

CITY OF CRYSTAL LAKE, ILLINOIS

Comprehensive Annual Financial Report

For the Year Ended April 30, 2009

Prepared By Finance Department:

Mark Nannini
Director of Finance

**City of Crystal Lake, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2009**

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INTRODUCTORY SECTION



CITY OF
Crystal Lake
ILLINOIS

October 23, 2009

Honorable Mayor Aaron T. Shepley
Members of the City Council
Citizens of the City of Crystal Lake, Illinois

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete 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 comprehensive annual financial report of the City of Crystal Lake for the fiscal year ended April 30, 2009.

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. Because the cost of internal controls should not outweigh their benefits, the City of Crystal Lake's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Crystal Lake's financial statements have been audited by Selden Fox, Ltd., 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, 2009, 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 unqualified opinion that the City of Crystal Lake's financial statements for the fiscal year ended April 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Crystal Lake is not required to undergo an annual single audit in conformity with the provisions of the single Audit Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Therefore, such information is not included within this report.

The City of Crystal Lake's financial presentation reflects GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for state and local governments*. The comprehensive annual report presents the 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 MD&A and should be read in conjunction with it. The City of Crystal Lake's MD&A can be found immediately following the report of the independent auditors. The City of Crystal Lake has complied with the Auditing Standard 120 and has complied with GASB 45 Reporting for Post-employment benefits (OPEB).

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, the government's organization chart and a list of principal officials. The Financial Section includes MD&A, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF THE CITY OF CRYSTAL LAKE

The City of Crystal Lake, incorporated in 1914, is located in the southeastern portion of McHenry County, which is the furthest northwestern county in the Chicago metropolitan region. McHenry County was recognized as the fastest growing county in the State of Illinois in the 1990 census. This particular development trend is most prevalent in the southeastern portion of McHenry County, which includes the Crystal Lake area. The 2000 Census further substantiated this experience. The City of Crystal Lake currently occupies a land area of 19.24 square miles and serves a certified population of 39,788. 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 of 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; 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 Engineering and Building Department, and the Planning and Economic 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. However, as separate governmental entities, the Crystal Lake Elementary and High School Districts, the Crystal Lake Park District, and the Crystal Lake Civic Center Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

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 Council for review. The Council is required to hold public hearings 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 appropriated 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 currently enjoys a stable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The largest single source of revenue is sales tax, which reflects the current economic trends.

Development 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 illustrates 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.

The non-residential sector of economic activity has continued to be built out, but not at the same pace as prior years. The City's property valuation growth has remained constant over the past year through the addition of new non-residential development and the continued increase in the

value of existing non-residential properties in the City. This is evidence of the City's continued strong economic activity level and further underscores the City's strong non-residential tax base.

Despite substantial competition that has occurred from commercial growth in many of the areas surrounding Crystal Lake, the difficult retail environment for certain players in the very competitive Chicago arena, and state retail sales showing a decline from prior years, the City's retail sector has been stable over the past years. Although the current year reflects the impact of the economy, the City has continued to maintain strength as a retail base for serving the regular commercial needs for the immediate City population, and has continued as a regional point for commercial activities.

The City's economic development team has a multi-faceted approach which focuses on recruitment, retention and public relations components geared towards enhancing the business climate in Crystal Lake. Some of the key components include the implementation of three TIF Districts (as such term is hereinafter defined) to help facilitate redevelopment of certain key retail sectors of the City, including Route 14, the Vulcan Lakes area and Downtown Crystal Lake. The available properties are actively marketed by the City, including in-house marketing brochures, trade show representation, e-mail blasts, and website site selection inventory. Working in cooperation with the McHenry County Economic Development Corporation, Crystal Lake works to attract and retain manufacturers that provide significant economic benefits to the City as well as employment opportunities. Along with the Illinois Department of Commerce and Economic Opportunity, the City works to locate and assist businesses with their expansions or relocations in the Crystal Lake area.

In 2009, the "I Shop Crystal Lake" program was created to help promote awareness of the benefits of shopping in Crystal Lake. This program also aims to showcase the City's retailers and service providers. Route 14 serves as the main retail corridor for the City of Crystal Lake, highlighted by Crystal Point Shopping Center (Best Buy, K-Mart, Office Depot, World Market, Borders, Bed, Bath and Beyond, The Sports Authority, Panera Bread, Boston Market, Arby's), The Commons Shopping Center (Jewel-Osco, Hobby Lobby, Toys R Us, Marshalls, Bath and Body Works) and The Bohl Farm Marketplace, (Kohl's department store, Target, and a Dominick's Fresh store, including other national tenants such as Barnes and Noble, Dress Barn, and Chili's restaurant).

The Archway East Center development also includes a Portillo's restaurant, TGI Friday's restaurant, Corner Bakery, Sports Authority, Mario Triccoci Salon, Menards and three other small independent retailers. Chipotle, Noodles & Company, Culver's, Fast Eddie's Car Wash, the Village Squire Restaurant, and the Regal Cinemas are all located near this center. Construction of the recently approved 84-unit Staybridge Suites extended stay hotel will commence during the summer of 2010 for an opening in 2011.

The downtown sector of the City, which has continued to show substantial strength, exhibits a very low vacancy rate and continues to be a vital commercial destination. A Starbucks and an independent ice cream shop are located in the Downtown area, as well as a number of unique dining establishments including Benedict's La Strada, Williams Street Public House, Georgio's Pizzeria, Café Olympic, Duke's Alehouse, Finn McCool's, Campana's Café, and Bella Cucina Due. The downtown district also is home to the Raue Center for the Arts, which is an 800-seat theatre that is one of the finest examples of restored art deco entertainment venue in the nation.

The Raue Center provides a unique draw for the downtown area as the largest performing arts theater in McHenry County.

Anderson Motors, a major auto retailer of BMW, Volkswagen, and Mazda vehicles, located on North Route 31, has expanded their service facilities and indoor display areas. In addition, Pauly Toyota has relocated their auto dealership to the Lutter Center at the intersection of Route 31 and Rakow Road, near the new Super Wal-Mart. The success of the Super Wal-Mart at this location has created a second very important retail corridor, the Route 31 corridor, for the City to expand its retail and service options.

US Granite has purchased an existing 100,000 square foot manufacturing facility off of Dartmoor Drive, to consolidate four divisions of granite and marble stone purchasing, cutting and finishing. US Granite Sales, Marble Tech, Natural Stonework, and US Granite Machinery will be occupying the facility by the end of 2009, bringing 80 jobs and \$10 million in annual sales to Crystal Lake.

The City of Crystal Lake is fortunate to have two Metra train stations within our corporate limits, the Downtown Metra Station located on Woodstock Street and the Pingree Road Metra Station. The second station, the 2,000 square foot Pingree Road Metra Station, was completed in the winter of 2005 at a cost of \$2.1 million. Metra funded the construction of the Pingree Road Station as well as recent renovations to the Downtown Train Station, which were completed the summer of 2006. Metra is expanding the parking at the Pingree Station in the fall of 2009 and currently considering the possible construction of a third train station in the northwest corner of the City limits.

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 relatively 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.

LONG TERM FINANCIAL PLANNING

A number of potential future projects may significantly impact the City's future financial planning. These projects include the extension of sewer and water to the City's far northwest border. This utility extension is funded through Special Service Area Number 45, as part of the Bryn Mawr residential development. These improvements are projected to stimulate additional development on the City's northern and northwest boundaries in the future.

Another future project that is currently under construction is a Waste Transfer Station. Host benefit fees associated with the Waste Transfer Station will provide increased revenue for the City.

The City currently has three active Tax Increment Financing Districts (TIF). The TIF District for Downtown Crystal Lake, which expired in December 2008, has been very successful in spurring redevelopment of that area. Roadway improvements and streetscape elements were funded with

TIF funds. The original 1985 equalized assessed valuation (EAV) for the Downtown TIF was \$3,284,169. The completion of the redevelopment has resulted in the EAV increasing by \$10.5 million for 2009.

Active TIF Districts include the Virginia Street Corridor, Crystal Lake Avenue and Main Street, and Vulcan Lakes. The 2003 EAV for the Virginia Street Corridor TIF is \$9,845,120. It is estimated that the EAV will be in excess of \$26 million in 2003 dollars upon completion of redevelopment. The Virginia Street Corridor TIF, as approved, will fund the installation of streetscape elements, such as pavers, sidewalks, and decorative pedestrian lighting, as well as utility pole relocation and facade improvements.

The 2004 EAV for the Crystal Lake Avenue and Main Street TIF is \$3,284,169. It is estimated that the EAV will be in excess of \$108 million in 2004 dollars upon completion of redevelopment. The Crystal Lake Avenue and Main Street TIF District is contiguous to the original Downtown TIF. The revitalization plan includes a continuation of streetscape elements found throughout the Downtown area, as well as relocation of the Main Street railroad spur, parking, environmental remediation and potential major redevelopment of key underutilized parcels at the Crystal Lake Avenue and Main Street intersection. Improvements to the north leg of the intersection of Main Street and Crystal Lake Avenue were completed in fall of 2008.

The Vulcan Materials Company began mining operations at the property known as Vulcan Lakes in the 1950's. Realizing the potential for a future recreation area, the City entered into an agreement with Vulcan Materials in the 1990's for the future ownership of the property. In 2007, the 462-acre property was officially deeded to the City.

Construction of the recreational area began in May 2009. Once completed in late 2010, the public will enjoy numerous recreational amenities. A beach, lake house, spray park and playground will be the core amenities. The lake house will have shower facilities, concessions areas, administrative offices and a maintenance garage. Attached to the lake house will be an outside patio which will overlook the beach. The beach will have over 200 lineal feet of sand and several grass picnic areas. Adjacent to the beach, patrons will enjoy a spray park and playground. Also, the public will enjoy a marina where patrons will be able to rent fishing boats, paddle boats, canoes, kayaks and sail boats. Additional recreational amenities will include shoreline fishing areas, walking trails and a picnic grove.

The 2005 EAV for the Vulcan Lakes TIF is \$4,506,145. It is estimated that the EAV will be in excess of \$96 million in 2005 dollars upon completion of redevelopment. The revitalization of the Vulcan Lakes project area envisions the creation of a vibrant activity center with recreational, residential and commercial activities complementing the lakes. It anticipates commercial activities along U.S. Route 14, such as restaurants and entertainment venues. A mix of commercial uses is planned for South Main Street, and the interior quarry area will include a marina, fishing piers, beaches, trails and nature areas.

Finally, the City's pro-active economic development program will continue to recruit additional new businesses. A 210,000 square foot Wal-Mart Supercenter opened in October 2007 and the former site anticipates the opening of a new J.C. Penny Department Store. There is also the potential for additional retail establishments as well as the relocation of two additional automobile dealerships to the Route 31 corridor. Pauly Toyota relocated to a new \$40 million

facility in October 2007. The adoption of the new TIF Districts will result in redevelopment and rehabilitation of existing properties and will add to the interest of private development in these corridors.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in the Illinois State Treasurer's pool (Illinois Funds), Money Market Funds, U.S. Treasuries, U.S. Agencies and Certificates of Deposit. The funds invested in the Illinois Funds and Money Market Funds are immediately available. State law also allows the pension trust funds to invest up to 45% of the fund's assets in equities. Crystal Lake's Police and Fire Pension Funds invest in separate insurance accounts and mutual funds. The City's investment policy details the cash management objectives and guidelines for investing City cash. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. In addition, funds on deposit in excess of FDIC limits must be secured by collateral held in safekeeping by a third party.

