



CITY OF
Crystal Lake Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2023

CITY OF CRYSTAL LAKE, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
April 30, 2023

Prepared by the Finance Department

Jodie Hartman
Director of Finance

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i -vi
Officers and Officials.....	vii
Organizational Chart.....	viii
Certificate of Achievement for Excellence in Financial Reporting.....	ix
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-16
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	5-6
Statement of Activities	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet	9-10
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	13

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	14-15
Statement of Revenues, Expenses and Changes in Net Position.....	16
Statement of Cash Flows.....	17-18

Fiduciary Funds

Statement of Net Position.....	19
Statement of Changes in Fiduciary Net Position.....	20

Notes to Financial Statements.....	21-78
------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual

General Fund.....	79
Fire Rescue Fund.....	80
Notes to Required Supplementary Information.....	81

Schedule of Employer Contributions

Illinois Municipal Retirement Fund.....	82
Police Pension Fund.....	83
Firefighters' Pension Fund.....	84

Schedule of Changes in the Employer's Net Pension Liability
 and Related Ratios

Illinois Municipal Retirement Fund.....	85-86
Police Pension Fund.....	87-88
Firefighters' Pension Fund.....	89-90

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information (Continued)

Schedule of Investment Returns	
Police Pension Fund	91
Firefighters' Pension Fund	92
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	
Other Postemployment Benefit Plan	93

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

General Fund	
Schedule of Revenues - Budget and Actual	94
Schedule of Detailed Expenditures - Budget and Actual	95-97
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Capital and Equipment Replacement Fund	98

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	99-100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101
Nonmajor Special Revenue Funds	
Combining Balance Sheet	102-103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	104-105
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	106
IMRF/FICA Fund	107
Road/Vehicle License Fund.....	108
School Crossing Guard Fund.....	109
Foreign Fire Insurance Fund.....	110
Restricted Police Fund.....	111
Commuter Parking Lot Fund	112

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Debt Service Funds	
Combining Balance Sheet	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	114
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Three Oaks Debt Service Fund.....	115
Nonmajor Capital Projects Funds	
Combining Balance Sheet	116-117
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	118-119
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Main Street TIF Project Fund	120
Virginia Street Corridor TIF Project Fund	121
Vulcan Lakes TIF Project Fund.....	122
Three Oaks Development Fund.....	123
Waters Edge TIF Fund.....	124

MAJOR ENTERPRISE FUNDS

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Budgetary Basis Waterworks and Sewerage Fund	125-126
---	---------

INTERNAL SERVICE FUNDS

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Group Insurance Fund	127
---	-----

FIDUCIARY FUNDS

Combining Statement of Net Position - Pension Trust Funds	128
Combining Statement of Changes in Plan Net Position - Pension Trust Funds	129
Schedule of Changes in Plan Net Position - Budget and Actual	
Police Pension Fund	130
Firefighters' Pension Fund	131

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES (Continued)**

FIDUCIARY FUNDS (Continued)

Custodial Funds

Combining Statement of Net Position	132
Combining Statement of Changes in Plan Net Position	133

DISCRETELY PRESENTED COMPONENT UNIT

Statement of Net Position and Balance Sheet	134-135
Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances.....	136
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Operating Fund	137
Special Reserve Fund	138
Combining Balance Sheet	
Nonmajor Library Funds	139-140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Library Funds	141-142
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Gift and Memorial Fund	143
IMRF Fund	144
FICA Fund	145
Public Library Construction and Repair Fund.....	146

STATISTICAL SECTION

Financial Trends

Net Position by Component.....	147-148
Change in Net Position.....	149-152
Fund Balances of Governmental Funds	153-154
Changes in Fund Balances of Governmental Funds	155-156

CITY OF CRYSTAL LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Continued)	
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property.....	157
Property Tax Rates - Direct and Overlapping Governments	158
Principal Property Taxpayers	159
Property Tax Extensions and Collections	160
Debt Capacity	
Ratios of Outstanding Debt by Type.....	161
Ratios of General Bonded Debt Outstanding.....	162
Direct and Overlapping Governmental Activities Bonded Debt, Unamortized Bond Premium and Capital Leases	163
Legal Debt Margin	164
Demographic and Economic Information	
Demographic and Economic Statistics.....	165
Principal Employers	166
Operating Information	
Full-Time Equivalent Employees	167
Operating Indicators.....	168
Capital Asset Statistics.....	169
CONTINUING DISCLOSURE	
Certificate of Insurance	170

INTRODUCTORY SECTION



CITY OF
Crystal Lake
ILLINOIS

October 25, 2023

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, Illinois, for the fiscal year ended April 30, 2023. 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, 2023.

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 LLP, 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, 2023 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, 2023, 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. 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 the onset of the COVID-19 pandemic early 2020 having a substantial effect on the local economy, as well as the global impacts, the City was 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. Sales tax receipts have rebounded to levels exceeding pre-pandemic proportions, a mixture of pent-up demand and higher price points driven by elevated inflation.

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, has made substantial progress on the 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 is underway and set to be completed in early 2024 and Redwood, a 304 rental ranch townhome community plans to be completed in 2025.

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 2022, 908,845 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. From May 2022 through the middle of 2023, fifty-seven new businesses either occupied space, leased space, or relocated to larger buildings. 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 39% above the national average and approximately 33% above the State average. Over 40% of residents twenty-five or older have college degrees, compared to the State and National averages of 36% 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 6, 2022, 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 4.28%, primarily attributable to increased funding to Fire Rescue Department and the City's FICA obligations. With overall growth to the City's tax base from new construction, the impact to property owners was less a decrease of 3.44% 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, 2023, the Police Pension plan's fiduciary net position as a percentage of the total pension liability was 56.78%. As of April 30, 2023, the Fire Pension plan's fiduciary net position as a percentage of the total pension liability was 74.45%. 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, 2022, the date of the most recent actuarial valuation, the IMRF plan's fiduciary net position as a percentage of the total pension liability was 86.94%

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 \$48.36 million of debt instruments outstanding. The City also has \$7.42 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:

- Budget Policy
- Purchasing Authority Policy
- Purchase Card Policy
- Capital Asset Policy
- Debt Management Policy
- Fund Balance Policy
- Investment Policy
- Revenue and Cash Management Policy
- Personal Information Protection Policy
- Red Flag Policy

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, 2022. This results in thirty-three 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 2023 Budget document for the fourteenth consecutive year. The City also received its second consecutive Certificate of Achievement for Excellence in Popular Financial Reporting for Fiscal Year 2022. 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, 2023

MAYOR

Haig Haleblian

COUNCILMEMBERS

Ellen Brady
Ian Philpot
Cameron Hubbard

Brett Hopkins
Cathy A. Ferguson
Amanda Montford

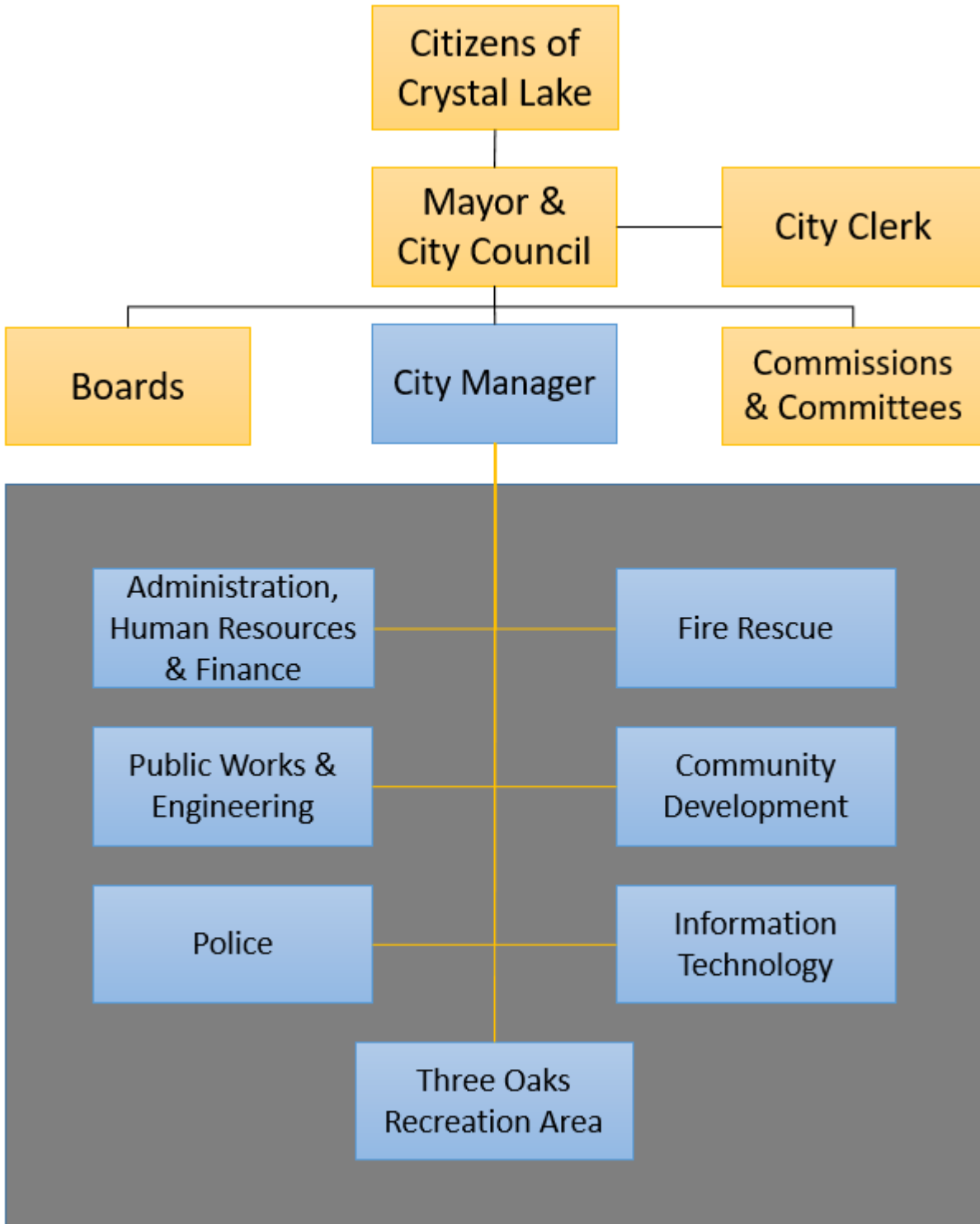
CITY CLERK

Nick Kachiroubas

ADMINISTRATION

Eric Helm
Nicholas Hammonds
Kathryn Cowlin
Jodie Hartman
Julie Meyer
Steven Weishaar
Michael P. Magnuson
Paul DeRaedt
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, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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

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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, 2023, 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, 2023, 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). 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.

Change in Accounting Principle

The City adopted GASB Statement No. 87, *Leases*, as described in Note 18, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Our opinion is not modified with respect to these matters.

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 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, 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 financial 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 financial 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 financial 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.

Sikich LLP

Naperville, Illinois
October 25, 2023

**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, 2023. 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, 2023, with the difference reported as net position.

- **Net position**, excluding the Crystal Lake Public Library, was \$252.13 million.
- **Change in net position** due to activity during the year was an increase of \$12.14 million.
- **Combined revenues** totaled \$80.10 million, an increase of 8.6%
- **Combined expenses** totaled \$67.96 million, an increase of 17%

GENERAL FUND

- **Revenues** for the fiscal year totaled \$41.37 million, an increase of \$3.96 million.
- **Expenditures** for the fiscal year totaled \$30.32 million, an increase of \$1.93 million.
- **Fund Balance** as of April 30, 2023 was \$21.08 million. The net change in fund balance due to activity during the fiscal year was an increase of \$1.33 million.

BUSINESS-TYPE ACTIVITIES (Waterworks and Sewerage Fund)

- **Operating revenues** for the fiscal year totaled \$14.42 million, an increase of \$386k.
- **Operating expenses** for the fiscal year totaled \$14.19 million, an increase of \$1.71 million. Depreciation and amortization of capital assets, a non-cash expense totaling \$4.16 million, is included in the operating expenses total.

LONG-TERM DEBT

- **Bonded Debt for governmental activities outstanding** as of April 30, 2023 decreased \$816k to \$6.15 million during the year.
- **Bonded Debt for business-type activities outstanding** as of April 30, 2023 increased \$5.69 million to \$21.40 million during the year.
- **New bonded debt was issued** during the fiscal year as Series 2022A and Series 2022B General Obligation Bonds in the amounts of \$1.02 million and \$6.74 million respectively to fund water and sewer capital projects. Additionally, Taxable General Obligation Bonds, Series 2022C was issued for \$6.77 million as a refunding of the 2013 bonds in order to achieve interest rate savings.

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

- **Net Pension Liability for Public Safety Pensions** increased \$6.54 million to \$54.94 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) increased \$14.08 million, from an asset of \$4.77 million to a liability of \$9.32 million as of December 31, 2022.

CAPITAL INVESTMENT

- **City-wide assets**, net of depreciation, total \$273.30 million at April 30, 2023, an increase of \$4.03 million.
- **Governmental capital assets** net of depreciation increased \$2.45 million to \$186.91 million.
- **Business-type capital assets** net of depreciation increased \$1.58 million to \$86.39 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 5 – 8 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.

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

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.

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 9 – 13 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 14 - 18 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 19 - 20 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 21 - 78 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 79 - 93 of this report.

Other supplementary information. This includes combining and individual fund statements and schedules, which can be found beginning on page 94 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 147.

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.

**Statement of Net Position
As of April 30, 2022 and 2023**

Category	Governmental Activities		Business-type Activities		Total Primary Government	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Current and other assets	\$ 88,400,676	\$ 82,467,459	\$ 34,820,787	\$ 23,171,336	\$ 123,221,463	\$ 105,638,795
Capital assets	186,913,940	185,170,929	86,387,966	84,938,207	273,301,906	270,109,136
Total assets	275,314,616	267,638,388	121,208,753	108,109,543	396,523,369	375,747,931
Deferred Outflows	18,046,552	10,395,469	3,007,085	1,324,394	21,053,637	11,719,863
Total assets & deferred outflows	293,361,168	278,033,857	124,215,838	109,433,937	417,577,006	387,467,794
Current liabilities	7,113,077	6,633,855	7,329,888	6,860,044	14,442,965	13,493,899
Long-term liabilities	77,494,236	67,107,124	45,464,818	35,143,536	122,959,054	102,250,660
Total liabilities	84,607,313	73,740,979	52,794,706	42,003,580	137,402,019	115,744,559
Deferred Inflows	23,774,729	28,994,764	4,274,264	2,610,092	28,048,993	31,604,856
Total liabilities & deferred inflows	108,382,042	102,735,743	57,068,970	44,613,672	165,451,012	147,349,415
Net position:						
Net Invest. In Capital Assets	176,875,488	175,285,923	54,686,616	54,063,611	231,562,104	229,349,534
Restricted	11,849,081	12,059,384	-	-	11,849,081	12,059,384
Unrestricted	(3,745,443)	(12,047,193)	12,460,252	10,756,654	8,714,809	(1,290,539)
Total net position	\$ 184,979,126	\$ 175,298,114	\$ 67,146,868	\$ 64,820,265	\$ 252,125,994	\$ 240,118,379

Total assets increased \$20.78 million during the year, including an increase of \$15.89 million in cash and investments due to net operations. The current year also includes an increase of \$385k in the City's equity investment in Southeast Emergency Communications (SEECOM) for a total of \$3.64 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 \$3.19 million for the year.

Deferred outflows of resources increased \$9.33 million over the year. This is mostly attributable to the pension items for the IMRF, Police and Firefighters pensions, which increased a combined \$9.64 million due to lower than anticipated investment returns in FY2022/23 and growing pension obligations. Other Post-Employment Benefits (OPEB) saw a decrease of \$298k. 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 \$912k.

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

Total liabilities increased \$21.66 million for the year. Current liabilities increased \$949k. Long-term liabilities increased \$20.71 million. Of this amount, the increase to net pension liability for public safety pensions (sworn employees) totaled \$6.54 million. The net pension liability for non-sworn employees through the Illinois Municipal Retirement Fund (IMRF) increased \$14.08 million for a total of \$9.32 million. Also, a component of long-term liabilities, lease obligations decreased \$503k as the City continues its fleet leasing program. Outstanding bonded debt increased \$4.87 million.

Deferred inflows of resources decreased \$3.56 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 \$9.90 million. Deferred inflows related to leases increased \$5.74 million due to implementation of GASB Statement No. 87. 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, 2023, net position for the City was \$252.13 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 (\$11.85 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 \$8.71 million at April 30, 2023. GASB requires the City to recognize the net pension liability totaling \$64.26 million at April 30, 2023 for its three pension plans and requires the City to recognize net other post-employment benefit obligations totaling \$5.74 million. Unrestricted net position increased \$10 million from the previous fiscal year primarily due to revenues exceeding expenses.

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

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 7 – 8 of this report.

**Statement of Activities
For the Year Ended April 30, 2022 and 2023**

Category	Governmental Activities		Business-type Activities		Total Primary Government	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Revenues:						
Program revenues:						
Charges for services	\$ 8,034,322	\$ 7,682,143	\$ 15,397,219	\$ 15,323,203	\$ 23,431,541	\$ 23,005,346
Operating grants/contributions	2,238,021	2,746,496	-	-	2,238,021	2,746,496
Capital grants/contributions	2,601,288	199,629	109,003	1,165,579	2,710,291	1,365,208
General revenues:						
Taxes	24,937,069	24,012,189	1,000,000	999,998	25,937,069	25,012,187
Intergovernmental	22,852,234	21,624,803	-	-	22,852,234	21,624,803
Investment earnings	329,908	(1,716,158)	246,960	(366,107)	576,868	(2,082,265)
Other	1,716,455	1,946,219	638,101	165,199	2,354,556	2,111,418
Total revenues	62,709,297	56,495,321	17,391,283	17,287,872	80,100,580	73,783,193
Expenses:						
General Government	9,204,627	7,181,840	-	-	9,204,627	7,181,840
Public Safety	30,424,252	26,893,048	-	-	30,424,252	26,893,048
Highways and Streets	11,473,336	9,192,114	-	-	11,473,336	9,192,114
Culture and Recreation	1,558,416	1,289,476	-	-	1,558,416	1,289,476
Interest on long-term debt	250,474	296,979	-	-	250,474	296,979
Water/Sewer	-	-	15,048,735	13,221,966	15,048,735	13,221,966
Total expenses	52,911,105	44,853,457	15,048,735	13,221,966	67,959,840	58,075,423
Excess (deficiency) of revenues over expenses	9,798,192	11,641,864	2,342,548	4,065,906	12,140,740	15,707,770
Transfers:	-	(287,190)	-	287,190	-	-
Change in net position	9,798,192	11,354,674	2,342,548	4,353,096	12,140,740	15,707,770
Beginning net position	175,298,114	163,943,440	64,820,265	60,467,169	240,118,379	224,410,609
Change in accounting principle	(117,180)	-	(15,945)	-	(133,125)	-
Ending net position	\$ 184,979,126	\$ 175,298,114	\$ 67,146,868	\$ 64,820,265	\$ 252,125,994	\$ 240,118,379

Overall, revenues for the City totaled \$80.10 million, an increase of \$6.32 million from the prior fiscal year. Expenses city-wide totaled \$67.96 million, an increase of \$9.88 million from the prior fiscal year. The resulting change from the fiscal year activities is an increase in net position of \$12.14 million, representing growth of 5.1%. The change in accounting principle is due to the implementation of GASB Statement No. 87, *Leases*. See Note 18 for more information.

Governmental Activities

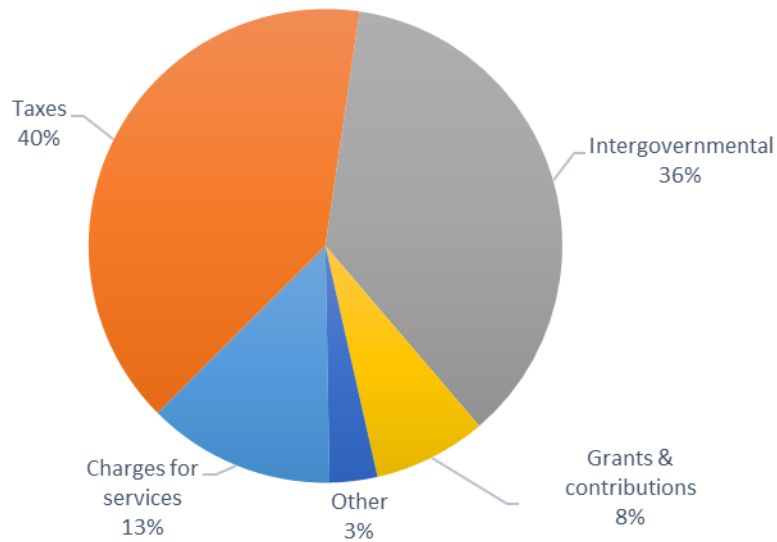
As is typical for governmental activities of local governments, program revenues cover a small percentage of program expenses, with general revenues covering the majority of expenses. For this fiscal year, governmental program expenses of \$52.91 million exceeded program revenues of \$12.87 million by \$40.04 million; general revenues of \$49.84 million are used to make up the difference. With governmental revenues performing better than anticipated while expenses remained low, the City experienced a \$9.80 million surplus in governmental activities.

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

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



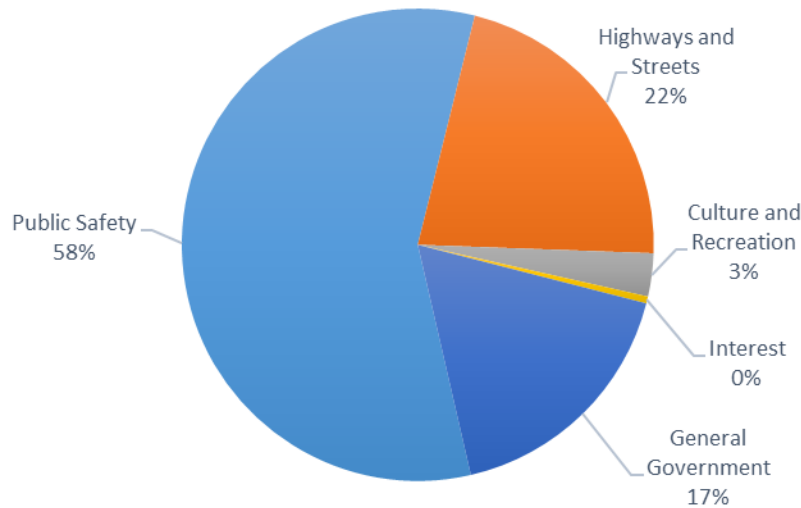
- Charges for services increased \$352k for the year, and grant and contribution revenues increased by \$1.89 million.
- Intergovernmental revenues increased \$1.23 million. States Sales and Use Taxes were up \$414k and State Income Tax was up \$671k.
- Investment earnings ended the year at \$330k an increase of \$2.05 million primarily due to higher interest rates and a shorter average maturity within the investment portfolio.
- Revenue from taxes increased \$925k. The Home Rule Sales Tax increased \$174k while the Telecommunications Tax (down \$32k) continued to decline year over year.
- Other revenues of \$1.72 million decreased \$230k. This category includes recognition of interest on funds held with the Intergovernmental Risk Management Agency (IRMA). This category also includes capital facility fees, reimbursements from other agencies, sale proceeds of assets and the recovery of funds from the Illinois Metropolitan Investment Fund.

