<u>10,702,737</u>	<u>10,702,737</u>	<u>3,677,214</u>	<u>(7,025,523)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(9,242,216)</u>	<u>(9,242,216)</u>	<u>3,409,841</u>	<u>12,652,057</u>
TRANSFERS IN (OUT)	<u>4,050,000</u>	<u>4,050,000</u>	<u>98,720</u>	<u>(3,951,280)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (5,192,216)</u>	<u>\$ (5,192,216)</u>	<u>3,508,561</u>	<u>\$ 8,700,777</u>

(This schedule is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)  
 WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital Assets Capitalized - Water			\$ 3,900,763	
Capital Assets Capitalized - Sewer			1,392,685	
Capital Assets Capitalized - Administrative			548,397	
Depreciation			(4,183,980)	
Amortization			(173,798)	
IEPA Loan Proceeds			(754,482)	
Principal Payments			3,061,734	
Well ARO Amortization			(9,500)	
Loss on Sale of Capital Assets			(7,196)	
Pension Expense			169,043	
OPEB Expense			(7,308)	
Change in Compensated Absences			<u>(24,412)</u>	
Total Adjustments to GAAP Basis			<u>3,911,946</u>	
CHANGE IN NET POSITION			7,420,507	
NET POSITION, MAY 1			<u>67,146,868</u>	
<b>NET POSITION, APRIL 30</b>			<u><u>\$ 74,567,375</u></u>	

(See independent auditor's report.)

**INTERNAL SERVICE FUNDS**



**CITY OF CRYSTAL LAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
GROUP INSURANCE FUND**

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Charges for Services				
Employer Contributions	\$ 5,176,583	\$ 5,176,583	\$ 5,124,229	\$ (52,354)
Employee Contributions	1,102,248	1,102,248	1,112,009	9,761
Miscellaneous Income	24,500	24,500	81,399	56,899
<b>Total Operating Revenues</b>	<b>6,303,331</b>	<b>6,303,331</b>	<b>6,317,637</b>	<b>14,306</b>
<b>OPERATING EXPENSES</b>				
Administration	6,293,851	6,293,851	5,759,765	(534,086)
<b>Total Operating Expenses</b>	<b>6,293,851</b>	<b>6,293,851</b>	<b>5,759,765</b>	<b>(534,086)</b>
<b>OPERATING INCOME</b>	<b>9,480</b>	<b>9,480</b>	<b>557,872</b>	<b>548,392</b>
<b>NON-OPERATING REVENUES</b>				
Investment Income	500	500	1,333	833
<b>Total Non-Operating Revenues</b>	<b>500</b>	<b>500</b>	<b>1,333</b>	<b>833</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 9,980</b>	<b>\$ 9,980</b>	<b>559,205</b>	<b>\$ 549,225</b>
<b>NET POSITION, MAY 1</b>			<u>1,432,430</u>	
<b>NET POSITION, APRIL 30</b>			<u><u>\$ 1,991,635</u></u>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**CITY OF CRYSTAL LAKE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
PENSION TRUST FUNDS

April 30, 2024

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 414,991	\$ 289,624	\$ 704,615
Investments, at Fair Value			
Investments Held in the Illinois Police Officers' Pension Investment Fund	53,502,963	-	53,502,963
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	56,044,583	56,044,583
Prepaid Expenses	-	6,862	6,862
 Total Assets	 53,917,954	 56,341,069	 110,259,023
<b>LIABILITIES</b>			
Accounts Payable	1,985	2,661	4,646
 Total Liabilities	 1,985	 2,661	 4,646
 <b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	 <b>\$ 53,915,969</b>	 <b>\$ 56,338,408</b>	 <b>\$ 110,254,377</b>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
PENSION TRUST FUNDS**

For the Year Ended April 30, 2024

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 3,482,254	\$ 2,286,134	\$ 5,768,388
Employee	1,125,031	646,058	1,771,089
Total Contributions	4,607,285	2,932,192	7,539,477
Investment Income			
Net Appreciation in Fair Value of Investments	4,414,806	4,456,705	8,871,511
Interest	397,072	1,049,520	1,446,592
Total Investment Income	4,811,878	5,506,225	10,318,103
Less Investment Expense	(53,964)	(61,554)	(115,518)
Net Investment Income	4,757,914	5,444,671	10,202,585
Total Additions	9,365,199	8,376,863	17,742,062
<b>DEDUCTIONS</b>			
Pension Benefits and Refunds	4,721,701	2,760,245	7,481,946
Administrative Expenses	14,894	63,559	78,453
Total Deductions	4,736,595	2,823,804	7,560,399
NET INCREASE	4,628,604	5,553,059	10,181,663
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
May 1	49,287,365	50,785,349	100,072,714
April 30	\$ 53,915,969	\$ 56,338,408	\$ 110,254,377

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF CHANGES IN PLAN NET POSITION -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 3,481,415	\$ 3,481,415	\$ 3,482,254	\$ 839
Employee	730,007	730,007	1,125,031	395,024
Total Contributions	<u>4,211,422</u>	<u>4,211,422</u>	<u>4,607,285</u>	<u>395,863</u>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	4,414,806	4,414,806
Interest	1,100,000	1,100,000	397,072	(702,928)
Total Investment Income	<u>1,100,000</u>	<u>1,100,000</u>	<u>4,811,878</u>	<u>3,711,878</u>
Less Investment Expense	<u>(110,000)</u>	<u>(110,000)</u>	<u>(53,964)</u>	<u>56,036</u>
Net Investment Income	<u>990,000</u>	<u>990,000</u>	<u>4,757,914</u>	<u>3,767,914</u>
Total Additions	<u>5,201,422</u>	<u>5,201,422</u>	<u>9,365,199</u>	<u>4,163,777</u>
<b>DEDUCTIONS</b>				
Pension Benefits and Refunds	4,098,584	4,098,584	4,721,701	623,117
Administrative Expenses	28,200	28,200	14,894	(13,306)
Total Deductions	<u>4,126,784</u>	<u>4,126,784</u>	<u>4,736,595</u>	<u>609,811</u>
NET INCREASE	<u>\$ 1,074,638</u>	<u>\$ 1,074,638</u>	4,628,604	<u>\$ 3,553,966</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
May 1			<u>49,287,365</u>	
April 30			<u>\$ 53,915,969</u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

SCHEDULE OF CHANGES IN PLAN NET POSITION -  
BUDGET AND ACTUAL  
FIREFIGHTERS' PENSION FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 2,285,632	\$ 2,285,632	\$ 2,286,134	\$ 502
Employee	692,228	692,228	646,058	(46,170)
Total Contributions	<u>2,977,860</u>	<u>2,977,860</u>	<u>2,932,192</u>	<u>(45,668)</u>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	4,456,705	4,456,705
Interest	1,100,000	1,100,000	1,049,520	(50,480)
Total Investment Income	<u>1,100,000</u>	<u>1,100,000</u>	<u>5,506,225</u>	<u>4,406,225</u>
Less Investment Expense	<u>(150,000)</u>	<u>(150,000)</u>	<u>(61,554)</u>	<u>88,446</u>
Net Investment Income	<u>950,000</u>	<u>950,000</u>	<u>5,444,671</u>	<u>4,494,671</u>
Total Additions	<u>3,927,860</u>	<u>3,927,860</u>	<u>8,376,863</u>	<u>4,449,003</u>
<b>DEDUCTIONS</b>				
Pension Benefits and Refunds	2,394,275	2,394,275	2,760,245	365,970
Administrative Expenses	28,000	28,000	63,559	35,559
Total Deductions	<u>2,422,275</u>	<u>2,422,275</u>	<u>2,823,804</u>	<u>401,529</u>
NET INCREASE	<u>\$ 1,505,585</u>	<u>\$ 1,505,585</u>	5,553,059	<u>\$ 4,047,474</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
May 1			<u>50,785,349</u>	
April 30			<u>\$ 56,338,408</u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
CUSTODIAL FUNDS**

April 30, 2024

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	<b>SSA 44</b>	<b>SSA 45</b>	<b>SSA 46</b>	
	<b>Tracy Trail</b>	<b>Bryn Mawr</b>	<b>Ryland</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Investments	\$ 15,274	\$ 431,805	\$ 53,306	\$ 500,385
Accounts Receivable	1	-	4	5
	<hr/>			
Total Assets	15,275	431,805	53,310	500,390
	<hr/>			
<b>LIABILITIES</b>				
None	-	-	-	-
	<hr/>			
Total Liabilities	-	-	-	-
	<hr/>			
<b>NET POSITION RESTRICTED FOR DEBT SERVICE</b>	<b>\$ 15,275</b>	<b>\$ 431,805</b>	<b>\$ 53,310</b>	<b>\$ 500,390</b>
	<hr/> <hr/>			

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
CUSTODIAL FUNDS**

For the Year Ended April 30, 2024

	<b>SSA 44 Tracy Trail</b>	<b>SSA 45 Bryn Mawr</b>	<b>SSA 46 Ryland</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Property Owner	\$ -	\$ -	\$ 178,273	\$ 178,273
<b>Total Contributions</b>	<b>-</b>	<b>-</b>	<b>178,273</b>	<b>178,273</b>
Investment Income				
Interest	15	20,628	153	20,796
<b>Total Investment Income</b>	<b>15</b>	<b>20,628</b>	<b>153</b>	<b>20,796</b>
<b>Total Additions</b>	<b>15</b>	<b>20,628</b>	<b>178,426</b>	<b>199,069</b>
<b>DEDUCTIONS</b>				
Debt Service				
Principal	-	-	95,000	95,000
Interest and Fiscal Charges	-	23,201	83,772	106,973
<b>Total Deductions</b>	<b>-</b>	<b>23,201</b>	<b>178,772</b>	<b>201,973</b>
<b>CHANGE IN NET POSITION</b>	<b>15</b>	<b>(2,573)</b>	<b>(346)</b>	<b>(2,904)</b>
<b>NET POSITION RESTRICTED FOR DEBT SERVICE</b>				
May 1	15,260	434,378	53,656	503,294
April 30	\$ 15,275	\$ 431,805	\$ 53,310	\$ 500,390

(See independent auditor's report.)