RISK MANAGEMENT

Since joining the Intergovernmental Risk Management Agency (IRMA) in July 2004, the City has been active in its risk management and loss control focus. As a member of IRMA, the City receives liability, property and workers' compensation insurance. Since IRMA maintains a deductible for each event, the City budgets for potential losses in the General Fund. The City's risk management program is driven by two goals outlined in the City's loss prevention policy and purpose statement: "The primary goal of the Program is to safeguard the physical well-being of the City's residents and employees. In addition, the Program seeks to prevent or reduce damage to City properties and mitigate the monetary losses due to accidents."

In 2007, the City participated in IRMA's Management Assessment Program (IMAP), which is a thorough audit of the City's personnel policies, safety procedures, and training activities related to loss control. The City received an IMAP accreditation score of 96%. This was the highest IMAP score of any IRMA member during that year. In addition, the City received IMAP accreditation, which is awarded for members with an overall percentage of compliance with risk management best practices of 85% or greater. Because of the IMAP, the City established loss prevention goals and consequently improved many of its internal loss prevention functions, including safety committees, facility safety inspection, and the creation of personnel policies. Moreover, IRMA provided an assessment of the City's exposure to certain hazards, such as fire, electrical, and equipment. The City's risk management program also values employee training. During this past year, the City organized training related to the City's Emergency Action Plan, which provides guidelines in the event of a disaster or workplace trauma. Furthermore, the City's Police, Fire Rescue, and Public Works Departments require specific training to keep their employees abreast of the latest workplace safety procedures. Overall, the City hopes its risk management and loss control efforts lead to lower insurance pool contributions and greater employee productivity.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The City of Crystal Lake sponsors a single-employer defined benefit pension plan for its public safety employees. As a matter of policy, the City of Crystal Lake fully funds each year's annual required contribution to the pension plan as determined by an independent actuary.

The City of Crystal Lake also provides post-employment health and dental care benefits (18 months after retirement) for certain retirees and their dependents at their cost. As of the end of the current fiscal year, there were six (6) retired employees receiving these benefits, which are billed to the retiree on a monthly basis.

Additional information on the City of Crystal Lake's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

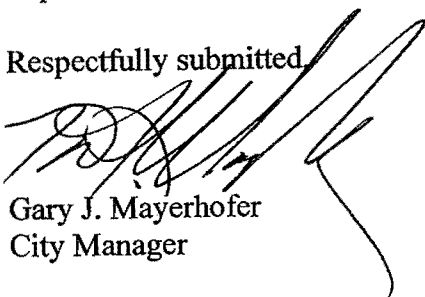
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Crystal Lake for its comprehensive annual financial report (CAFR) for the fiscal year ended April 30, 2008. This was the nineteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. 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 CAFR 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.


For the first time, the City of Crystal Lake received the Distinguished Budget presentation award for the Fiscal Year 2008 Budget Document. It is an honor for the City of Crystal Lake to receive these two 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. Without the support given by the Mayor and the City Council for 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.

Respectfully submitted,



Gary J. Mayerhofer
City Manager



Mark F. Nannini
Director of Finance

**City of Crystal Lake, Illinois
Principal Officials
April 30, 2009**

Legislative

Mayor: Aaron T. Shepley

City Clerk: Roger T. Dreher

Ellen Brady Mueller, Council Member
Ralph M. Dawson, Council Member
Carolyn Schofield, Council Member

Brett Hopkins, Council Member
Cathy A. Ferguson, Council Member
Jeffrey T. Thorsen, Council Member

Administrative

City Manager - Gary J. Mayerhofer

Deputy City Manager - George Koczwar

Deputy City Manager – Eric Helm

City Attorney – John L. Cowlin

Director of Finance – Mark Nannini

Director of Engineering and Building – Victor Ramirez

Director of Human Resources – Ann Everhart

Director of Information Technology – Greg Fettes

Director of Planning and Economic Development – Michelle Rentzsch

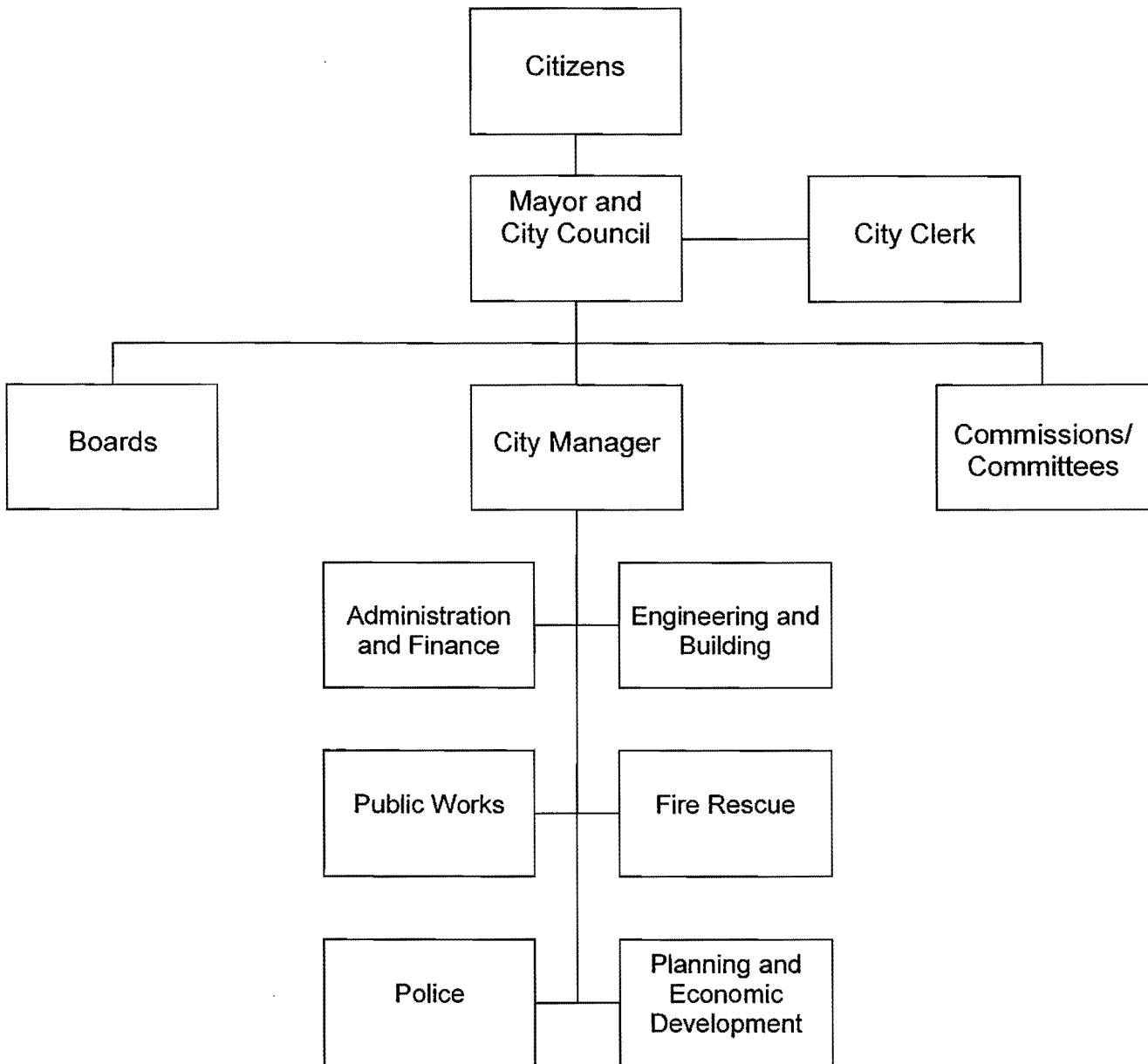
Director of Public Works – Eric Lecuyer

Police Chief – David Linder

Fire/Rescue Chief – James P. Moore

Library Director – Kathryn Martens

CITY OF CRYSTAL LAKE ORGANIZATIONAL STRUCTURE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Crystal Lake
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
Crystal Lake, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General and Major Special Revenue Funds of the **City of Crystal Lake, Illinois** as of and for the year ended April 30, 2009, as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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, 2009, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General and Major Special Revenue Funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, and the pension and other post-employment benefit plans' schedules of funding progress and employer contributions, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplementary information and other financial schedules in the accompanying table of contents is presented for purposes of additional analysis, and is not a required part of the basic financial statements of the City of Crystal Lake, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the introductory and statistical information listed in the table of contents and, therefore, express no opinion thereon.

Selden Fox, Ltd.

October 23, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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, 2009. 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 viii of this report. All amounts within the management's discussion and analysis, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$234,957 (net assets). Of this amount, \$39,568 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1,392. This reflects a decrease in long-term liabilities, specifically debt service.
- As of the close of the current fiscal year, the City's governmental funds report combined ending fund balances of \$41,563, a decrease of \$934 in comparison with the prior year. Approximately 92.5% of this total amount, \$38,439, is *available for spending* at the City's discretion (unreserved fund balance will be set aside for capital plan).
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$19,485 or 86.1% percent of total general fund expenditures.
- The City's total debt (bonds and notes) decreased by \$1,737 (5.14%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Overview of the Financial Statements (cont'd)

Government-wide financial statements (cont'd)

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general and administrative, public safety, highways and streets, and culture and recreation. The business-type activities of the City include waterworks and sewerage.

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 13 - 16 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Overview of Fund Financial Statements (cont'd)

Fund financial statements (cont'd)

Governmental funds (cont'd)

The City maintains thirty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Fire Rescue Fund, the IMRF Fund and Vulcan Lakes TIF Fund, all of which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 - 22 of this report.

Proprietary funds. The City maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its waterworks and sewerage activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the waterworks and sewerage fund, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 23 - 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 - 28 of this report.

Notes to the financial statements. The 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 29 - 68 of this report.

Government-wide Financial Analysis

Other 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 to its employees, as well as budgetary comparison schedules for certain major funds. Required supplementary information can be found on pages 69 - 72 of this report.

The combined statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found beginning on page 73 of this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$234,957 at the close of the most recent fiscal year.

Other items impacting net assets included the creation of a Home Rule Sales Tax of 0.75% and the increase in the Ambulance Service billings for the fiscal year.