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

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 \$3.53 million (13.1%) to \$30.42 million. The increase in police and fire pension liability represents a significant portion of the increase in public safety expenses. This is due to actual investment returns coming in lower than projected 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 increased \$2.02 million (28.2%) over the prior year. This increase is due in part to an increase in IMRF pension liability due to investment returns coming in lower than the investment projections. Highway and Streets increased \$2.28 (24.8%) from the prior year due to an increase in capital expenditures. Interest expense on long-term debt for governmental activities decreased \$47k.

Business-type activities

The Waterworks and Sewerage Fund activity resulted in an increase to net position of \$2.34 million from the fiscal year's activity. Net position ended the fiscal year with \$67.15 million.

Revenues

Charges for services increased \$74k (0.5%) from the prior year. In FY2022/23, there was a 3% increase to the water and sewer rates that took effect September 1, 2022, but consumption trends are down overall. Connection fees increased \$118k (10.4%) to \$1.25 million due to increase in issuance of single family home permits issued in FY2022/23.

Annually, \$1 million in utility taxes are deposited in the business-type funds in order to fund capital needs. Investment income for business-type revenues increased \$613k up to \$247k.

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

Expenses

Expenses of the Waterworks and Sewerage Fund were \$1.83 million higher than the previous year, an increase of 13.8%. Principal payments increased by \$489k to \$3.26 million and interest expenses increased \$114k to \$858k per the debt service payment schedules. Depreciation and amortization expense increased \$131k to \$4.16 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 2023, the City's governmental funds reported combined ending fund balances of \$60.12 million, an increase of \$5.70 million from the prior year. The unassigned portion of the ending fund balances totaled \$15.24 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 \$21.08 million, with \$15.42 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 50.86% of FY2022/23 General Fund operating expenditures.

The ending fund balance of the General Fund increased by \$1.33 million. General Fund revenues totaled \$41.37 million, an increase of \$3.96 million (10.6%). Intergovernmental revenue was up \$1.14 million. Charges for services were up \$62k, as review fees, parking receipts and Three Oaks Recreation fee revenues were all higher than the prior year. Sales Tax increased \$308k to \$14.15 million. General Fund expenditures totaled \$30.32 million, an increase of \$1.93 million (6.8%).

Fire Rescue Fund

The Fire Rescue Fund is also a major governmental fund, with an ending fund balance of \$7.64 million. This was an increase of \$1.12 million from annual activity. Revenues increased \$406k (3.3%) to \$12.68 million. Primary revenue sources of the Fire Rescue Fund include charges for services to other agencies, as well as property taxes. Expenditures increased \$736k (6.8%). Of the increase, personnel costs alone increased \$565k, 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 \$19.55 million, an increase of \$3.54 million from the prior year. Revenues for the year of \$1.99 million included \$1.89 million in taxes from video gaming and utility taxes. Other financing sources included \$157k in financing for new leased vehicles and \$11.30 million from other funds as transfers in for capital purchases. Expenditures totaled \$9.90 million, compared to budgeted expenditures of \$19.82 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 (\$1.36 million), the sidewalk and curb program (\$386k), new vehicle and equipment purchases and leases (\$2.47 million) and road/intersection improvements (\$1.64 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 decreased \$293k from the previous year. Highlights from some of these funds include:

- The Motor Fuel Tax Fund had a fund balance of \$8.12 million as of April 30, 2023, a decrease of \$406k. 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 \$1.90 million provided roadway and intersection improvements.
- 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 \$1.15 million, a decrease of \$348k 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 \$703k, an increase of \$204k.
- The Vulcan Lakes TIF 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 2022/23, but received other financing sources of \$1.05 million. This includes \$1.05 million in debt service payments. The ending fund balance is \$0.
- 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 had no revenues for the fiscal year 2022/23 but did receive an advance of \$86k from the General Fund. The advance covered the \$86k of planning and engineering expenditures.

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

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 and 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 \$2.34 million through fiscal year activity to \$67.15 million at April 30, 2023. Of the total, \$54.69 million represents the City's net investment in capital assets. The remaining \$12.46 million of total net position, represents unrestricted net position. Expenses included water main and storm sewer replacements, rehabilitation of lift stations #16, improvements to water treatment plants #2 and #5, equipment replacement at wastewater treatment plant #3 and engineering costs for various projects.

The Group Insurance Fund had an ending fund balance of \$1.43 million, all of which is unrestricted. The majority of revenues (\$6.30 million) came from employer and employee contributions. Group health insurance premiums totaling \$5.77 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 \$41.37 million surpassed budget expectations by \$3.02 million. Combined with other financing sources, inflows exceeded budget by \$3.03 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 \$1.61 million below budget. Other financing uses ended the year \$4.19 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 \$8.7 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, 2023**

	Final Budget	Actual	Variance \$	Variance %
Revenues & Other Financing Sources				
Taxes	\$ 13,751,148	\$ 14,208,659	\$ 457,511	3.3%
Licenses and permits	722,502	845,031	122,529	17.0%
Intergovernmental	21,588,756	22,918,724	1,329,968	6.2%
Charges for services	434,500	629,919	195,419	45.0%
Fines and forfeits	305,000	458,358	153,358	50.3%
Investment Income	300,000	558,942	258,942	86.3%
Other revenue	1,253,235	1,751,406	498,171	39.8%
Sub-total revenues	38,355,141	41,371,039	3,015,898	7.9%
Other financing sources	119,204	131,469	12,265	10.3%
Total Revenues and Other Financing Sources	38,474,345	41,502,508	3,028,163	7.9%
Expenditures and Other Financing Uses				
General Government	6,879,753	6,325,891	(553,862)	-8.1%
Public Safety	17,630,830	17,041,614	(589,216)	-3.3%
Highways and Streets	6,372,238	5,976,689	(395,549)	-6.2%
Culture and Recreation	998,625	912,460	(86,165)	-8.6%
Debt service	52,907	65,114	12,207	23.1%
Sub-total expenditures	31,934,353	30,321,768	(1,612,585)	-5.0%
Other financing uses				
Transfers to Other Funds	5,666,875	9,853,261	4,186,386	73.9%
Total Expenditures and Other Financing Uses	37,601,228	40,175,029	2,573,801	6.8%
Change in Fund Balance	\$ 873,117	\$ 1,327,479	\$ 454,362	

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 \$14.15 million surpassed its budgeted amount by \$252k. Receipts from sales tax have not only rebounded from the COVID-19 pandemic but also 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 \$6.83 million exceeded budgeted expectations by \$327k. Purchases of groceries are exempt from Home Rule Sales Tax, however staple items and online retail orders are not exempted.

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

Income Tax receipts of \$6.51 million exceeded amounts budgeted by \$587k. Growth in withholding taxes and higher corporate income tax receipts has helped to bolster the City's income tax revenue.

Use Tax totaled \$1.66 million for FY2022/23. This exceeded its budgeted expectation by \$249k.

Hotel Tax receipts ended the fiscal year at \$329k. The Hotel Tax fell just shy of its budgeted amount by \$13k and brought in \$34k less than the prior fiscal year.

Building permits of \$696k exceeded budgeted expectations by \$96k. 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.

Investment earnings of \$559k surpassed budget expectations by \$259k. The increase in investment earnings was mainly driven by higher interest rates 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 \$1.75 million exceeded budget expectations by \$498k. This category includes an interest earnings credit of \$250k 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 \$630k which was \$195k above budgeted expectations. Parking and beach admission revenues at Three Oaks Recreation Area were \$59k above their budgeted expectations. Hot, dry weather combined with the end of the pandemic has resulted in higher attendance at the park. Plan review fees ended the year \$96K higher than the budgeted amount. Of this increase, \$68k was for the engineering site review for a new, multi-family subdivision.

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.
- Professional services expenditures were under budget in several areas as projects were delayed or managed internally.

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

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2023, totaled \$273.30 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, and machinery and equipment.

**Capital Assets, Net of Depreciation and Amortization
As of April 30, 2022 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 23	FYE 22*	FYE 23	FYE 22*	FYE 23	FYE 22*
Land and Improvements	\$103,734,813	\$103,734,813	\$ 2,209,776	\$ 1,641,503	\$105,944,589	\$ 105,376,316
Building and Improvements	19,428,374	19,668,325	18,959,703	20,349,723	38,388,077	40,018,048
Machinery, Equip. & Vehicles	7,193,484	7,221,659	5,390,827	5,810,233	12,584,311	13,031,892
Construction in Progress	1,137,278	787,297	8,214,156	9,816,498	9,351,434	10,603,795
Infrastructure	55,419,991	53,056,482	51,613,504	47,189,511	107,033,495	100,245,993
Total	\$ 186,913,940	\$ 184,468,576	\$ 86,387,966	\$ 84,807,468	\$273,301,906	\$ 269,276,044

* Restated due to the implementation of GASB Statement No. 87

During the fiscal year, the City invested \$12.59 million in capital (buildings, equipment and infrastructure). Major capital asset acquisitions made during the fiscal year included:

- One new leased vehicle for the Public Works Streets Division, two new leased vehicles for the Public Works Water & Sewer Division, and one new leased vehicle for the Public Works Wastewater Treatment Division
- Three Fire Engines
- One Ambulance
- Municipal Complex Flooring Replacement
- Three Oaks Storage Building
- Three Oaks Aeration Fountain
- North Main Street Improvements
- Downtown Train Station Parking Terminal Replacements
- Three Oaks lake level adjustment
- Edgewater Storage Area
- Annual road resurfacing program
- Lift Station #16 Rehabilitation
- Lift station equipment replacement
- Water main replacements
- Storm sewer system improvements
- Water and wastewater treatment plant improvements

The City's capital projects were not exempt from the impact of ongoing supply chain issues. The City's vehicle leasing program was only able to lease four vehicles due to lack of availability of new vehicles. Additional information on the City's capital assets can be found in Note 5 of this report.

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

LONG-TERM DEBT

In March 2022, the City receive 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.**

At the end of the current fiscal year, the City had \$48.69 million of debt outstanding, including \$1.50 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, 2022 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 23	FYE 22	FYE 23	FYE 22	FYE 23	FYE 22
General Obligation Bonds	\$ 6,151,364	\$ 6,967,335	\$21,398,636	\$15,712,665	\$ 27,550,000	\$ 22,680,000
Unamortized Bond Premium	530,758	623,693	700,101	994,313	1,230,859	1,618,006
IEPA Loans	-	-	17,952,107	15,591,699	17,952,107	15,591,699
General Obligation Note	-	-	455,000	675,000	455,000	675,000
Lease Liability*	1,176,190	1,702,315	321,999	299,112	1,498,189	2,001,427
Total	\$ 7,858,312	\$ 9,293,343	\$40,827,843	\$33,272,789	\$ 48,686,155	\$ 42,566,132

* Leases were restated due to the implementation of GASB Statement No. 87

Currently, the City has four general obligation bonds outstanding. As of April 30, 2023, the total outstanding balance general obligation is \$27.55 million, of which \$6.15 million is attributed to governmental activities and \$21.40 million is related to business-type activities.

In May, 2022, the City issued general obligations bonds to fund the construction of water and sewer capital projects. Taxable General Obligation Bonds, Series 2022A, was issued in the amount of \$1,020,000 and will mature in December 2023. General Obligation Bonds, Series 2022, B was issued in the amount of \$6,740,000 and will mature December 2041.

Additionally, the City issued General Obligation Refunding Bonds, Series 2022C, in September 2022 to refund the 2013 bonds. The City anticipates a net present value savings of approximately \$376,500 as a resulting of the bond refunding.

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 receiving disbursements 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 \$6.66 million. Both loans are paid on a semi-annual basis over 20 years. As of April 30, 2023, the City has a total outstanding loan payable of \$17.95 million.

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

The City also has an outstanding balance of \$455k 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.

To keep the fiscal year 2023/24 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.

A water and sewer rate increase of 5% will go into effect on September 1, 2023. 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.

The fiscal year 2024 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.

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, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit Crystal Lake Public Library
ASSETS				
Cash and Investments	\$ 55,236,578	\$ 27,364,044	\$ 82,600,622	\$ 4,276,193
Receivables (Net, Where Applicable, of Allowances for Uncollectible)				
Property Taxes	14,631,903	-	14,631,903	4,895,151
Accounts Receivable	1,505,477	3,341,141	4,846,618	-
Accrued Interest on Investments	196,763	84,537	281,300	5,288
Leases	1,584,417	4,219,739	5,804,156	-
Other	404,021	-	404,021	-
Prepaid Items	5,140,115	105,130	5,245,245	64,162
Internal Balances	293,804	(293,804)	-	-
Due from Other Governments	5,653,349	-	5,653,349	-
Due from Primary Government	-	-	-	3,069
Inventory	115,872	-	115,872	-
Investment in Joint Venture	3,638,377	-	3,638,377	-
Capital Assets Not Being Depreciated	104,872,091	10,423,932	115,296,023	2,472,561
Capital Assets (Net of Accumulated Depreciation)	82,041,849	75,964,034	158,005,883	5,332,754
Total Assets	275,314,616	121,208,753	396,523,369	17,049,178
DEFERRED OUTFLOWS OF RESOURCES				
Other Postemployment Benefits	1,514,439	105,839	1,620,278	56,666
Pension Items - IMRF	4,456,615	1,989,246	6,445,861	1,670,024
Pension Items - Police Pension	6,444,389	-	6,444,389	-
Pension Items - Firefighters' Pension	5,631,109	-	5,631,109	-
Well Asset Retirement Obligation	-	912,000	912,000	-
Total Deferred Outflows of Resources	18,046,552	3,007,085	21,053,637	1,726,690
Total Assets and Deferred Outflows of Resources	293,361,168	124,215,838	417,577,006	18,775,868
LIABILITIES				
Accounts Payable	5,401,083	1,715,112	7,116,195	214,706
Recapture Fees Payable	75,520	-	75,520	-
Accrued Salaries	734,138	74,578	808,716	114,851
Accrued Interest Payable	99,351	286,977	386,328	-
Escrows and Refundable Deposits	657,820	194,627	852,447	17,288
Due to Component Unit	3,069	-	3,069	-
Unearned Revenue	142,096	5,058,594	5,200,690	-
Long-Term Liabilities				
Due Within One Year	3,121,620	3,296,943	6,418,563	83,233
Due in More than One Year	74,372,616	42,167,875	116,540,491	2,676,030
Total Liabilities	84,607,313	52,794,706	137,402,019	3,106,108
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	14,631,903	-	14,631,903	4,895,151
Deferred Inflows - Leases	1,565,494	4,179,311	5,744,805	-
Other Postemployment Benefits	723,164	50,539	773,703	27,059
Pension Items - IMRF	99,502	44,414	143,916	37,287
Pension Items - Police Pension	2,593,007	-	2,593,007	-
Pension Items - Firefighters' Pension	4,161,659	-	4,161,659	-
Total Deferred Inflows of Resources	23,774,729	4,274,264	28,048,993	4,959,497
Total Liabilities and Deferred Inflows of Resources	108,382,042	57,068,970	165,451,012	8,065,605

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit Crystal Lake Public Library
NET POSITION				
Net Investment in Capital Assets	\$ 176,875,488	\$ 54,686,616	\$ 231,562,104	\$ 7,805,315
Restricted				
Highways and Streets	8,117,336	-	8,117,336	-
Retirement	1,145,024	-	1,145,024	318,929
Public Safety	702,720	-	702,720	-
Parking	31,929	-	31,929	-
Debt Service	329,055	-	329,055	-
Capital Projects	1,523,017	-	1,523,017	-
Library	-	-	-	475,437
Working Cash	-	-	-	51,492
Unrestricted (Deficit)	(3,745,443)	12,460,252	8,714,809	2,059,090
TOTAL NET POSITION	\$ 184,979,126	\$ 67,146,868	\$ 252,125,994	\$ 10,710,263

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 9,204,627	\$ 1,268,491	\$ -	\$ -
Public Safety	30,424,252	5,968,139	67,724	595,105
Highways and Streets	11,473,336	251,923	2,170,297	1,687,500
Culture and Recreation	1,558,416	545,769	-	318,683
Interest	250,474	-	-	-
Total Governmental Activities	52,911,105	8,034,322	2,238,021	2,601,288
Business-Type Activities				
Waterworks and Sewerage	15,048,735	15,397,219	-	109,003
Total Business-Type Activities	15,048,735	15,397,219	-	109,003
TOTAL PRIMARY GOVERNMENT	\$ 67,959,840	\$ 23,431,541	\$ 2,238,021	\$ 2,710,291
COMPONENT UNIT				
Crystal Lake Public Library	\$ 5,228,823	\$ 255,361	\$ 59,397	\$ -

	Net (Expense) Revenue and Change in Net Position			Component Unit Crystal Lake Public Library
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
	\$ (7,936,136)	\$ -	\$ (7,936,136)	\$ -
	(23,793,284)	-	(23,793,284)	-
	(7,363,616)	-	(7,363,616)	-
	(693,964)	-	(693,964)	-
	(250,474)	-	(250,474)	-
	(40,037,474)	-	(40,037,474)	-
	-	457,487	457,487	-
	-	457,487	457,487	-
	(40,037,474)	457,487	(39,579,987)	-
	-	-	-	(4,914,065)
General Revenues				
Taxes				
Property	14,543,492	-	14,543,492	4,735,542
Home Rule Sales	6,826,463	-	6,826,463	-
Auto Rental	60,825	-	60,825	-
Franchise Fees	604,830	-	604,830	-
Telecommunications Fee	557,117	-	557,117	-
Hotel Occupation	329,027	-	329,027	-
Other	2,015,315	1,000,000	3,015,315	-
Intergovernmental				
Personal Property Replacement	526,372	-	526,372	-
State Sales and Use	15,819,262	-	15,819,262	-
State Income Tax	6,506,600	-	6,506,600	-
Investment Income	329,908	246,960	576,868	97,278
Miscellaneous	1,716,455	638,101	2,354,556	102,539
Total	49,835,666	1,885,061	51,720,727	4,935,359
CHANGE IN NET POSITION	9,798,192	2,342,548	12,140,740	21,294
NET POSITION, MAY 1	175,298,114	64,820,265	240,118,379	10,688,969
Change in Accounting Principle	(117,180)	(15,945)	(133,125)	-
NET POSITION, MAY 1, RESTATED	175,180,934	64,804,320	239,985,254	10,688,969
NET POSITION, APRIL 30	\$ 184,979,126	\$ 67,146,868	\$ 252,125,994	\$ 10,710,263

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2023

	General	Fire Rescue Fund	Capital Equipment and Replacement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and Investments	\$ 13,115,284	\$ 7,880,333	\$ 21,240,470	\$ 11,983,387	\$ 54,219,474
Receivables (Net of Allowance Where Applicable)					
Property Taxes	5,709,394	7,274,524	-	1,647,985	14,631,903
Accounts Receivable	480,140	770,740	-	190,164	1,441,044
Accrued Interest on Investments	180,362	16,401	-	-	196,763
Leases	1,584,417	-	-	-	1,584,417
Other	201,370	-	32,585	170,066	404,021
Prepaid Items	4,405,755	240,833	142,634	-	4,789,222
Inventory	115,872	-	-	-	115,872
Due from Other Governments	5,456,192	-	39,166	157,991	5,653,349
Due from Other Funds	80,292	-	376,599	37,295	494,186
Advance due from Other Funds	181,191	-	-	-	181,191
	<u>31,510,269</u>	<u>16,182,831</u>	<u>21,831,454</u>	<u>14,186,888</u>	<u>83,711,442</u>
Total Assets					
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	<u>\$ 31,510,269</u>	<u>\$ 16,182,831</u>	<u>\$ 21,831,454</u>	<u>\$ 14,186,888</u>	<u>\$ 83,711,442</u>

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2023

	General	Fire Rescue Fund	Capital Equipment and Replacement	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 2,133,064	\$ 747,200	\$ 2,218,097	\$ 302,722	\$ 5,401,083
Recapture Fees	-	-	-	75,520	75,520
Accrued Salaries	289,692	444,446	-	-	734,138
Escrows and Refundable Deposits	657,820	-	-	-	657,820
Due to Component Unit	3,069	-	-	-	3,069
Due to Other Funds	10,294	-	63,714	126,374	200,382
Advance due to Other Funds	-	-	-	181,191	181,191
Unearned Revenue	63,082	79,014	-	-	142,096
Total Liabilities	3,157,021	1,270,660	2,281,811	685,807	7,395,299
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Tax	5,709,394	7,274,524	-	1,647,985	14,631,903
Deferred Inflow - Leases	1,565,494	-	-	-	1,565,494
Total Deferred Inflows of Resources	7,274,888	7,274,524	-	1,647,985	16,197,397
Total Liabilities and Deferred Inflows of Resources	10,431,909	8,545,184	2,281,811	2,333,792	23,592,696
FUND BALANCES					
Nonspendable					
Prepaid Items	4,405,755	240,833	142,634	-	4,789,222
Inventory	115,872	-	-	-	115,872
Advance	181,191	-	-	-	181,191
Restricted					
Retirement Purposes	-	-	-	1,145,024	1,145,024
Public Safety	-	-	-	702,720	702,720
Parking	-	-	-	31,929	31,929
Highway and Street Maintenance	-	-	-	8,117,336	8,117,336
Debt Service	-	-	-	329,055	329,055
Park Development	-	-	-	1,485,323	1,485,323
Capital Projects Funds	-	-	-	37,694	37,694
Committed					
Capital Facilities	583,848	798,362	-	-	1,382,210
Assigned					
Promotion of Tourism	365,508	-	-	-	365,508
Historical Preservation Services	3,421	-	-	-	3,421
Capital Projects Funds	-	-	19,407,009	-	19,407,009
Special Revenue Funds	-	6,598,452	-	185,206	6,783,658
Unassigned					
General Fund	15,422,765	-	-	-	15,422,765
Unassigned (Deficit)	-	-	-	(181,191)	(181,191)
Total Fund Balances	21,078,360	7,637,647	19,549,643	11,853,096	60,118,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,510,269	\$ 16,182,831	\$ 21,831,454	\$ 14,186,888	\$ 83,711,442