## **DISCRETELY PRESENTED COMPONENT UNIT**

The component unit column in the basic financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Crystal Lake Public Library:

The Library operates and maintains the City's public library facilities. The Library's board is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
STATEMENT OF NET POSITION AND BALANCE SHEET

For the Year Ended April 30, 2024

	<b>General Operating Fund</b>	<b>Nonmajor Governmental</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 3,209,749	\$ 1,825,100	\$ -	\$ 5,034,849
Receivables				
Property Taxes, Net	4,545,099	496,998	-	5,042,097
Accounts	44	-	-	44
Accrued interest	6,664	902	-	7,566
Prepaid Items	62,016	-	-	62,016
Due from Primary Government	-	127,907	-	127,907
Capital Assets				
Nondepreciable	-	-	2,472,561	2,472,561
Depreciable, Net of Accumulated Depreciation	-	-	5,048,837	5,048,837
<b>Total Assets</b>	<b>7,823,572</b>	<b>2,450,907</b>	<b>7,521,398</b>	<b>17,795,877</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Items - IMRF	-	-	1,178,265	1,178,265
Pension Items - OPEB	-	-	60,361	60,361
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>1,238,626</b>	<b>1,238,626</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 7,823,572</b>	<b>\$ 2,450,907</b>	<b>\$ 8,760,024</b>	<b>\$ 19,034,503</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 117,026	\$ 686	\$ -	\$ 117,712
Accrued Payroll	130,865	21,633	-	152,498
Accrued Taxes	-	52,349	-	52,349
Deposits	-	17,288	-	17,288
Noncurrent Liabilities				
Due Within One Year	-	-	87,825	87,825
Due in More than One Year	-	-	2,064,105	2,064,105
<b>Total Liabilities</b>	<b>247,891</b>	<b>91,956</b>	<b>2,151,930</b>	<b>2,491,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue - Property Tax	4,545,099	496,998	-	5,042,097
Pension Items - IMRF	-	-	4,163	4,163
Pension Items - OPEB	-	-	25,488	25,488
<b>Total Deferred Inflows of Resources</b>	<b>4,545,099</b>	<b>496,998</b>	<b>29,651</b>	<b>5,071,748</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,792,990</b>	<b>588,954</b>	<b>2,181,581</b>	<b>7,563,525</b>

(This schedule is continued on the following page.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)

For the Year Ended April 30, 2024

	<b>General Operating Fund</b>	<b>Nonmajor Governmental</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>FUND BALANCES</b>				
Net Investment in Capital Assets	\$ -	\$ -	\$ 7,521,398	\$ 7,521,398
Nonspendable				
Prepaid Items	62,016	-	(62,016)	-
Restricted				
Retirement	-	446,393	-	446,393
Working Cash	-	54,240	-	54,240
Library	-	927,968	-	927,968
Unrestricted				
Assigned	-	433,352	(433,352)	-
Unassigned (Deficit)	2,968,566	-	(447,587)	2,520,979
 Total Fund Balances	 3,030,582	 1,861,953	 6,578,443	 11,470,978
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	 <b>\$ 7,823,572</b>	 <b>\$ 2,450,907</b>	 <b>\$ 8,760,024</b>	 <b>\$ 19,034,503</b>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2024

	<b>General Operating Fund</b>	<b>Nonmajor Governmental</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES</b>				
Property Tax	\$ 4,443,876	\$ 495,622	\$ -	\$ 4,939,498
Intergovernmental	61,211	-	-	61,211
Fines and Forfeitures	106,865	-	-	106,865
Investment Income	216,643	39,531	-	256,174
Rental Income	-	143,429	-	143,429
Donations	-	9,870	-	9,870
Miscellaneous	6,448	128,164	-	134,612
<b>Total Revenues</b>	<b>4,835,043</b>	<b>816,616</b>	<b>-</b>	<b>5,651,659</b>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	4,312,765	527,455	225,813	5,066,033
Capital Outlay	94,669	1,191	(95,860)	-
<b>Total Expenditures</b>	<b>4,407,434</b>	<b>528,646</b>	<b>129,953</b>	<b>5,066,033</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>427,609</b>	<b>287,970</b>	<b>(129,953)</b>	<b>585,626</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	507,615	(507,615)	-
Transfers (Out)	(245,144)	(262,471)	507,615	-
Insurance Proceeds	175,089	-	-	175,089
<b>Total Other Financing Sources (Uses)</b>	<b>(70,055)</b>	<b>245,144</b>	<b>-</b>	<b>175,089</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>357,554</b>	<b>533,114</b>	<b>(129,953)</b>	<b>760,715</b>
<b>FUND BALANCES, MAY 1</b>	<b>2,673,028</b>	<b>1,328,839</b>	<b>6,708,396</b>	<b>10,710,263</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 3,030,582</b>	<b>\$ 1,861,953</b>	<b>\$ 6,578,443</b>	<b>\$ 11,470,978</b>

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL OPERATING FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 4,646,359	\$ 4,591,000	\$ 4,443,876	\$ (147,124)
Intergovernmental	143,794	143,794	61,211	(82,583)
Fines and Forfeitures	117,000	133,000	106,865	(26,135)
Investment Income	50,000	95,000	216,643	121,643
Miscellaneous	25,070	25,070	6,448	(18,622)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,982,223	4,987,864	4,835,043	(152,821)
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Personnel Services	3,495,629	3,495,629	3,137,475	(358,154)
Contracted Services	1,232,200	1,294,141	663,824	(630,317)
Materials and Supplies	682,202	650,600	511,466	(139,134)
Capital Outlay	117,192	107,494	94,669	(12,825)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	5,527,223	5,547,864	4,407,434	(1,140,430)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	(545,000)	(560,000)	427,609	987,609
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	-	(163,752)	(245,144)	(81,392)
Insurance Proceeds	-	-	175,089	175,089
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	(163,752)	(70,055)	93,697
<b>NET CHANGE IN FUND BALANCE</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (545,000)	\$ (723,752)	357,554	\$ 1,081,306
<b>FUND BALANCE, MAY 1</b>				
			<hr/>	<hr/>
			2,673,028	
<b>FUND BALANCE, APRIL 30</b>				
			<hr/>	<hr/>
			\$ 3,030,582	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
COMBINING BALANCE SHEET  
NONMAJOR LIBRARY FUNDS

For the Year Ended April 30, 2024

	<b>Special Revenue Funds</b>		
	<b>Gift and Memorial</b>	<b>Ames</b>	<b>IMRF</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and Investments	\$ 16,538	\$ 394,045	\$ 338,801
Receivables			
Property Taxes, Net	-	-	274,244
Accrued Interest	-	902	-
Due from Primary Government	-	-	-
	-	-	-
Total Assets	<u>16,538</u>	<u>394,947</u>	<u>613,045</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 16,538</u></u>	<u><u>\$ 394,947</u></u>	<u><u>\$ 613,045</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 686	\$ -	\$ -
Accrued Payroll	-	-	11,917
Accrued Taxes	-	-	-
Deposits	-	-	-
	-	-	-
Total Liabilities	<u>686</u>	<u>-</u>	<u>11,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue - Property Tax	-	-	274,244
	-	-	274,244
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>274,244</u>
Total Liabilities and Deferred Inflows of Resources	<u>686</u>	<u>-</u>	<u>286,161</u>
<b>FUND BALANCES</b>			
Restricted			
Retirement	-	-	326,884
Working Cash	-	-	-
Library	15,852	394,947	-
Assigned	-	-	-
	-	-	-
Total Fund Balances	<u>15,852</u>	<u>394,947</u>	<u>326,884</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 16,538</u></u>	<u><u>\$ 394,947</u></u>	<u><u>\$ 613,045</u></u>

Special Revenue Funds		Capital Project Fund	Permanent Fund	Total
FICA	Special Reserve	Public Library Construction and Repair	Working Cash	
\$ 129,225	\$ 517,169	\$ 375,082	\$ 54,240	\$ 1,825,100
222,754	-	-	-	496,998
-	-	-	-	902
-	-	127,907	-	127,907
351,979	517,169	502,989	54,240	2,450,907
-	-	-	-	-
-	-	-	-	-
\$ 351,979	\$ 517,169	\$ 502,989	\$ 54,240	\$ 2,450,907

\$ -	\$ -	\$ -	\$ -	\$ 686
9,716	-	-	-	21,633
-	-	52,349	-	52,349
-	-	17,288	-	17,288
9,716	-	69,637	-	91,956
222,754	-	-	-	496,998
222,754	-	-	-	496,998
232,470	-	69,637	-	588,954
119,509	-	-	-	446,393
-	-	-	54,240	54,240
-	517,169	-	-	927,968
-	-	433,352	-	433,352
119,509	517,169	433,352	54,240	1,861,953
\$ 351,979	\$ 517,169	\$ 502,989	\$ 54,240	\$ 2,450,907