Consolidated Statement of Net Assets As of April 30, 2009 (In thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Current & other assets	\$ 57,121	\$ 56,339	\$ 6,596	\$ 5,712	\$ 63,717	\$ 62,051
Capital assets	155,594	158,877	69,384	67,932	224,978	226,809
Total assets	212,715	215,216	75,980	73,644	288,695	288,860
Long-term liabilities	20,375	19,912	16,717	15,616	37,092	35,528
Other liabilities	16,141	16,607	1,897	1,768	18,038	18,375
Total liabilities	36,516	36,519	18,614	17,384	55,130	53,903
Net assets:						
Invested capital assets, net of related debt	139,029	142,699	52,187	51,854	191,216	194,553
Restricted	806	836	-	-	806	836
Unrestricted	36,364	35,162	5,179	4,406	41,543	39,568
Total net assets	\$ 176,199	\$ 178,697	\$ 57,366	\$ 56,260	\$ 233,565	\$ 234,957

By far, the largest portion of the City's net assets (82.8 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Changes in Net Assets
For the Fiscal Year Ended April 30, 2009
(In thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Program revenues:						
Charges for services	\$ 4,130	\$ 4,241	\$ 7,389	\$ 7,529	\$ 11,519	\$ 11,770
Grants and contributions:						
Operating	1,320	1,153	-	-	1,320	1,153
Capital	-	18	-	-	-	18
General revenues:						
Property	10,365	11,527	-	-	10,365	11,527
Other taxes	17,682	20,500	-	-	17,682	20,500
Other	3,500	2,556	233	74	3,733	2,630
Total revenues	36,997	39,995	7,622	7,603	44,619	47,598
Expenses:						
Governmental activities:						
General government	8,124	8,610	-	-	8,124	8,610
Public safety	17,132	19,574	-	-	17,132	19,574
Highways and streets	7,251	7,821	-	-	7,251	7,821
Culture and recreation	299	324	-	-	299	324
Interest on long-term debt	742	766	-	-	742	766
Business-type activities - waterworks and sewerage	-	-	8,905	9,111	8,905	9,111
Total expenses	33,548	37,095	8,905	9,111	42,453	46,206
Revenues over (under) expenses	3,449	2,900	(1,283)	(1,508)	2,166	1,392
Transfers	(633)	(402)	-	402	(633)	-
Change in net assets	2,816	2,498	(650)	(1,106)	2,216	1,392
Net assets - beginning of year	173,383	176,199	58,016	57,366	231,399	233,565
Net assets - ending of year	\$ 176,199	\$ 178,697	\$ 57,366	\$ 56,260	\$ 233,565	\$ 234,957

Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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.

City of Crystal Lake Net Assets

An additional portion of the City's net assets (0.36 percent) represents resources that are subject to external restrictions relative to how they may be used. The remaining *balance of unrestricted net assets* (\$39,568) may be used to meet the City's ongoing obligations to citizens and creditors.

The government's net assets increased by \$1,392 during the current fiscal year. This reflects payments made towards retiring long-term debt.

Governmental Activities:

Governmental activities increased the City's net assets by \$2,498. Key elements of this increase are as follows:

- Property taxes increased by \$1,162 (11.2 percent) during the year.
- Governmental Activities interest income (not required in the schedule above) declined from last year \$488,840 (not rounded).
- Public Safety expenditures in the General Fund increased over prior year by \$1,875. The increase in the Public Safety expenditures is attributable to increased staffing.

Business-type activities. Business-type activities decreased the City's net assets by \$1,106. Key elements of this decrease are as follows:

- Charges for services for business-type activities increased by 4.12 percent. Increases are largely attributable to rate increases that were enacted in the beginning of the fiscal year in order to fund existing operations.
- The operating expenses increase is due to increases in the cost of electricity and chemicals.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$41,563, a decrease of \$934 in comparison with the prior year. Approximately 92.5% of this total amount, \$38,439 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the combined ending fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service or is reserved for prepaids and inventories.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$19,485, while the total fund balance reached \$22,160. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to the total fund expenditures. The unreserved fund balance represents 86.1 percent of total actual general fund expenditures, while total fund balance represents 97.9 percent of that same amount.

The fund balance of the City's general fund decreased by \$261 during the current fiscal year. Key factors in this are as follows:

- Purchase of Capital items.
- Traffic enforcement division staffing (TRUE Team).
- The general fund interest income decreased significantly.
- Decreases in revenues from building permits and sales taxes.

Financial Analysis of the Government's Funds (cont'd)

The Motor Fuel Tax fund has a total fund balance of \$9,652, all of which is set aside for street improvements. The net decrease in fund balance during the current year in the motor fuel tax fund was \$119. This is due mainly to timing of completion of major road projects.

The Fire Rescue fund has a total fund balance of \$4,220. The net increase in fund balance during the current year in the fire rescue fund was \$432. This is due mainly to an increase in the number of billable calls.

The Illinois Municipal Retirement Fund has a total fund balance of \$1,030, all of which is unrestricted. The net increase in fund balance during the current year in the Illinois Municipal Retirement Fund was \$285. This is due to property taxes and other revenues exceeding current year contributions to the Illinois Municipal Retirement Fund. Pending payment for the prior year assessment by IMRF will significantly reduce this amount.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the waterworks and sewerage fund at the end of the year amounted to \$4,406. The net assets decreased by \$1,106 from the prior year. Factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

**General Fund Budgetary Highlights
(In thousands)
Fiscal Year 2009**

	Original Budget	Final Budget	Actual
Revenues and other financing sources:			
Property taxes	\$ 2,094	\$ 2,094	\$ 2,093
Other taxes	18,169	18,169	17,140
Other	2,718	2,718	2,683
Total revenues	22,981	22,981	21,916
Expenditures	23,914	23,914	22,627
Other financing uses /sources	104	104	450
Net change in fund balance	\$ (829)	\$ (829)	\$ (261)

During the year, budgetary estimates exceeded actual revenues however; expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of April 30, 2009, amounted to \$226,809 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was .80 percent.

Capital Assets at Year End, Net of Depreciation (In thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Land	\$ 102,443	\$ 102,589	\$ 628	\$ 628	\$ 103,071	\$ 103,217
Construction in progress	1,309	3,317	5,529	430	6,838	3,747
Buildings and improvements	19,648	19,297	12,454	11,820	32,102	31,117
Machinery, equipment and vehicles	3,774	3,888	2,109	2,047	5,883	5,935
Infrastructure	28,111	29,481	48,664	53,007	76,775	82,488
Total	\$ 155,285	\$ 158,572	\$ 69,384	\$ 67,932	\$ 224,669	\$ 226,504

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects, including widening and expansion projects for existing streets, public facilities (Vulcan Lakes) and utility related projects totaling \$11,824.
- Several vehicles were purchased at a cost of \$273.

Additional information on the City's capital assets can be found in Note I.E.3 and II.C of this report.

Capital Asset and Debt Administration (cont'd)

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,340. Of this amount, \$11,335 comprises debt backed by the full faith and credit of the government and \$9,005 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment.

Long-Term Debt at Year End (In thousands) Fiscal Year 2009

	Balance, May 1, 2008	Additions	Deletions	Balance, April 30, 2009
General obligation bonds	\$ 12,220	\$ -	\$ 885	\$ 11,335
Special service area bonds	9,135	-	130	9,005
Notes payable	12,475	-	722	11,753
	<u>\$ 33,830</u>	<u>\$ -</u>	<u>\$ 1,737</u>	<u>\$ 32,093</u>

The City's total debt decreased by \$1,737 or (5.14 percent).

The City maintains an "Aa2" rating from Moody's for general obligation debt and "AA+" rating from Standards and Poor. These ratings were secured after the close of the fiscal year.

Additional information on the City's long-term debt can be found in Note II.E of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is currently 9.0 percent, which is an increase from a rate of 5.0 percent a year ago. This compares favorably to the state's average unemployment rate of 10.0 percent and the national average rate of 11.1 percent.
- The occupancy rate of the government's central business district has remained at 96.5 percent for the past three years.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

Both the Water and Sewer rates were increased for the 2009 budget year. The water and sewer rates were increased by an average of 5.18 percent for all customers. These rate increases were necessary for the operational needs for the Water and Sewer fund.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark F. Nannini, Director of Finance, 100 W. Woodstock Street, Crystal Lake, Illinois 60014.

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BASIC FINANCIAL STATEMENTS

City of Crystal Lake, Illinois
Statement of Net Assets
April 30, 2009

	Governmental Activities	Business-type Activities	Total	Component Unit Crystal Lake Public Library
Assets				
Cash and investments	\$ 37,608,250	\$ 4,965,772	\$ 42,574,022	\$ 3,064,266
Receivables, net:				
Property taxes	10,910,063	-	10,910,063	3,935,986
Accrued interest	609,952	-	609,952	-
Accounts	965,223	681,256	1,646,479	-
Internal balances	69,904	(69,904)	-	-
Due from fiduciary funds	213,053	-	213,053	-
Due from other governments	4,817,982	-	4,817,982	-
Inventory	85,348	-	85,348	-
Prepaid items and other assets	1,059,461	134,436	1,193,897	-
Total current assets	56,339,236	5,711,560	62,050,796	7,000,252
Noncurrent:				
Deferred bond issuance costs	305,070	-	305,070	-
Capital assets (net of accumulated depreciation):				
Land	102,588,927	628,095	103,217,022	661,569
Construction in progress	3,316,692	430,225	3,746,917	-
Buildings and improvements	19,297,065	11,820,204	31,117,269	5,767,052
Machinery, equipment and vehicles	3,888,205	2,046,755	5,934,960	43,615
Infrastructure	29,480,920	53,006,750	82,487,670	-
Total noncurrent assets	158,876,879	67,932,029	226,808,908	6,472,236
Total assets	\$ 215,216,115	\$ 73,643,589	\$ 288,859,704	\$ 13,472,488

(cont'd)

City of Crystal Lake, Illinois
Statement of Net Assets (cont'd)
April 30, 2009

	Governmental Activities	Business-type Activities	Total	Component Unit Crystal Lake Public Library
Liabilities				
Current:				
Accounts payable	\$ 1,825,951	\$ 295,618	\$ 2,121,569	\$ 97,992
Accrued liabilities	310,632	37,134	347,766	67,007
Recapture fees payable	1,712,470	-	1,712,470	-
Unearned property tax revenue	10,910,063	-	10,910,063	3,935,986
Deposits payable	17,023	98,362	115,385	-
Interest payable	201,652	156,583	358,235	-
General obligation bonds payable	550,000	340,000	890,000	-
Special service area bonds payable	142,000	-	142,000	-
Notes payable	-	740,224	740,224	125,000
Compensated absences payable	937,711	99,397	1,037,108	63,573
Total current liabilities	16,607,502	1,767,318	18,374,820	4,289,558
Noncurrent:				
Compensated absences payable	4,026,612	605,916	4,632,528	516,393
Claims and judgments	90,234	12,301	102,535	-
Bonds payable:				
General obligation	6,460,000	3,985,000	10,445,000	-
Special service area	8,863,000	-	8,863,000	-
Notes payable	-	11,012,866	11,012,866	250,000
Net pension obligation	455,740	-	455,740	-
Net other post employment benefit obligation	16,101	-	16,101	-
Total noncurrent liabilities	19,911,687	15,616,083	35,527,770	766,393
Total liabilities	36,519,189	17,383,401	53,902,590	5,055,951
Net Assets				
Invested in capital assets, net of related debt	142,698,809	51,853,939	194,552,748	6,097,236
Restricted for:				
Working cash	-	-	-	50,773
Debt service	836,020	-	836,020	-
Unrestricted	35,162,097	4,406,249	39,568,346	2,268,528
Total net assets	\$ 178,696,926	\$ 56,260,188	\$ 234,957,114	\$ 8,416,537

See accompanying notes.