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, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 60,118,746
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	186,913,940
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	3,638,377
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(6,151,364)
Lease Liability	(1,176,190)
Compensated Absences Payable	(2,889,592)
Interest Payable	(99,351)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(530,758)
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(6,440,353)
The other postemployment benefit liability is shown as a liability on the statement of net position	(5,365,578)
The net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(37,515,237)
The net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(17,425,164)
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	791,275
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	4,357,113
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	3,851,382
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	1,469,450
The net position of the Internal Service Fund is included in the governmental activities in the statement of net position	1,432,430
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 184,979,126</u>

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, 2023

	General	Fire Rescue Fund	Capital Equipment and Replacement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Charges for Services	\$ 629,919	\$ 5,267,669	\$ -	\$ 97,167	\$ 5,994,755
Licenses and Permits	845,031	-	65,760	148,389	1,059,180
Intergovernmental	22,918,724	21,888	-	2,172,810	25,113,422
Fines and Forfeitures	458,358	-	-	70,135	528,493
Property Taxes	5,767,466	6,938,933	-	1,837,093	14,543,492
Other Taxes	8,441,193	-	1,889,872	62,512	10,393,577
Investment Income	558,942	(283,622)	-	54,588	329,908
Miscellaneous	1,751,406	740,069	32,586	534,909	3,058,970
Total Revenues	41,371,039	12,684,937	1,988,218	4,977,603	61,021,797
EXPENDITURES					
Current					
General Government	6,325,891	-	-	1,214,601	7,540,492
Public Safety	17,041,614	11,563,697	-	325,305	28,930,616
Highways and Streets	5,976,689	-	-	1,088,055	7,064,744
Culture and Recreation	912,460	-	-	14,362	926,822
Debt Service					
Principal	53,571	-	670,943	774,815	1,499,329
Interest and Fiscal Charges	11,543	-	69,789	277,675	359,007
Capital Outlay	-	-	9,160,231	-	9,160,231
Total Expenditures	30,321,768	11,563,697	9,900,963	3,694,813	55,481,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,049,271	1,121,240	(7,912,745)	1,282,790	5,540,556
OTHER FINANCING SOURCES (USES)					
Leases Issued	-	-	157,233	-	157,233
Transfers In	131,469	-	11,297,189	1,077,974	12,506,632
Transfers (Out)	(9,853,261)	-	-	(2,653,371)	(12,506,632)
Total Other Financing Sources (Uses)	(9,721,792)	-	11,454,422	(1,575,397)	157,233
NET CHANGE IN FUND BALANCES	1,327,479	1,121,240	3,541,677	(292,607)	5,697,789
FUND BALANCES, MAY 1	19,750,881	6,516,407	16,007,966	12,145,703	54,420,957
FUND BALANCES, APRIL 30	\$ 21,078,360	\$ 7,637,647	\$ 19,549,643	\$ 11,853,096	\$ 60,118,746

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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 5,697,789
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	5,493,289
Contributed capital assets are reported only in the statement of activities	1,687,500
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	(230,009)
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	1,499,329
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	(157,233)
The change in accrued interest payable is reported as interest expense on the statement of activities	15,598
The change in compensated absences is an increase of expenses on the statement of activities	338,446
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	1,975
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	(293,537)
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	(392,366)
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	(260,503)
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	(4,505,416) 385,201 92,935
The change in net position of Internal Service Funds is reported in governmental activities	425,194
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 9,798,192

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2023

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
CURRENT ASSETS		
Cash and Investments	\$ 27,364,044	\$ 1,017,104
Receivables		
Accounts	3,341,141	64,433
Accrued Interest	84,537	-
Leases	4,219,739	-
Prepaid Items	105,130	350,893
Due from Other Funds	73,968	-
	<hr/>	<hr/>
Total Current Assets	35,188,559	1,432,430
NONCURRENT ASSETS		
Capital Assets		
Capital Assets Not Being Depreciated	10,423,932	-
Capital Assets Being Depreciated, Net	75,964,034	-
	<hr/>	<hr/>
Net Capital Assets	86,387,966	-
	<hr/>	<hr/>
Total Noncurrent Assets	86,387,966	-
	<hr/>	<hr/>
Total Assets	121,576,525	1,432,430
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	105,839	-
Pension Items - IMRF	1,989,246	-
Well Asset Retirement Obligation	912,000	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	3,007,085	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	124,583,610	1,432,430

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

April 30, 2023

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
CURRENT LIABILITIES		
Accounts Payable	\$ 1,715,112	\$ -
Accrued Salaries	74,578	-
Accrued Interest Payable	286,977	-
Escrows and Customer Deposits	194,627	-
Unearned Revenue	5,058,594	-
Accrued Compensated Absences	218,645	-
Due to Other Funds	367,772	-
Total OPEB Liability	19,945	-
General Obligation Bonds Payable	2,031,154	-
Promissory Note Payable	225,000	-
IEPA Loan Payable	685,532	-
Lease Liability	116,667	-
Total Current Liabilities	10,994,603	-
LONG-TERM LIABILITIES		
Compensated Absences	218,644	-
Total OPEB Liability	355,037	-
IMRF Net Pension Liability	2,874,704	-
General Obligation Bonds Payable	20,067,583	-
Promissory Note Payable	230,000	-
IEPA Loan Payable	17,266,575	-
Lease Liability	205,332	-
Well Asset Retirement Obligation	950,000	-
Total Long-Term Liabilities	42,167,875	-
Total Liabilities	53,162,478	-
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Leases	4,179,311	-
Other Postemployment Benefits	50,539	-
Pension Items - IMRF	44,414	-
Total Deferred Inflows of Resources	4,274,264	-
Total Liabilities and Deferred Inflows and Resources	57,436,742	-
NET POSITION		
Net Investment in Capital Assets	54,686,616	-
Unrestricted	12,460,252	1,432,430
TOTAL NET POSITION	\$ 67,146,868	\$ 1,432,430

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, 2023

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
OPERATING REVENUES		
Charges for Services	\$ 13,783,255	\$ 6,295,508
Miscellaneous Income	638,101	19,510
Total Operating Revenues	<u>14,421,356</u>	<u>6,315,018</u>
OPERATING EXPENSES		
Administration	1,215,735	5,890,706
Water Operations	5,037,066	-
Sewer Operations	3,765,045	-
Depreciation and Amortization	4,163,194	-
Well ARO Amortization	9,500	-
Total Operating Expenses	<u>14,190,540</u>	<u>5,890,706</u>
OPERATING INCOME	<u>230,816</u>	<u>424,312</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Expense	(858,195)	-
Other Tax	1,000,000	-
Investment Income	246,960	882
Connection Fees	1,252,343	-
Rental Income	361,621	-
Total Non-Operative Revenues (Expenses)	<u>2,002,729</u>	<u>882</u>
NET INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	<u>2,233,545</u>	<u>425,194</u>
CAPITAL GRANTS AND CONTRIBUTIONS	<u>109,003</u>	<u>-</u>
CHANGE IN NET POSITION	<u>2,342,548</u>	<u>425,194</u>
NET POSITION, MAY 1	64,820,265	1,007,236
Change in Accounting Principle	<u>(15,945)</u>	<u>-</u>
NET POSITION, MAY 1, RESTATED	<u>64,804,320</u>	<u>1,007,236</u>
NET POSITION, APRIL 30	<u><u>\$ 67,146,868</u></u>	<u><u>\$ 1,432,430</u></u>

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

For the Year Ended April 30, 2023

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 15,567,817	\$ 1,003,443
Receipts from Internal Service Transactions	-	5,242,013
Receipts from Miscellaneous Revenues	638,101	19,510
Payments to Suppliers	(5,943,937)	(5,788,860)
Payments to Employees	(4,209,168)	-
	<hr/>	<hr/>
Net Cash from Operating Activities	6,052,813	476,106
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Amounts Received from (Paid to) Other Funds	271,858	-
Other Tax	1,000,000	-
Connection Charges	1,252,343	-
Rental Income	321,193	-
	<hr/>	<hr/>
Net Cash from Noncapital Financing Activities	2,845,394	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets Purchased	(7,367,927)	-
Principal Payments on Long-Term Debt	(9,736,987)	-
Principal Payments on Leases	(104,135)	-
Proceeds from Capital Grant	2,610,041	-
Proceeds from Long-Term Debt	16,667,566	-
Interest Payments on Long-Term Debt	(1,116,049)	-
	<hr/>	<hr/>
Net Cash from Capital and Related Financing Activities	952,509	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(10,360,402)	-
Proceeds from Sale and Maturities of Investment Securities	5,605,194	-
Interest Received	390,216	882
	<hr/>	<hr/>
Net Cash from Investing Activities	(4,364,992)	882
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,485,724	476,988
CASH AND CASH EQUIVALENTS, MAY 1	<hr/>	<hr/>
	6,128,146	540,116
CASH AND CASH EQUIVALENTS, APRIL 30	<hr/> <hr/>	<hr/> <hr/>
	\$ 11,613,870	\$ 1,017,104

(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, 2023

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service
CASH AND INVESTMENTS		
Cash and Cash Equivalents	\$ 11,613,870	\$ 1,017,104
Investments	15,750,174	-
TOTAL CASH AND INVESTMENTS	\$ 27,364,044	\$ 1,017,104
NONCASH TRANSACTIONS		
Capital Assets Purchased in Accounts Payable	\$ 2,865,934	\$ -
IEPA Loan Receivable	(895,800)	-
Unrealized Gain/(Loss) on Investments	(201,203)	-
TOTAL NONCASH TRANSACTIONS	\$ 1,768,931	\$ -
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	\$ 230,816	\$ 424,312
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities		
Depreciation and Amortization	4,163,194	-
Well ARO Amortization	9,500	-
Changes in Assets and Liabilities		
Receivables	1,831,233	(43,661)
Prepays	(10,360)	101,846
Deferred Outflows of Resources -		
Pension Items - IMRF	(1,697,706)	-
OPEB	5,515	-
Accounts Payable	(280,068)	-
Accrued Salaries	9,194	-
Accrued Compensated Absences	(22,729)	-
Unearned Revenue	-	(6,391)
Net Pension Liability - IMRF	4,345,737	-
Total OPEB Liability	30,297	-
Deferred Inflows of Resources		
Pension Items - IMRF	(2,517,007)	-
OPEB	1,868	-
Customer Deposits	(46,671)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 6,052,813	\$ 476,106

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

April 30, 2023

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Short-Term Investments	\$ 1,213,821	\$ 503,289
Investments, at Fair Value		
Investments Held in the Illinois Police Officers' Pension Investment Fund	48,429,692	-
Investments Held in the Illinois Firefighters' Pension Investment Fund	50,428,006	-
Receivables		
Accounts Receivable	-	5
Prepaid Expenses	6,825	-
	100,078,344	503,294
Total Assets		
LIABILITIES		
Accounts Payable	5,630	-
	5,630	-
Total Liabilities		
NET POSITION		
Restricted for Pensions	100,072,714	-
Restricted for Debt Service	-	503,294
	\$ 100,072,714	\$ 503,294
TOTAL NET POSITION		

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, 2023

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions		
Employer	\$ 5,767,212	\$ -
Employee	1,708,454	-
Property Owner	-	237,597
Total Contributions	<u>7,475,666</u>	<u>237,597</u>
Investment Income		
Net Appreciation in Fair Value of Investments	403,547	-
Interest	919,623	9,707
Total Investment Income	<u>1,323,170</u>	<u>9,707</u>
Less Investment Expense	<u>(153,990)</u>	-
Net Investment Income	<u>1,169,180</u>	<u>9,707</u>
Total Additions	<u>8,644,846</u>	<u>247,304</u>
DEDUCTIONS		
Pension Benefits	6,204,662	-
Miscellaneous	78,054	-
Debt Service		
Principal	-	85,000
Interest and Fiscal Charges	-	191,507
Total Deductions	<u>6,282,716</u>	<u>276,507</u>
NET INCREASE (DECREASE)	2,362,130	(29,203)
NET POSITION		
May 1	<u>97,710,584</u>	<u>532,497</u>
April 30	<u>\$ 100,072,714</u>	<u>\$ 503,294</u>

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

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)

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. 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 Village'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, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Securities	\$ 8,839,169	\$ 3,407,005	\$ 5,432,164	\$ -	-
U.S. Agency Securities	29,080,806	8,683,343	20,397,463	-	-
Certificates of Deposits	17,612,128	3,015,099	14,597,029	-	-
Corporate Bonds	426,560	97,572	328,988	-	-
Municipal Bonds	8,911,196	2,867,253	6,043,943	-	-
TOTAL	\$ 64,869,859	\$ 18,070,272	\$ 46,799,587	\$ -	-

The City has the following recurring fair value measurements as of April 30, 2023: 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 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)

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 the 10% of the portfolio.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2022 levy year attach as an enforceable lien on January 1, 2022, 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 2022 taxes are intended to finance the 2024 fiscal year and are not considered available or earned for current operations and, therefore, are shown as deferred revenue. The 2023 tax levy has not been recorded as a receivable at April 30, 2023, as the tax attached as a lien on property as of January 1, 2023; however, the tax will not be levied until December 2023 and, accordingly, is not measurable at April 30, 2023.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2023:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 3,320,236
Home Rule Sales Tax	1,547,055
Local Use Tax	389,520
Cannabis Tax	75,502
Motor Fuel Tax	143,068
Video Gaming Tax	39,166
Telecommunications Tax	<u>138,802</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 5,653,349</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, 2023, is as follows:

	Balances May 1, Restated*	Increases/ Transfers	Decreases/ Transfers	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 103,734,813	\$ -	\$ -	\$ 103,734,813
Construction in Progress	787,297	2,340,872	1,990,891	1,137,278
Total Capital Assets not Being Depreciated	104,522,110	2,340,872	1,990,891	104,872,091
Capital Assets Being Depreciated				
Buildings and Improvements	35,776,409	604,097	-	36,380,506
Machinery, Equipment and Vehicles	17,429,217	2,073,416	971,814	18,530,819
Infrastructure	81,457,759	3,941,692	-	85,399,451
Total Capital Assets Being Depreciated	134,663,385	6,619,205	971,814	140,310,776
Intangible Capital Assets Being Amortized				
Machinery and Equipment	2,096,409	211,603	-	2,308,012
Total Intangible assets Being Amortized	2,096,409	211,603	-	2,308,012
Less Accumulated Depreciation for				
Buildings and Improvements	16,108,084	844,048	-	16,952,132
Machinery, Equipment and Vehicles	12,303,967	1,200,755	741,805	12,762,917
Infrastructure	28,401,277	1,578,183	-	29,979,460
Total Accumulated Depreciation	56,813,328	3,622,986	741,805	59,694,509
Less Accumulated Amortization for Intangible Capital Assets				
Machinery and Equipment	-	882,430	-	882,430
Total Accumulated Amortization for Intangible Capital Assets	-	882,430	-	882,430
Total Capital Assets Being Depreciated, Net	79,946,466	2,325,392	230,009	82,041,849
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 184,468,576	\$ 4,666,264	\$ 2,220,900	\$ 186,913,940

*Capital assets of the governmental activities were restated in accordance with the implementation of GASB Statement No. 87, *Leases*.

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

GOVERNMENTAL ACTIVITIES	
General and Administrative	\$ 483,604
Public Safety	1,071,507
Highways and Streets	1,504,464
Culture and Recreation	563,411
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3,622,986

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	\$ 10,152
Public Safety	361,570
Highways and Streets	<u>510,708</u>

TOTAL AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES **\$ 882,430**

	Balances May 1, Restated*	Increases/ Transfers	Decreases/ Transfers	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 1,641,503	\$ 568,273	\$ -	\$ 2,209,776
Construction in Progress	9,816,498	4,183,759	5,786,101	8,214,156
Total Capital Assets not Being Depreciated	<u>11,458,001</u>	<u>4,752,032</u>	<u>5,786,101</u>	<u>10,423,932</u>
Capital Assets Being Depreciated				
Buildings and Improvements	37,226,061	-	-	37,226,061
Machinery, Equipment and Vehicles	10,707,440	76,165	-	10,783,605
Infrastructure	106,355,630	6,574,575	-	112,930,205
Total Capital Assets Being Depreciated	<u>154,289,131</u>	<u>6,650,740</u>	<u>-</u>	<u>160,939,871</u>
Intangible Capital Assets being Amortized				
Machinery and Equipment	432,259	127,021	-	559,280
Total Intangible Assets being Amortized	<u>432,259</u>	<u>127,021</u>	<u>-</u>	<u>559,280</u>
Less Accumulated Depreciation for				
Buildings and Improvements	16,876,338	1,390,020	-	18,266,358
Machinery, Equipment and Vehicles	5,329,466	457,138	-	5,786,604
Infrastructure	59,166,119	2,150,582	-	61,316,701
Total Accumulated Depreciation	<u>81,371,923</u>	<u>3,997,740</u>	<u>-</u>	<u>85,369,663</u>
Less Accumulated Amortization for Intangible Capital Assets				
Machinery and Equipment	-	165,454	-	165,454
Total Accumulated Amortization for Intangible Capital Assets	<u>-</u>	<u>165,454</u>	<u>-</u>	<u>165,454</u>
Total Capital Assets Being Depreciated, Net	<u>73,349,467</u>	<u>2,614,567</u>	<u>-</u>	<u>75,964,034</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 84,807,468</u>	<u>\$ 7,366,599</u>	<u>\$ 5,786,101</u>	<u>\$ 86,387,966</u>

*Capital assets of the business-type activities were restated in accordance with the implementation of GASB Statement No. 87, *Leases*.

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	\$ 509,835	\$ -	\$ 41,156	\$ 468,679	\$ 41,996
	Waterworks and Sewerage	2,525,165	-	203,844	2,321,321	208,004
\$9,465,000 General Obligation Bonds of 2013, annual installments of \$395,000 to \$675,000, interest at 3.25% to 4.00% payable each June 15 and December 15.	Waterworks and Sewerage	6,585,000	-	6,585,000	-	-
\$7,610,000 General Obligation Refunding Bonds of 2014, annual installments of \$480,000 to \$965,000, interest at 2.25% to 3.00% payable each June 15 and December 15.	Waterworks and Sewerage	480,000	-	480,000	-	-
\$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	6,457,500	-	774,815	5,682,685	781,850
	Waterworks and Sewerage	6,122,500	-	275,185	5,847,315	1,078,150
\$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	-	1,020,000	770,000	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	-
\$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	-	6,770,000	530,000	6,240,000	495,000
TOTAL GENERAL OBLIGATION BONDS		\$ 22,680,000	\$ 14,530,000	\$ 9,660,000	\$ 27,550,000	\$ 2,855,000

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	\$ 675,000	\$ -	\$ 220,000	\$ 455,000	\$ 225,000
TOTAL		\$ 675,000	\$ -	\$ 220,000	\$ 455,000	\$ 225,000

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 \$11,297,089 as of April 30, 2023. 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, 2023. The loan has total outstanding loan payable of \$6,655,018 as of April 30, 2023. 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 June 2023 and January 2028. Payments ranging from \$300 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 \$1,777,353 as of April 30, 2023.

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 \$42,054.

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, 2022, are as follows:

Fiscal Year Ending December 31,	Leases	
	Principal	Interest
2024	\$ 684,255	\$ 66,076
2025	471,489	35,218
2026	243,467	15,117
2027	58,605	7,507
2028	40,373	1,607
TOTAL	\$ 1,498,189	\$ 125,525

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
2024	\$ 823,846	\$ 251,161
2025	844,511	211,229
2026	1,004,516	173,013
2027	1,050,356	133,723
2028	1,091,196	92,559
2029-2033	1,336,939	62,582
TOTAL	\$ 6,151,364	\$ 924,267

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
2024	\$ 685,532	\$ 206,953	\$ 2,031,154	\$ 660,405	\$ 225,000	\$ 9,787
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	-	-
2029-2033	3,903,287	559,138	4,208,061	1,745,035	-	-
2034-2038	3,835,624	180,558	4,155,000	1,201,018	-	-
2039-2042	-	-	5,100,000	378,905	-	-
TOTAL	\$ 11,297,089	\$ 1,643,943	\$ 21,398,636	\$ 5,955,163	\$ 455,000	\$ 14,734

F. Changes in Long-Term Liabilities

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

	Balances May 1 (Restated)	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 6,967,335	\$ -	\$ 815,971	\$ 6,151,364	\$ 823,846
Unamortized Bond Premium	623,693	-	92,935	530,758	-
Lease Liability**	1,702,315	157,233	683,358	1,176,190	567,587
Compensated Absences*	3,228,038	1,275,573	1,614,019	2,889,592	1,444,796
Net Pension Liability - IMRF*	-	6,440,354	-	6,440,354	-
Net Pension Liability - Fire*	13,838,554	3,586,610	-	17,425,164	-
Net Pension Liability - Police*	34,562,036	2,953,201	-	37,515,237	-
Total OPEB Liability*	5,593,490	-	227,912	5,365,578	285,391
TOTAL	\$ 66,515,461	\$ 14,412,971	\$ 3,434,195	\$ 77,494,237	\$ 3,121,620

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

**Leases were restated as part of the implementation of GASB Statement No 87, *Leases*. See Note 6D for additional information.

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	\$ 15,712,665	\$ 14,530,000	\$ 8,844,029	\$ 21,398,636	\$ 2,031,154
Promissory Note Payable	675,000	-	220,000	455,000	225,000
IEPA Loans Payable	15,591,699	3,033,366	672,958	17,952,107	685,532
Unamortized Bond Premium	994,313	137,895	432,107	700,101	-
Lease Liability**	299,112	127,022	104,135	321,999	116,667
Well Asset Retirement Obligation	950,000	-	-	950,000	-
Compensated Absences	460,018	207,280	230,009	437,289	218,645
Net Pension Liability	-	2,874,704	-	2,874,704	-
Total OPEB Liability	344,685	30,297	-	374,982	19,945
TOTAL	\$ 35,027,492	\$ 20,940,564	\$ 10,503,238	\$ 45,464,818	\$ 3,296,943

**Leases were restated as part of the implementation of GASB Statement No 87, *Leases*. See Note 6D for additional information.

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, 2023:

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, 2023, 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, 2023, was \$1,980,000.

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 97 years.

J. Refundings

The City issued \$6,770,000 General Obligation Refunding Bonds, Series 2022C, on September 20, 2022, to refund through a current refunding, \$6,585,000 of the General Obligation Bonds of 2013. Through the refunding, the City reduced its debt service by \$441,458 and achieved an economic gain of \$376,500.

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.