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR LIBRARY FUNDS

For the Year Ended April 30, 2024

	<b>Special Revenue Funds</b>		
	<b>Gift and Memorial</b>	<b>Ames</b>	<b>IMRF</b>
<b>REVENUES</b>			
Property Tax	\$ -	\$ -	\$ 333,304
Investment Income	256	4,830	8,948
Rental Income	-	-	-
Donations	9,870	-	-
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>10,126</b>	<b>4,830</b>	<b>342,252</b>
<b>EXPENDITURES</b>			
Current			
Culture and Recreation			
Personnel	-	-	243,857
Contractual	693	-	-
Materials and Supplies	5,432	-	-
Capital Outlay	1,191	-	-
<b>Total Expenditures</b>	<b>7,316</b>	<b>-</b>	<b>243,857</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,810</b>	<b>4,830</b>	<b>98,395</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	60,581
Transfers (Out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>60,581</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,810</b>	<b>4,830</b>	<b>158,976</b>
<b>FUND BALANCES, MAY 1</b>	<b>13,042</b>	<b>390,117</b>	<b>167,908</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 15,852</b>	<b>\$ 394,947</b>	<b>\$ 326,884</b>



Special Revenue Funds		Capital Project Fund	Permanent Fund	
FICA	Special Reserve	Public Library Construction and Repair	Working Cash	Total
\$ 162,318	\$ -	\$ -	\$ -	\$ 495,622
6,317	3,990	12,442	2,748	39,531
-	-	143,429	-	143,429
-	-	-	-	9,870
-	-	128,164	-	128,164
168,635	3,990	284,035	2,748	816,616
200,147	-	-	-	444,004
-	6,133	71,193	-	78,019
-	-	-	-	5,432
-	-	-	-	1,191
200,147	6,133	71,193	-	528,646
(31,512)	(2,143)	212,842	2,748	287,970
-	447,034	-	-	507,615
-	-	(262,471)	-	(262,471)
-	447,034	(262,471)	-	245,144
(31,512)	444,891	(49,629)	2,748	533,114
151,021	72,278	482,981	51,492	1,328,839
\$ 119,509	\$ 517,169	\$ 433,352	\$ 54,240	\$ 1,861,953

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GIFT AND MEMORIAL FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Donations	\$ 55,450	\$ 51,050	\$ 9,870	\$ (41,180)
Investment Income	-	-	256	256
	<hr/>			
Total Revenues	55,450	51,050	10,126	(40,924)
<hr/>				
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Contractual	7,840	1,687	693	(994)
Supplies and Materials	21,000	19,938	5,432	(14,506)
Capital Outlay	44,700	42,160	1,191	(40,969)
	<hr/>			
Total Expenditures	73,540	63,785	7,316	(56,469)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ (18,090)</u>	<u>\$ (12,735)</u>	2,810	<u>\$ 15,545</u>
FUND BALANCE, MAY 1			<u>13,042</u>	
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 15,852</u></u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 IMRF FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 333,641	\$ 333,652	\$ 333,304	\$ (348)
Investment Income	-	-	8,948	8,948
<b>Total Revenues</b>	<b>333,641</b>	<b>333,652</b>	<b>342,252</b>	<b>8,600</b>
<b>EXPENDITURES</b>				
Culture and Recreation				
Personnel Services	333,641	333,652	243,857	(89,795)
<b>Total Expenditures</b>	<b>333,641</b>	<b>333,652</b>	<b>243,857</b>	<b>(89,795)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>98,395</b>	<b>98,395</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	60,581	60,581
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>60,581</b>	<b>60,581</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>158,976</b>	<b>\$ 158,976</b>
<b>FUND BALANCE, MAY 1</b>			<b>167,908</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 326,884</b>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FICA FUND

For the Year Ended April 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Property Taxes	\$ 211,000	\$ 225,000	\$ 162,318	\$ (62,682)
Investment Income	-	-	6,317	6,317
	<hr/>			
Total Revenues	211,000	225,000	168,635	(56,365)
<hr/>				
<b>EXPENDITURES</b>				
Culture and Recreation				
Personnel Services	211,000	225,000	200,147	(24,853)
	<hr/>			
Total Expenditures	211,000	225,000	200,147	(24,853)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(31,512)	<u>\$ (31,512)</u>
FUND BALANCE, MAY 1			<u>151,021</u>	
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 119,509</u></u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL RESERVE FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 3,990	\$ 3,990
Total Revenues	-	-	3,990	3,990
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Contracted Services	241,000	386,812	6,133	(380,679)
Total Expenditures	241,000	386,812	6,133	(380,679)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(241,000)	(386,812)	(2,143)	384,669
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	447,034	447,034
Total Other Financing Sources (Uses)	-	-	447,034	447,034
NET CHANGE IN FUND BALANCE	<u>\$ (241,000)</u>	<u>\$ (386,812)</u>	444,891	<u>\$ 831,703</u>
FUND BALANCE, MAY 1			<u>72,278</u>	
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 517,169</u></u>	

(See independent auditor's report.)

**CITY OF CRYSTAL LAKE, ILLINOIS**

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PUBLIC LIBRARY CONSTRUCTION AND REPAIR FUND

For the Year Ended April 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 12,442	\$ 12,442
Rental Income	142,320	144,145	143,429	(716)
Miscellaneous	260	200,000	128,164	(71,836)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	142,580	344,145	284,035	(60,110)
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Contractual Services	142,580	344,145	71,193	(272,952)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	142,580	344,145	71,193	(272,952)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<hr/>	<hr/>	212,842	212,842
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	<hr/>	<hr/>	(262,471)	(262,471)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	(262,471)	(262,471)
<b>NET CHANGE IN FUND BALANCE</b>				
	<hr/>	<hr/>	(49,629)	<hr/>
<b>FUND BALANCE, MAY 1</b>				
			<hr/>	482,981
<b>FUND BALANCE, APRIL 30</b>				
			<hr/>	<hr/>
			\$	433,352

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the City of Crystal Lake, Illinois' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	149-158
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	159-162
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	163-166
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	167-168
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	169-171

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

**CITY OF CRYSTAL LAKE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2015</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 169,307,809	\$ 173,957,143	\$ 176,078,381	\$ 175,911,065
Restricted	8,310,611	7,095,286	7,369,493	8,417,145
Unrestricted (Deficit)	16,387,714	(15,551,944)	(20,991,234)	(27,233,715)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 194,006,134</b>	<b>\$ 165,500,485</b>	<b>\$ 162,456,640</b>	<b>\$ 157,094,495</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 45,482,321	\$ 44,805,894	\$ 44,551,283	\$ 44,397,118
Unrestricted	6,465,993	5,786,960	6,510,946	7,018,743
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 51,948,314</b>	<b>\$ 50,592,854</b>	<b>\$ 51,062,229</b>	<b>\$ 51,415,861</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 214,790,130	\$ 218,763,037	\$ 220,629,664	\$ 220,308,183
Restricted	8,310,611	7,095,286	7,369,493	8,417,145
Unrestricted (Deficit)	22,853,707	(9,764,984)	(14,480,288)	(20,214,972)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 245,954,448</b>	<b>\$ 216,093,339</b>	<b>\$ 213,518,869</b>	<b>\$ 208,510,356</b>

\*The City implemented GASB Statement No. 68 in 2016.

Data Source

Audited Financial Statements



2019	2020	2021	2022	2023	2024
\$ 173,931,309	\$ 174,038,413	\$ 177,510,754	\$ 175,285,923	\$ 176,875,488	\$ 181,837,388
8,500,749	9,379,343	12,269,407	12,059,384	11,849,081	10,649,313
(26,053,960)	(31,443,463)	(25,836,721)	(12,047,193)	(3,745,443)	2,281,808
\$ 156,378,098	\$ 151,974,293	\$ 163,943,440	\$ 175,298,114	\$ 184,979,126	\$ 194,768,509
\$ 44,395,007	\$ 49,163,769	\$ 52,160,171	\$ 54,063,611	\$ 54,686,616	\$ 55,271,549
8,979,964	8,040,946	8,306,998	10,756,654	12,460,252	19,295,826
\$ 53,374,971	\$ 57,204,715	\$ 60,467,169	\$ 64,820,265	\$ 67,146,868	\$ 74,567,375
\$ 218,326,316	\$ 223,202,182	\$ 229,670,925	\$ 229,349,534	\$ 231,562,104	\$ 237,108,937
8,500,749	9,379,343	12,269,407	12,059,384	11,849,081	10,649,313
(17,073,996)	(23,402,517)	(17,529,723)	(1,290,539)	8,714,809	21,577,634
\$ 209,753,069	\$ 209,179,008	\$ 224,410,609	\$ 240,118,379	\$ 252,125,994	\$ 269,335,884