City of Crystal Lake, Illinois
Statement of Activities
For the Year Ended April 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General and administrative	\$ 8,609,775	\$ 869,769	\$ 27,386
Public safety	19,574,409	3,122,362	48,755
Highways and streets	7,820,886	248,958	1,077,248
Culture and recreation	323,582	-	-
Interest on long-term debt	766,112	-	-
Total governmental activities	37,094,764	4,241,089	1,153,389
Business-type activities - Waterworks and Sewerage	9,110,643	7,528,983	-
Total primary government	\$ 46,205,407	\$ 11,770,072	\$ 1,153,389
Component Unit - Crystal Lake Public Library	\$ 3,655,762	\$ 167,916	\$ -

General revenues:

Taxes:

Property
Replacement
State sales
Home rule sales
Auto rental
Income
Franchise fees - cable
Telecommunications
Hotel
Interest
Miscellaneous
Transfers

Total general revenues

Change in net assets

Net assets, beginning of the year

Net assets, end of the year

See accompanying notes.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Unit Crystal Lake Public Library
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (7,712,620)	\$ -	\$ (7,712,620)	\$ -
17,631	(16,385,661)	-	(16,385,661)	-
-	(6,494,680)	-	(6,494,680)	-
-	(323,582)	-	(323,582)	-
-	(766,112)	-	(766,112)	-
17,631	(31,682,655)	-	(31,682,655)	-
-	-	(1,581,660)	(1,581,660)	-
\$ 17,631	(31,682,655)	(1,581,660)	(33,264,315)	-
\$ 31,773	-	-	-	(3,456,073)
	11,527,194	-	11,527,194	3,795,242
	144,517	-	144,517	-
	10,748,033	-	10,748,033	-
	3,833,890	-	3,833,890	-
	30,560	-	30,560	-
	3,503,952	-	3,503,952	-
	474,377	-	474,377	-
	1,925,732	-	1,925,732	-
	313,289	-	313,289	-
	1,345,422	59,519	1,404,941	55,395
	735,643	13,943	749,586	13,501
	(402,017)	402,017	-	-
	34,180,592	475,479	34,656,071	3,864,138
	2,497,937	(1,106,181)	1,391,756	408,065
	176,198,989	57,366,369	233,565,358	8,008,472
\$ 178,696,926	\$ 56,260,188	\$ 234,957,114	\$ 8,416,537	

City of Crystal Lake, Illinois
Balance Sheet - Governmental Funds
April 30, 2009

	General Fund	Special Motor Fuel Tax Fund
Assets		
Cash and investments	\$ 14,820,692	\$ 10,523,724
Receivables:		
Property taxes, net	2,234,436	-
Interest	523,106	72,377
Other	227,675	41,753
Due from other funds	3,424,663	1,932
Due from other governments	3,788,332	79,453
Inventory	85,348	-
Prepaid items	610,765	-
Total assets	\$ 25,715,017	\$ 10,719,239
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,081,272	\$ 67,522
Accrued payroll	217,265	-
Recapture fees payable	601	-
Due to other funds	20,736	1,000,000
Deferred property tax revenue	2,234,436	-
Total liabilities	3,554,310	1,067,522
Fund balance:		
Reserved for:		
Inventory	85,348	-
Prepaid items	610,765	-
Long-term loans receivable	1,800,000	-
Other postemployment benefits	179,436	-
Unreserved, reported in:		
General Fund	19,485,158	-
Debt Service Funds	-	-
Capital Projects Funds	-	-
Special Revenue Funds	-	9,651,717
Total fund balances (deficit)	22,160,707	9,651,717
Total liabilities and fund balances	\$ 25,715,017	\$ 10,719,239

See accompanying notes.

Revenue Funds				
Fire Rescue Fund	Illinois Municipal Retirement Fund	Capital Projects Fund Vulcan Lakes TIF District	Other Governmental Funds	Total Governmental Funds
\$ 3,952,280	\$ 1,030,121	\$ 376,443	\$ 6,904,990	\$ 37,608,250
5,772,097	1,893,696	52,241	957,593	10,910,063
-	-	-	14,469	609,952
424,693	-	-	271,102	965,223
-	-	-	-	3,426,595
-	-	-	950,197	4,817,982
-	-	-	-	85,348
435,023	-	-	13,673	1,059,461
\$ 10,584,093	\$ 2,923,817	\$ 428,684	\$ 9,112,024	\$ 59,482,874
\$ 432,658	\$ -	\$ 227,337	\$ 34,185	\$ 1,842,974
89,820	-	-	3,547	310,632
-	-	-	1,711,869	1,712,470
69,865	-	1,814,024	239,013	3,143,638
5,772,097	1,893,696	52,241	957,593	10,910,063
6,364,440	1,893,696	2,093,602	2,946,207	17,919,777
-	-	-	-	85,348
435,023	-	-	13,673	1,059,461
-	-	-	-	1,800,000
-	-	-	-	179,436
-	-	-	-	19,485,158
-	-	-	836,020	836,020
-	-	(1,664,918)	1,161,184	(503,734)
3,784,630	1,030,121	-	4,154,940	18,621,408
4,219,653	1,030,121	(1,664,918)	6,165,817	41,563,097
\$ 10,584,093	\$ 2,923,817	\$ 428,684	\$ 9,112,024	\$ 59,482,874

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City of Crystal Lake, Illinois
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Assets
April 30, 2009

Total fund balance - governmental funds (page 18)	\$	41,563,097
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		158,571,809
Bond issuance costs are amortized over the life of the issue for governmental activities, but expensed in the period paid in the governmental funds.		305,070
<p>Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:</p>		
General obligation bonds payable		(7,010,000)
Special service area bonds payable		(9,005,000)
Compensated absences payable		(4,964,323)
Claims and judgments		(90,234)
Net pension obligation		(455,740)
Net other post employment benefit obligation		(16,101)
Interest payable		(201,652)
		(17,735,050)
Net assets of governmental activities (page 14)	\$	178,696,926

See accompanying notes.

City of Crystal Lake, Illinois
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended April 30, 2009

	General Fund	Special Motor Fuel Tax Fund
Revenues:		
Charges for services	\$ 402,108	\$ -
Licenses and permits	438,520	-
Intergovernmental	27,386	1,077,248
Fines and forfeitures	626,212	-
Property taxes	2,093,079	-
Other taxes	17,140,461	-
Investment income (loss)	921,432	255,736
Miscellaneous	266,632	26,504
Total revenues	21,915,830	1,359,488
Expenditures:		
Current:		
General government	6,448,588	-
Public safety	10,483,371	-
Highways and streets	4,567,515	1,354,100
Culture and recreation	-	-
Debt service:		
Principal retirement	265,000	-
Interest and fiscal charges	153,626	-
Capital outlay	708,749	124,168
Total expenditures	22,626,849	1,478,268
Revenues over (under) expenditures before other financing sources (uses)	(711,019)	(118,780)
Other financing sources (uses):		
Transfers in	572,400	-
Transfers out	(122,365)	-
Total other financing sources (uses)	450,035	-
Net changes in fund balances (deficit)	(260,984)	(118,780)
Fund balances (deficit), beginning of the year	22,421,691	9,770,497
Fund balances (deficit), end of the year	\$ 22,160,707	\$ 9,651,717

See accompanying notes.

Revenue Funds				
Fire Rescue Fund	Illinois Municipal Retirement Fund	Capital Projects Fund Vulcan Lakes TIF District	Other Governmental Funds	Total Governmental Funds
\$ 2,443,047	\$ -	\$ -	\$ 532,657	\$ 3,377,812
-	-	-	248,958	687,478
17,631	-	-	-	1,122,265
-	-	-	-	626,212
5,568,512	1,911,877	41,058	1,912,668	11,527,194
-	-	-	3,882,645	21,023,106
25,575	17,751	(195)	125,127	1,345,426
11,426	-	-	17,176	321,738
8,066,191	1,929,628	40,863	6,719,231	40,031,231
-	741,925	-	441,745	7,632,258
7,232,527	289,902	-	166,227	18,172,027
-	289,150	-	173,423	6,384,188
-	323,582	1,148,193	-	1,471,775
-	-	-	415,000	680,000
-	-	-	618,365	771,991
332,864	-	13	4,721,803	5,887,597
7,565,391	1,644,559	1,148,206	6,536,563	40,999,836
500,800	285,069	(1,107,343)	182,668	(968,605)
-	-	1,256,449	728,969	2,557,818
(69,096)	-	-	(2,331,530)	(2,522,991)
(69,096)	-	1,256,449	(1,602,561)	34,827
431,704	285,069	149,106	(1,419,893)	(933,778)
3,787,949	745,052	(1,814,024)	7,585,710	42,496,875
\$ 4,219,653	\$ 1,030,121	\$ (1,664,918)	\$ 6,165,817	\$ 41,563,097

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**City of Crystal Lake, Illinois
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2009**

Amounts reported for governmental activities in the statement of activities
(pages 15 and 16) are different because:

Net changes in fund balances (deficit) - total governmental funds (page 21)	\$	(933,778)
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities.		5,293,379
Depreciation on capital assets is reported as an expense in the statement of activities.		(2,006,919)
The repayment of 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.		680,000
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		(3,141)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences payable		(347,426)
Increase in claims and judgments		(2,349)
Decrease in interest payable		5,879
Increase in net pension obligation		(171,607)
Increase in net other post retirement benefit obligation		(16,101)
Change in net assets of governmental activities (page 16)	\$	<u>2,497,937</u>

See accompanying notes.

City of Crystal Lake, Illinois
Proprietary Fund - Waterworks and Sewerage Fund
Statement of Net Assets
April 30, 2009

Assets	
Current assets:	
Cash and cash equivalents	\$ 4,965,772
Receivables - accounts	681,256
Due from other funds	18,804
Prepaid items	134,436
Total current assets	5,800,268
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Land	628,095
Construction in progress	430,225
Building improvements	11,820,204
Machinery and equipment and vehicles	2,046,755
Infrastructure	53,006,750
Total noncurrent assets	67,932,029
Total assets	73,732,297
Liabilities	
Current liabilities:	
Accounts payable	295,618
Deposits payable	98,362
Accrued payroll	37,134
Interest payable	156,583
Due to other funds	88,708
General obligation bonds - current	340,000
Notes payable	740,224
Compensated absences payable	99,397
Total current liabilities	1,856,026
Noncurrent liabilities:	
Compensated absences payable	605,916
Claims and judgments	12,301
Notes payable	11,012,866
General obligation bonds - noncurrent	3,985,000
Total noncurrent liabilities	15,616,083
Total liabilities	17,472,109
Net Assets	
Invested in capital assets, net of related debt	51,853,939
Unrestricted	4,406,249
Total net assets	\$ 56,260,188

See accompanying notes.