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, 2023, advances to/from other funds were as follows:

Payable Fund	Receivable Fund	Amount
Nonmajor Governmental	General	\$ 181,191
TOTAL ADVANCES TO/FROM OTHER FUNDS		\$ 181,191

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

- \$181,191 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)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

As of April 30, 2023, due to/from other funds were as follows:

Payable Fund	Receivable Fund	Amount
General	Waterworks and Sewerage	\$ 10,254
Capital Replacement	Waterworks and Sewerage	63,714
Waterworks and Sewerage	Capital Replacement	267,851
Nonmajor Governmental	Capital Replacement	108,748
Waterworks and Sewerage	General	62,666
Nonmajor Governmental	General	17,626
General	Nonmajor Governmental	40
Waterworks and Sewerage	Nonmajor Governmental	<u>37,255</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 568,154</u>

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

- \$108,748 due from Nonmajor Governmental Fund (Motor Fuel Tax Fund) to the Capital Replacement Fund for capital expenditures. Repayment is expected within one year.
- \$62,666 due from Water Fund to the General Fund to for various chargebacks and capital expenditures. Repayment is expected within one year.
- \$17,626 due from Nonmajor Governmental Fund (NCLPB Fund) to the General Fund to eliminate negative cash. Repayment is expected within one year.
- \$267,851 due from the Water Fund to the Capital Replacement fund for chargebacks for gas and electric tax. Repayment is expected within one year.
- \$37,255 due from Water Fund to Nonmajor Governmental Fund (IMRF/FICA Fund) for FICA employer contributions. Repayment is expected within one year.
- \$63,714 due from Capital Replacement fund to the Water fund for various chargebacks for taxes. 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, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Capital Replacement	\$ -	\$ 8,844,506
Nonmajor Governmental	131,469	1,008,755
Total General	<u>131,469</u>	<u>9,853,261</u>
Capital Replacement		
General	8,844,506	-
Nonmajor Governmental	2,452,683	-
Total Capital Replacement	<u>11,297,189</u>	<u>-</u>
Nonmajor Governmental		
General	1,008,755	131,469
Capital Replacement	-	2,452,683
Nonmajor Governmental	69,219	69,219
Total Nonmajor Governmental	<u>1,077,974</u>	<u>2,653,371</u>
TOTAL	<u>\$ 12,506,632</u>	<u>\$ 12,506,632</u>

The purpose of significant transfers is as follows:

- \$983,774 transfer from the General Fund to Three Oaks Debt Service Fund. 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.
- \$11,297,189 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.

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, 2023.

8. INDIVIDUAL FUND DISCLOSURES (Continued)

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, 2023 was \$1,212,745, and is reported net of an allowance of the same amount.

The Waters Edge TIF Project Fund had a deficit fund balance of \$181,191 at April 30, 2023.

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.

C. Special Service Area

In 2012, the City used \$156,810 of its available resources to pay principal and interest on outstanding SSA #45 bonds because collections of SSA #45 property taxes were insufficient to cover amounts due on February 1, 2012. Efforts to recover money used to fund SSA #45 debt service are ongoing.

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.

10. JOINT VENTURE (Continued)

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 \$1,149,823 to SEECOM during fiscal year 2023. In addition, the City's equity interest in the joint venture's net position of \$3,638,377 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 \$4,015,740 outstanding at April 30, 2023.

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

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, 2023
March 1, 2019	\$ 600,000	\$ 49,367	\$ 115,942

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. 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.

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Membership

At April 30, 2023, membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	26
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>253</u>
 TOTAL	 <u><u>279</u></u>
 Participating employers	 <u><u>1</u></u>

D. Total OPEB Liability

The City and Library's total OPEB liability of \$5,941,325 was measured as of April 30, 2023, 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, 2023, 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	4.14%
Healthcare Cost Trend Rates	4.00% Initial 4.50% Ultimate

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.

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. City - Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2022	\$ 5,938,175
Changes for the Period	
Service Cost	158,356
Interest	222,277
Difference Between Expected and Actual Experience	-
Changes in Assumptions*	(72,253)
Benefit Payments	(305,336)
Library Restatement**	(200,659)
	<u>(197,615)</u>
BALANCES AT APRIL 30, 2023	<u>\$ 5,740,560</u>

G. Library - Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2022	\$ -
Changes for the Period	
Service Cost	5,538
Interest	7,774
Difference Between Expected and Actual Experience	-
Changes in Assumptions*	(2,527)
Benefit Payments	(10,679)
Library Restatement**	200,659
	<u>200,765</u>
BALANCES AT APRIL 30, 2023	<u>\$ 200,765</u>

*Changes in assumption related to the discount rate were made in 2023.

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Library - Changes in the Total OPEB Liability (Continued)

**Based on an actuarial valuation performed for the City as of April 30, 2022, the Library's total OPEB liability as of April 30, 2022, was determined to be immaterial and, therefore, was not recorded as of April 30, 2022. Based on the actuarial valuation performed for the City as of April 30, 2023, the Library's total OPEB liability was determined to be material, and was recorded as of April 30, 2023. The Library's OPEB liability was not restated to May 1, 2022.

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 4.14% 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 (3.14%) or 1 percentage point higher (5.14%) than the current rate:

	1% Decrease (3.14%)	Current Discount Rate (4.14%)	1% Increase (5.14%)
City - Total OPEB Liability	\$ 6,211,999	\$ 5,740,560	\$ 5,316,639
Library - Total OPEB Liability	217,253	200,765	185,939
Total - Total OPEB Liability	<u>\$ 6,429,252</u>	<u>\$ 5,941,325</u>	<u>\$ 5,502,578</u>

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	\$ 5,229,031	\$ 5,740,560	\$ 6,330,684
Library - Total OPEB Liability	182,875	200,765	221,403
Total - Total OPEB Liability	<u>\$ 5,411,906</u>	<u>\$ 5,941,325</u>	<u>\$ 6,552,087</u>

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

For the year ended April 30, 2023, the City recognized OPEB expense of \$35,705.

At April 30, 2023, 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
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	\$ 720,121	\$ 39,904
Changes in Assumptions	900,147	733,799
	<u> </u>	<u> </u>
TOTAL	<u>\$ 1,620,278</u>	<u>\$ 773,703</u>

For the year ended April 30, 2023, the Library recognized OPEB expense of \$171,158.

At April 30, 2023, 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
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	\$ 25,185	\$ 1,396
Changes in Assumptions	31,481	25,663
	<u> </u>	<u> </u>
TOTAL	<u>\$ 56,666</u>	<u>\$ 27,059</u>

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

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
2024	\$ 124,575	\$ 4,357	\$ 128,932
2025	124,575	4,357	128,932
2026	124,575	4,357	128,932
2027	124,575	4,357	128,932
2028	124,575	4,357	128,932
Thereafter	223,700	7,822	231,522
TOTAL	\$ 846,575	\$ 29,607	\$ 876,182

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.

The table below is a summary for all City pension plans as of and for the year ended April 30, 2023:

	IMRF	Police Pension	Fire Pension	Total
Net Pension Liability (Asset)	\$ 11,728,446	\$ 37,515,237	\$ 17,425,164	\$ 66,668,847
Deferred Outflows of Resources	8,115,885	6,444,389	5,631,109	20,191,383
Deferred Inflows of Resources	181,203	2,593,007	4,161,659	6,935,869
Pension Expense (Income)	1,871,252	3,323,272	2,284,494	7,479,018

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund

A. *Plan Membership*

At December 31, 2022, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	212
Inactive Employees Entitled to but not yet Receiving Benefits	129
Active Employees	162
 TOTAL	 503

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, 2023 was 11.19% of covered payroll.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

D. *Actuarial Assumptions*

The City's net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2022
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 nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. 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-2020. 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-2020.

E. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25% at December 31, 2022. 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)

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, 2022	\$ 67,740,791	\$ 72,507,457	\$ (4,766,666)
Changes for the Period			
Service Cost	892,877	-	892,877
Interest	4,819,553	-	4,819,553
Difference Between Expected and Actual Experience	1,285,163	-	1,285,163
Changes in Assumptions	-	-	-
Employer Contributions	-	1,131,002	(1,131,002)
Employee Contributions	-	455,587	(455,587)
Net Investment Income	-	(8,849,307)	8,849,307
Benefit Payments and Refunds	(3,421,272)	(3,421,272)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	178,588	(178,588)
Net Changes	3,576,321	(10,505,402)	14,081,723
BALANCES AT DECEMBER 31, 2022	\$ 71,317,112	\$ 62,002,055	\$ 9,315,057

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

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, 2022	\$ 17,550,606	\$ 18,785,577	\$ (1,234,971)
Changes for the Period			
Service Cost	231,332	-	231,332
Interest	1,248,673	-	1,248,673
Difference Between Expected and Actual Experience	332,966	-	332,966
Changes in Assumptions	-	-	-
Employer Contributions	-	293,025	(293,025)
Employee Contributions	-	118,036	(118,036)
Net Investment Income	-	(2,292,720)	2,292,720
Benefit Payments and Refunds	(886,400)	(886,400)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	46,270	(46,270)
Net Changes	926,571	(2,721,789)	3,648,360
BALANCES AT DECEMBER 31, 2022	\$ 18,477,177	\$ 16,063,788	\$ 2,413,389

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*

For the year ended April 30, 2023, the City recognized pension expense (income) of \$1,486,200 and the Library recognized pension expense (income) of \$385,052.

At April 30, 2023, 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	\$ 1,096,883	\$ 57,034
Changes in Assumption	-	86,882
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	5,063,985	-
Employer Contributions After the Measurement Date	284,993	-
TOTAL	\$ 6,445,861	\$ 143,916

\$284,993 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

At April 30, 2023, 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	\$ 284,186	\$ 14,777
Changes in Assumption	-	22,510
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	1,312,001	-
Employer Contributions After the Measurement Date	73,837	-
TOTAL	\$ 1,670,024	\$ 37,287

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)*

\$73,837 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, 2024. 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
2024	\$ 242,352	\$ 62,790	\$ 305,142
2025	1,235,818	320,181	1,555,999
2026	1,729,569	448,105	2,177,674
2027	2,809,213	727,824	3,537,037
2028	-	-	-
Thereafter	-	-	-
TOTAL	\$ 6,016,952	\$ 1,558,900	\$ 7,575,852

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)	\$ 18,015,983	\$ 9,315,057	\$ 2,357,235
Library - Net Pension Liability (Asset)	4,667,666	2,413,389	610,724
Total - Net Pension Liability (Asset)	\$ 22,683,649	\$ 11,728,446	\$ 2,967,959

14. DEFINED BENEFIT PENSION PLANS (Continued)

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.

B. *Plan Membership*

At April 30, 2023, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	52
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	66
 TOTAL	 135

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police 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 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).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st 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, 2023, the City's contribution was 52.09% of covered payroll.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

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.

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, 2023, 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, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

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 equity mutual funds are valued using quoted prices (Level 1 inputs). The negotiable certificates of deposits are valued using quoted matrix pricing models (Level 2 inputs). The Plan held no investments subject to fair value measurement at April 30, 2023.

J. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$48,429,692 at April 30, 2023. 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, 2023. 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.

K. *Investment Rate of Return*

For the year ended April 30, 2023, 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 1.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

L. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2023, using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2023
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	3.25%
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, 2023.

The table below presents the pension liability of the City, for year ended April 30, 2023, 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	\$ 49,973,928	\$ 37,515,237	\$ 27,348,141

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, 2022	\$ 82,609,705	\$ 48,047,669	\$ 34,562,036
Changes for the Period			
Service Cost	1,427,059	-	1,427,059
Interest	5,844,925	-	5,844,925
Difference Between Expected and Actual Experience	931,558	-	931,558
Changes in Assumptions	-	-	-
Changes in Benefit Terms	(42,061)	-	(42,061)
Employer Contributions	-	3,481,415	(3,481,415)
Employee Contributions	-	1,088,129	(1,088,129)
Other Contributions	-	-	-
Net Investment Income	-	661,661	(661,661)
Benefit Payments and Refunds	(3,968,584)	(3,968,584)	-
Administrative Expense	-	(22,925)	22,925
Net Changes	4,192,897	1,239,696	2,953,201
BALANCES AT APRIL 30, 2023	\$ 86,802,602	\$ 49,287,365	\$ 37,515,237

The Police Pension Plan was 56.78% funded as of April 30, 2023.

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

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, 2023, the City recognized police pension expense of \$3,323,272. At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 1,389,205	\$ 1,869,299
Changes in Assumption	1,306,711	723,708
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>3,748,473</u>	<u>-</u>
TOTAL	<u>\$ 6,444,389</u>	<u>\$ 2,593,007</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:

Fiscal Year Ending <u>April 30,</u>	
2024	\$ 1,032,310
2025	165,705
2026	1,847,134
2027	659,504
2028	51,901
Thereafter	<u>94,828</u>
TOTAL	<u>\$ 3,851,382</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, 2023, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	31
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	56
 TOTAL	 91

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 34.84% of covered payroll for the year ended April 30, 2023.

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, 2023, 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, 2022. 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.

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, 2023.

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 \$50,428,006 at April 30, 2023. The pooled investments consist of the investments as noted in the target allocation table available at 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, 2023. The Plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th 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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.70%. 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, 2023, using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2023
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	3.25%
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, 2023.

The table below presents the net pension liability of the City, for year ended April 30, 2023, 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	\$ 28,120,376	\$ 17,425,164	\$ 8,745,287

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, 2022	\$ 63,501,469	\$ 49,662,915	\$ 13,838,554
Changes for the Period			
Service Cost	1,742,756	-	1,742,756
Interest	4,519,254	-	4,519,254
Difference Between Expected and Actual Experience	766,930	-	766,930
Changes in Assumptions	-	-	-
Changes in Benefit Terms	(83,818)	-	(83,818)
Employer Contributions	-	2,285,797	(2,285,797)
Employee Contributions	-	620,325	(620,325)
Net Investment Income	-	507,519	(507,519)
Benefit Payments and Refunds	(2,236,078)	(2,236,078)	-
Administrative Expense	-	(55,129)	55,129
Net Changes	4,709,044	1,122,434	3,586,610
BALANCES AT APRIL 30, 2023	\$ 68,210,513	\$ 50,785,349	\$ 17,425,164

The Firefighters' Pension Plan was 74.45% funded as of April 30, 2023.

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

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, 2023, the City recognized firefighters' pension expense of \$2,284,494. At April 30, 2023, 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	\$ 790,590	\$ 3,819,866
Changes in Assumption	979,339	341,793
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>3,861,180</u>	<u>-</u>
TOTAL	<u>\$ 5,631,109</u>	<u>\$ 4,161,659</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>	
2024	\$ 515,698
2025	(119,669)
2026	1,565,496
2027	177,578
2028	(421,256)
Thereafter	<u>(248,397)</u>
TOTAL	<u>\$ 1,469,450</u>

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

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
ASSETS			
Cash and Short-Term Investments	\$ 861,188	\$ 352,633	\$ 1,213,821
Investments Held in the Illinois Police Officers' Pension Investment Fund	48,429,692	-	48,429,692
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	50,428,006	50,428,006
Prepaid expenses	-	6,825	6,825
Total Assets	49,290,880	50,787,464	100,078,344
LIABILITIES			
Accounts Payable	3,515	2,115	5,630
Total Liabilities	3,515	2,115	5,630
NET POSITION	\$ 49,287,365	\$ 50,785,349	\$ 100,072,714

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
ADDITIONS			
Contributions			
Employer	\$ 3,481,415	\$ 2,285,797	\$ 5,767,212
Employee	1,088,129	620,325	1,708,454
Total Contributions	4,569,544	2,906,122	7,475,666
Investment Income			
Net Appreciation in Fair Value of Investments	357,445	46,102	403,547
Interest Earned	413,384	506,239	919,623
Less Investment Expense	(109,168)	(44,822)	(153,990)
Net Investment Income	661,661	507,519	1,169,180
Total Additions	5,231,205	3,413,641	8,644,846
DEDUCTIONS			
Benefits and Refunds	3,968,584	2,236,078	6,204,662
Administrative	22,925	55,129	78,054
Total Deductions	3,991,509	2,291,207	6,282,716
NET INCREASE	1,239,696	1,122,434	2,362,130
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	48,047,669	49,662,915	97,710,584
December 31	\$ 49,287,365	\$ 50,785,349	\$ 100,072,714

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 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.

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, 2023, 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	\$ 2,090,074	\$ 827,654	\$ 1,262,420	\$ -	\$ -
TOTAL	\$ 2,090,074	\$ 827,654	\$ 1,262,420	\$ -	\$ -

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 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.

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 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 2022 levy year attach as an enforceable lien on January 1, 2022, 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 2022 taxes are intended to finance the 2024 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of April 30, 2023, as the tax has not yet been levied by the Library and will not be levied until December 2023 and, therefore, the levy is not measurable at April 30, 2023.

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	9,357,965	197,242	-	9,555,207
Machinery, Equipment and Vehicles	375,810	37,182	-	412,992
Total Capital Assets Being Depreciated	9,733,775	234,424	-	9,968,199
Less Accumulated Depreciation for				
Building and Improvements	4,158,178	208,905	-	4,367,083
Machinery, Equipment and Vehicles	224,806	43,556	-	268,362
Total Accumulated Depreciation	4,382,984	252,461	-	4,635,445
Total Capital Assets Being Depreciated, Net	5,350,791	(18,037)	-	5,332,754
TOTAL CAPITAL ASSETS	\$ 7,823,352	\$ (18,037)	\$ -	\$ 7,805,315

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

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	\$ 173,052	\$ 49,128	\$ 77,071	\$ 145,109	\$ 72,554
Net Pension Liability	-	2,413,389	-	2,413,389	-
Total OPEB Liability	-	200,765	-	200,765	10,679
TOTAL	\$ 173,052	\$ 2,663,282	\$ 77,071	\$ 2,759,263	\$ 83,233

17. LESSOR LEASES

The City has entered into eight 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 2026, 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%.

During the year, the City recognized lease revenue of \$518,241 and interest revenue of \$46,584 related to leases.

18. CHANGE IN ACCOUNTING PRINCIPLE

Net position of the governmental activities was restated by \$117,180 due to the implementation of GASB Statement No. 87, *Leases*. Net position of the business type activities and the Waterworks and Sewerage Fund were restated by \$15,945 due to the implementation of GASB Statement No. 87, *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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for Service	\$ 434,500	\$ 434,500	\$ 629,919	\$ 195,419
Licenses and Permits	722,502	722,502	845,031	122,529
Intergovernmental	21,588,756	21,588,756	22,918,724	1,329,968
Fines and Forfeitures	305,000	305,000	458,358	153,358
Property Taxes	5,767,047	5,767,047	5,767,466	419
Other Taxes	7,984,101	7,984,101	8,441,193	457,092
Investment Income	300,000	300,000	558,942	258,942
Miscellaneous	1,253,235	1,253,235	1,751,406	498,171
Total Revenues	38,355,141	38,355,141	41,371,039	3,015,898
EXPENDITURES				
General Government	6,849,753	6,879,753	6,325,891	(553,862)
Public Safety	17,630,830	17,630,830	17,041,614	(589,216)
Highway and Streets	6,372,238	6,372,238	5,976,689	(395,549)
Cultural Recreation	998,625	998,625	912,460	(86,165)
Debt Service				
Principal	41,157	41,157	53,571	12,414
Interest and Fees	11,750	11,750	11,543	(207)
Total Expenditures	31,904,353	31,934,353	30,321,768	(1,612,585)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,450,788	6,420,788	11,049,271	4,628,483
OTHER FINANCING SOURCES (USES)				
Transfers In	119,204	119,204	131,469	12,265
Transfers (Out)	(5,666,875)	(5,666,875)	(9,853,261)	(4,186,386)
Total Other Financing Sources (Uses)	(5,547,671)	(5,547,671)	(9,721,792)	(4,174,121)
NET CHANGE IN FUND BALANCE	\$ 903,117	\$ 873,117	1,327,479	\$ 454,362
FUND BALANCE, MAY 1			19,750,881	
FUND BALANCE, APRIL 30			\$ 21,078,360	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for Services	\$ 4,447,905	\$ 4,447,905	\$ 5,267,669	\$ 819,764
Intergovernmental	-	-	21,888	21,888
Property Taxes	6,913,157	6,913,157	6,938,933	25,776
Investment Income	40,000	40,000	(283,622)	(323,622)
Other	62,000	62,000	740,069	678,069
Total Revenues	11,463,062	11,463,062	12,684,937	1,221,875
EXPENDITURES				
Public Safety				
Personnel Services	9,847,726	9,847,726	9,915,808	68,082
Contractual Services	1,502,766	1,502,766	1,338,878	(163,888)
Materials and Supplies	342,195	342,195	308,931	(33,264)
Miscellaneous	-	-	80	80
Total Expenditures	11,692,687	11,692,687	11,563,697	(128,990)
NET CHANGE IN FUND BALANCE	\$ (229,625)	\$ (229,625)	1,121,240	\$ 1,350,865
FUND BALANCE, MAY 1			6,516,407	
FUND BALANCE, APRIL 30			\$ 7,637,647	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2023

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), Enterprise Fund, Internal Service Fund and Pension Trust Funds. The annual budget is legally enacted and provides for a legal level of control at the function level. Management of the City can transfer budgeted amounts between object codes without City Council approval. Management of the City can over expend the object level, but any over expenditures at the function level requires City Council approval by two-thirds vote. All annual budgets lapse at fiscal year end.

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.

2. INDIVIDUAL FUND DISCLOSURES

The following funds had expenditures in excess of appropriations:

<u>Fund</u>	<u>Excess</u>
Police Pension	\$ 41,159

CITY OF CRYSTAL LAKE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023
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
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
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Contributions as a Percentage of Covered Payroll	13.05%	13.12%	12.92%	12.41%	12.00%	13.76%	13.19%	11.19%

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 21 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 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.50% 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

FISCAL YEAR ENDED APRIL 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,860,207	\$ 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
Contributions in Relation to the Actuarially Determined Contribution	1,844,723	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
CONTRIBUTION DEFICIENCY (Excess)	\$ 15,484	\$ 194,594	\$ (189,419)	\$ 2,578	\$ 1,126	\$ 3,697	\$ 4,980	\$ 4,744	\$ -	\$ -
Covered Payroll	\$ 5,720,770	\$ 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
Contributions as a Percentage of Covered Payroll	32.25%	30.81%	37.87%	34.96%	35.11%	39.60%	38.81%	41.74%	46.26%	52.09%

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 19 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

FISCAL YEAR ENDED APRIL 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,649,811	\$ 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
Contributions in Relation to the Actuarially Determined Contribution	1,618,264	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
CONTRIBUTION DEFICIENCY (Excess)	\$ 31,547	\$ 164,438	\$ (161,161)	\$ (172,128)	\$ 860	\$ 2,620	\$ 3,854	\$ 3,285	\$ (24)	\$ (82,301)
Covered Payroll	\$ 5,278,118	\$ 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
Contributions as a Percentage of Covered Payroll	30.66%	28.12%	33.58%	28.62%	25.82%	29.03%	26.05%	26.66%	29.64%	34.84%

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 19 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 Eight Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY								
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
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
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
Changes of Assumptions	79,521	(248,700)	(1,994,006)	2,166,714	-	(699,531)	-	-
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)
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
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
TOTAL PENSION LIABILITY - ENDING	\$ 61,151,107	\$ 64,804,252	\$ 66,678,781	\$ 73,621,046	\$ 77,456,989	\$ 81,947,151	\$ 85,291,397	\$ 89,794,289
PLAN FIDUCIARY NET POSITION								
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
Contributions - Member	485,951	490,006	507,135	503,413	553,793	528,825	556,887	573,623
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)
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)
Other	(702,990)	335,991	(550,873)	1,044,285	(412,236)	866,615	(181,709)	224,858
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)
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
PLAN FIDUCIARY NET POSITION - ENDING	\$ 50,760,765	\$ 54,578,150	\$ 62,900,097	\$ 60,301,757	\$ 69,942,301	\$ 79,528,510	\$ 91,293,034	\$ 78,065,843
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 10,390,342	\$ 10,226,102	\$ 3,778,684	\$ 13,319,289	\$ 7,514,688	\$ 2,418,641	\$ (6,001,637)	\$ 11,728,446

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
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%
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
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%

In 2016, there were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date.