**CITY OF CRYSTAL LAKE, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2015</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 9,219,290	\$ 9,453,754	\$ 9,186,944	\$ 9,480,281
Public Safety	23,670,546	25,243,996	28,675,754	28,257,439
Highways and Streets	9,738,091	11,137,715	8,803,178	9,075,738
Culture and Recreation	1,045,576	1,158,493	1,202,081	1,240,815
Interest	531,492	472,785	434,677	395,280
Total Governmental Activities Expenses	44,204,995	47,466,743	48,302,634	48,449,553
<b>BUSINESS-TYPE ACTIVITIES</b>				
Waterworks and Sewerage	12,584,450	11,161,179	10,911,625	11,871,081
Total Business-Type Activities Expenses	12,584,450	11,161,179	10,911,625	11,871,081
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 56,789,445</b>	<b>\$ 58,627,922</b>	<b>\$ 59,214,259</b>	<b>\$ 60,320,634</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,185,748	\$ 1,015,508	\$ 1,151,113	\$ 1,278,712
Public Safety	3,888,838	3,907,398	4,548,947	4,675,869
Highways and Streets	234,750	240,659	216,074	227,659
Culture and Recreation	406,991	494,003	626,341	652,572
Operating Grants and Contributions				
Public Works	1,446,094	3,371,612	1,064,996	1,072,190
Highways and Streets	658,469	275,424	240,876	169,325
Capital Grants and Contributions				
Public Safety	-	-	-	-
Highways and Streets	1,226,760	2,627,832	305,691	1,023,140
Culture and Recreation	243,238	2,076	23,132	4,370
Total Governmental Activities Program Revenues	9,290,888	11,934,512	8,177,170	9,103,837
Business-Type Activities				
Charges for Services				
Waterworks and Sewerage	9,411,316	10,048,556	11,182,267	11,967,058
Operating Grants and Contributions	-	-	-	3,500
Capital Grants and Contributions	312,550	849,507	113,616	-
Total Business-Type Activities Program Revenues	9,723,866	10,898,063	11,295,883	11,970,558
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 19,014,754</b>	<b>\$ 22,832,575</b>	<b>\$ 19,473,053</b>	<b>\$ 21,074,395</b>

	2019	2020	2021	2022	2023	2024
\$	8,975,593	\$ 10,132,372	\$ 8,086,815	\$ 7,181,840	\$ 9,204,627	\$ 8,868,981
	28,418,257	30,628,583	26,072,431	26,893,048	30,424,252	30,928,000
	10,526,101	10,577,802	9,917,045	9,192,114	11,473,336	11,648,259
	1,316,230	1,295,958	1,059,755	1,289,476	1,558,416	1,745,214
	357,479	295,700	134,854	296,979	250,474	202,288
	49,593,660	52,930,415	45,270,900	44,853,457	52,911,105	53,392,742
	12,508,300	13,345,604	13,923,480	13,221,966	15,048,735	14,538,180
	12,508,300	13,345,604	13,923,480	13,221,966	15,048,735	14,538,180
\$	62,101,960	\$ 66,276,019	\$ 59,194,380	\$ 58,075,423	\$ 67,959,840	\$ 67,930,922
\$	1,769,715	\$ 1,221,025	\$ 1,300,137	\$ 1,186,320	\$ 1,268,491	\$ 1,715,823
	4,759,684	4,815,622	4,819,013	5,731,210	5,968,139	5,753,213
	207,974	440,929	217,594	234,576	251,923	269,142
	637,618	399,884	278,033	530,037	545,769	623,701
	1,076,674	2,008,677	2,929,526	2,574,252	2,170,297	1,797,521
	318,273	28,361	2,351,705	172,244	67,724	136,057
	-	-	-	-	595,105	57,734
	488,055	120,168	1,880	-	1,687,500	-
	4,638	758,751	2,053,878	199,629	318,683	608,083
	9,262,631	9,793,417	13,951,766	10,628,268	12,873,631	10,961,274
	13,953,200	14,279,570	15,285,114	15,323,203	15,397,219	16,775,808
	-	-	-	-	-	-
	-	69,920	609,019	1,165,579	109,003	-
	13,953,200	14,349,490	15,894,133	16,488,782	15,506,222	16,775,808
\$	23,215,831	\$ 24,142,907	\$ 29,845,899	\$ 27,117,050	\$ 28,379,853	\$ 27,737,082

**CITY OF CRYSTAL LAKE, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2015</b>	<b>2016*</b>	<b>2017</b>	<b>2018</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental Activities	\$ (34,914,107)	\$ (35,532,231)	\$ (40,125,464)	\$ (39,345,716)
Business-Type Activities	(2,860,584)	(263,116)	384,258	99,477
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (37,774,691)</b>	<b>\$ (35,795,347)</b>	<b>\$ (39,741,206)</b>	<b>\$ (39,246,239)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 11,054,823	\$ 13,424,456	\$ 12,368,764	\$ 12,499,058
Home Rule	5,084,373	5,040,729	5,078,986	5,159,592
Auto Rental	47,986	42,515	43,751	40,230
Franchise Fees - Cable	692,094	790,182	615,070	728,314
Telecommunications	1,381,207	1,276,159	1,155,832	1,076,925
Hotel/Other	298,471	301,467	357,772	408,156
Intergovernmental				
Replacement	156,255	133,431	160,573	147,318
State Sales and Use Income	11,903,296	12,103,709	12,310,138	12,595,524
Investment Income	4,104,684	4,167,471	3,841,569	3,707,369
Miscellaneous	179,247	470,909	484,987	334,737
Release of Commitment of SSA Debt	938,298	1,170,199	664,177	920,423
Transfers	-	-	-	-
Total Governmental Activities	35,840,734	38,921,227	37,081,619	37,617,646
Business-Type Activities				
Investment Income	39,673	79,071	(12,899)	(3,132)
Miscellaneous	116,233	209,444	98,016	257,285
Other Tax	-	-	-	-
Grants	-	-	-	-
Connection Charges	-	-	-	-
Rental Income	-	-	-	-
Transfers	-	-	-	-
Total Business-Type Activities	155,906	288,515	85,117	254,153
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 35,996,640</b>	<b>\$ 39,209,742</b>	<b>\$ 37,166,736</b>	<b>\$ 37,871,799</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 926,627	\$ 3,388,996	\$ (3,043,845)	\$ (1,728,070)
Business-Type Activities	(2,704,678)	25,399	469,375	353,630
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ (1,778,051)</b>	<b>\$ 3,414,395</b>	<b>\$ (2,574,470)</b>	<b>\$ (1,374,440)</b>

\*The City implemented GASB Statement No. 68 in 2016.

Data Source

Audited Financial Statements

	2019	2020	2021	2022	2023	2024
\$	(40,331,029)	\$ (43,136,998)	\$ (31,319,134)	\$ (34,225,189)	\$ (40,037,474)	\$ (42,431,468)
	1,444,900	1,003,886	1,970,653	3,266,816	457,487	2,237,628
\$	(38,886,129)	\$ (42,133,112)	\$ (29,348,481)	\$ (30,958,373)	\$ (39,579,987)	\$ (40,193,840)
\$	12,985,292	\$ 13,034,033	\$ 13,698,616	\$ 13,693,963	\$ 14,543,492	\$ 15,248,645
	5,403,739	5,296,696	5,523,531	6,652,098	6,826,463	7,179,057
	43,839	42,370	39,076	59,236	60,825	58,694
	670,865	700,274	620,139	643,023	604,830	543,973
	988,663	829,847	664,080	589,605	557,117	528,630
	393,659	1,478,225	2,062,893	2,374,264	2,344,342	979,355
	140,488	153,893	166,446	383,730	526,372	376,351
	13,321,347	13,315,600	14,035,251	15,405,431	15,819,262	16,687,890
	4,215,078	4,008,499	4,670,667	5,835,642	6,506,600	6,592,621
	1,036,053	1,317,219	375,853	(1,716,158)	329,908	1,924,376
	498,526	2,295,775	1,999,312	1,946,219	1,716,455	2,199,979
	-	-	-	-	-	-
	(82,917)	-	-	(287,190)	-	(98,720)
	39,614,632	42,472,431	43,855,864	45,579,863	49,835,666	52,220,851
	283,436	578,038	154,482	(366,107)	246,960	936,253
	147,859	297,458	137,319	165,199	638,101	224,268
	-	1,000,000	1,000,000	999,998	1,000,000	2,596,683
	-	-	-	-	-	1,326,955
	-	-	-	-	-	-
	-	-	-	-	-	-
	82,917	-	-	287,190	-	98,720
	514,212	1,875,496	1,291,801	1,086,280	1,885,061	5,182,879
\$	40,128,844	\$ 44,347,927	\$ 45,147,665	\$ 46,666,143	\$ 51,720,727	\$ 57,403,730
\$	(716,397)	\$ (664,567)	\$ 12,536,730	\$ 11,354,674	\$ 9,798,192	\$ 9,789,383
	1,959,112	2,879,382	3,262,454	4,353,096	2,342,548	7,420,507
\$	1,242,715	\$ 2,214,815	\$ 15,799,184	\$ 15,707,770	\$ 12,140,740	\$ 17,209,890

**CITY OF CRYSTAL LAKE, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>GENERAL FUND</b>				
Nonspendable	\$ 1,578,916	\$ 1,807,119	\$ 2,295,685	\$ 2,455,422
Committed	3,128	3,128	3,128	3,796
Unrestricted				
Assigned	3,615,389	1,082,174	2,584,111	1,848,473
Unassigned	7,820,204	10,224,095	9,616,898	11,533,098
<b>TOTAL GENERAL FUND</b>	<b>\$ 13,017,637</b>	<b>\$ 13,116,516</b>	<b>\$ 14,499,822</b>	<b>\$ 15,840,789</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 7,392	\$ 7,860	\$ 4,923	\$ 46,355
Restricted	8,995,527	7,781,945	7,910,749	8,883,168
Committed	-	-	-	-
Unrestricted				
Assigned	8,588,879	9,645,831	7,044,977	6,069,668
Unassigned (Deficit)	(1,621)	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 17,590,177</b>	<b>\$ 17,435,636</b>	<b>\$ 14,960,649</b>	<b>\$ 14,999,191</b>