City of Crystal Lake, Illinois
Proprietary Fund - Waterworks and Sewerage Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended April 30, 2009

<hr/>	
Operating revenues:	
Charges for services	\$ 6,688,515
Miscellaneous	<u>13,943</u>
Total operating revenues	6,702,458
Operating expenses - excluding depreciation	<u>5,986,365</u>
Operating income before depreciation	716,093
Depreciation	<u>2,633,280</u>
Operating loss	(1,917,187)
Nonoperating revenue (expense):	
Connection fees	667,847
Interest income	59,519
Rental income	172,621
Interest expense	(485,739)
Loss on sale of capital assets	<u>(5,259)</u>
Total nonoperating revenue (expense)	408,989
Loss before contributions and transfers	(1,508,198)
Capital contribution	436,844
Transfer out	<u>(34,827)</u>
Change in net assets	(1,106,181)
Total net assets, beginning of the year	<u>57,366,369</u>
Total net assets, end of the year	<u>\$ 56,260,188</u>

See accompanying notes.

City of Crystal Lake, Illinois
Proprietary Fund - Waterworks and Sewerage Fund
Statement of Cash Flows
For the Year Ended April 30, 2009

<hr/>	
Cash flows from operating activities:	
Receipts from customers	\$ 6,514,099
Payments to suppliers	(3,297,598)
Payments to employees	<u>(2,848,888)</u>
Net cash from operating activities	<u>367,613</u>
Cash flows from capital and related financing activities:	
Capital assets purchased	(753,288)
Connection fees	667,847
Proceeds from sale of capital assets	3,908
Principal paid on general obligation bonds	(335,000)
Principal paid on notes payable	(721,809)
Interest paid on general obligation bonds and notes payable	<u>(498,183)</u>
Net cash from capital and related financing activities	<u>(1,636,525)</u>
Cash flows from noncapital financing activities:	
Advances from (to) other funds	19,926
Transfers to other funds	(34,827)
Rental income	<u>172,621</u>
Net cash from noncapital financing activities	<u>157,720</u>
Cash flows from investing activities - interest and dividends	<u>59,519</u>
Net decrease in cash and cash equivalents	(1,051,673)
Balance, beginning of the year	<u>6,017,445</u>
Balance, end of the year	<u>\$ 4,965,772</u>
Noncash transactions - capital contribution received from governmental funds	<u>\$ 436,844</u>

(cont'd)

City of Crystal Lake, Illinois
Proprietary Fund - Waterworks and Sewerage Fund
Statement of Cash Flows (cont'd)
For the Year Ended April 30, 2009

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,917,187)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	2,633,280
Increase in receivables	(188,359)
Decrease in prepaid items	1,485
Decrease in accounts payable	(151,062)
Decrease in deposits payable	(18,218)
Increase in accrued payroll	11,944
Decrease in claims and judgments payable	(573)
Decrease in compensated absences payable	(3,697)
	<hr/>
Net cash from operating activities	\$ 367,613

See accompanying notes.

City of Crystal Lake, Illinois
Fiduciary Funds - Trust and Agency Funds
Statement of Fiduciary Net Assets
April 30, 2009

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash	\$ 26,374	\$ 129,774
Investments:		
Illinois Funds Investment Pool	221,492	-
Money market accounts	1,419,650	-
U.S. government and agency securities	15,865,790	-
Insurance contracts	319,681	-
Mutual funds - bonds	876,259	-
Mutual funds - stocks	11,680,513	-
Interest receivable	184,352	-
Other receivable	-	621
Total assets	<u>\$ 30,594,111</u>	<u>\$ 130,395</u>
Liabilities		
Accounts payable	\$ 509	\$ -
Recapture fees payable	-	(82,658)
Due to other funds	-	213,053
Total liabilities	<u>509</u>	<u>130,395</u>
Net Assets		
Restricted for pension benefits	<u>30,593,602</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 30,594,111</u>	<u>\$ 130,395</u>

See accompanying notes.

City of Crystal Lake, Illinois
Fiduciary Funds - Trust and Agency Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended April 30, 2009

Additions	
Contributions:	
Employer	\$ 2,092,858
Participant	862,194
	<u>2,955,052</u>
Investment income:	
Net depreciation in fair value of investments	(5,562,704)
Interest income	1,225,892
Less investment expenses	(110,957)
	<u>(4,447,769)</u>
Total investment income	<u>(4,447,769)</u>
Total additions	<u>(1,492,717)</u>
Deductions	
Pension benefits and refunds	1,698,739
Administrative expenses	12,176
	<u>1,710,915</u>
Total deductions	<u>1,710,915</u>
Changes in net assets	<u>(3,203,632)</u>
Total net assets, beginning of the year	<u>33,797,234</u>
Total net assets, end of the year	<u>\$ 30,593,602</u>

See accompanying notes.

City of Crystal Lake, Illinois Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The City of Crystal Lake, Illinois (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.

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

A. The Reporting Entity

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as 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.

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, and they are, therefore, 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.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Government-wide and Fund Financial Statements

The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the City. Eliminations have been made to minimize the double counting of internal activities of the City. The financial activities of the City consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the City's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: 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. The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The City has the following major governmental funds:

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

B. **Government-wide and Fund Financial Statements (cont'd)**

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

Motor Fuel Tax Fund – This fund accounts 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.

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

Illinois Municipal Retirement Fund – This fund accounts for revenues derived from a separate property tax levy and disbursement of these funds for contributions to the state-sponsored Illinois Municipal Retirement Fund.

Vulcan Lakes TIF District – This fund is intended to spur a comprehensive development of this area and will include residential, retail and recreational facilities.

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

The City administers the following major proprietary fund:

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

There are no other enterprise funds.

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

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. 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 financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the City has legal claim to the resources. Grants, entitlements, state shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

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

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

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Budgets

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

During the current year, budgets were not adopted for the following funds:

Debt Service Funds

Special Service Area Nos. 4-18
Special Service Area No. 19
Special Service Area Nos. 21-31
Special Service Area Nos. 32-39
Special Service Area No. 42

Capital Projects Funds

Special Service Area No. 42
Special Assessment No. 145
Crystal Heights Utility Extension
SSA 44 Tracy Trail Construction
SSA 45 Bryn Mawr Project
SSA 46 Ryland Main Construction

E. Assets, Liabilities and Equity

1. Deposits and Investments

Cash and Cash Equivalents

For 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, including amounts in the Illinois Funds Investment Pool.

Investments

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

- Securities issued or granted by the United States.
- Interest bearing savings accounts, certificates of deposit, and time deposits for banks and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

1. Deposits and Investments (cont'd)

Investments (cont'd)

- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Investment Pool.
- Repurchase agreements that meet instrument transaction requirements of Illinois law.

In addition, Pension Trust Funds are also permitted to invest in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the fund's investments.
- Interest-bearing bonds of the state of Illinois, and bonds or tax anticipation warrants of any county, township, or municipal corporation of the state of Illinois.
- Mutual funds which meet the following requirements: (1) managed by an investment company as defined under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953, (2) mutual fund has been in operation for 5 years, (3) mutual fund has assets of \$250 million or more, (4) mutual fund is comprised of stocks, bonds, or money market instruments, and (5) limited to 35% of net present assets.
- Common and preferred stocks which meet the following requirements: (1) investments must be made through an investment advisor, (2) stocks of U.S. corporations that have been in existence for five years, (3) corporations not in arrears in payment of dividends in last five years, (4) market value of stock in any one corporation does not exceed 5% of cash and invested assets of pension fund, (5) stock in any one corporation does not exceed 5% of total outstanding stock in the corporation, (6) stock listed on national securities exchange or quoted in NASDAQNMS, and (7) limited to 35% of net present assets.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

1. Deposits and Investments (cont'd)

Investments (cont'd)

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

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

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

2. Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets

Capital assets, which include land, infrastructure (streets, bridges), buildings, water mains and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000 in the General Fund and an initial, individual cost of more than \$25,000 in the Waterworks and Sewerage Fund, and an estimated useful life of greater than one year. The City capitalizes all vehicle additions due to the City's intent to monitor their use and existence. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

3. Capital Assets (cont'd)

As of May 1, 2003, the City completed an inventory of all capital assets, including all infrastructure, regardless of the acquisition date. These assets have been valued at their estimated historical cost, or for donated assets, at their estimated fair market value at the date of donation. All capital asset additions subsequent to May 1, 2003, are recorded at cost, or fair market value as of the date donated, as applicable.

Interest incurred during the construction phase of enterprise fund capital asset is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis 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

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

4. Vacations and Sick Leave

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation, and vested sick leave balances for City employees.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

4. Vacation and Sick Leave (cont'd)

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). The General Fund is typically used to liquidate these liabilities. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

5. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, net pension obligation and net other post-employment benefits obligation, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 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 debt services expenditures.

Debt services funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

6. Reserved Fund Balances and Restricted Net Assets

Reserves and restrictions represent those portions of individual fund balances/net assets not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

6. Reserved Fund Balances and Restricted Net Assets (cont'd)

Individual Fund Reserves and Restrictions:

General Fund – The City has reserved certain fund balances for inventory and prepaid items.

Debt Service Funds – Fund balances for debt services funds are reserved for the payment of principal and interest on outstanding debt.

Pension Trust Funds – The City has restricted net assets for employees' retirement commitments within the Police and Firefighters' Pension Funds.

Restricted Net Assets – Governmental Activities:

Restricted for debt service – Represents net asset restrictions imposed by bond covenants.

Restricted for working cash – Represents net assets restricted through state of Illinois compiled statutes.

7. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

8. Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

E. Assets, Liabilities and Equity (cont'd)

9. Interfund Transactions

The City has the following types of transactions between funds:

Loans – Amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender fund and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Services provided and used – Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements – Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – Flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

10. Claims and Judgments

Liabilities resulting from claims and judgments have been reflected in the financial statements in accordance with NCGA Statement 4 and SFAS 5 provisions.

11. Unbilled Services

Unbilled water revenue of the Waterworks and Sewerage Fund is recognized as earned when the water is consumed.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds

A. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds, which are held separately. In addition, investments are separately held by several of the City's funds. Income from pooled investments is allocated to the funds based on their proportional share of the investment balance.

Custodial Credit Risk - Deposits – 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 100% of the fair market value of the net amount of public funds secured. Pledged collateral will be held by the City of Crystal Lake 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 of Crystal Lake, but the agreement will allow for an exchange of collateral of like value. The City will accept any of the following assets as collateral:

- a. Negotiable obligations of the United States Government
- b. Negotiable obligations of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government.

Investments – As of April 30, 2009, the City had the following investments:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 2,997,441	\$ 311,295	\$ 2,119,189	\$ 566,957	\$ -
Fixed Income Money Market funds	1,419,650	1,419,650	-	-	-
Mortgage-backed securities	328,939	-	-	105,979	222,960
Other Agency securities	18,137,333	4,326,416	12,412,146	1,398,771	-
Certificates of deposit	20,905,465	4,497,985	16,407,480	-	-
Mutual funds*	12,556,772	12,556,772	-	-	-
Corporate notes	800,812	285,342	515,470	-	-
Insurance contracts	319,681	319,681	-	-	-
Illinois Funds Investment Pool*	9,860,767	9,860,767	-	-	-
Total Investments	\$ 67,326,860	\$ 33,577,908	\$ 31,454,285	\$ 2,071,707	\$ 222,960

* Weighted average maturity of the Fund/Pool is less than one year.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

A. Deposits and Investments (cont'd)

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Firefighters' Pension Fund has the following limits on its investment maturities:

<u>Years</u>	<u>Maximum %</u>
0 - 5	100%
6 - 10	75%
10 - 20	50%

Credit Risk – State law limits investment in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The City's policy places no further limits beyond those required by state law.