In 2017, there were no benefit changes during the year. Changes in assumptions related to salary rates, inflation rates, and mortality rates since the previous measurement date.

In 2018, there were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date.

In 2019, there were no benefit changes or changes in assumption during the year.

In 2020, there were no benefit changes during the year. Changes in assumptions related to salary rates, price inflation, retirement age and mortality rates since the previous measurement date.

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

MEASUREMENT DATE APRIL 30,	2014	2015	2016	2017	2018	2019*	2020	2021	2022	2023
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,427,537	\$ 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
Interest	3,522,872	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
Changes of Benefit Terms	-	-	-	-	-	-	264,843	-	-	(42,061)
Differences Between Expected and Actual Experience	(850,901)	925,823	(652,931)	(90,119)	(3,331,174)	1,017,819	394,864	(91,869)	(1,345,391)	931,558
Changes of Assumptions	874,435	-	4,302,384	(2,002,799)	2,903,482	(1,868,828)	1,047,031	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,914,037)	(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)
Net Change in Total Pension Liability	3,059,906	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
Total Pension Liability - Beginning	51,283,760	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
TOTAL PENSION LIABILITY - ENDING	\$ 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
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 1,844,723	\$ 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
Contributions - Member	553,800	568,526	579,535	551,461	570,493	633,079	608,715	798,533	1,030,717	1,088,129
Net Investment Income	2,835,560	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
Benefit Payments, Including Refunds of Member Contributions	(1,914,037)	(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)
Other	(156,150)	(30,088)	(53,004)	(37,390)	(16,115)	(16,137)	(20,134)	(21,369)	(21,360)	(22,925)
Net Change in Plan Fiduciary Net Position	3,163,896	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
Plan Fiduciary Net Position - Beginning	28,693,211	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
PLAN FIDUCIARY NET POSITION - ENDING	\$ 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
EMPLOYER'S NET PENSION LIABILITY	\$ 22,486,559	\$ 24,677,865	\$ 31,830,655	\$ 29,874,335	\$ 30,193,205	\$ 30,996,823	\$ 37,629,310	\$ 30,040,957	\$ 34,562,036	\$ 37,515,237

MEASUREMENT DATE APRIL 30,	2014	2015	2016	2017	2018	2019*	2020	2021	2022	2023
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.62%	57.77%	51.32%	55.25%	56.74%	57.01%	51.18%	62.81%	58.16%	56.78%
Covered Payroll	\$ 5,720,770	\$ 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
Employer's Net Pension Liability as a Percentage of Covered Payroll	393.07%	427.44%	585.38%	524.90%	507.18%	508.18%	611.92%	466.92%	545.55%	561.32%

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

MEASUREMENT DATE APRIL 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,681,623	\$ 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
Interest	2,454,559	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
Changes of Benefit Terms	-	-	-	-	-	-	496,787	-	-	(83,818)
Differences Between Expected and Actual Experience	(1,823,175)	1,419,845	(85,631)	20,498	(1,976,589)	221,515	(507,207)	(2,198,565)	(1,513,765)	766,930
Changes of Assumptions	(507,215)	-	2,768,663	(1,386,277)	(48,865)	419,832	598,398	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,073,750)	(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)
Net Change in Total Pension Liability	732,042	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
Total Pension Liability - Beginning	35,602,007	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
TOTAL PENSION LIABILITY - ENDING	\$ 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
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 1,618,264	\$ 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
Contributions - Member	522,280	539,487	570,933	544,683	584,464	603,777	660,175	666,374	645,544	620,325
Net Investment Income	1,596,682	1,873,564	292,962	2,510,351	2,061,996	2,384,267	662,186	11,129,344	(3,204,390)	507,519
Benefit Payments, Including Refunds of Member Contributions	(1,073,750)	(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)
Other	(88,140)	(66,256)	(51,823)	(58,025)	(16,840)	(22,532)	(18,449)	(17,831)	(69,328)	(55,129)
Net Change in Plan Fiduciary Net Position	2,575,336	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
Plan Fiduciary Net Position - Beginning	22,383,225	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
PLAN FIDUCIARY NET POSITION - ENDING	\$ 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
EMPLOYER'S NET PENSION LIABILITY	\$ 11,375,488	\$ 12,943,084	\$ 17,264,297	\$ 16,121,589	\$ 14,988,527	\$ 15,884,987	\$ 18,810,255	\$ 8,826,735	\$ 13,838,554	\$ 17,425,164

MEASUREMENT DATE APRIL 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.69%	68.14%	62.79%	66.80%	70.13%	70.82%	68.10%	85.55%	78.21%	74.45%
Covered Payroll	\$ 5,278,118	\$ 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
Employer's Net Pension Liability as a Percentage of Covered Payroll	215.52%	233.97%	300.53%	272.85%	240.61%	245.06%	265.84%	125.24%	202.68%	265.60%

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

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return, net of investment expense	9.26%	5.30%	(1.60%)	9.98%	7.62%	4.20%	(2.96%)	29.29%	(5.53%)	1.00%

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return, net of investment expense	5.46%	7.26%	0.74%	7.77%	6.26%	7.25%	1.67%	27.24%	(6.23%)	0.70%

(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 Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service Cost	\$ 120,186	\$ 124,957	\$ 109,111	\$ 150,761	\$ 219,673	\$ 163,893
Interest	160,856	163,403	159,615	133,554	122,330	230,052
Differences Between Expected and Actual Experience	-	-	(66,180)	-	955,826	-
Changes of Benefit Terms	-	-	-	-	54,086	-
Changes of Assumptions	-	79,519	951,236	151,438	(653,700)	(74,780)
Benefit Payments	(224,631)	(209,087)	(201,398)	(229,398)	(298,059)	(316,015)
Net Change in Total OPEB Liability	56,411	158,792	952,384	206,355	400,156	3,150
Total OPEB Liability - Beginning	4,164,077	4,220,488	4,379,280	5,331,664	5,538,019	5,938,175
TOTAL OPEB LIABILITY - ENDING	\$ 4,220,488	\$ 4,379,280	\$ 5,331,664	\$ 5,538,019	\$ 5,938,175	\$ 5,941,325
Covered-Employee Payroll	\$ 21,087,988	\$ 23,410,540	\$ 23,397,653	\$ 24,788,593	\$ 23,594,626	\$ 24,419,749
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	20.01%	18.71%	22.79%	22.34%	25.17%	24.33%

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 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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for Services				
Review Fees	\$ 90,000	\$ 90,000	\$ 186,129	\$ 96,129
Parking	100,000	100,000	123,842	23,842
Police Revenue	75,000	75,000	110,318	35,318
Other Fees	169,500	169,500	209,630	40,130
Total Charges for Services	434,500	434,500	629,919	195,419
Licenses and Permits				
Liquor Licenses	107,502	107,502	133,858	26,356
Miscellaneous Licenses and Permits	15,000	15,000	15,540	540
Building Permits	600,000	600,000	695,633	95,633
Total Licenses and Permits	722,502	722,502	845,031	122,529
Intergovernmental				
Income Tax	5,919,992	5,919,992	6,506,600	586,608
Local Use Tax	1,414,936	1,414,936	1,664,317	249,381
Replacement Tax	280,020	280,020	526,372	246,352
State Sales Tax	13,902,808	13,902,808	14,154,945	252,137
Grants	71,000	71,000	66,490	(4,510)
Total Intergovernmental	21,588,756	21,588,756	22,918,724	1,329,968
Fines and Forfeitures				
Police Fines	257,000	257,000	388,451	131,451
Adjudication Fines	48,000	48,000	69,907	21,907
Total Fines and Forfeitures	305,000	305,000	458,358	153,358
Property Taxes	5,767,047	5,767,047	5,767,466	419
Other Taxes				
Auto Rental Tax	48,223	48,223	60,825	12,602
Franchise Fees - Cable	599,702	599,702	604,830	5,128
Home Rule Sales Tax	6,498,994	6,498,994	6,826,463	327,469
Hotel Tax	342,000	342,000	329,027	(12,973)
Telecommunications Tax	495,182	495,182	557,117	61,935
Cannabis Tax	-	-	62,931	62,931
Total Other Taxes	7,984,101	7,984,101	8,441,193	457,092
Investment Income	300,000	300,000	558,942	258,942
Miscellaneous				
Rental Income	372,722	372,722	387,913	15,191
Host Fees	400,000	400,000	441,333	41,333
Other	480,513	480,513	922,160	441,647
Total Miscellaneous	1,253,235	1,253,235	1,751,406	498,171
TOTAL REVENUES	\$ 38,355,141	\$ 38,355,141	\$ 41,371,039	\$ 3,015,898

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Executive Department				
Personal Services	\$ 22,800	\$ 22,800	\$ 22,800	\$ -
Contractual Services	413,450	443,450	428,284	(15,166)
Total Executive Department	436,250	466,250	451,084	(15,166)
Legal and Judiciary Department				
Contractual Services	531,445	531,445	560,998	29,553
Total Legal and Judiciary Department	531,445	531,445	560,998	29,553
Administration Department				
Personal Services	1,736,815	1,736,815	1,650,530	(86,285)
Contractual Services	314,475	314,475	242,098	(72,377)
Materials and Supplies	79,156	79,156	67,749	(11,407)
Total Administration Department	2,130,446	2,130,446	1,960,377	(170,069)
Administration Adjudication Department				
Personal Services	83,776	83,776	81,607	(2,169)
Contractual Services	30,000	30,000	24,722	(5,278)
Materials and Supplies	1,700	1,700	-	(1,700)
Total Administration Adjudication Department	115,476	115,476	106,329	(9,147)
Community Development				
Personal Services	1,705,574	1,705,574	1,626,788	(78,786)
Contractual Services	860,319	860,319	664,302	(196,017)
Materials and Supplies	19,660	19,660	20,019	359
Total Community Development	2,585,553	2,585,553	2,311,109	(274,444)
Information Technology				
Personal Services	207,958	207,958	234,125	26,167
Contractual Services	613,461	613,461	485,570	(127,891)
Materials and Supplies	229,164	229,164	216,299	(12,865)
Total Information Technology	1,050,583	1,050,583	935,994	(114,589)

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Total General Government	6,849,753	6,879,753	6,325,891	(553,862)
PUBLIC SAFETY				
Police Department				
Personal Services	9,872,131	9,872,131	9,535,012	(337,119)
Contractual Services	1,633,739	1,633,739	1,364,645	(269,094)
Materials and Supplies	326,644	326,644	344,681	18,037
Total Police Department	11,832,514	11,832,514	11,244,338	(588,176)
Pension Obligation				
Police Pension Contribution	3,481,415	3,481,415	3,481,668	253
Fire Pension Contribution	2,285,632	2,285,632	2,285,797	165
Total Pension Obligation	5,767,047	5,767,047	5,767,465	418
Fire and Police Commission				
Contractual Services	31,269	31,269	29,811	(1,458)
Total Fire and Police Commission	31,269	31,269	29,811	(1,458)
Total Public Safety	17,630,830	17,630,830	17,041,614	(589,216)
HIGHWAY AND STREETS				
Engineering Department				
Personal Services	920,276	920,276	898,319	(21,957)
Contractual Services	168,651	168,651	150,893	(17,758)
Materials and Supplies	22,143	22,143	22,419	276
Total Engineering Department	1,111,070	1,111,070	1,071,631	(39,439)

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
HIGHWAY AND STREETS (Continued)				
Street Department				
Personal Services	\$ 1,895,952	\$ 1,895,952	\$ 1,688,357	\$ (207,595)
Contractual Services	1,558,395	1,558,395	1,507,266	(51,129)
Materials and Supplies	309,049	309,049	286,115	(22,934)
Total Street Department	<u>3,763,396</u>	<u>3,763,396</u>	<u>3,481,738</u>	<u>(281,658)</u>
Fleet and Facility Services				
Personal Services	880,224	880,224	842,779	(37,445)
Contractual Services	590,723	590,723	556,608	(34,115)
Materials and Supplies	26,825	26,825	23,933	(2,892)
Total Fleet and Facility Services	<u>1,497,772</u>	<u>1,497,772</u>	<u>1,423,320</u>	<u>(74,452)</u>
Total Highways and Streets	<u>6,372,238</u>	<u>6,372,238</u>	<u>5,976,689</u>	<u>(395,549)</u>
CULTURE AND RECREATION				
Park Operations				
Personal Services	472,984	472,984	370,706	(102,278)
Contractual Services	429,851	429,851	461,804	31,953
Materials and Supplies	95,790	95,790	79,950	(15,840)
Total Three Oaks Recreation	<u>998,625</u>	<u>998,625</u>	<u>912,460</u>	<u>(86,165)</u>
Total Culture and Recreation	<u>998,625</u>	<u>998,625</u>	<u>912,460</u>	<u>(86,165)</u>
DEBT SERVICE				
Principal	41,157	41,157	53,571	12,414
Interest and Fees	11,750	11,750	11,543	(207)
Total Debt Service	<u>52,907</u>	<u>52,907</u>	<u>65,114</u>	<u>12,207</u>
TOTAL EXPENDITURES	<u><u>\$ 31,904,353</u></u>	<u><u>\$ 31,934,353</u></u>	<u><u>\$ 30,321,768</u></u>	<u><u>\$ (1,612,585)</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Licenses and Permits	\$ 47,000	\$ 47,000	\$ 65,760	\$ 18,760
Other Taxes	1,699,008	1,699,008	1,889,872	190,864
Miscellaneous Income	2,489,364	2,489,364	32,586	(2,456,778)
Total Revenues	4,235,372	4,235,372	1,988,218	(2,247,154)
EXPENDITURES				
Debt Service				
Principal	921,680	921,680	670,943	(250,737)
Interest	77,327	77,327	69,789	(7,538)
Capital Outlay				
Information Technology	1,243,588	1,243,588	543,511	(700,077)
Police	987,962	987,962	111,073	(876,889)
Streets	6,234,327	6,234,327	3,138,068	(3,096,259)
Road Reconstruction	2,160,000	2,160,000	1,698,370	(461,630)
Engineering	2,029,362	2,029,362	390,617	(1,638,745)
Fleet and Facility Services	2,752,819	2,752,819	830,709	(1,922,110)
Fire Rescue	2,723,825	2,723,825	1,983,658	(740,167)
Parks Operations	563,000	563,000	355,518	(207,482)
Administration	126,000	126,000	108,707	(17,293)
Total Expenditures	19,819,890	19,819,890	9,900,963	(9,918,927)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,584,518)	(15,584,518)	(7,912,745)	7,671,773
OTHER FINANCING SOURCES (USES)				
Leases Issued	1,805,872	1,805,872	157,233	(1,648,639)
Transfers In	7,457,563	7,457,563	11,297,189	3,839,626
Total Other Financing Sources (Uses)	9,263,435	9,263,435	11,454,422	2,190,987
NET CHANGE IN FUND BALANCE	\$ (6,321,083)	\$ (6,321,083)	3,541,677	\$ 9,862,760
FUND BALANCE, MAY 1			16,007,966	
FUND BALANCE, APRIL 30			\$ 19,549,643	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and Investments	\$ 10,143,136	\$ 241,837	\$ 1,598,414	\$ 11,983,387
Receivables				
Property Taxes	1,330,985	-	317,000	1,647,985
Accounts Receivable	190,164	-	-	190,164
Other	65,099	104,844	123	170,066
Due from Other Governments	157,991	-	-	157,991
Due from Other Funds	37,295	-	-	37,295
Total Assets	11,924,670	346,681	1,915,537	14,186,888
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 11,924,670	\$ 346,681	\$ 1,915,537	\$ 14,186,888
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 302,722	\$ -	\$ -	\$ 302,722
Recapture Fees Payable	-	-	75,520	75,520
Due to Other Funds	108,748	17,626	-	126,374
Advances due to other funds	-	-	181,191	181,191
Total Liabilities	411,470	17,626	256,711	685,807
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	1,330,985	-	317,000	1,647,985
Total Deferred Inflows of Resources	1,330,985	-	317,000	1,647,985
Total Liabilities and Deferred Inflows of Resources	1,742,455	17,626	573,711	2,333,792

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
FUND BALANCES				
Restricted				
IMRF/FICA	\$ 1,145,024	\$ -		\$ 1,145,024
Public Safety	702,720	-	-	702,720
Debt Service	-	329,055	-	329,055
Park Development	-	-	1,485,323	1,485,323
Parking	31,929	-	-	31,929
Highway and Street Maintenance	8,117,336	-	-	8,117,336
Capital Improvement Projects	-	-	37,694	37,694
Unrestricted				
Assigned				
Special Revenue Funds	185,206	-	-	185,206
Unassigned (Deficit)	-	-	(181,191)	(181,191)
 Total Fund Balances	 <u>10,182,215</u>	 <u>329,055</u>	 <u>1,341,826</u>	 <u>11,853,096</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 11,924,670</u>	 <u>\$ 346,681</u>	 <u>\$ 1,915,537</u>	 <u>\$ 14,186,888</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, 2023

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Charges for Services	\$ 97,167	\$ -	\$ -	\$ 97,167
Licenses and Permits	148,389	-	-	148,389
Intergovernmental	2,172,810	-	-	2,172,810
Fines and Forfeitures	70,135	-	-	70,135
Property Taxes	1,596,420	-	240,673	1,837,093
Other Taxes	62,512	-	-	62,512
Investment Income	53,032	245	1,311	54,588
Miscellaneous	216,226	-	318,683	534,909
Total Revenues	4,416,691	245	560,667	4,977,603
EXPENDITURES				
Current Operating				
General Government	1,125,734	503	88,364	1,214,601
Public Safety	325,305	-	-	325,305
Highways and Streets	1,088,055	-	-	1,088,055
Culture and Recreation	14,362	-	-	14,362
Debt Service				
Principal	-	774,815	-	774,815
Interest and Fiscal Charges	-	277,675	-	277,675
Total Expenditures	2,553,456	1,052,993	88,364	3,694,813
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,863,235	(1,052,748)	472,303	1,282,790
OTHER FINANCING SOURCES (USES)				
Transfers In	24,981	1,052,993	-	1,077,974
Transfers (Out)	(2,452,683)	-	(200,688)	(2,653,371)
Total Other Financing Sources (Uses)	(2,427,702)	1,052,993	(200,688)	(1,575,397)
NET CHANGE IN FUND BALANCES	(564,467)	245	271,615	(292,607)
FUND BALANCES, MAY 1	10,746,682	328,810	1,070,211	12,145,703
FUND BALANCES, APRIL 30	\$ 10,182,215	\$ 329,055	\$ 1,341,826	\$ 11,853,096

(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.

Foreign Fire Insurance - To account for proceeds of foreign fire insurance tax and for expenses authorized by the Board of Foreign Fire Insurance.

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, 2023

	Motor Fuel Tax	IMRF/ FICA	Road/ Vehicle License	School Crossing Guard
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and Investments	\$ 8,142,277	\$ 1,107,701	\$ 75,091	\$ 125,724
Receivables				
Property Taxes, Net	-	1,259,798	-	71,187
Accounts Receivable	161,764	-	-	-
Other	29,457	88	6	27,381
Due from Other Governments	143,068	-	-	-
Due from Other Funds	-	37,235	-	-
Total Assets	8,476,566	2,404,822	75,097	224,292
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,476,566	\$ 2,404,822	\$ 75,097	\$ 224,292
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 250,482	\$ -	\$ 5,139	\$ 41,123
Due to Other Funds	108,748	-	-	-
Total Liabilities	359,230	-	5,139	41,123
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Tax	-	1,259,798	-	71,187
Total Deferred Inflows of Resources	-	1,259,798	-	71,187
Total Liabilities and Deferred Inflows of Resources	359,230	1,259,798	5,139	112,310
FUND BALANCES				
Restricted				
IMRF/FICA	-	1,145,024	-	-
Public Safety	-	-	-	-
Parking	-	-	-	-
Highway and Street Maintenance	8,117,336	-	-	-
Assigned	-	-	69,958	111,982
Total Fund Balances	8,117,336	1,145,024	69,958	111,982
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,476,566	\$ 2,404,822	\$ 75,097	\$ 224,292

	Foreign Fire Insurance	Restricted Police	Commuter Parking	SSA 47	Total
\$	-	\$ 685,288	\$ 3,539	\$ 3,516	\$ 10,143,136
	-	-	-	-	1,330,985
	-	-	28,400	-	190,164
	-	3,034	5,133	-	65,099
	-	14,923	-	-	157,991
	-	-	60	-	37,295
	-	703,245	37,132	3,516	11,924,670
	-	-	-	-	-
	-	-	-	-	-
\$	-	\$ 703,245	\$ 37,132	\$ 3,516	\$ 11,924,670
\$	-	\$ 525	\$ 5,203	\$ 250	\$ 302,722
	-	-	-	-	108,748
	-	525	5,203	250	411,470
	-	-	-	-	1,330,985
	-	-	-	-	1,330,985
	-	525	5,203	250	1,742,455
	-	-	-	-	1,145,024
	-	702,720	-	-	702,720
	-	-	31,929	-	31,929
	-	-	-	-	8,117,336
	-	-	-	3,266	185,206
	-	702,720	31,929	3,266	10,182,215
\$	-	\$ 703,245	\$ 37,132	\$ 3,516	\$ 11,924,670

(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, 2023

	Motor Fuel Tax	IMRF/ FICA	Road/ Vehicle License	School Crossing Guard
REVENUES				
Charges for Service	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	148,389	-
Intergovernmental	2,097,668	-	-	-
Fines and Forfeitures	-	-	-	-
Property Taxes	-	1,086,964	453,010	54,946
Other Taxes	-	-	-	-
Investment Income	51,069	1,637	160	141
Miscellaneous	72,629	-	6,279	61,696
Total Revenues	2,221,366	1,088,601	607,838	116,783
EXPENDITURES				
General Government	-	947,878	-	-
Public Safety	-	157,980	-	123,391
Highways and Streets	725,630	315,959	46,466	-
Culture and Recreation	-	14,362	-	-
Total Expenditures	725,630	1,436,179	46,466	123,391
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,495,736	(347,578)	561,372	(6,608)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(1,901,463)	-	(551,220)	-
Total Other Financing Sources (Uses)	(1,901,463)	-	(551,220)	-
NET CHANGE IN FUND BALANCES	(405,727)	(347,578)	10,152	(6,608)
FUND BALANCES, MAY 1	8,523,063	1,492,602	59,806	118,590
FUND BALANCES, APRIL 30	\$ 8,117,336	\$ 1,145,024	\$ 69,958	\$ 111,982