Data Source

Audited Financial Statements

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$ 2,513,094	\$ 3,146,413	\$ 3,282,256	\$ 4,210,068	\$ 4,521,627	\$ 5,314,416
37,611	122,612	338,750	424,350	583,848	865,295
2,620,028	3,632,706	4,687,516	347,797	368,929	2,108,555
14,172,882	15,479,489	13,447,755	14,768,666	15,422,765	15,399,501
<b>\$ 19,343,615</b>	<b>\$ 22,381,220</b>	<b>\$ 21,756,277</b>	<b>\$ 19,750,881</b>	<b>\$ 20,897,169</b>	<b>\$ 23,687,767</b>
\$ 47,313	\$ 7,868	\$ 219,758	\$ 304,461	\$ 383,467	\$ 432,596
9,060,963	9,379,343	12,269,407	12,059,384	11,849,081	10,649,313
253,534	332,702	543,117	632,363	798,362	1,082,161
5,871,826	6,649,886	9,763,042	21,769,082	26,190,667	27,484,691
-	-	(23,919)	(95,214)	(181,191)	(186,773)
<b>\$ 15,233,636</b>	<b>\$ 16,369,799</b>	<b>\$ 22,771,405</b>	<b>\$ 34,670,076</b>	<b>\$ 39,040,386</b>	<b>\$ 39,461,988</b>

**CITY OF CYRSTAL LAKE, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>REVENUES</b>				
Charges for Services	\$ 4,255,331	\$ 4,561,965	\$ 5,259,621	\$ 5,264,409
Licenses and Permits	594,261	546,408	626,878	659,908
Intergovernmental	19,178,195	22,510,761	17,740,346	18,841,214
Fines and Forfeitures	1,186,481	715,857	687,186	520,692
Property Taxes	11,054,823	13,424,456	12,368,764	12,499,057
Other Taxes	7,504,131	7,451,052	7,251,411	7,317,786
Developer Donations	-	-	-	-
Investment Income	179,247	470,909	484,987	334,734
Miscellaneous	1,037,793	1,232,711	943,772	1,350,750
<b>Total Revenues</b>	<b>44,990,262</b>	<b>50,914,119</b>	<b>45,362,965</b>	<b>46,788,550</b>
<b>EXPENDITURES</b>				
General Government	8,433,073	8,013,493	8,176,893	8,312,721
Public Health and Safety	22,521,524	23,852,909	23,956,258	24,143,224
Public Works	8,248,411	7,333,376	7,122,954	5,426,131
Culture and Recreation	563,450	618,351	736,944	723,546
Debt Service				
Principal	1,338,673	1,383,967	1,426,983	1,447,120
Interest	545,577	589,605	475,339	479,218
Capital Outlay	4,943,965	9,178,080	4,559,275	4,877,081
<b>Total Expenditures</b>	<b>46,594,673</b>	<b>50,969,781</b>	<b>46,454,646</b>	<b>45,409,041</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,604,411)</b>	<b>(55,662)</b>	<b>(1,091,681)</b>	<b>1,379,509</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,011,992	9,006,449	7,315,265	6,702,316
Transfers (Out)	(10,039,717)	(9,006,449)	(7,315,265)	(6,702,316)
Bonds Issued	-	-	-	-
Premium (Discount) on Bonds Issued	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-
Leases Issued	-	-	-	-
Proceeds From Sale of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(27,725)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,632,136)</b>	<b>\$ (55,662)</b>	<b>\$ (1,091,681)</b>	<b>\$ 1,379,509</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>4.39%</b>	<b>4.20%</b>	<b>4.42%</b>	<b>4.27%</b>



	2019	2020	2021	2022	2023	2024
\$	5,567,308	\$ 5,239,878	\$ 4,761,355	\$ 5,833,269	\$ 5,994,755	\$ 6,185,781
	887,689	899,643	1,158,614	1,034,141	1,059,180	1,502,481
	18,972,402	19,559,437	24,193,553	24,417,463	25,113,422	26,316,906
	465,779	462,293	301,362	368,879	528,493	595,639
	12,985,292	13,034,033	13,698,616	13,693,963	14,543,492	15,248,645
	7,500,765	8,347,412	8,909,719	10,318,226	10,393,577	9,289,709
	-	410,527	553,878	199,629	-	-
	1,036,053	1,317,219	375,853	(1,716,158)	329,908	1,924,376
	1,611,094	2,629,098	2,200,268	2,395,649	3,058,970	2,194,091
	49,026,382	51,899,540	56,153,218	56,545,061	61,021,797	63,257,628
	8,212,507	9,121,535	8,313,267	7,419,264	7,540,492	8,164,071
	25,231,400	25,551,179	25,839,379	26,974,821	28,930,616	29,450,821
	5,761,105	5,948,684	6,188,853	6,475,910	7,064,744	7,198,141
	743,393	661,596	510,466	776,629	926,822	914,706
	1,496,632	9,975,381	1,051,080	1,384,794	1,499,329	1,481,851
	411,984	228,933	550,858	395,496	359,007	311,223
	3,491,356	6,150,077	9,778,291	3,485,976	9,160,231	13,160,786
	45,348,377	57,637,385	52,232,194	46,912,890	55,481,241	60,681,599
	3,678,005	(5,737,845)	3,921,024	9,632,171	5,540,556	2,576,029
	3,098,328	6,609,374	9,969,342	14,512,565	12,506,632	14,729,482
	(3,098,328)	(6,609,374)	(10,382,457)	(14,512,565)	(12,506,632)	(14,828,202)
	-	7,954,054	-	-	-	-
	-	787,327	-	-	-	-
	-	-	-	-	-	-
	59,266	813,338	2,483,808	125,043	157,233	491,512
	-	52,807	195,719	136,061	-	62,188
	59,266	9,607,526	2,266,412	261,104	157,233	454,980
\$	3,737,271	\$ 3,869,681	\$ 6,187,436	\$ 9,893,275	\$ 5,697,789	\$ 3,031,009
	4.20%	18.72%	3.56%	3.88%	3.72%	3.52%

**CITY OF CRYSTAL LAKE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Farm Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Mineral Property</b>	<b>Rail Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Percentage of Assessed Value</b>
2014	\$ 1,275,219	\$ 682,859,738	\$ 215,592,383	\$ 56,205,928	\$ 766,260	\$ 1,320,683	\$ 958,020,211	1.2351	\$ 2,874,060,633	33.33%
2015	1,404,385	699,260,973	217,281,136	59,020,112	844,076	1,581,706	979,392,388	1.2130	2,938,177,164	33.33%
2016	1,526,396	740,647,736	228,349,107	61,366,135	844,076	1,608,116	1,034,341,566	1.1485	3,103,024,698	33.33%
2017	1,622,445	786,070,587	235,117,515	64,679,519	844,076	1,639,399	1,089,973,541	1.1452	3,269,920,623	33.33%
2018	1,761,344	830,734,889	246,047,143	66,264,371	1,465,540	1,760,154	1,148,033,441	1.0873	3,444,100,323	33.33%
2019	1,886,251	863,066,368	262,375,574	69,136,637	1,525,433	1,920,523	1,199,910,786	1.0879	3,599,732,358	33.33%
2020	1,818,208	903,785,948	265,462,865	70,787,741	1,560,639	2,001,775	1,245,417,176	1.0481	3,736,251,528	33.33%
2021	1,996,645	936,467,067	275,263,871	73,138,016	1,606,507	2,177,547	1,290,649,653	1.0743	3,871,948,959	33.33%
2022	2,144,058	1,013,312,568	296,394,616	76,805,530	1,670,033	2,387,892	1,392,714,697	1.0382	4,178,144,091	33.33%
2023	2,339,725	1,103,721,571	317,920,939	80,953,603	1,770,279	2,580,804	1,509,286,921	0.9868	4,527,860,763	33.33%

Note: Property in the City is assessed using a multiplier of 33.3%, therefore the estimated actual taxable values are equal to assessed value multiplied by 3. Tax rates are per \$100 of assessed value.

Data Source

McHenry County Clerk

**CITY OF CRYSTAL LAKE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Operating</b>										
Municipal Retirement	0.0868	0.0914	0.0849	0.0958	0.1313	0.1372	0.1461	0.1540	0.1729	0.1761
Police Pension	0.2394	0.2500	0.2697	0.2353	0.2242	0.2083	0.2219	0.2022	0.2034	0.1952
School Cross Guard	0.0050	0.0052	0.0043	0.0044	0.0046	0.0048	0.0050	0.0053	0.0046	0.0047
Fire Protection	0.5041	0.5276	0.5383	0.5501	0.5710	0.5761	0.5992	0.6315	0.6592	0.6736
Firemen Pension	0.1514	0.1641	0.1771	0.1625	0.1569	0.1609	0.1729	0.1556	0.1729	0.1856
Total City of Crystal Lake	0.9868	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485	1.2130	1.2351
Crystal Lake Public Library	0.3374	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345	0.4589	0.4670
McHenry County	0.6649	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539	1.0781	1.1412
District 47	3.6730	3.7431	3.8048	3.8548	3.8851	3.9469	4.0463	4.1616	4.3488	4.3867
District 155	2.4096	2.4353	2.1383	2.1636	2.5236	2.5646	2.6953	2.7749	2.9060	2.9721
<b>Debt Service</b>										
McHenry County	-	-	-	-	-	-	-	-	-	-
District 47	-	0.0065	-	-	-	-	0.2143	0.2119	0.2103	0.2655
District 155	0.0341	0.0421	0.3371	0.3485	0.0466	0.0485	0.0066	0.0537	0.1196	0.1227
<b>Total Tax Rate</b>										
City of Crystal Lake	0.9868	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485	1.2130	1.2351
Crystal Lake Public Library	0.3374	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345	0.4589	0.4670
McHenry County	0.6649	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539	1.0781	1.1412
District 47	3.6730	3.7496	3.8048	3.8548	3.8851	3.9469	4.2607	4.3735	4.5591	4.6522
District 155	2.4437	2.4774	2.4754	2.5121	2.5702	2.6130	2.7019	2.8286	3.0255	3.0948
<b>Other</b>										
College District 528 MCC	0.2821	0.3060	0.3297	0.3433	0.3564	0.3655	0.3847	0.4066	0.4348	0.4453
McHenry County Conservation	0.2030	0.2125	0.2219	0.2236	0.2286	0.2380	0.2449	0.2588	0.2766	0.2840
Crystal Lake Park District	0.4500	0.4629	0.4703	0.4813	0.4886	0.5003	0.5178	0.5310	0.5535	0.5582
Township (Algonquin)	0.0489	0.0524	0.0543	0.0558	0.0573	0.0603	0.0638	0.0712	0.0828	0.0851
Road and Bridge (Algonquin)	0.1177	0.1201	0.1231	0.1265	0.1323	0.1417	0.1527	0.1705	0.1862	0.1913