As of April 30, 2009, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poors</u>
Fixed Income Money Market Funds	\$ 1,419,650	NR
Other Agency Securities	18,137,333	AAA
Illinois Funds Investment Pool	9,860,767	AAA

NR = Not Rated

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities 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 Finance Director and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in any one issuer. More than 5 percent of the City's investments (excludes the Pension Trust Funds) are in FHLMC and FHLB, which account for 7.26% and 9.63% of the City's total investments respectively, and four specific certificates of deposit which account for 10.37%, 7.32%, 7.32% and 5.49% respectively, of the City's total investments. Concentration risk disclosures for the Police and Firefighters' Pension Funds are in Note III. D.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

A. Deposits and Investments (cont'd)

Other Information – The Illinois Funds Investment Pool (Pool) is not registered with the SEC. The Illinois State Treasury administers the pool and oversight is provided by the Auditor General's Office of the State of Illinois. The fair value of the positions in this pool is the same as the value of the pool shares.

Component Unit – Crystal Lake Public Library

At year end, the Library had investments in the Illinois Funds Investment Pool with a fair value of \$2,700,316. The weighted average maturity of the pool is less than one year. The Illinois Funds Investment Pool was rated AAA by Standard & Poors rating service.

B. Property Taxes

The City's property tax is levied each calendar year on all taxable real property located in the City. Because the 2008 levy is intended to fund the operations of fiscal year 2010, the 2008 property tax levy is recorded as a receivable and the 2008 property tax revenue is deferred.

The township assessors are responsible for assessment of all taxable real property within McHenry County except for certain railroad property that is assessed directly by the state. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the county.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2008 become due and payable in two installments in June 2009 and September 2009. The City must file its tax levy by the last Tuesday of December each year. The owner of real property on January 1 in any year is liable for taxes of that year. The lien date for delinquent taxes is the second week in November each year.

Property taxes receivable is shown net of an allowance for doubtful accounts. The property tax receivable allowance is equal to 1.0% of the most recent property tax levy.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

C. Capital Assets

Governmental Activities

A summary of changes in capital assets for governmental activities of the City for the year ended April 30, 2009 is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 102,443,500	\$ 145,427	\$ -	\$ 102,588,927
Construction in progress	<u>1,309,579</u>	<u>2,492,621</u>	<u>485,508</u>	<u>3,316,692</u>
	<u>103,753,079</u>	<u>2,638,048</u>	<u>485,508</u>	<u>105,905,619</u>
Capital assets being depreciated:				
Buildings and improvements	24,309,702	385,958	-	24,695,660
Machinery, equipment and vehicles	9,905,383	778,985	99,369	10,584,999
Infrastructure	<u>40,422,909</u>	<u>1,975,896</u>	<u>-</u>	<u>42,398,805</u>
	<u>74,637,994</u>	<u>3,140,839</u>	<u>99,369</u>	<u>77,679,464</u>
Less accumulated depreciation for:				
Buildings and improvements	4,662,973	735,622	-	5,398,595
Machinery, equipment and vehicles	6,131,328	664,835	99,369	6,696,794
Infrastructure	<u>12,311,423</u>	<u>606,462</u>	<u>-</u>	<u>12,917,885</u>
	<u>23,105,724</u>	<u>2,006,919</u>	<u>99,369</u>	<u>25,013,274</u>
Total capital assets being depreciated, net	<u>51,532,270</u>	<u>1,133,920</u>	<u>-</u>	<u>52,666,190</u>
Governmental activities capital assets, net	<u>\$ 155,285,349</u>	<u>\$ 3,771,968</u>	<u>\$ 485,508</u>	<u>\$ 158,571,809</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

C. Capital Assets (cont'd)

Business-type Activities

A summary of changes in capital assets for business-type activities of the City for the year ended April 30, 2009 is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 628,095	\$ -	\$ -	\$ 628,095
Construction in progress	<u>5,528,739</u>	<u>29,476</u>	<u>5,127,990</u>	<u>430,225</u>
	<u>6,156,834</u>	<u>29,476</u>	<u>5,127,990</u>	<u>1,058,320</u>
Capital assets being depreciated:				
Buildings and improvements	15,920,016	-	-	15,920,016
Machinery, equipment and vehicles	3,584,117	100,962	29,840	3,655,239
Infrastructure	<u>81,702,380</u>	<u>6,187,684</u>	<u>26,192</u>	<u>87,863,872</u>
	<u>101,206,513</u>	<u>6,288,646</u>	<u>56,032</u>	<u>107,439,127</u>
Less accumulated depreciation for:				
Buildings and improvements	3,465,823	633,989	-	4,099,812
Machinery, equipment and vehicles	1,477,715	160,609	29,840	1,608,484
Infrastructure	<u>33,035,465</u>	<u>1,838,682</u>	<u>17,025</u>	<u>34,857,122</u>
	<u>37,979,003</u>	<u>2,633,280</u>	<u>46,865</u>	<u>40,565,418</u>
Total capital assets being depreciated, net	<u>63,227,510</u>	<u>3,655,366</u>	<u>9,167</u>	<u>66,873,709</u>
Business-type activities capital assets, net	<u>\$ 69,384,344</u>	<u>\$ 3,684,842</u>	<u>\$ 5,137,157</u>	<u>\$ 67,932,029</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

C. Capital Assets (cont'd)

Component Unit – Crystal Lake Public Library

A summary of changes in capital assets for component unit activities of the City for the year ended April 30, 2009 is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Component Unit Activities:				
Capital assets not being depreciated – Land	\$ 661,569	\$ -	\$ -	\$ 661,569
Capital assets being depreciated:				
Buildings and improvements	7,849,561	-	-	7,849,561
Machinery, equipment and vehicles	237,527	-	-	237,527
	8,087,088	-	-	8,087,088
Less accumulated depreciation for:				
Buildings and improvements	1,922,310	160,199	-	2,082,509
Machinery, equipment and vehicles	162,341	31,571	-	193,912
	2,084,651	191,770	-	2,276,421
Total capital assets being depreciated, net	6,002,437	(191,770)	-	5,810,667
Component unit activities capital assets, net	\$ 6,664,006	\$ (191,770)	\$ -	\$ 6,472,236

Depreciation was charged to functions/activities as follows:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	Public Library
General and administrative	\$ 550,910	\$ -	\$ -
Public safety	669,172	-	-
Highways and streets	786,837	-	-
Culture and recreation	-	-	191,770
Waterworks and sewerage	-	2,633,280	-

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

D. Interfund Receivables, Payables and Transfers

The following interfund receivables and payables as of April 30, 2009 are expected to be liquidated in the next year during the normal course of operations:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	\$ 1,000,000
General	Fire Rescue	69,865
General	Vulcan Lakes TIF District	1,814,024
General	Waterworks and Sewerage	88,708
General	Nonmajor Governmental	239,013
General	Agency	213,053
Motor Fuel Tax	General	1,932
Waterworks and Sewerage	General	18,804
		<u>\$ 3,445,399</u>

The interfund balances represent amounts deposited into one fund but recorded as revenue in another fund, or expenditures paid on behalf of one fund by another fund, for which reimbursement has not yet taken place.

Receiving Fund	Paying Fund	Amount
General	Fire Rescue	\$ 69,096
General	Waterworks and Sewerage	34,827
General	Nonmajor Governmental	468,477
Vulcan Lakes TIF District	Nonmajor Governmental	1,256,449
Nonmajor Governmental	General Fund	122,365
Nonmajor Governmental	Nonmajor Governmental	606,604
		<u>\$ 2,557,818</u>

The transfers to the General Fund from the Fire Rescue Fund and Waterworks and Sewerage Fund are related to insurance costs. The transfers from the nonmajor governmental funds to the General Fund and Vulcan Lakes TIF District Fund were transfers of home rule sales tax receipts from the newly created special revenue fund created to track revenue received from the recently initiated home rule sales tax. The transfers from the General Fund to the nonmajor governmental funds were to the Police Special Details Fund to cover overtime costs, and to the Downtown TIF Construction Fund to cover capital asset purchases. The transfer between nonmajor governmental funds included a transfer of \$456,469 from Home Rule Sales Tax Fund to the Road/Vehicle License Fund to offset capital outlay costs, and \$150,135 between the Debt Service and Capital Project Funds in connection with the Tracy Trail project, to properly allocate prior year reimbursements.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

E. Long-term Obligations

Governmental Activities

The following is a summary of long-term obligation activity for the City associated with governmental activities for the year ended April 30, 2009:

	Balance May 1	Additions	Deletions	Balance April 30
City:				
General obligation bonds	\$ 7,560,000	\$ -	\$ 550,000	\$ 7,010,000
Special service area bonds	9,135,000	-	130,000	9,005,000
Claims and judgments	87,885	2,889,087	2,886,738	90,234
Net pension obligation*	284,133	2,100,743	1,929,136	455,740
Net OPEB	-	16,101	-	16,101
Compensated absences*	4,616,897	1,875,422	1,527,996	4,964,323
	<u>\$ 21,683,915</u>	<u>\$ 6,881,353</u>	<u>\$ 7,023,870</u>	<u>\$ 21,541,398</u>
Crystal Lake Public Library:				
Notes payable	\$ 625,000	\$ -	\$ 250,000	\$ 375,000
Compensated absences	539,723	212,645	172,402	579,966
	<u>\$ 1,164,723</u>	<u>\$ 212,645</u>	<u>\$ 422,402</u>	<u>\$ 954,966</u>

* The General Fund is typically used to liquidate these liabilities.

Business-type Activities

The following is a summary of long-term obligation activities for the City associated with business-type activities for the year ended April 30, 2009.