Foreign Fire Insurance	Restricted Police	Commuter Parking	SSA 47	Total
\$ -	\$ -	\$ 97,167	\$ -	\$ 97,167
-	-	-	-	148,389
-	75,142	-	-	2,172,810
-	-	70,135	-	70,135
-	-	-	1,500	1,596,420
-	62,512	-	-	62,512
17	-	4	4	53,032
-	75,622	-	-	216,226
17	213,276	167,306	1,504	4,416,691
-	-	176,481	1,375	1,125,734
35,129	8,805	-	-	325,305
-	-	-	-	1,088,055
-	-	-	-	14,362
35,129	8,805	176,481	1,375	2,553,456
(35,112)	204,471	(9,175)	129	1,863,235
-	-	24,981	-	24,981
-	-	-	-	(2,452,683)
-	-	24,981	-	(2,427,702)
(35,112)	204,471	15,806	129	(564,467)
35,112	498,249	16,123	3,137	10,746,682
\$ -	\$ 702,720	\$ 31,929	\$ 3,266	\$ 10,182,215

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	\$ 2,662,462	\$ 2,662,462	\$ 2,097,668	\$ (564,794)
Investment Income	20,000	20,000	51,069	31,069
Miscellaneous	37,000	37,000	72,629	35,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,719,462	2,719,462	2,221,366	(498,096)
EXPENDITURES				
Highway and Streets				
Contractual Services	185,600	185,600	276,388	90,788
Materials and Supplies	733,000	733,000	449,242	(283,758)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	918,600	918,600	725,630	(192,970)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	1,800,862	1,800,862	1,495,736	(305,126)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<hr/>	<hr/>	<hr/>	<hr/>
	(3,877,139)	(3,877,139)	(1,901,463)	1,975,676
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(3,877,139)	(3,877,139)	(1,901,463)	1,975,676
NET CHANGE IN FUND BALANCE				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (2,076,277)	\$ (2,076,277)	(405,727)	\$ 1,670,550
FUND BALANCE, MAY 1				
			<hr/>	
			8,523,063	
FUND BALANCE, APRIL 30				
			<hr/>	
			\$ 8,117,336	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 1,095,918	\$ 1,095,918	\$ 1,086,964	\$ (8,954)
Investment Income	2,500	2,500	1,637	(863)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,098,418	1,098,418	1,088,601	(9,817)
EXPENDITURES				
Personnel Services				
General Government	1,074,513	1,074,513	947,878	(126,635)
Public Safety	179,086	179,086	157,980	(21,106)
Highways and Streets	358,171	358,171	315,959	(42,212)
Culture and Recreation	16,281	16,281	14,362	(1,919)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,628,051	1,628,051	1,436,179	(191,872)
NET CHANGE IN FUND BALANCE	\$ (529,633)	\$ (529,633)	(347,578)	\$ 182,055
FUND BALANCE, MAY 1			<hr/>	<hr/>
			1,492,602	
FUND BALANCE, APRIL 30			<hr/>	<hr/>
			\$ 1,145,024	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Licenses and Permits	\$ 170,000	\$ 170,000	\$ 148,389	\$ (21,611)
Property Taxes	440,000	440,000	453,010	13,010
Investment Income	-	-	160	160
Miscellaneous	-	-	6,279	6,279
Total Revenues	610,000	610,000	607,838	(2,162)
EXPENDITURES				
Highways and Streets	58,780	58,780	46,466	(12,314)
Total Expenditures	58,780	58,780	46,466	(12,314)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	551,220	551,220	561,372	10,152
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(551,220)	(551,220)	(551,220)	-
Total Other Financing Sources (Uses)	(551,220)	(551,220)	(551,220)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	10,152	\$ 10,152
FUND BALANCE, MAY 1			59,806	
FUND BALANCE, APRIL 30			\$ 69,958	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 55,010	\$ 55,010	\$ 54,946	\$ (64)
Investment Income	100	100	141	41
Miscellaneous	55,000	61,696	61,696	-
Total Revenues	110,110	116,806	116,783	(23)
EXPENDITURES				
Public Safety				
Contractual Services	110,000	123,392	123,391	(1)
Total Expenditures	110,000	123,392	123,391	(1)
NET CHANGE IN FUND BALANCE	<u>\$ 110</u>	<u>\$ (6,586)</u>	<u>(6,608)</u>	<u>\$ (22)</u>
FUND BALANCE, MAY 1			<u>118,590</u>	
FUND BALANCE, APRIL 30			<u>\$ 111,982</u>	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND**

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment Income	\$ 100	\$ 100	\$ 17	\$ (83)
Total Revenues	100	100	17	(83)
EXPENDITURES				
Public Safety				
Contractual Services	31,350	34,629	34,729	100
Materials and Supplies	600	600	400	(200)
Total Expenditures	31,950	35,229	35,129	(100)
NET CHANGE IN FUND BALANCE	<u>\$ (31,850)</u>	<u>\$ (35,129)</u>	(35,112)	<u>\$ 17</u>
FUND BALANCE, MAY 1			<u>35,112</u>	
FUND BALANCE, APRIL 30			<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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	\$ 45,500	\$ 45,500	\$ 75,142	\$ 29,642
Other Taxes	40,000	40,000	62,512	22,512
Miscellaneous Income	500	500	75,622	75,122
Total Revenues	86,000	86,000	213,276	127,276
EXPENDITURES				
Public Safety				
Miscellaneous	66,400	66,400	8,805	(57,595)
Total Expenditures	66,400	66,400	8,805	(57,595)
NET CHANGE IN FUND BALANCE	\$ 19,600	\$ 19,600	204,471	\$ 184,871
FUND BALANCE, MAY 1			498,249	
FUND BALANCE, APRIL 30			\$ 702,720	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for Services	\$ 53,000	\$ 53,000	\$ 97,167	\$ 44,167
Fines and Forfeitures	25,000	25,000	70,135	45,135
Investment Income	40	40	4	(36)
Total Revenues	78,040	78,040	167,306	89,266
EXPENDITURES				
General Government				
Personnel Services	127,772	127,772	127,773	1
Contractual Services	138,238	138,238	48,030	(90,208)
Materials and Supplies	4,619	4,619	678	(3,941)
Total Expenditures	270,629	270,629	176,481	(94,148)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(192,589)	(192,589)	(9,175)	183,414
OTHER FINANCING SOURCES (USES)				
Transfers In	192,589	192,589	24,981	(167,608)
Total Other Financing Sources (Uses)	192,589	192,589	24,981	(167,608)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	15,806	\$ 15,806
FUND BALANCE, MAY 1			16,123	
FUND BALANCE, APRIL 30			\$ 31,929	

(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, 2023

	Special Assessment No. 149	Crystal Heights Debt Service	Three Oaks Debt Service	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and Investments	\$ -	\$ 241,837	\$ -	\$ 241,837
Receivables				
Other	61,199	43,645	-	104,844
Total Assets	61,199	285,482	-	346,681
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 61,199	\$ 285,482	\$ -	\$ 346,681
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Due to Other Funds	\$ 17,626	\$ -	\$ -	\$ 17,626
Total Liabilities	17,626	-	-	17,626
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	17,626	-	-	17,626
FUND BALANCES				
Restricted For Debt Service	43,573	285,482	-	329,055
Total Fund Balances	43,573	285,482	-	329,055
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 61,199	\$ 285,482	\$ -	\$ 346,681

(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, 2023

	Special Assessment No. 149	Crystal Heights Debt Service	Three Oaks Debt Service	Total
REVENUES				
Investment Income	\$ -	\$ 245	\$ -	\$ 245
Total Revenues	-	245	-	245
EXPENDITURES				
General Government				
Contractual	-	-	503	503
Debt Service				
Principal Retirement	-	-	774,815	774,815
Interest and Fiscal Charges	-	-	277,675	277,675
Total Expenditures	-	-	1,052,993	1,052,993
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	245	(1,052,993)	(1,052,748)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,052,993	1,052,993
Total Other Financing Sources (Uses)	-	-	1,052,993	1,052,993
NET CHANGE IN FUND BALANCES	-	245	-	245
FUND BALANCES, MAY 1	43,573	285,237	-	328,810
FUND BALANCES, APRIL 30	\$ 43,573	\$ 285,482	\$ -	\$ 329,055

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government				
Contractual	1,000	1,000	503	(497)
Debt Service				
Principal Retirement	774,815	774,815	774,815	-
Interest and Fiscal Charges	277,675	277,675	277,675	-
Total Expenditures	1,053,490	1,053,490	1,052,993	(497)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,053,490)	(1,053,490)	(1,052,993)	497
OTHER FINANCING SOURCES (USES)				
Transfers In	1,053,490	1,053,490	1,052,993	(497)
Total Other Financing Sources (Uses)	1,053,490	1,053,490	1,052,993	(497)
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.

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

April 30, 2023

	Main Street TIF Construction	Virginia Street Corridor TIF	Vulcan Lakes TIF District
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Investments	\$ 37,660	\$ -	\$ -
Receivables			
Property Taxes, Net	48,153	149,474	87,599
Other	3	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	85,816	149,474	87,599
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total Deferred Outflows of Resources	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 85,816	\$ 149,474	\$ 87,599
	<hr/>	<hr/>	<hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Recapture Fees Payable	\$ -	\$ -	\$ -
Advances Due to Other Funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	48,153	149,474	87,599
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	48,153	149,474	87,599
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	48,153	149,474	87,599
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Restricted			
Park Development	-	-	-
Capital Improvements	37,663	-	-
Unassigned (Deficit)	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	37,663	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	\$ 85,816	\$ 149,474	\$ 87,599
	<hr/>	<hr/>	<hr/>

Three Oaks Development	NCLPB Project Fund	Waters Edge TIF Project	Total
\$ 1,485,208	\$ 75,546	\$ -	\$ 1,598,414
-	-	31,774	317,000
115	5	-	123
<u>1,485,323</u>	<u>75,551</u>	<u>31,774</u>	<u>1,915,537</u>
-	-	-	-
-	-	-	-
<u>\$ 1,485,323</u>	<u>\$ 75,551</u>	<u>\$ 31,774</u>	<u>\$ 1,915,537</u>
\$ -	\$ 75,520	\$ -	\$ 75,520
-	-	181,191	181,191
-	75,520	181,191	256,711
-	-	31,774	317,000
-	-	31,774	317,000
-	75,520	212,965	573,711
1,485,323	-	-	1,485,323
-	31	-	37,694
-	-	(181,191)	(181,191)
<u>1,485,323</u>	<u>31</u>	<u>(181,191)</u>	<u>1,341,826</u>
<u>\$ 1,485,323</u>	<u>\$ 75,551</u>	<u>\$ 31,774</u>	<u>\$ 1,915,537</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, 2023

	Main Street TIF Project	Virginia Street Corridor TIF Project	Vulcan Lakes TIF Project
REVENUES			
Property Tax	\$ 38,418	\$ 132,255	\$ 70,000
Investment Income	41	10	15
Miscellaneous Income	-	-	-
Total Revenues	38,459	132,265	70,015
EXPENDITURES			
General Government Contractual	796	796	796
Total Expenditures	796	796	796
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,663	131,469	69,219
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	(131,469)	(69,219)
Total Other Financing Sources (Uses)	-	(131,469)	(69,219)
NET CHANGE IN FUND BALANCES	37,663	-	-
FUND BALANCES (DEFICIT), MAY 1	-	-	-
FUND BALANCES (DEFICIT), APRIL 30	\$ 37,663	\$ -	\$ -

Three Oaks Development	NCLPB Project Fund	Waters Edge TIF Project	Total
\$ -	\$ -	\$ -	\$ 240,673
1,222	24	(1)	1,311
318,683	-	-	318,683
319,905	24	(1)	560,667
-	-	85,976	88,364
-	-	85,976	88,364
319,905	24	(85,977)	472,303
-	-	-	(200,688)
-	-	-	(200,688)
319,905	24	(85,977)	271,615
1,165,418	7	(95,214)	1,070,211
\$ 1,485,323	\$ 31	\$ (181,191)	\$ 1,341,826

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 30,000	\$ 30,000	\$ 38,418	\$ 8,418
Investment Income	-	-	41	41
Total Revenues	30,000	30,000	38,459	8,459
EXPENDITURES				
Contracted Services	796	796	796	-
Total Expenditures	796	796	796	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	29,204	29,204	37,663	8,459
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(29,204)	(29,204)	-	29,204
Total Other Financing Sources (Uses)	(29,204)	(29,204)	-	29,204
NET CHANGE IN FUND BALANCE	\$ -	\$ -	37,663	\$ 37,663
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ 37,663	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 120,000	\$ 120,000	\$ 132,255	\$ 12,255
Investment Income	-	-	10	10
Total Revenues	120,000	120,000	132,265	12,265
EXPENDITURES				
General Governmental Contractual	796	796	796	-
Total Expenditures	796	796	796	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	119,204	119,204	131,469	12,265
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(119,204)	(119,204)	(131,469)	(12,265)
Total Other Financing Sources (Uses)	(119,204)	(119,204)	(131,469)	(12,265)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ -	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 65,000	\$ 65,000	\$ 70,000	\$ 5,000
Investment Income	-	-	15	15
Total Revenues	65,000	65,000	70,015	5,015
EXPENDITURES				
General Governmental Contractual	796	796	796	-
Total Expenditures	796	796	796	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	64,204	64,204	69,219	5,015
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(64,204)	(64,204)	(69,219)	(5,015)
Total Other Financing Sources (Uses)	(64,204)	(64,204)	(69,219)	(5,015)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, MAY 1			-	
FUND BALANCE, APRIL 30			\$ -	

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 1,222	\$ 722
Miscellaneous Income	-	-	318,683	318,683
Total Revenues	500	500	319,905	319,405
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	500	500	319,905	319,405
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(1,140,000)	(1,140,000)	-	1,140,000
Total Other Financing Sources (Uses)	(1,140,000)	(1,140,000)	-	1,140,000
NET CHANGE IN FUND BALANCE	\$ (1,139,500)	\$ (1,139,500)	319,905	\$ 1,459,405
FUND BALANCE, MAY 1			<u>1,165,418</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 1,485,323</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ -	\$ -	\$ (1)	(1)
Total Revenues	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
EXPENDITURES				
General Governmental Contractual	-	85,976	85,976	-
Total Expenditures	<u>-</u>	<u>85,976</u>	<u>85,976</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (85,976)</u>	<u>(85,977)</u>	<u>\$ (1)</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(95,214)</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u><u>\$ (181,191)</u></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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Charges for Sales and Services				
Water Sales	\$ 6,856,693	\$ 6,856,693	\$ 6,816,801	\$ (39,892)
Sewer Sales	6,727,461	6,727,461	6,516,941	(210,520)
Penalties	300,000	300,000	317,774	17,774
Water Meter Fees	50,000	50,000	66,795	16,795
Meter Rental Fees	6,500	6,500	15,944	9,444
Water Turn On Fee	10,000	10,000	13,300	3,300
Red Tag Fee	20,000	20,000	35,700	15,700
Miscellaneous Income	40,000	40,000	638,101	598,101
Total Operating Revenues	<u>14,010,654</u>	<u>14,010,654</u>	<u>14,421,356</u>	<u>410,702</u>
OPERATING EXPENSES				
Administration	4,651,064	4,651,064	1,637,549	(3,013,515)
Water Operations	19,677,481	19,677,481	9,644,032	(10,033,449)
Sewer Operations	<u>7,987,364</u>	<u>7,987,364</u>	<u>4,333,983</u>	<u>(3,653,381)</u>
Total Operating Expenses	<u>32,315,909</u>	<u>32,315,909</u>	<u>15,615,564</u>	<u>(16,700,345)</u>
OPERATING INCOME (LOSS)	<u>(18,305,255)</u>	<u>(18,305,255)</u>	<u>(1,194,208)</u>	<u>17,111,047</u>
NON-OPERATING REVENUES (EXPENSES)				
Lease Issued	237,539	237,539	127,021	(110,518)
IEPA Loan Proceeds	6,605,274	6,605,274	3,033,366	(3,571,908)
Principal payments	(4,278,586)	(4,278,586)	(3,256,121)	1,022,465
Interest Expense	(17,469)	(17,469)	(858,195)	(840,726)
Other Tax	1,000,000	1,000,000	1,000,000	-
Investment Income	125,000	125,000	246,960	121,960
Rental Income	304,727	304,727	361,621	56,894
Connection Fees	<u>625,000</u>	<u>625,000</u>	<u>1,252,343</u>	<u>627,343</u>
Total Non-Operating Revenues (Expenses)	<u>4,601,485</u>	<u>4,601,485</u>	<u>1,906,995</u>	<u>(2,694,490)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>(13,703,770)</u>	<u>(13,703,770)</u>	<u>712,787</u>	<u>14,416,557</u>
TRANSFERS IN	2,625,000	2,625,000	-	(2,625,000)
CONTRIBUTIONS	<u>3,208,935</u>	<u>3,208,935</u>	<u>109,003</u>	<u>(3,099,932)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (7,869,835)</u>	<u>\$ (7,869,835)</u>	<u>821,790</u>	<u>\$ 8,691,625</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADJUSTMENTS TO GAAP BASIS				
Capital Assets Capitalized - Administration			\$ 567,789	
Capital Assets Capitalized - Water			4,606,966	
Capital Assets Capitalized - Sewer			568,938	
Depreciation			(3,997,740)	
Amortization			(165,454)	
Lease Issued			(127,021)	
IEPA Loan Proceeds			(3,033,366)	
Principal Payments			3,256,121	
Well ARO Amortization			(9,500)	
Pension Expense			(131,024)	
OPEB Expense			(37,680)	
Change in Compensated Absences			22,729	
			<u>1,520,758</u>	
Total Adjustments to GAAP Basis			<u>1,520,758</u>	
CHANGE IN NET POSITION			<u>2,342,548</u>	
NET POSITION, MAY 1			64,820,265	
Change in Accounting Principle			<u>(15,945)</u>	
NET POSITION, MAY 1, RESTATED			<u>64,804,320</u>	
NET POSITION, APRIL 30			<u><u>\$ 67,146,868</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Charges for Sales and Services				
Employer Contributions	\$ 5,293,716	\$ 5,293,716	\$ 5,242,013	\$ (51,703)
Employee Contributions	991,595	991,595	1,053,495	61,900
Miscellaneous Income	24,900	24,900	19,510	(5,390)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	6,310,211	6,310,211	6,315,018	4,807
	<hr/>	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES				
Administration	6,300,553	6,300,553	5,890,706	(409,847)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	6,300,553	6,300,553	5,890,706	(409,847)
	<hr/>	<hr/>	<hr/>	<hr/>
OPERATING INCOME	9,658	9,658	424,312	414,654
	<hr/>	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	120	120	882	762
	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	120	120	882	762
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	\$ 9,778	\$ 9,778	425,194	\$ 415,416
	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION, MAY 1			1,007,236	
			<hr/>	
NET POSITION, APRIL 30			\$ 1,432,430	
			<hr/>	

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS**

April 30, 2023

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 861,188	\$ 352,633	\$ 1,213,821
Investments, at Fair Value			
Investments Held in the Illinois Police Officers' Pension Investment Fund	48,429,692	-	48,429,692
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	50,428,006	50,428,006
Prepaid Expenses	-	6,825	6,825
 Total Assets	 49,290,880	 50,787,464	 100,078,344
LIABILITIES			
Accounts Payable	3,515	2,115	5,630
 Total Liabilities	 3,515	 2,115	 5,630
 NET POSITION RESTRICTED FOR PENSION BENEFITS	 \$ 49,287,365	 \$ 50,785,349	 \$ 100,072,714

(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, 2023

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,481,415	\$ 2,285,797	\$ 5,767,212
Employee	1,088,129	620,325	1,708,454
Total Contributions	4,569,544	2,906,122	7,475,666
Investment Income			
Net Appreciation in Fair Value of Investments	357,445	46,102	403,547
Interest	413,384	506,239	919,623
Total Investment Income	770,829	552,341	1,323,170
Less Investment Expense	(109,168)	(44,822)	(153,990)
Net Investment Income	661,661	507,519	1,169,180
Total Additions	5,231,205	3,413,641	8,644,846
DEDUCTIONS			
Pension Benefits and Refunds	3,968,584	2,236,078	6,204,662
Administrative Expenses	22,925	55,129	78,054
Total Deductions	3,991,509	2,291,207	6,282,716
NET INCREASE	1,239,696	1,122,434	2,362,130
NET POSITION RESTRICTED FOR PENSION BENEFITS			
May 1	48,047,669	49,662,915	97,710,584
April 30	\$ 49,287,365	\$ 50,785,349	\$ 100,072,714

(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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADDITIONS				
Contributions				
Employer	\$ 3,481,415	\$ 3,481,415	\$ 3,481,415	\$ -
Employee	713,235	713,235	1,088,129	374,894
Total Contributions	<u>4,194,650</u>	<u>4,194,650</u>	<u>4,569,544</u>	<u>374,894</u>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	357,445	357,445
Interest	1,100,000	1,100,000	413,384	(686,616)
Total Investment Income	<u>1,100,000</u>	<u>1,100,000</u>	<u>770,829</u>	<u>(329,171)</u>
Less Investment Expense	<u>(210,000)</u>	<u>(210,000)</u>	<u>(109,168)</u>	<u>100,832</u>
Net Investment Income	<u>890,000</u>	<u>890,000</u>	<u>661,661</u>	<u>(228,339)</u>
Total Additions	<u>5,084,650</u>	<u>5,084,650</u>	<u>5,231,205</u>	<u>146,555</u>
DEDUCTIONS				
Pension Benefits and Refunds	3,790,730	3,821,318	3,968,584	147,266
Administrative Expenses	28,200	28,200	22,925	(5,275)
Total Deductions	<u>3,818,930</u>	<u>3,849,518</u>	<u>3,991,509</u>	<u>141,991</u>
NET INCREASE	<u>\$ 1,265,720</u>	<u>\$ 1,235,132</u>	1,239,696	<u>\$ 4,564</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS				
May 1			<u>48,047,669</u>	
April 30			<u>\$ 49,287,365</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADDITIONS				
Contributions				
Employer	\$ 2,285,632	\$ 2,285,632	\$ 2,285,797	\$ 165
Employee	680,449	680,449	620,325	(60,124)
Total Contributions	<u>2,966,081</u>	<u>2,966,081</u>	<u>2,906,122</u>	<u>(59,959)</u>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	46,102	46,102
Interest	1,100,000	1,100,000	506,239	(593,761)
Total Investment Income	<u>1,100,000</u>	<u>1,100,000</u>	<u>552,341</u>	<u>(547,659)</u>
Less Investment Expense	<u>(210,000)</u>	<u>(210,000)</u>	<u>(44,822)</u>	<u>165,178</u>
Net Investment Income	<u>890,000</u>	<u>890,000</u>	<u>507,519</u>	<u>(382,481)</u>
Total Additions	<u>3,856,081</u>	<u>3,856,081</u>	<u>3,413,641</u>	<u>(442,440)</u>
DEDUCTIONS				
Pension Benefits and Refunds	2,085,000	2,098,029	2,236,078	138,049
Administrative Expenses	28,000	28,000	55,129	27,129
Total Deductions	<u>2,113,000</u>	<u>2,126,029</u>	<u>2,291,207</u>	<u>165,178</u>
NET INCREASE (DECREASE)	<u>\$ 1,743,081</u>	<u>\$ 1,730,052</u>	1,122,434	<u>\$ (607,618)</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS				
May 1			<u>49,662,915</u>	
April 30			<u>\$ 50,785,349</u>	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS**