Data Source

McHenry County Clerk.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**PRINCIPAL PROPERTY TAX PAYERS**

Current Year and Nine Years Ago

Taxpayer	Type of Business	2023		2014		Percent of Total District Taxable Assessed Value	Percent of Total District Taxable Assessed Value
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank		
Chern Partners LLC	Residential	\$ 11,988,033	1	0.79%	\$ 7,254,804	2	0.76%
Continental 544 Fund LLC	Residential	10,225,435	2	0.68%			
PMAT Crystal, LLC	Commercial	9,999,116	3	0.66%			
KPR US LLC	Industrial	7,246,938	4	0.48%			
Centro Bradley Crystal Lake	Commercial	6,348,998	5	0.42%			
Cunat Exc III Darlington	Residential	6,288,177	6	0.42%			
Chern Randall Baric Randall	Residential	6,141,295	7	0.41%			
Stag Industrial Holdings	Industrial	5,232,612	8	0.35%			
ARHC CLCRYIL01 LLC	Commercial	3,813,717	9	0.25%			
Crystal Lake LP	Commercial	3,795,228	10	0.25%			
Crystal Point LLC	Commercial				7,561,697	1	0.79%
Bradley Oper. Ltd. Partnership	Commercial				5,860,002	3	0.61%
Cobalt Industrail	Industrial				4,557,882	4	0.48%
Tyco Healthcare Group	Manufacturing				4,102,762	5	0.43%
Walmart Real Est Business	Commercial				3,996,945	6	0.42%
Sunrise Residential Housing	Residential				3,732,373	7	0.39%
Northern IL Medical Center	Healthcare				3,125,735	8	0.33%
Chicago Title	Commercial				2,923,878	9	0.31%
Home State Bank	Commercial				2,853,610	10	0.30%
		<u>\$ 71,079,549</u>		<u>5.10%</u>	<u>\$ 45,969,688</u>		<u>4.82%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Data Source

McHenry County Treasurer

**CITY OF CRYSTAL LAKE, ILLINOIS**

**PROPERTY TAX EXTENSIONS AND COLLECTIONS**

Last Ten Fiscal Years

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<b>Fiscal Year Ended April 30,</b>	<b>Taxes Extended for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections In Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Extension</b>		<b>Amount</b>	<b>Percentage of Extension</b>
2015	\$ 11,634,049	\$ 11,622,227	99.90	-	\$ 11,622,227	99.90
2016	11,785,312	11,765,244	99.83	-	11,765,244	99.83
2017	11,879,677	11,864,090	99.87	-	11,864,090	99.87
2018	11,879,703	11,873,307	99.95	-	11,873,307	99.95
2019	12,482,104	12,464,739	99.86	-	12,464,739	99.86
2020	12,482,131	12,456,521	99.79	-	12,456,521	99.79
2021	13,053,697	13,030,707	99.82	-	13,030,707	99.82
2022	13,053,672	13,028,661	99.81	-	13,028,661	99.81
2023	13,865,914	13,847,890	99.87	-	13,847,890	99.87
2024	14,459,457	14,441,441	99.88	-	14,441,441	99.88

Note: Above schedule excludes taxes levied and collected on special service areas. There is a two year difference between the levy year and the fiscal year for which the taxes are levied.

Data Source

McHenry County Clerk

**CITY OF CRYSTAL LAKE, ILLINOIS**  
**RATIOS OF OUTSTANDING DEBT - BY TYPE**

Last Ten Fiscal Years

Fiscal Year Ended April 30,	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Bond Premium	Lease Liability	General Obligation Bonds	Notes Payable	Unamortized Bond Premium	Lease Liability			
2015	\$ 16,299,470	\$ 65,351	\$ -	\$ 24,398,153	\$ -	\$ 977,272	\$ -	\$ 41,740,246	3.67%	\$ 1,024
2016	14,898,250	48,095	-	22,411,000	1,900,000	901,155	-	40,158,500	2.80%	986
2017	13,453,551	30,379	-	20,364,550	10,426,422	822,722	-	45,097,624	3.17%	1,107
2018	11,988,542	12,491	-	18,270,226	15,537,661	741,277	-	46,550,197	3.36%	1,143
2019	10,473,372	(6,047)	54,611	16,108,783	15,235,751	658,204	59,664	42,584,338	3.07%	1,045
2020	9,339,638	794,276	780,680	20,301,671	14,389,153	1,187,033	160,682	46,953,133	3.39%	1,152
2021	7,716,268	708,630	2,817,479	17,598,732	13,525,659	1,107,355	501,116	43,975,239	2.67%	1,092
2022	6,967,332	623,693	2,293,855	15,712,668	16,266,699	994,313	415,156	43,273,716	2.70%	1,075
2023	6,151,361	530,758	1,176,190	21,398,639	18,407,107	700,101	321,998	48,686,154	2.88%	1,197
2024	5,327,518	436,973	986,480	19,367,482	18,251,057	569,011	215,466	45,153,987	2.47%	1,110

**CITY OF CRYSTAL LAKE, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year Ended April 30,</b>	<b>General Obligation Debt</b>	<b>Unamortized Bond Premium</b>	<b>Less Amounts Available in Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2015	\$ 40,697,623	\$ 1,042,623	\$ 656,449	\$ 41,083,797	3.79%	\$ 1,008.36
2016	37,309,250	949,250	607,044	37,651,456	3.80%	904.04
2017	32,965,000	853,101	535,819	33,282,282	3.47%	816.88
2018	29,505,000	753,768	470,617	29,788,151	2.88%	731.12
2019	26,582,155	652,157	380,381	26,853,931	2.34%	659.11
2020	29,641,309	1,981,309	263,268	31,359,350	2.61%	769.69
2021	25,315,000	1,815,985	328,566	26,802,419	2.23%	665.58
2022	22,680,000	1,618,006	328,811	23,969,195	1.86%	595.23
2023	27,550,000	1,230,859	329,055	28,451,804	2.04%	706.54
2024	24,695,000	1,005,984	-	25,700,984	1.70%	638.23

Notes: Population data can be found at page 167 - demographic and economic statistics.

Property value data can be found at page 159 - assessed value and actual value of taxable property.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT,  
UNAMORTIZED BOND PREMIUM AND CAPITAL LEASES**

April 30, 2024

<b>Governmental Unit</b>	<b>Bonded Debt</b>	<b>Applicable to the City</b>	
		<b>Percent</b>	<b>Amount</b>
Bonded Debt	\$ 5,327,518		
Unamortized Bond Premium	436,973		
Lease Liability	986,480		
<b>Total City of Crystal Lake</b>	<b>6,750,971</b>	<b>100%</b>	<b>\$ 6,750,971</b>
<b>Overlapping:</b>			
School District Number 155	11,635,000	41.22%	4,795,947
Elgin Community College Number 509	127,385,000	0.002%	2,548
School District Number 200	65,533,650	0.93%	606,842
School District Number 300	198,250,000	0.01%	15,860
McHenry County Conservation District	37,600,000	13.57%	5,101,192
Crystal Lake Park District	1,219,990	75.50%	921,031
Cary Park District	817,890	0.04%	311
Huntley Park District	1,180,000	0.60%	7,056
<b>Total others</b>	<b>443,621,530</b>		<b>11,450,787</b>
<b>Total overlapping debt</b>	<b>\$ 450,372,501</b>		<b>\$ 18,201,758</b>



## CITY OF CRYSTAL LAKE, ILLINOIS

### LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

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The City is a home rule municipality. To date, the General Assembly has set no limits for home-rule municipalities.

Article VII, Section 6(k) of the Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home-rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

**CITY OF CRYSTAL LAKE, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

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<b>Fiscal Year Ended April 30,</b>	<b>Estimated Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>	
2015	40,743	\$ 1,434,275,829	\$ 35,203	14,336	4.9%	
2016	40,743	1,268,451,819	31,133	14,020	5.0%	
2017	40,743	1,420,912,125	34,875	13,896	3.2%	
2018	40,743	1,386,932,463	34,041	13,695	3.5%	
2019	40,743	1,468,214,748	36,036	13,357	2.8%	
2020	40,743	1,710,187,425	41,975	13,138	16.1%	(5)
2021	40,269	1,645,028,919	40,851	12,639	5.0%	
2022	40,269	1,601,981,358	39,782	12,787	2.5%	
2023	40,269	1,671,445,383	41,507	12,647	3.6%	
2024	40,269	1,808,521,059	44,911	12,545	3.5%	

Data Sources

- (1) U.S. Census Bureau
- (2) U.S. Census Bureau
- (3) Elementary and High School - obtained from School Districts
- (4) IL Department of Employment Security - Local Area Unemployment Statistics
- (5) Change in Unemployment rate is attributable to closures as a result of COVID-19 and the Governor's Stay-at-Home Orders.