	Balance May 1	Additions	Deletions	Balance April 30
General obligation bonds	\$ 4,660,000	\$ -	\$ 335,000	\$ 4,325,000
Notes payable	12,474,899	-	721,809	11,753,090
Claims and judgments	12,874	393,865	394,438	12,301
Compensated absences	709,010	186,793	190,490	705,313
	<u>\$ 17,856,783</u>	<u>\$ 580,658</u>	<u>\$ 1,641,737</u>	<u>\$ 16,795,704</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

E. Long-term Obligations (cont'd)

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding and the current year activity are as follows:

Issue	Fund Debt Retired by	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
1998 General Obligation Bonds, original principal \$8,345,000 (partial Waterworks and TIF alternate revenue source), due in annual installments of \$415,000 to \$625,000 through January 1, 2019; interest at 4.20% to 5.75% payable semiannually on July 1 and January 1.	General and Debt Service	\$ 3,515,000	\$ -	\$ 265,000	\$ 3,250,000	\$ 265,000
	Waterworks and Sewerage	2,030,000	-	145,000	1,885,000	150,000
2004 General Obligation Bonds, original principal \$7,825,000 (partial Waterworks and TIF alternate revenue source), due in annual installments of \$475,000 to \$650,000 through December 15, 2019; interest at 3.00% to 3.90% payable semi-annually on June 15 and December 15.	General and Debt Service	4,045,000	-	285,000	3,760,000	285,000
	Waterworks and Sewerage	<u>2,630,000</u>	<u>-</u>	<u>190,000</u>	<u>2,440,000</u>	<u>190,000</u>
General Obligation Bonds		<u>\$12,220,000</u>	<u>\$ -</u>	<u>\$ 885,000</u>	<u>\$11,335,000</u>	<u>\$ 890,000</u>
Reported in:						
Governmental activities		\$ 7,560,000	\$ -	\$ 550,000	\$ 7,010,000	\$ 550,000
Business-type activities		<u>4,660,000</u>	<u>-</u>	<u>335,000</u>	<u>4,325,000</u>	<u>340,000</u>
		<u>\$12,220,000</u>	<u>\$ -</u>	<u>\$ 885,000</u>	<u>\$11,335,000</u>	<u>\$ 890,000</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

E. Long-term Obligations (cont'd)

Special service area bonds, included within the governmental activities, outstanding and the current year activity are as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Balance May 1</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance April 30</u>	<u>Due Within One Year</u>
Special Service Area No. 45 Bonds, Series 2006 – original principal \$5,945,000, due in annual installments of \$85,000 to \$435,000, commencing February 2009 through February 2031; interest at 4.40% to 5.50% payable semiannually on August 1 and February 1.	Capital Projects	\$ 5,935,000	\$ -	\$ 80,000	\$ 5,855,000	\$ 85,000
Special Service Area No. 46 Bonds, Series 2007 – original principal \$2,500,000, due in annual installments of \$7,000 to \$240,000, commencing March 2010 through March 2036; interest at 5.75% payable semiannually on September 1 and March 1.	Capital Projects	2,500,000	-	-	2,500,000	7,000
Special Service Area No. 44 Bonds, Series 2007 – original principal \$750,000, due in annual installments of \$50,000 commencing March 2010 through March 2036; interest at 4.20% to 4.85% payable annually on December 1.	Capital Projects	<u>700,000</u>	<u>-</u>	<u>50,000</u>	<u>650,000</u>	<u>50,000</u>
		<u>\$ 9,135,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 9,005,000</u>	<u>\$ 142,000</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

E. Long-term Obligations (cont'd)

Notes payable, included within the business-type activities, outstanding and the current year activity are as follows:

Issue	Fund Debt Retired by	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Notes payable due in annual installments beginning February 1, 2003; interest at 2.535%.	Waterworks and Sewerage	\$ 12,474,899	\$ -	\$ 721,809	\$ 11,753,090	\$ 740,224

The annual requirements to retire all governmental activities debt outstanding of the City as of April 30, 2009 are as follows:

Fiscal Year End	General Obligation Bonds		SSA Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 550,000	\$ 272,324	\$ 142,000	\$ 479,113
2010	580,000	253,154	220,000	475,921
2011	600,000	232,421	234,000	470,021
2012	620,000	210,906	243,000	463,271
2013	640,000	188,210	257,000	455,886
2014-2018	3,615,000	547,457	1,510,000	2,150,092
2019-2023	405,000	15,795	1,869,000	1,878,178
2024-2028	-	-	2,348,000	1,554,084
2029-2033	-	-	1,722,000	1,227,317
2034-2036	-	-	460,000	500,250
	<u>\$ 7,010,000</u>	<u>\$ 1,720,267</u>	<u>\$ 9,005,000</u>	<u>\$ 9,654,133</u>

The annual requirements to retire all business-type activities debt outstanding of the City as of April 30, 2009 are as follows:

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

II. Detailed Notes For All Funds (cont'd)

E. Long-term Obligations (cont'd)

Fiscal Year End	General Obligation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 340,000	\$ 171,807	\$ 740,224	\$ 293,279
2010	360,000	159,089	759,107	274,396
2011	360,000	145,402	778,472	255,030
2012	385,000	131,637	798,332	235,171
2013	410,000	116,938	818,698	214,805
2014-2018	2,225,000	334,747	4,417,634	749,880
2019-2023	245,000	9,555	3,440,623	176,636
	<u>\$ 4,325,000</u>	<u>\$ 1,069,175</u>	<u>\$ 11,753,090</u>	<u>\$ 2,199,197</u>

The Crystal Lake Public Library entered into a \$1,000,000 promissory note dated December 17, 2006 and maturing December 17, 2014. The Library will make annual principal payments of \$125,000 commencing December 17, 2007. Interest is payable monthly at 4.50%. The note is secured by a construction mortgage and assignment of rents dated December 17, 2006. During the prior year, the Library repaid an additional \$250,000 in principal and during the current year the Library repaid an additional \$125,000 in principal. The annual requirements to retire this promissory note are as follows:

Fiscal Year Ended	Principal	Interest
2010	\$ 125,000	\$ 15,000
2011	125,000	8,906
2012	125,000	3,750
	<u>\$ 375,000</u>	<u>\$ 27,656</u>

III. Other Information

A. 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 its uninsured risks of loss in the General, Waterworks and Sewerage (Enterprise), and Fire Rescue (Special Revenue) funds. These funds provided coverage for Group Health and Dental Coverage up to \$75,000 per claim.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

A. Risk Management (cont'd)

The City purchased commercial insurance for claims in excess of coverage provided by the Funds and for all other risks of loss. There have been no significant reductions in insurance coverage during the current year. Settled claims have not exceeded this commercial coverage in any of the past three years.

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 service for its members. The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

The City bases its self-insurance liability on its estimates of the City's history of claim payments, which includes an estimate of the incurred but not reported claims.

A reconciliation of the total claims liability for the current year and that of the two preceding years is reported below:

Unpaid claims liability – 4/30/06	\$ 112,274
Claims incurred – fiscal year 2007	2,168,638
Claims paid – fiscal year 2007	<u>(2,109,016)</u>
Unpaid claims liability – 4/30/07	171,896
Claims incurred – fiscal year 2008	2,725,050
Claims paid – fiscal year 2008	<u>(2,796,187)</u>
Unpaid claims liability – 4/30/08	100,759
Claims incurred – fiscal year 2009	3,282,962
Claims paid – fiscal year 2009	<u>(3,281,186)</u>
Unpaid claims liability – 4/30/09	<u>\$ 102,535</u>

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan

Illinois Municipal Retirement

Plan Description - The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with IMRF, an agent-multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. Benefit provisions are established by state statute and can only be changed by the General Assembly of the State of Illinois. The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy - As set by statute, Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2008 was 9.74% of payroll. The City also contributes for disability benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For 2008, the City's annual pension cost of \$1,016,583 for the Regular plan was equal to the City's required and actual contributions.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed
12/31/08	\$ 1,016,583	100 %
12/31/07	986,799	100
12/31/06	940,438	100

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Illinois Municipal Retirement (cont'd)

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the IMRF's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period using a 20% corridor. The City's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 26 years.

Funding Status and Funding Progress – As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 72.55% funded. The actuarial accrued liability for benefits was \$28,307,042 and the actuarial value of assets was \$20,536,625, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,770,417. The covered payroll (annual payroll of active employees covered by the plan) was \$10,437,197 and the ratio of the UAAL to the covered payroll was 74%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension

Plan Description – Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

At April 30, 2008 (consistent with the actuarial valuation date), the Police Pension Plan membership consisted of:

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Police Pension (cont'd)

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	24
Current employees:	
Vested	34
Nonvested	25
Total	83

The Police Pension Plan provides retirement benefits as well as death disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 is increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 years, by 3% of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

Funding Policy – Covered employees are required 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 as actuarially determined by an enrolled actuary. By the year 2032, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed bi-annually.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Police Pension (cont'd)

Current Year Annual Pension Cost and Net Pension Asset – The City's annual pension cost was \$1,190,390. The annual pension cost is based on an actuarial valuation performed as of April 30, 2008. The City's actual contribution was \$1,111,640. For a description of the significant actuarial assumptions see page 61.

The net pension liability of \$143,988 was comprised of the following:

Annual required contribution	\$ 1,188,842
Interest on the net pension asset	4,567
Adjustment to the ARC	<u>(3,019)</u>
Annual pension cost	1,190,390
2009 contribution	<u>1,111,640</u>
Increase in pension liability	78,750
Net pension liability at April 30, 2008	<u>65,238</u>
Net pension liability at April 30, 2009	<u>\$ 143,988</u>

The City has recorded the net pension obligation of \$143,988 in the government-wide Statement of Net Assets.

Reserves and Concentration of Investments – There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The following investments (other than those issued or guaranteed by the U.S. government, mutual funds, and other pooled investments) represent 5% or more of net assets available for benefits:

<u>Investment Type</u>	<u>% of Net Assets</u>
FFCB	7.15%
FFLMC	13.22%
FHLB	21.47%
FNMA	9.81%

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. **Other Information** (cont'd)

B. **Defined Benefit Pension Plan** (cont'd)

Firefighters' Pension

Plan Description – Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

At April 30, 2008 (consistent with the actuarial valuation date), the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	9
Current employees:	
Vested	19
Nonvested	36
Total	64

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held in the fire service at the date of retirement. The pension is increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit ranging from 15% of final salary for 10 years of service to 45.6% for 19 years of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 54.5% of final salary or the monthly retirement pension the deceased firefighter was receiving at the time of death. Surviving children receive 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 is increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the amount of the pension payable at the time of the increase.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Firefighters' Pension (cont'd)

Funding Policy – Covered employees are required to contribute 9.455% of their salary to the Firefighters' 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 as actuarially determined by an enrolled actuary. By the year 2032, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. Actuarial valuations are performed annually.

Current Year Annual Pension Cost and Net Pension Asset – The City's annual pension cost was \$910,353. The annual pension cost is based on the actuarial valuation performed as of April 30, 2008. The City's actual contribution was \$817,496. For a description of the significant actuarial assumptions, see page 61.

The net pension liability of \$311,752 was comprised of the following:

Annual required contributions (ARC)	\$ 905,160
Interest on the net pension asset	15,323
Adjustment to the ARC	<u>(10,130)</u>
Annual pension cost	910,353
2008 contribution	<u>817,496</u>
Increase in pension liability	92,857
Net pension liability at April 30, 2008	<u>218,895</u>
Net pension liability at April 30, 2009	<u>\$ 311,752</u>

The City has recorded the net pension obligation of \$311,752 in the government-wide Statement of Net Assets.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Firefighters' Pension (cont'd)

Reserves and Concentration of Investments – There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The following investments (other than those issued or guaranteed by the U.S. government, mutual funds, and other pooled investments) represent 5% or more of net assets available for benefits:

<u>Investment Type</u>	<u>% of Net Assets</u>
FHLB	7.93%
FNMA	15.20%

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

Administrative costs for both the Police and Firefighters' Pension Plans are financed primarily through investment earnings.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Summary of Significant Accounting Policies and Plan Asset Matters

Pension Plan Statements – The following page contains the individual pension fund statements for the year ended April 30, 2009.