April 30, 2023

	SSA 44	SSA 45	SSA 46	Total
	Tracy Trail	Bryn Mawr	Ryland	
ASSETS				
Cash and Investments	\$ 15,259	\$ 434,378	\$ 53,652	\$ 503,289
Accounts Receivable	1	-	4	5
Total Assets	15,260	434,378	53,656	503,294
LIABILITIES				
None	-	-	-	-
Total Liabilities	-	-	-	-
NET POSITION RESTRICTED FOR DEBT SERVICE	\$ 15,260	\$ 434,378	\$ 53,656	\$ 503,294

(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, 2023

	SSA 44	SSA 45	SSA 46	
	Tracy Trail	Bryn Mawr	Ryland	Total
ADDITIONS				
Contributions				
Property Owner	\$ -	\$ 66,180	\$ 171,417	\$ 237,597
Total Contributions	-	66,180	171,417	237,597
Investment Income				
Interest	16	9,550	141	9,707
Total Investment Income	16	9,550	141	9,707
Total Additions	16	75,730	171,558	247,304
DEDUCTIONS				
Debt Service				
Principal	-	-	85,000	85,000
Interest and Fiscal Charges	-	104,589	86,918	191,507
Total Deductions	-	104,589	171,918	276,507
CHANGE IN NET POSITION	16	(28,859)	(360)	(29,203)
NET POSITION RESTRICTED FOR DEBT SERVICE				
May 1	15,244	463,237	54,016	532,497
April 30	\$ 15,260	\$ 434,378	\$ 53,656	\$ 503,294

(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, 2023

	General Operating Fund	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and Investments	\$ 2,816,842	\$ 116,978	\$ 1,342,373	\$ -	\$ 4,276,193
Receivables					
Property Taxes, Net	4,403,972	-	491,179	-	4,895,151
Accrued interest	4,926	-	362	-	5,288
Prepaid Items	64,162	-	-	-	64,162
Due from Primary Government	-	-	3,069	-	3,069
Capital Assets					
Nondepreciable	-	-	-	2,472,561	2,472,561
Depreciable, Net of Accumulated Depreciation	-	-	-	5,332,754	5,332,754
Total Assets	7,289,902	116,978	1,836,983	7,805,315	17,049,178
DEFERRED OUTFLOWS OF RESOURCES					
Pension Items - IMRF	-	-	-	1,670,024	1,670,024
Pension Items - OPEB	-	-	-	56,666	56,666
Total Deferred Outflows of Resources	-	-	-	1,726,690	1,726,690
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,289,902	\$ 116,978	\$ 1,836,983	\$ 9,532,005	\$ 18,775,868
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 114,270	\$ 44,700	\$ 240	\$ -	\$ 159,210
Accrued Payroll	98,632	-	16,219	-	114,851
Accrued Taxes	-	-	55,496	-	55,496
Deposits	-	-	17,288	-	17,288
Noncurrent Liabilities					
Due Within One Year	-	-	-	83,233	83,233
Due in More than One Year	-	-	-	2,676,030	2,676,030
Total Liabilities	212,902	44,700	89,243	2,759,263	3,106,108
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Tax	4,403,972	-	491,179	-	4,895,151
Pension Items - IMRF	-	-	-	37,287	37,287
Pension Items - OPEB	-	-	-	27,059	27,059
Total Deferred Inflows of Resources	4,403,972	-	491,179	64,346	4,959,497
Total Liabilities and Deferred Inflows of Resources	4,616,874	44,700	580,422	2,823,609	8,065,605

(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, 2023

	General Operating Fund	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Net Position
FUND BALANCES					
Net Invested in Capital Assets	\$ -	\$ -	\$ -	\$ 7,805,315	\$ 7,805,315
Nonspendable					
Prepaid Items	64,162	-	-	(64,162)	-
Restricted					
Retirement	-	-	318,929	-	318,929
Working Cash	-	-	51,492	-	51,492
Library	-	72,278	403,159	-	475,437
Unrestricted					
Assigned	-	-	482,981	(482,981)	-
Assigned for Subsequent Years Budget	101,446	-	-	(101,446)	-
Unassigned (Deficit)	2,507,420	-	-	(448,330)	2,059,090
 Total Fund Balances	 2,673,028	 72,278	 1,256,561	 6,708,396	 10,710,263
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 7,289,902	 \$ 116,978	 \$ 1,836,983	 \$ 9,532,005	 \$ 18,775,868

(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, 2023

	General Operating Fund	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Activities
REVENUES					
Property Tax	\$ 4,251,371	\$ -	\$ 484,171	\$ -	\$ 4,735,542
Intergovernmental	59,397	-	-	-	59,397
Fines and Forfeitures	115,252	-	-	-	115,252
Investment Income	77,597	-	19,681	-	97,278
Rental Income	-	-	140,109	-	140,109
Donations	-	-	6,628	-	6,628
Miscellaneous	21,212	-	74,699	-	95,911
Total Revenues	4,524,829	-	725,288	-	5,250,117
EXPENDITURES					
Current					
Culture and Recreation	4,042,288	110,069	582,443	494,023	5,228,823
Capital Outlay	19,532	197,242	5,998	(222,772)	-
Total Expenditures	4,061,820	307,311	588,441	271,251	5,228,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463,009	(307,311)	136,847	(271,251)	21,294
OTHER FINANCING SOURCES (USES)					
Transfers In	-	338,446	-	(338,446)	-
Transfers (Out)	(338,446)	-	-	338,446	-
Total Other Financing Sources (Uses)	(338,446)	338,446	-	-	-
NET CHANGE IN FUND BALANCES	124,563	31,135	136,847	(271,251)	21,294
FUND BALANCES, MAY 1	2,548,465	41,143	1,119,714	6,979,647	10,688,969
FUND BALANCES, APRIL 30	\$ 2,673,028	\$ 72,278	\$ 1,256,561	\$ 6,708,396	\$ 10,710,263

(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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES				
Property Taxes	\$ 4,577,416	\$ 4,577,416	\$ 4,251,371	\$ (326,045)
Intergovernmental	145,192	113,794	59,397	(54,397)
Fines and Forfeitures	96,500	121,500	115,252	(6,248)
Investment Income	6,000	20,000	77,597	57,597
Miscellaneous	25,070	25,070	21,212	(3,858)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,850,178	4,857,780	4,524,829	(332,951)
EXPENDITURES				
Current				
Culture and Recreation				
Personnel Services	3,398,946	3,448,946	3,045,664	(403,282)
Contracted Services	1,094,912	1,127,762	489,450	(638,312)
Materials and Supplies	609,269	585,900	507,174	(78,726)
Capital Outlay	248,663	225,172	19,532	(205,640)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	5,351,790	5,387,780	4,061,820	(1,325,960)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	(501,612)	(530,000)	463,009	993,009
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(338,446)	(338,446)
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(338,446)	(338,446)
NET CHANGE IN FUND BALANCE				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (501,612)	\$ (530,000)	124,563	\$ 654,563
FUND BALANCE, MAY 1				
			<hr/>	
			2,548,465	
FUND BALANCE, APRIL 30				
			<hr/>	
			\$ 2,673,028	

(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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
Culture and Recreation				
Contracted Services	10,000	112,150	110,069	(2,081)
Capital Outlay	120,000	263,020	197,242	(65,778)
Total Expenditures	<u>130,000</u>	<u>375,170</u>	<u>307,311</u>	<u>(67,859)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(130,000)</u>	<u>(375,170)</u>	<u>(307,311)</u>	<u>67,859</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	338,446	338,446
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>338,446</u>	<u>338,446</u>
NET CHANGE IN FUND BALANCE	<u>\$ (130,000)</u>	<u>\$ (375,170)</u>	31,135	<u>\$ 406,305</u>
FUND BALANCE, MAY 1			<u>41,143</u>	
FUND BALANCE, APRIL 30			<u>\$ 72,278</u>	

(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, 2023

	<u>Special Revenue Funds</u>			
	<u>Gift and Memorial</u>	<u>Ames</u>	<u>IMRF</u>	<u>FICA</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and Investments	\$ 13,282	\$ 389,755	\$ 176,819	\$ 158,329
Receivables				
Property Taxes, Net	-	-	330,316	160,863
Accrued Interest	-	362	-	-
Due from Primary Government	-	-	-	-
	<hr/>			
Total Assets	13,282	390,117	507,135	319,192
	<hr/>			
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
	<hr/>			
Total Deferred Outflows of Resources	-	-	-	-
	<hr/>			
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 13,282	\$ 390,117	\$ 507,135	\$ 319,192
	<hr/> <hr/>			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 240	\$ -	\$ -	\$ -
Accrued Payroll	-	-	8,911	7,308
Accrued Taxes	-	-	-	-
Deposits	-	-	-	-
	<hr/>			
Total Liabilities	240	-	8,911	7,308
	<hr/>			
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Tax	-	-	330,316	160,863
	<hr/>			
Total Deferred Inflows of Resources	-	-	330,316	160,863
	<hr/>			
Total Liabilities and Deferred Inflows of Resources	240	-	339,227	168,171
	<hr/>			
FUND BALANCES				
Restricted	13,042	390,117	167,908	151,021
Assigned	-	-	-	-
	<hr/>			
Total Fund Balances	13,042	390,117	167,908	151,021
	<hr/>			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,282	\$ 390,117	\$ 507,135	\$ 319,192
	<hr/> <hr/>			

Capital Project Fund	Permanent Fund	
Public Library Construction and Repair	Working Cash	Total
\$ 552,696	\$ 51,492	\$ 1,342,373
-	-	491,179
-	-	362
3,069	-	3,069
555,765	51,492	1,836,983
-	-	-
-	-	-
\$ 555,765	\$ 51,492	\$ 1,836,983
\$ -	\$ -	\$ 240
-	-	16,219
55,496	-	55,496
17,288	-	17,288
72,784	-	89,243
-	-	491,179
-	-	491,179
72,784	-	580,422
-	51,492	773,580
482,981	-	482,981
482,981	51,492	1,256,561
\$ 555,765	\$ 51,492	\$ 1,836,983

(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, 2023

	Special Revenue Funds			
	Gift and Memorial	Ames	IMRF	FICA
REVENUES				
Property Tax	\$ -	\$ -	\$ 319,797	\$ 164,374
Investment Income	-	875	6,490	5,628
Rental Income	-	-	-	-
Donations	6,628	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	6,628	875	326,287	170,002
EXPENDITURES				
Current				
Culture and Recreation				
Personnel	-	-	265,706	189,657
Contractual	2,712	-	-	-
Materials and Supplies	9,072	-	-	-
Capital Outlay	5,998	-	-	-
Total Expenditures	17,782	-	265,706	189,657
NET CHANGE IN FUND BALANCES	(11,154)	875	60,581	(19,655)
FUND BALANCES, MAY 1	24,196	389,242	107,327	170,676
FUND BALANCES, APRIL 30	\$ 13,042	\$ 390,117	\$ 167,908	\$ 151,021

Capital Project Fund	Permanent Fund	
Public Library Construction and Repair	Working Cash	Total
\$ -	\$ -	\$ 484,171
5,217	1,471	19,681
140,109	-	140,109
-	-	6,628
74,699	-	74,699
220,025	1,471	725,288
-	-	455,363
115,296	-	118,008
-	-	9,072
-	-	5,998
115,296	-	588,441
104,729	1,471	136,847
378,252	50,021	1,119,714
\$ 482,981	\$ 51,492	\$ 1,256,561

(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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES				
Donations	\$ 55,000	\$ 55,000	\$ 6,628	\$ (48,372)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>6,628</u>	<u>(48,372)</u>
EXPENDITURES				
Current				
Culture and Recreation				
Contractual	21,427	23,460	2,712	(20,748)
Supplies and Materials	22,907	22,540	9,072	(13,468)
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>5,998</u>	<u>(34,002)</u>
Total Expenditures	<u>84,334</u>	<u>86,000</u>	<u>17,782</u>	<u>(68,218)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (29,334)</u>	<u>\$ (31,000)</u>	(11,154)	<u>\$ 19,846</u>
FUND BALANCE, MAY 1			<u>24,196</u>	
FUND BALANCE, APRIL 30			<u>\$ 13,042</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 333,641	\$ 333,641	\$ 319,797	\$ (13,844)
Investment Income	-	-	6,490	6,490
Total Revenues	<u>333,641</u>	<u>333,641</u>	<u>326,287</u>	<u>(7,354)</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	<u>333,641</u>	<u>333,641</u>	<u>265,706</u>	<u>(67,935)</u>
Total Expenditures	<u>333,641</u>	<u>333,641</u>	<u>265,706</u>	<u>(67,935)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>60,581</u>	<u>\$ 60,581</u>
FUND BALANCE, MAY 1			<u>107,327</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 167,908</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
 FICA FUND

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 162,477	\$ 162,480	\$ 164,374	\$ 1,894
Investment Income	-	-	5,628	5,628
Total Revenues	<u>162,477</u>	<u>162,480</u>	<u>170,002</u>	<u>7,522</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	<u>219,916</u>	<u>219,919</u>	<u>189,657</u>	<u>(30,262)</u>
Total Expenditures	<u>219,916</u>	<u>219,919</u>	<u>189,657</u>	<u>(30,262)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (57,439)</u>	<u>\$ (57,439)</u>	<u>(19,655)</u>	<u>\$ 37,784</u>
FUND BALANCE, MAY 1			<u>170,676</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 151,021</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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment Income	\$ -	\$ -	\$ 5,217	\$ 5,217
Rental Income	138,790	140,259	140,109	(150)
Miscellaneous	-	-	74,699	74,699
Total Revenues	138,790	140,259	220,025	79,766
EXPENDITURES				
Current				
Culture and Recreation				
Contractual Services	138,790	140,259	115,296	(24,963)
Total Expenditures	138,790	140,259	115,296	(24,963)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	104,729	\$ 104,729
FUND BALANCE, MAY 1			378,252	
FUND BALANCE, APRIL 30			\$ 482,981	

(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.	147-156
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	157-160
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.	161-164
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.	165-166
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.	167-169

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

Fiscal Year	2014	2015	2016*	2017
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 166,610,233	\$ 169,307,809	\$ 173,957,143	\$ 176,078,381
Restricted	9,326,916	8,310,611	7,095,286	7,369,493
Unrestricted (Deficit)	17,142,358	16,387,714	(15,551,944)	(20,991,234)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 193,079,507	\$ 194,006,134	\$ 165,500,485	\$ 162,456,640
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 43,238,913	\$ 45,482,321	\$ 44,805,894	\$ 44,551,283
Restricted	-	-	-	-
Unrestricted	11,414,079	6,465,993	5,786,960	6,510,946
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 54,652,992	\$ 51,948,314	\$ 50,592,854	\$ 51,062,229
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 209,849,146	\$ 214,790,130	\$ 218,763,037	\$ 220,629,664
Restricted	9,326,916	8,310,611	7,095,286	7,369,493
Unrestricted (Deficit)	28,556,437	22,853,707	(9,764,984)	(14,480,288)
TOTAL PRIMARY GOVERNMENT	\$ 247,732,499	\$ 245,954,448	\$ 216,093,339	\$ 213,518,869

*The City implemented GASB Statement No. 68 in 2016.

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022	2022
\$ 175,911,065	\$ 173,931,309	\$ 174,038,413	\$ 177,510,754	\$ 175,285,923	\$ 176,875,488
8,417,145	8,500,749	9,379,343	12,269,407	12,059,384	11,849,081
(27,233,715)	(26,053,960)	(31,443,463)	(25,836,721)	(12,047,193)	(3,745,443)
<u>\$ 157,094,495</u>	<u>\$ 156,378,098</u>	<u>\$ 151,974,293</u>	<u>\$ 163,943,440</u>	<u>\$ 175,298,114</u>	<u>\$ 184,979,126</u>
\$ 44,397,118	\$ 44,395,007	\$ 49,163,769	\$ 52,160,171	\$ 54,063,611	\$ 54,686,616
-	-	-	-	-	-
7,018,743	8,979,964	8,040,946	8,306,998	10,756,654	12,460,252
<u>\$ 51,415,861</u>	<u>\$ 53,374,971</u>	<u>\$ 57,204,715</u>	<u>\$ 60,467,169</u>	<u>\$ 64,820,265</u>	<u>\$ 67,146,868</u>
\$ 220,308,183	\$ 218,326,316	\$ 223,202,182	\$ 229,670,925	\$ 229,349,534	\$ 231,562,104
8,417,145	8,500,749	9,379,343	12,269,407	12,059,384	11,849,081
(20,214,972)	(17,073,996)	(23,402,517)	(17,529,723)	(1,290,539)	8,714,809
<u>\$ 208,510,356</u>	<u>\$ 209,753,069</u>	<u>\$ 209,179,008</u>	<u>\$ 224,410,609</u>	<u>\$ 240,118,379</u>	<u>\$ 252,125,994</u>

CITY OF CRYSTAL LAKE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016*	2017
EXPENSES				
Governmental Activities				
General Government	\$ 9,433,013	\$ 9,219,290	\$ 9,453,754	\$ 9,186,944
Public Health and Safety	23,491,319	23,670,546	25,243,996	28,675,754
Highways and Streets	8,923,262	9,738,091	11,137,715	8,803,178
Culture and Recreation	1,020,029	1,045,576	1,158,493	1,202,081
Interest	629,055	531,492	472,785	434,677
Total Governmental Activities Expenses	43,496,678	44,204,995	47,466,743	48,302,634
BUSINESS-TYPE ACTIVITIES				
Waterworks and Sewerage	11,573,150	12,584,450	11,161,179	10,911,625
Total Business-Type Activities Expenses	11,573,150	12,584,450	11,161,179	10,911,625
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 55,069,828	\$ 56,789,445	\$ 58,627,922	\$ 59,214,259
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,137,583	\$ 1,185,748	\$ 1,015,508	\$ 1,151,113
Public Health and Safety	3,542,573	3,888,838	3,907,398	4,548,947
Public Works	232,521	234,750	240,659	216,074
Culture and Recreation	407,383	406,991	494,003	626,341
Operating Grants and Contributions				
Public Works	1,206,621	1,446,094	3,371,612	1,064,996
Other Activities	111,147	658,469	275,424	240,876
Capital Grants and Contributions				
Public Health and Safety	-	-	-	-
Public Works	142,398	1,226,760	2,627,832	305,691
Other Activities	359,298	243,238	2,076	23,132
Total Governmental Activities Program Revenues	7,139,524	9,290,888	11,934,512	8,177,170
Business-Type Activities				
Charges for Services				
Waterworks and Sewerage	9,231,762	9,411,316	10,048,556	11,182,267
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	167,250	312,550	849,507	113,616
Total Business-Type Activities Program Revenues	9,399,012	9,723,866	10,898,063	11,295,883
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 16,538,536	\$ 19,014,754	\$ 22,832,575	\$ 19,473,053

	2018	2019	2020	2021	2022	2023
\$	9,480,281	\$ 8,975,593	\$ 10,132,372	\$ 8,086,815	\$ 7,181,840	\$ 9,204,627
	28,257,439	28,418,257	30,628,583	26,072,431	26,893,048	30,424,252
	9,075,738	10,526,101	10,577,802	9,917,045	9,192,114	11,473,336
	1,240,815	1,316,230	1,295,958	1,059,755	1,289,476	1,558,416
	395,280	357,479	295,700	134,854	296,979	250,474
	48,449,553	49,593,660	52,930,415	45,270,900	44,853,457	52,911,105
	11,871,081	12,508,300	13,345,604	13,923,480	13,221,966	15,048,735
	11,871,081	12,508,300	13,345,604	13,923,480	13,221,966	15,048,735
\$	60,320,634	\$ 62,101,960	\$ 66,276,019	\$ 59,194,380	\$ 58,075,423	\$ 67,959,840
\$	1,278,712	\$ 1,769,715	\$ 1,221,025	\$ 1,300,137	\$ 1,186,320	\$ 1,268,491
	4,675,869	4,759,684	4,815,622	4,819,013	5,731,210	5,968,139
	227,659	207,974	440,929	217,594	234,576	251,923
	652,572	637,618	399,884	278,033	530,037	545,769
	1,072,190	1,076,674	2,008,677	2,929,526	2,574,252	2,170,297
	169,325	318,273	28,361	2,351,705	172,244	67,724
	-	-	-	-	-	595,105
	1,023,140	488,055	120,168	1,880	-	1,687,500
	4,370	4,638	758,751	2,053,878	199,629	318,683
	9,103,837	9,262,631	9,793,417	13,951,766	10,628,268	12,873,631
	11,967,058	13,953,200	14,279,570	15,285,114	15,323,203	15,397,219
	3,500	-	-	-	-	-
	-	-	69,920	609,019	1,165,579	109,003
	11,970,558	13,953,200	14,349,490	15,894,133	16,488,782	15,506,222
\$	21,074,395	\$ 23,215,831	\$ 24,142,907	\$ 29,845,899	\$ 27,117,050	\$ 28,379,853

CITY OF CRYSTAL LAKE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016*	2017
NET (EXPENSE) REVENUE				
Governmental Activities	\$ (36,357,154)	\$ (34,914,107)	\$ (35,532,231)	\$ (40,125,464)
Business-Type Activities	(2,174,138)	(2,860,584)	(263,116)	384,258
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (38,531,292)	\$ (37,774,691)	\$ (35,795,347)	\$ (39,741,206)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 11,165,180	\$ 11,054,823	\$ 13,424,456	\$ 12,368,764
Home Rule	5,000,073	5,084,373	5,040,729	5,078,986
Auto Rental	43,174	47,986	42,515	43,751
Franchise Fees - Cable	645,315	692,094	790,182	615,070
Telecommunications	1,559,980	1,381,207	1,276,159	1,155,832
Hotel/Other	272,587	298,471	301,467	357,772
Intergovernmental				
Replacement	152,358	156,255	133,431	160,573
State Sales and Use Income	11,326,567	11,903,296	12,103,709	12,310,138
Investment Income	3,890,892	4,104,684	4,167,471	3,841,569
Miscellaneous	213,842	179,247	470,909	484,987
Release of Commitment of SSA Debt	1,504,447	938,298	1,170,199	664,177
Transfers	-	-	-	-
	12,480	-	-	-
Total Governmental Activities	35,786,895	35,840,734	38,921,227	37,081,619
Business-Type Activities				
Investment Income	40,184	39,673	79,071	(12,899)
Miscellaneous	307,698	116,233	209,444	98,016
Other Tax	-	-	-	-
Connection Charges	-	-	-	-
Rental Income	-	-	-	-
Transfers	(12,480)	-	-	-
Total Business-Type Activities	335,402	155,906	288,515	85,117
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 36,122,297	\$ 35,996,640	\$ 39,209,742	\$ 37,166,736
Governmental Activities	\$ (570,259)	\$ 926,627	\$ 3,388,996	\$ (3,043,845)
Business-Type Activities	(1,838,736)	(2,704,678)	25,399	469,375
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (2,408,995)	\$ (1,778,051)	\$ 3,414,395	\$ (2,574,470)

*The City implemented GASB Statement No. 68 in 2016.