**CITY OF CRYSTAL LAKE, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year

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<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Population</b>
CL Elementary School District 47	1,528	1	3.79%
Crystal Lake School District 155	725	2	1.80%
McHenry County College	500	3	1.24%
Knaack Manufacturing	500	4	1.24%
Crystal Lake Park District	480	5	1.19%
Aptar Group	475	6	1.18%
Walmart	350	7	0.87%
City of Crystal Lake	241	8	0.60%
Clayens	230	9	0.57%
Technipaq	225	10	0.56%
Jewel Foodstores	220	11	0.55%
Mercyhealth	150	12	0.37%
	<u>5,624</u>		<u>13.97%</u>

Information is not readily available for previous years.

Data Sources

Crystal Lake Website, Demographic Data and Statistics, Labor Statistics

**CITY OF CRYSTAL LAKE, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>GENERAL GOVERNMENT</b>	30.50	30.05	30.05	29.95	37.25	37.75	38.75	38.75	39.25	40.25
<b>PUBLIC SAFETY</b>										
Police	78.70	78.70	77.70	77.70	77.75	77.75	77.75	78.75	78.75	79.75
Fire	68.00	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.75
<b>HIGHWAYS AND STREETS</b>										
Administration	4.50	5.75	4.75	3.25	4.25	4.25	4.25	5.25	5.25	5.25
Engineering	8.00	7.00	7.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00
Fleet and Facilities	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Maintenance	15.00	15.00	15.00	15.00	17.00	17.00	18.00	18.00	18.00	19.00
<b>WATERWORKS AND SEWERAGE</b>	29.00	29.00	29.00	30.00	28.00	28.00	28.00	30.00	31.00	31.00
	240.70	240.00	238.00	237.40	238.75	239.25	241.25	244.75	246.25	249.50

Notes: Full-time equivalent employment is a unit of measure that indicates the workload of an employee. An FTE of 1.0 is equivalent to a full-time worker, while an FTE of 0.75 or 0.5 signals three-quarter or half of a full work load. In Fiscal Year 2021, Engineering moved from the Community Development Department (General Government) to the Public Works Department.

Data Source

City of Crystal Lake records

**CITY OF CRYSTAL LAKE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>POLICE</b>										
Physical Arrests	899	891	642	611	769	854	838	905	935	1,010
Parking Violations	3,754	3,090	2,278	2,019	3,228	2,339	3,310	3,742	4,131	5,406
Traffic Violations	4,456	9,434	3,379	3,697	8,788	9,937	10,910	11,869	13,961	11,267
<b>FIRE</b>										
Number of Calls Answered	7,487	7,642	6,704	6,283	6,799	6,345	6,228	5,894	5,833	5,695
Inspections	967	1,277	743	588	853	957	981	650	833	1,104
<b>HIGHWAYS AND STREETS</b>										
Street Resurfacing (Lane Miles)	10.7	10.9	12.3	10.8	10.0	6.9	6.9	8.3	6.0	6.9
<b>WATER</b>										
New Connections	205	103	99	123	76	19	8	12	5	23
Water Main Breaks	26	15	25	22	21	28	19	24	18	29
Average Daily Consumption (Millions of Gallons)	3.63	4.20	4.10	3.87	4.01	3.85	3.85	3.90	3.93	3.93
<b>WASTEWATER</b>										
Average Daily Sewage Treatment (Millions of Gallons)	3.84	4.19	3.84	4.77	5.00	4.80	4.80	4.80	5.10	5.10
<b>LIBRARY</b>										
Circulation										
Physical Materials	481,611	489,613	444,589	115,152	N/A	N/A	N/A	N/A	N/A	N/A
E-Materials	104,088	90,121	85,340	94,193	N/A	N/A	N/A	N/A	N/A	N/A
Reference Questions	61,815	62,697	46,152	13,592	N/A	N/A	N/A	N/A	N/A	N/A
Cardholders	17,685	17,685	18,680	21,109	N/A	N/A	N/A	N/A	N/A	N/A
Programs										
Number	1,015	1,012	921	1,020	N/A	N/A	N/A	N/A	N/A	N/A
Attendance	47,615	51,325	38,162	88,730	N/A	N/A	N/A	N/A	N/A	N/A

Data Source

City and Library records

N/A - data not available

**CITY OF CRYSTAL LAKE, ILLINOIS**

**CAPITAL ASSETS STATISTICS**

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	22	22	22	19	19	19	23	23	23
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
<b>HIGHWAYS AND STREETS</b>										
Streets (Miles)	177	176	176	176	176	176	176	160	160	160
Streetlights	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,410	2,410
Traffic Signals	35	33	33	33	33	33	33	33	33	33
<b>CULTURE AND RECREATION</b>										
Parks Acreage	450	450	450	450	450	450	450	450	450	450
<b>WATER</b>										
Water Mains (Miles)	240	240	240	240	236	230	230	230	230	230
Fire Hydrants	3,263	3,206	3,234	3,181	3,122	3,122	3,122	3,114	3,095	3,095
Maximum Daily Capacity (Million of Gallons)	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54
<b>SEWER</b>										
Sanitary Sewers (Miles)	165	165	165	165	161	166	166	166	166	166
Storm Sewers (Miles)	122	122	122	122	115	114	60	60	60	60
Maximum Daily Treatment (Millions of Gallons)	20.20	20.20	20.20	20.20	20.20	20.20	19.50	16.50	16.50	16.50

Data Source

City records

**CONTINUING DISCLOSURE**



## COVERAGE DECLARATIONS

**Coverage Period:**

**November 1, 2023 to November 1, 2024**

Types of Coverages	Pool Self-Insured Retention	Limits
General Liability <ul style="list-style-type: none"> <li>▪ Bodily Injury and Property Damage</li> <li>▪ Law Enforcement Activities</li> <li>▪ Employee Benefits</li> </ul>	\$3,000,000	\$15,000,000 (per member)
Auto Liability <ul style="list-style-type: none"> <li>▪ Uninsured/Underinsured Motorist</li> </ul>	\$3,000,000	\$15,000,000 \$50,000 (per member)
Public Officials Liability <ul style="list-style-type: none"> <li>▪ Wrongful Acts</li> <li>▪ Employment Practices</li> </ul>	\$3,000,000	\$15,000,000 (per member)
Workers' Compensation <ul style="list-style-type: none"> <li>▪ Employer's Liability</li> </ul>	\$1,500,000	Statutory \$1,000,000 (per member)
First Party Property – All Risk (all risks are covered unless excluded) including also: <ul style="list-style-type: none"> <li>▪ Flood Zone A/V</li> <li>▪ Flood (Non-Zone A/V)</li> <li>▪ Contingent Business Interruption (Sales Tax)</li> <li>▪ Scheduled Emergency Vehicles-Agreed Value</li> </ul>	\$1,000,000	\$250,000,000 per occurrence \$5,000,000 \$25,000,000 \$10,000,000 Scheduled \$50,000,000 (per member)
Boiler/Machinery	\$ 150,000	(per member)
Crime <ul style="list-style-type: none"> <li>▪ Employee Theft (Dishonesty)</li> <li>▪ Forgery, Alteration &amp; Counterfeit Currency</li> <li>▪ Credit Card Forgery</li> <li>▪ Computer Fraud</li> <li>▪ Funds Transfer Fraud</li> <li>▪ Personal Accts/Identity Fraud</li> </ul>	\$ 100,000	\$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$5,000,000 \$25,000 (per member)
Cyber Risk <ul style="list-style-type: none"> <li>▪ Data Compromise/Breach Response</li> <li>▪ Computer Attack System Restoration</li> <li>▪ Cyber Extortion (IRMA excess \$75,000)</li> <li>▪ Misdirected Payments</li> <li>▪ Computer Fraud</li> <li>▪ Data Compromise Liability</li> <li>▪ Network Security Liability</li> <li>▪ Electronic Media Liability</li> <li>▪ Public Relations</li> </ul>	Member Deductible - \$10,000	\$1,000,000 member aggregate  \$500,000 \$500,000 \$100,000 \$25,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$5,000
Public Officials Bonds <ul style="list-style-type: none"> <li>▪ Mayor/President, Treasurer, Clerk</li> <li>▪ Special District Trustees</li> <li>▪ Supplemental</li> </ul>	\$0	Statutory Limits As Scheduled
<b>Yearly Aggregates</b>	<b>Limits</b>	
Member Annual Payment Cap (Applies to general/auto liability and public officials' liability Loss Fund Payments only)	\$6,000,000	
Agency Aggregate Cap	\$73,949,381	

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## APPENDIX B

### DESCRIBING BOOK-ENTRY ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

City of Crystal Lake  
McHenry County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Crystal Lake, McHenry County, Illinois (the “*City*”), passed preliminary to the issue by the City of its fully registered General Obligation Bonds, Series 2025 (the “*Bonds*”), to the amount of \$ \_\_\_\_\_, dated \_\_\_\_\_, 2025, due serially on December 15 of the years and in the amounts and bearing interest as follows:

2026  
2027  
2028  
2029  
2030  
2031  
2032  
2033  
2034  
2035  
2036  
2037  
2038  
2039  
2040  
2041  
2042  
2043  
2044  
2045

and the Bonds due on or after December 15, 20\_\_ , being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 20\_\_ , or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by the City of Crystal Lake, McHenry County, Illinois (the “*Issuer*”), in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2025 (together, the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the Issuer on the 18th day of March, 2025, as supplemented by a Notification of Sale dated the date hereof (the “*Ordinance*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

DEBT INFORMATION

- General Obligation Bonded Debt
- Statement of Bonded Indebtedness (pertaining to the City’s debt only)

PROPERTY ASSESSMENT AND TAX INFORMATION

- City Equalized Assessed Valuation
- Representative Tax Rates (pertaining to the City’s tax rates only)
- Tax Extensions and Collections

FINANCIAL INFORMATION

- Statement of Net Position, Governmental Activities
- Statement of Activities, Governmental Activities
- General Fund Balance Sheet
- General Fund Statement of Revenues and Expenditures

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the Issuer means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated \_\_\_\_\_, 2025, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the Issuer will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding,



to the extent the Issuer remains legally liable for the payment of such Bonds; *provided, however*, that the Issuer will not be required to make such filings under new CUSIP Numbers unless the Issuer has been notified in writing by the Participating Underwriter or the Issuer's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The Issuer will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to

cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the Issuer has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Issuer shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Issuer shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. **ASSIGNMENT.** The Issuer shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State.

CITY OF CRYSTAL LAKE, MCHENRY COUNTY,  
ILLINOIS

By: \_\_\_\_\_  
Its: Treasurer

Date: \_\_\_\_\_, 2025

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Issuer's fiscal year (currently December 31), beginning with the fiscal year ended December 31, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statement will be submitted to EMMA within 30 days after availability to the Issuer.

Audited Financial Statements will be prepared in accordance with the accounting principles described in the Official Statement.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer\*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. (a) Incurrence of a Financial Obligation, if material, or (b) an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

**EXHIBIT III  
CUSIP NUMBERS**

YEAR OF MATURITY (DECEMBER 15)	CUSIP NUMBERS (229255)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	

**OFFICIAL BID FORM**  
(Open Speer Auction)

City of Crystal Lake  
100 West Woodstock Street  
Crystal Lake, Illinois 60014

March 25, 2025  
Speer Financial, Inc.

Mayor and City Council:

For the \$9,595,000\* General Obligation Bonds, Series 2025 (the "Bonds"), of the City of Crystal Lake, McHenry County, Illinois (the "City"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ \_\_\_\_\_ (no less than \$9,499,050). The Bonds are dated the date of delivery, expected to be on or about April 8, 2025. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount, if any, is subject to adjustment allowing the same \$ \_\_\_\_\_ gross spread per \$1,000 bond as bid herein.**

**MATURITIES\* - DECEMBER 15**

\$295,000 .....	2026	\$475,000 .....	2036
305,000 .....	2027	500,000 .....	2037
320,000 .....	2028	525,000 .....	2038
340,000 .....	2029	550,000 .....	2039
355,000 .....	2030	580,000 .....	2040
375,000 .....	2031	610,000 .....	2041
390,000 .....	2032	630,000 .....	2042
410,000 .....	2033	655,000 .....	2043
430,000 .....	2034	685,000 .....	2044
455,000 .....	2035	710,000 .....	2045

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by CUSIP Global Services and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

**Form of Deposit (Check One)**

Prior to Bid Opening:  
Certified/Cashier's Check   
Wire Transfer

Within TWO hours of Bidding:  
Wire Transfer

Amount: \$191,900

**Account Manager Information**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
By \_\_\_\_\_  
City \_\_\_\_\_ State/Zip \_\_\_\_\_  
Direct Phone (\_\_\_\_\_) \_\_\_\_\_  
FAX Number (\_\_\_\_\_) \_\_\_\_\_  
E-Mail Address \_\_\_\_\_

**Bidders Option Insurance**

<p><b>We have purchased insurance from:</b></p> <p><u>Name of Insurer</u> (Please fill in)</p> <p>_____</p> <p><b>Premium:</b> _____</p> <p><b>Maturities: (Check One)</b></p> <p><input type="checkbox"/> _____ Years</p> <p><input type="checkbox"/> All</p>
--

The foregoing bid was accepted and the Bonds sold by ordinance of the City on March 25, 2025, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF CRYSTAL LAKE, MCHENRY COUNTY, ILLINOIS

\*Subject to change.

\_\_\_\_\_  
Mayor

-----  
**NOT PART OF THE BID**  
-----  
(Calculation of true interest cost)

	<b>Bid</b>	<b>Post Sale Revision</b>
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	
TOTAL BOND YEARS	122,188.24	
AVERAGE LIFE	12.735 Years	



## OFFICIAL NOTICE OF SALE

**\$9,595,000\***

### **CITY OF CRYSTAL LAKE McHenry County, Illinois General Obligation Bonds, Series 2025**

*(Open Speer Auction)*

The City of Crystal Lake, McHenry County, Illinois (the "City"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$9,595,000\* General Obligation Bonds, Series 2025 (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:15 A.M., C.D.T., Tuesday, March 25, 2025. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

#### **Bidding Details**

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at [www.SpeerAuction.com](http://www.SpeerAuction.com). **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

#### **Rules of SpeerAuction**

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

#### **Establishment of Issue Price**

- (a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"). All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois ("*Speer*").

*\*Subject to change.*

- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:
- (i) the City shall disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
  - (ii) all bidders shall have an equal opportunity to bid;
  - (iii) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
  - (iv) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Bonds are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “initial offering price”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

- (d) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.
- (e) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.
- (f) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:
- (i) “Public” means any person other than an Underwriter or a Related Party,
  - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),

- (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

## Rules

- (1) A bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.
- (2) Neither the City, Speer, nor Grant Street Group (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the City, Speer, nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the City, Speer, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder’s SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer, nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing December 15, 2025, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “Bond Registrar”). The Bonds are dated the date of delivery, expected to be on or about April 8, 2025.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

**MATURITIES\* – DECEMBER 15**

\$295,000 .....	2026	\$475,000 .....	2036
305,000 .....	2027	500,000 .....	2037
320,000 .....	2028	525,000 .....	2038
340,000 .....	2029	550,000 .....	2039
355,000 .....	2030	580,000 .....	2040
375,000 .....	2031	610,000 .....	2041
390,000 .....	2032	630,000 .....	2042
410,000 .....	2033	655,000 .....	2043
430,000 .....	2034	685,000 .....	2044
455,000 .....	2035	710,000 .....	2045

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds due December 15, 2026-2034, inclusive, are not subject to optional redemption. The Bonds due December 15, 2035-2045, inclusive, are callable in whole or in part and on any date on or after December 15, 2034, at a price of par and accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. No coupon rate shall exceed five percent (5%). The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than \$9,499,050.

**Award of the Bonds:** The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City’s Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

**The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed and is subject to verification.**

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City’s Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association (“SIFMA”) will be required to pay SIFMA’s standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the City’s good faith bank the amount of **TWO PERCENT OF PAR** (the “Deposit”) **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier’s check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a bidder whose wire transfer is initiated but not received within such two hour time period provided that such bidder’s federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

\*Subject to change.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others, if received, will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago  
Corporate Trust  
30 North LaSalle Street  
38th Floor  
Chicago, IL 60602  
ABA (for wires only) # 071003405  
Credit To: 3281 Speer Bidding Escrow  
RE: City of Crystal Lake, McHenry County, Illinois  
Bid for \$9,595,000\* General Obligation Bonds, Series 2025

Contemporaneously with such wire transfer, the winning bidder shall send an email to [biddingscrow@aboc.com](mailto:biddingscrow@aboc.com) with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to such bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) no interest on the Deposit will accrue to the winning bidder.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as set forth in **Exhibit A**, to evidence the issue price of each maturity of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about April 8, 2025. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for bond counsel's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the opinion of Bond Counsel, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City **does not** intend to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Jodie Hartman, CPA, MPA, Director of Finance/Treasurer, City of Crystal Lake, 100 West Woodstock Street, Crystal Lake, Illinois 60014 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Sales Calendar" from the Municipal Advisor to the City, Speer Financial, Inc., 230 W. Monroe Street, Suite 2630, Chicago, Illinois 60606, telephone (312) 346-3700.

/s/ \_\_\_\_\_  
*City Manager*  
**CITY OF CRYSTAL LAKE**  
McHenry County, Illinois

/s/ \_\_\_\_\_  
*Director of Finance/Treasurer*  
**CITY OF CRYSTAL LAKE**  
McHenry County, Illinois

\*Subject to change.

## Exhibit A

### CERTIFICATE OF PURCHASER

The undersigned, on behalf of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the \$ \_\_\_\_\_ General Obligation Bonds, Series 2025 (the “Bonds”), of the City of Crystal Lake, McHenry County, Illinois (the “City”).

#### I. General

On the Sale Date the Purchaser purchased the Bonds from the City by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the City. The Purchaser has not modified the terms of the purchase since the Sale Date.

#### II. Price

##### A. 10% Test, All Maturities Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A* (the “First Sale Price”).

##### B. Competitive Sale Requirements Met (3 bids received)

###### 1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Schedule A* (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.



### **C. Competitive Sale Requirements Not Met (3 bids not received)**

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the \_\_\_\_\_ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).

### **D. Some Maturities Use Hold the Offer Price**

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. A. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Schedule A* (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Schedule B*.

B. As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

C. No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

### **III. Defined Terms**

[1. *General Rule Maturities* means those Maturities of the Bonds not listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2025), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2025.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including, specifically, the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

#### **IV. Use of Representations**

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and

Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this \_\_\_\_ day of \_\_\_\_\_,  
2025.

\_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE A**

**SCHEDULE B**