Data Source

Audited Financial Statements

	2018	2019	2020	2021	2022	2023
\$	(39,345,716)	\$ (40,331,029)	\$ (43,136,998)	\$ (31,319,134)	\$ (34,225,189)	\$ (40,037,474)
	99,477	1,444,900	1,003,886	1,970,653	3,266,816	457,487
\$	(39,246,239)	\$ (38,886,129)	\$ (42,133,112)	\$ (29,348,481)	\$ (30,958,373)	\$ (39,579,987)
\$	12,499,058	\$ 12,985,292	\$ 13,034,033	\$ 13,698,616	\$ 13,693,963	\$ 14,543,492
	5,159,592	5,403,739	5,296,696	5,523,531	6,652,098	6,826,463
	40,230	43,839	42,370	39,076	59,236	60,825
	728,314	670,865	700,274	620,139	643,023	604,830
	1,076,925	988,663	829,847	664,080	589,605	557,117
	408,156	393,659	1,478,225	2,062,893	2,374,264	2,344,342
	147,318	140,488	153,893	166,446	383,730	526,372
	12,595,524	13,321,347	13,315,600	14,035,251	15,405,431	15,819,262
	3,707,369	4,215,078	4,008,499	4,670,667	5,835,642	6,506,600
	334,737	1,036,053	1,317,219	375,853	(1,716,158)	329,908
	920,423	498,526	2,295,775	1,999,312	1,946,219	1,716,455
	-	-	-	-	-	-
	-	(82,917)	-	-	(287,190)	-
	37,617,646	39,614,632	42,472,431	43,855,864	45,579,863	49,835,666
	(3,132)	283,436	578,038	154,482	(366,107)	246,960
	257,285	147,859	297,458	137,319	165,199	638,101
	-	-	1,000,000	1,000,000	999,998	1,000,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	82,917	-	-	287,190	-
	254,153	514,212	1,875,496	1,291,801	1,086,280	1,885,061
\$	37,871,799	\$ 40,128,844	\$ 44,347,927	\$ 45,147,665	\$ 46,666,143	\$ 51,720,727
\$	(1,728,070)	\$ (716,397)	\$ (664,567)	\$ 12,536,730	\$ 11,354,674	\$ 9,798,192
	353,630	1,959,112	2,879,382	3,262,454	4,353,096	2,342,548
\$	(1,374,440)	\$ 1,242,715	\$ 2,214,815	\$ 15,799,184	\$ 15,707,770	\$ 12,140,740

CITY OF CRYSTAL LAKE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016	2017
GENERAL FUND				
Nonspendable	\$ 3,237,798	\$ 1,578,916	\$ 1,807,119	\$ 2,295,685
Committed	-	3,128	3,128	3,128
Unrestricted				
Assigned	2,419,158	3,615,389	1,082,174	2,584,111
Unassigned	10,024,692	7,820,204	10,224,095	9,616,898
TOTAL GENERAL FUND	\$ 15,681,648	\$ 13,017,637	\$ 13,116,516	\$ 14,499,822
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 429	\$ 7,392	\$ 7,860	\$ 4,923
Restricted	9,676,061	8,995,527	7,781,945	7,910,749
Committed	-	-	-	-
Unrestricted				
Assigned	8,921,536	8,588,879	9,645,831	7,044,977
Unassigned (Deficit)	(2,039,724)	(1,621)	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 16,558,302	\$ 17,590,177	\$ 17,435,636	\$ 14,960,649

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 2,455,422	\$ 2,513,094	\$ 3,146,413	\$ 3,282,256	\$ 4,210,068	\$ 4,521,627
3,796	37,611	122,612	338,750	424,350	583,848
1,848,473	2,620,028	3,632,706	4,687,516	347,797	368,929
11,533,098	14,172,882	15,479,489	13,447,755	14,768,666	15,422,765
\$ 15,840,789	\$ 19,343,615	\$ 22,381,220	\$ 21,756,277	\$ 19,750,881	\$ 20,897,169
\$ 46,355	\$ 47,313	\$ 7,868	\$ 219,758	\$ 304,461	\$ 383,467
8,883,168	9,060,963	9,379,343	12,269,407	12,059,384	11,849,081
-	253,534	332,702	543,117	632,363	798,362
6,069,668	5,871,826	6,649,886	9,763,042	21,769,082	26,190,667
-	-	-	(23,919)	(95,214)	(181,191)
\$ 14,999,191	\$ 15,233,636	\$ 16,369,799	\$ 22,771,405	\$ 34,670,076	\$ 39,040,386

CITY OF CYRSTAL LAKE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016	2017
REVENUES				
Charges for Services	\$ 3,976,998	\$ 4,255,331	\$ 4,561,965	\$ 5,259,621
Licenses and Permits	689,030	594,261	546,408	626,878
Intergovernmental	17,210,359	19,178,195	22,510,761	17,740,346
Fines and Forfeitures	593,493	1,186,481	715,857	687,186
Property Taxes	11,165,179	11,054,823	13,424,456	12,368,764
Other Taxes	7,521,129	7,504,131	7,451,052	7,251,411
Developer Donations	-	-	-	-
Investment Income	213,846	179,247	470,909	484,987
Miscellaneous	1,595,211	1,037,793	1,232,711	943,772
Total Revenues	42,965,245	44,990,262	50,914,119	45,362,965
EXPENDITURES				
General Government	8,442,528	8,433,073	8,013,493	8,176,893
Public Health and Safety	22,065,741	22,521,524	23,852,909	23,956,258
Public Works	5,908,318	8,248,411	7,333,376	7,122,954
Culture and Recreation	542,720	563,450	618,351	736,944
Debt Service				
Principal	1,325,384	1,338,673	1,383,967	1,426,983
Interest	579,843	545,577	589,605	475,339
Capital Outlay	6,371,060	4,943,965	9,178,080	4,559,275
Total Expenditures	45,235,594	46,594,673	50,969,781	46,454,646
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,270,349)	(1,604,411)	(55,662)	(1,091,681)
OTHER FINANCING SOURCES (USES)				
Transfers In	8,751,359	10,011,992	9,006,449	7,315,265
Transfers (Out)	(8,738,879)	(10,039,717)	(9,006,449)	(7,315,265)
Bonds Issued	-	-	-	-
Premium (Discount) on Bonds Issued	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-
Leases Issued	-	-	-	-
Proceeds From Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	12,480	(27,725)	-	-
NET CHANGE IN FUND BALANCES	\$ (2,257,869)	\$ (1,632,136)	\$ (55,662)	\$ (1,091,681)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.50%	4.39%	4.20%	4.42%

	2018	2019	2020	2021	2022	2023
\$	5,264,409	\$ 5,567,308	\$ 5,239,878	\$ 4,761,355	\$ 5,833,269	\$ 5,994,755
	659,908	887,689	899,643	1,158,614	1,034,141	1,059,180
	18,841,214	18,972,402	19,559,437	24,193,553	24,417,463	25,113,422
	520,692	465,779	462,293	301,362	368,879	528,493
	12,499,057	12,985,292	13,034,033	13,698,616	13,693,963	14,543,492
	7,317,786	7,500,765	8,347,412	8,909,719	10,318,226	10,393,577
	-	-	410,527	553,878	199,629	-
	334,734	1,036,053	1,317,219	375,853	(1,716,158)	329,908
	1,350,750	1,611,094	2,629,098	2,200,268	2,395,649	3,058,970
	46,788,550	49,026,382	51,899,540	56,153,218	56,545,061	61,021,797
	8,312,721	8,212,507	9,121,535	8,313,267	7,419,264	7,540,492
	24,143,224	25,231,400	25,551,179	25,839,379	26,974,821	28,930,616
	5,426,131	5,761,105	5,948,684	6,188,853	6,475,910	7,064,744
	723,546	743,393	661,596	510,466	776,629	926,822
	1,447,120	1,496,632	9,975,381	1,051,080	1,384,794	1,499,329
	479,218	411,984	228,933	550,858	395,496	359,007
	4,877,081	3,491,356	6,150,077	9,778,291	3,485,976	9,160,231
	45,409,041	45,348,377	57,637,385	52,232,194	46,912,890	55,481,241
	1,379,509	3,678,005	(5,737,845)	3,921,024	9,632,171	5,540,556
	6,702,316	3,098,328	6,609,374	9,969,342	14,512,565	12,506,632
	(6,702,316)	(3,098,328)	(6,609,374)	(10,382,457)	(14,512,565)	(12,506,632)
	-	-	7,954,054	-	-	-
	-	-	787,327	-	-	-
	-	-	-	-	-	-
	-	59,266	813,338	2,483,808	125,043	157,233
	-	-	52,807	195,719	136,061	-
	-	59,266	9,607,526	2,266,412	261,104	157,233
\$	1,379,509	\$ 3,737,271	\$ 3,869,681	\$ 6,187,436	\$ 9,893,275	\$ 5,697,789
	4.27%	4.20%	18.72%	3.56%	3.88%	3.72%

CITY OF CRYSTAL LAKE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Mineral Property	Rail Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Assessed Value
2013	\$ 2,266,748	\$ 706,627,435	\$ 222,999,035	\$ 57,052,844	\$ 766,260	\$ 1,268,185	\$ 990,980,507	1.1786	\$ 2,972,941,521	33.33%
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%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
OPERATING										
Municipal Retirement	0.0914	0.0849	0.0958	0.1313	0.1372	0.1461	0.1540	0.1729	0.1761	0.1724
Police Pension	0.2500	0.2697	0.2353	0.2242	0.2083	0.2219	0.2022	0.2034	0.1952	0.1992
School Cross Guard	0.0052	0.0043	0.0044	0.0046	0.0048	0.0050	0.0053	0.0046	0.0047	0.0046
Fire Protection	0.5276	0.5383	0.5501	0.5710	0.5761	0.5992	0.6315	0.6592	0.6736	0.6280
Firemen Pension	0.1641	0.1771	0.1625	0.1569	0.1609	0.1729	0.1556	0.1729	0.1856	0.1746
Total City of Crystal Lake	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485	1.2130	1.2351	1.1786
Crystal Lake Public Library	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345	0.4589	0.4670	0.4436
McHenry County	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539	1.0781	1.1412	1.0960
District 47	3.7431	3.8048	3.8548	3.8851	3.9469	4.0463	4.1616	4.3488	4.3867	4.1626
District 155	2.4353	2.1383	2.1636	2.5236	2.5646	2.6953	2.7749	2.9060	2.9721	2.8118
DEBT SERVICE										
District 47	0.0065	-	-	-	-	0.2143	0.2119	0.2103	0.2655	0.2446
District 155	0.0421	0.3371	0.3485	0.0466	0.0485	0.0066	0.0537	0.1196	0.1227	0.1495
OTHER										
TOTAL TAX RATE										
City of Crystal Lake	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485	1.2130	1.2351	1.1786
Crystal Lake Public Library	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345	0.4589	0.4670	0.4436
McHenry County	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539	1.0781	1.1412	1.0960
District 47	3.7496	3.8048	3.8548	3.8851	3.9469	4.2607	4.3735	4.5591	4.6522	4.4072
District 155	2.4774	2.4754	2.5121	2.5702	2.6130	2.7019	2.8286	3.0255	3.0948	2.9613
OTHER										
College District 528 MCC	0.3060	0.3297	0.3433	0.3564	0.3655	0.3847	0.4066	0.4348	0.4453	0.4306
McHenry County Conservation	0.2125	0.2219	0.2236	0.2286	0.2380	0.2449	0.2588	0.2766	0.2840	0.2748
Crystal Lake Park District	0.4629	0.4703	0.4813	0.4886	0.5003	0.5178	0.5310	0.5535	0.5582	0.5193
Township (Algonquin)	0.0524	0.0543	0.0558	0.0573	0.0603	0.0638	0.0712	0.0828	0.0851	0.0821
Road and Bridge (Algonquin)	0.1201	0.1231	0.1265	0.1323	0.1417	0.1527	0.1705	0.1862	0.1913	0.1827

Data Source

McHenry County Clerk.

CITY OF CRYSTAL LAKE, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	Type of Business	2022		2013		Percent of Total District Taxable Assessed Value	Percent of Total District Taxable Assessed Value
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank		
Skyridge Partners LLC	Residential	\$ 10,819,524	1	0.78%	\$ 7,574,445	2	0.76%
Inland Crystal Point LLC	Retail	8,150,837	2	0.59%	7,894,860	1	0.80%
Continental 544 Fund LLC	Residential	8,066,794	3	0.58%			0.00%
Centro Bradley Crystal Lake	Residential	6,916,368	4	0.50%	6,762,671	3	0.68%
KPR US LLC	Industrial	6,540,558	5	0.47%			0.00%
Chern Randall Baric Randall	Residential	5,898,398	6	0.42%			0.00%
Cunat Exc III Darlington	Residential	5,675,249	7	0.41%			0.00%
Stag Industrial Holdings	Industrial	4,722,575	8	0.34%			0.00%
Walmart Real Est Business	Retail	3,925,622	9	0.28%	4,497,678	5	0.45%
EPC Trevi, LLC	Commercial	3,467,998	10	0.25%			0.00%
Cobalt Industrail	Industrial				4,962,834	4	0.50%
Tyco Healthcare Group	Manufacturing				4,283,526	6	0.43%
Sunrise Residential Housing	Residential				3,849,760	7	0.39%
Northern IL Medical Center	Healthcare				3,263,456	8	0.33%
Home State Bank	Business				2,972,756	9	0.30%
Inland Bohl Farm LLC	Retail				2,709,013	10	0.27%
		<u>\$ 64,183,923</u>		<u>4.61%</u>	<u>\$ 48,770,999</u>		<u>4.91%</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

Fiscal Year Ended April 30,	Taxes Extended for the Fiscal Year	Collected Within the		Collections In Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Extension		Amount	Percentage of Extension
2014	\$ 10,588,864	\$ 10,565,666	99.78%	\$ -	\$ 10,565,666	99.78%
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%

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			
2014	\$ 17,707,947	\$ 135,156	\$ -	\$ 26,264,962	\$ -	\$ 1,047,753	\$ -	\$ 45,155,818	3.97%	\$ 1,108
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	15,712,665	16,266,699	994,313	415,156	43,273,713	2.70%	1,075
2023	6,151,364	530,758	1,176,190	21,398,636	18,407,107	700,101	321,999	48,686,155	2.88%	1,197

CITY OF CRYSTAL LAKE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended April 30,	General Obligation Debt	Unamortized Bond Premium	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	\$ 43,972,909	\$ 1,182,909	\$ 664,234	\$ 44,491,584	3.71%	\$ 1,092.01
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	22,679,997	1,618,006	328,811	23,969,192	1.86%	595.23
2023	27,550,000	1,230,859	329,055	28,451,804	2.04%	706.54

Notes: Population data can be found at page 165 - demographic and economic statistics.

Property value data can be found at page 157 - 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, 2023

Governmental Unit	Bonded Debt	Applicable to the City	
		Percent	Amount
Bonded Debt	\$ 6,151,364		
Unamortized Bond Premium	530,758		
Lease Liability	<u>1,176,190</u>		
Total City of Crystal Lake	<u>7,858,311</u>	100%	<u>\$ 7,858,311</u>
Overlapping:			
School District Number 155	12,595,000	40.58%	5,110,421
Elgin Community College Number 509	133,850,000	0.00%	4,016
School District Number 200	70,503,962	0.92%	647,226
School District Number 300	212,690,000	0.01%	17,015
McHenry County Conservation District	48,360,000	13.52%	6,540,206
Crystal Lake Park District	1,169,965	75.03%	877,848
Cary Park District	783,800	0.04%	282
Huntley Park District	<u>2,247,000</u>	0.61%	<u>13,662</u>
Total others	<u>482,199,727</u>		<u>13,210,676</u>
TOTAL OVERLAPPING DEBT	<u><u>\$ 490,058,038</u></u>		<u><u>\$ 21,068,987</u></u>

CITY OF CRYSTAL LAKE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

April 30, 2023

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

CITY OF CRYSTAL LAKE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended April 30,	Estimated Population (1)	Personal Income	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	
2014	40,743	\$ 1,138,359,420	\$ 27,940	14,716	6.3%	
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%	

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

April 30, 2023

Employer	Employees	Rank	% of Total City Population
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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL GOVERNMENT	30.05	30.05	29.95	37.25	37.75	38.75	38.75	39.25	40.25	43.50
PUBLIC SAFETY										
Police	78.70	77.70	77.70	77.75	77.75	77.75	78.75	78.75	79.75	79.75
Fire	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.50	67.75	67.75
HIGHWAYS AND STREETS										
Administration	5.75	4.75	3.25	4.25	4.25	4.25	5.25	5.25	5.25	5.25
Engineering	7.00	7.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.50	6.50
Maintenance	15.00	15.00	15.00	17.00	17.00	18.00	18.00	18.00	19.00	20.00
WATERWORKS AND SEWWRAGE	29.00	29.00	30.00	28.00	28.00	28.00	30.00	31.00	31.00	31.50
	240.00	238.00	237.40	238.75	239.25	241.25	244.75	246.25	249.50	254.25

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
POLICE										
Physical Arrests	891	642	611	769	854	838	905	935	1,010	918
Parking Violations	3,090	2,278	2,019	3,228	2,339	3,310	3,742	4,131	5,406	4,569
Traffic Violations	9,434	3,379	3,697	8,788	9,937	10,910	11,869	13,961	11,267	11,381
FIRE										
Number of Calls Answered	7,642	6,704	6,283	6,799	6,345	6,228	5,894	5,833	5,695	5,452
Inspections	1,277	743	588	853	957	981	650	833	1,104	1,060
HIGHWAYS AND STREETS										
Street Resurfacing (Lane Miles)	10.9	12.3	10.8	10.0	6.9	6.9	8.3	6.0	6.9	8.1
WATER										
New Connections	103	99	123	76	19	8	12	5	23	7
Water Main Breaks	15	25	22	21	28	19	24	18	29	34
Average Daily Consumption (Millions of Gallons)	4.20	4.10	3.87	4.01	3.85	3.85	3.90	3.93	3.93	4.40
WASTEWATER										
Average Daily Sewage Treatment (Millions of Gallons)	4.19	3.84	4.77	5.00	4.80	4.80	4.80	5.10	5.10	5.00
LIBRARY										
Circulation										
Physical Materials	489,613	444,589	115,152	N/A	N/A	N/A	N/A	N/A	N/A	N/A
e-materials	90,121	85,340	94,193	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reference Questions	62,697	46,152	13,592	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cardholders	17,685	18,680	21,109	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Programs										
Number	1,012	921	1,020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Attendance	51,325	38,162	88,730	N/A	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	22	22	19	19	19	23	23	23	23
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
HIGHWAYS AND STREETS										
Streets (Miles)	176	176	176	176	176	176	160	160	160	160
Streetlights	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,410	2,410	1,996
Traffic Signals	33	33	33	33	33	33	33	33	33	31
CULTURE AND RECREATION										
Parks Acreage	450	450	450	450	450	450	450	450	450	450
WATER										
Water Mains (Miles)	240	240	240	236	230	230	230	230	230	230
Fire Hydrants	3,206	3,234	3,181	3,122	3,122	3,122	3,114	3,095	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
SEWER										
Sanitary Sewers (Miles)	165	165	165	161	166	166	166	166	166	166
Storm Sewers (Miles)	122	122	122	115	114	60	60	60	60	60
Maximum Daily Treatment (Millions of Gallons)	20.20	20.20	20.20	20.20	20.20	19.50	16.50	16.50	16.50	16.50

Data Source

City records



COVERAGE DECLARATIONS

Coverage Period:

November 1, 2022 to November 1, 2023

Types of Coverages	Pool Self-Insured Retention	Limits
General Liability <ul style="list-style-type: none"> ▪ Bodily Injury and Property Damage ▪ Law Enforcement Activities ▪ Employee Benefits 	\$3,000,000	\$15,000,000 (per member)
Auto Liability <ul style="list-style-type: none"> ▪ Uninsured/Underinsured Motorist 	\$3,000,000	\$15,000,000 \$50,000 (per member)
Public Officials Liability <ul style="list-style-type: none"> ▪ Wrongful Acts ▪ Employment Practices 	\$3,000,000	\$15,000,000 (per member)
Workers' Compensation <ul style="list-style-type: none"> ▪ Employer's Liability 	\$1,500,000	Statutory \$1,000,000 (per member)
First Party Property – All Risk <ul style="list-style-type: none"> ▪ Flood Zone A/V ▪ Flood (Non-Zone A/V) ▪ Contingent Business Interruption (Sales Tax) ▪ Scheduled Emergency Vehicles-Agreed Value ▪ Boiler/Machinery 	\$1,000,000 \$1,000,000 \$450,000 \$450,000 \$100,000 \$ 150,000	\$250,000,000 per occurrence \$5,000,000 \$40,000,000 \$10,000,000 Scheduled \$50,000,000 (per member)
Crime <ul style="list-style-type: none"> ▪ Employee Theft (Dishonesty) ▪ Forgery, Alteration & Counterfeit Currency ▪ Credit Card Forgery ▪ Computer Fraud ▪ Funds Transfer Fraud ▪ Personal Accts/Identity Fraud 	\$ 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"> ▪ Data Compromise/Breach Response ▪ Computer Attack System Restoration ▪ Cyber Extortion (IRMA excess \$75,000) ▪ Misdirected Payments ▪ Computer Fraud ▪ Data Compromise Liability ▪ Network Security Liability ▪ Electronic Media Liability ▪ Public Relations 	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"> ▪ Mayor/President, Treasurer, Clerk ▪ Special District Trustees ▪ Supplemental 	\$0	Statutory Limits As Scheduled

Yearly Aggregates	Limits
Member Annual Payment Cap (Applies to general/auto liability and public officials' liability Loss Fund Payments only)	\$6,000,000
Agency Aggregate Cap	\$75,438,839

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