Statement of Plan Net Assets	Police Pension	Firefighters' Pension
Assets:		
Cash	\$ 8,658	\$ 17,716
Investments:		
Illinois funds	69,788	151,704
Money market accounts	851,280	568,370
U.S. government and agency securities	9,002,088	6,863,702
Insurance contracts	-	319,681
Mutual funds – bonds	876,259	-
Mutual funds – stocks	7,551,545	4,128,968
Interest receivable	108,962	75,390
Total assets	18,468,580	12,125,531
Liabilities – accounts payable	236	273
Plan net assets held in trust for pension benefits	18,468,344	12,125,258
Total liabilities and plan net assets	\$ 18,468,580	\$ 12,125,531
Statement of Changes in Plan Net Assets	Police Pension	Firefighters' Pension
Additions:		
Contributions:		
Employer	\$ 1,187,907	\$ 904,951
Members	454,450	407,744
	1,642,357	1,312,695
Investment income:		
Net depreciation in fair value of investments	(3,790,760)	(1,771,944)
Interest income	842,119	383,773
Less investment expenses	(75,761)	(35,196)
Total additions	(3,024,402)	(1,423,367)
	(1,382,045)	(110,672)
Deductions:		
Pension benefits and refunds	1,221,753	476,986
Administrative expense	7,013	5,163
Total deductions	1,228,766	482,149
Change in net assets	(2,610,811)	(592,821)
Beginning net assets held in trust for pension benefits	21,079,155	12,718,079
Ending net assets held in trust for pension benefits	\$ 18,468,344	\$ 12,125,258

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2006	April 30, 2008	April 30, 2008
Actuarial Cost Method	Entry age Normal	Entry age Normal	Entry age Normal
Significant Actuarial Assumptions:			
(a) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually	7.00% compounded annually	7.00% compounded annually
(b) Projected Salary Increases – Attributable to Inflation	4.00%	5.50%	5.50%
(c) Additional Projected Salary Increases – Attributable to Seniority/Merit	0.40% to 11.60%, depending on age and service	(Note: Separate information for (b) and (c) not available)	
(d) Post-retirement Benefit Increases	3.00%	3.00%	3.00%
Method Used to Determine Actuarial Value of Assets	Five-year smoothed market value	Three-year smoothed market value	Three-year smoothed market value
Amortization Method and Remaining Period	Level percentage of projected payroll, closed basis, 24 years	Level percentage of projected payroll, closed basis, 25 years	Level percentage of projected payroll, closed basis, 25 years.

Trend Information

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the actual contribution made.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

B. Defined Benefit Pension Plan (cont'd)

Trend Information (cont'd)

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost	2004	\$ 566,965	\$ 696,732	\$ 466,858
	2005	775,783	696,732	466,858
	2006	872,700	735,256	543,254
	2007	940,438	967,919	711,840
	2008	986,799	1,113,556	820,030
	2009	1,016,583	1,190,390	910,353
Actual contributions	2004	\$ 566,965	\$ -	\$ -
	2005	775,783	-	-
	2006	872,700	735,907	541,367
	2007	940,438	966,026	707,944
	2008	986,799	1,073,638	708,003
	2009	1,016,583	1,111,640	817,496
Percent contributed	2004	%	100	%
	2005		100	%
	2006		100	%
	2007		100	%
	2008		100	%
	2009		100	%
Net pension obligation	2004	\$ -	\$ (24,078)	\$ (101,085)
	2005	-	(24,078)	(101,085)
	2006	-	(23,427)	(102,972)
	2007	-	(25,320)	(106,868)
	2008	-	(65,238)	(218,895)
	2009	-	(143,988)	(311,752)

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Other Post-employment Benefits (OPEB)

Plan Description – The City provides limited health care insurance coverage for its eligible retired employees. Full time employees who retire and are eligible for a pension under either the IMRF Plan, Police Pension Plan, or Firefighters' Pension Plan, can elect to continue their medical insurance for life by paying the full price of the insurance under any three of the pension plans offered by the City. They also have the option to continue their dental coverage for 18 months from the date of retirement. The City accounts for the plan in the government-wide financial statements. The plan does not issue a stand-alone financial report.

At April 30, 2009 (consistent with the actuarial valuation date), the OPEB Retiree Healthcare Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	7
Current employees:	
Vested	269
Nonvested	0
Total	276

Funding Policy – The retirees are allowed to participate in the same healthcare plan as active employees but must pay their full premium. Premiums are the same for active and retired employees. The contribution requirements for the City are spelled out in the pension plans' disclosures. The actuarially determined contributions to the pension plans takes into consideration the effect of allowing retirees to continue in the plan at the same premium as active employees.

Annual OPEB Cost and Net OPEB Obligation – The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of time not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the net OPEB obligation:

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Other Post-employment Benefits (OPEB) (cont'd)

Annual OPEB Cost and Net OPEB Obligation (cont'd)

Annual required contribution	\$ 29,773
Interest on net OPEB obligation	1,156
Adjustment to the ARC	<u>(771)</u>
Annual OPEB cost	30,158
2008 contribution	<u>37,178</u>
Decrease in net OPEB obligation	(7,020)
Net OPEB obligation at April 30, 2008	<u>23,121</u>
Net OPEB obligation at April 30, 2009	<u>\$ 16,101</u>

The City has recorded the net pension obligation of \$16,101 in the government-wide Statement of Net Assets.

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for the current and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/09	\$ 30,158	123.3 %	\$ 16,101
4/30/07	30,025	0.0	30,025
4/30/06	N/A	N/A	

Funding Status and Funding Progress – The OPEB plan is being funded on a pay as you go basis. At April 30, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,233,800.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

C. Other Post-employment Benefits (OPEB) (cont'd)

Funding Status and Funding Progress (cont'd)

actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), including a 3.0 percent inflation assumption, projected salary increases of 5.0 percent annually, and an annual healthcare inflation rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009 was 30 years.

D. Contingent Liabilities

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

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.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

E. Construction Commitments

The City had commitments under construction contracts of approximately \$3,500,000 outstanding at April 30, 2009. Subsequent to year end, the City entered into additional contracts related to Vulcan Lakes in excess of \$3,000,000.

F. Joint Venture – SEECOM

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

SEECOM is governed by an executive board established with the three voting members consisting of the Village Manager/Village Administrator/City Manager, or their respective staff designees, from the three founding communities. Two non-voting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These non-voting 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 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 is 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 5-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 un-depreciated value of SEECOM's capital assets.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

F. Joint Venture – SEECOM (cont'd)

SEECOM is located at 100 Municipal Complex, Crystal Lake, IL 60014. A separate audit report for SEECOM is available through their office.

The City reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$1,196,364 to SEECOM during fiscal year 2009.

G. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The City is required to implement this Statement for the year ending April 30, 2011.

Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. The City is required to implement this Statement for the year ending April 30, 2010.

Statement No. 53, *Accounting and Reporting for Derivative Instruments*, addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. The City is required to implement this Statement for the year ending April 30, 2011.

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The City is required to implement this Statement for the year ending April 30, 2012.

Management has not yet completed its assessment of these statements, however they are not expected to have a material effect on the overall financial statement presentation.

Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The City was required to implement this Statement in the current year.

City of Crystal Lake, Illinois
Notes to the Financial Statements (cont'd)

III. Other Information (cont'd)

G. New Governmental Accounting Standards (cont'd)

Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The City was required to implement this Statement in the current year.

Statement No. 50, *Pension Disclosures*, more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits. The City was required to implement this Statement in the current year.

H. Subsequent Event

On September 15, 2009, the City issued \$12,435,000 Series 2009A Build America Bonds, \$5,000,000 Series 2009B Recovery Zone Economic Development Bonds, and \$4,675,000 Series 2009C General Obligation Refunding Bonds. Series 2009A and 2009B bonds were issued to provide funding for Vulcan Lakes development and infrastructure improvements with regard to City water and sewer services. Series 2009C bonds were issued for the purpose of refunding the city's 1998 general obligation bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

**City of Crystal Lake, Illinois
 Illinois Municipal Retirement Fund
 Required Supplementary Information -
 Schedule of Funding Progress
 April 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/08	\$ 20,536,625	\$ 28,307,042	\$ 7,770,417	72.55 %	\$ 10,437,197	74.45 %
12/31/07	23,938,555	26,951,188	3,012,633	88.82	9,917,574	30.38
12/31/06	22,917,309	25,094,454	2,177,145	91.32	9,302,054	23.40
12/31/05	20,976,856	23,367,856	2,391,000	89.77	9,414,245	25.40
12/31/04	19,256,697	21,534,880	2,278,183	89.42	8,815,720	25.84
12/31/03	17,623,579	18,596,385	972,806	94.77	8,122,706	11.98

See independent auditor's report.

**City of Crystal Lake, Illinois
Police Pension Fund
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/08	\$ 21,079,158	\$ 36,079,367	\$ 15,000,209	58.42 %	\$ 4,115,343	364.49 %
12/31/07	20,366,745	33,981,410	13,614,665	59.93	3,950,211	344.66
12/31/06	18,189,042	30,682,017	12,492,975	59.28	3,949,442	316.32
12/31/05	15,830,954	28,204,041	12,373,087	56.13	3,662,402	337.84
12/31/04	14,650,126	25,475,775	10,825,649	57.51	3,399,984	318.40
12/31/01	12,407,344	19,684,809	7,277,465	63.03	2,763,297	263.36

See independent auditor's report.

**City of Crystal Lake, Illinois
Firefighters' Pension Fund
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/08	\$ 12,718,081	\$ 19,271,158	\$ 6,553,077	66.00 %	\$ 3,648,703	179.60 %
12/31/07	11,186,566	16,690,125	5,503,559	67.03	3,344,163	164.57
12/31/06	9,841,460	14,929,757	5,088,297	65.92	3,036,863	167.55
12/31/05	8,184,906	13,194,759	5,009,853	62.03	2,693,675	185.99
12/31/04	7,331,686	11,451,905	4,120,219	64.02	2,307,887	178.53
12/31/01	5,613,547	7,517,013	1,903,466	74.68	1,751,896	108.65

See independent auditor's report.

City of Crystal Lake, Illinois
Other Post Employment Benefits Retiree Healthcare Plan
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
04/30/09	\$ -	\$ 1,233,800	\$ 1,233,800	- %	\$ -	- %
04/30/07	-	224,593	224,593	-	-	-
04/30/06	-	-	-	-	-	-

See independent auditor's report.

City of Crystal Lake, Illinois
General Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Major Funds
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 602,872	\$ 402,108	\$ (200,764)
Licenses and permits	569,548	438,520	(131,028)
Intergovernmental	12,500	27,386	14,886
Fines and forfeitures	847,000	626,212	(220,788)
Property taxes	2,094,002	2,093,079	(923)
Other taxes	18,169,149	17,140,461	(1,028,688)
Investment income	286,750	921,432	634,682
Miscellaneous	398,817	266,632	(132,185)
Total revenues	22,980,638	21,915,830	(1,064,808)
Expenditures:			
Current:			
General government	7,249,892	6,448,588	801,304
Public safety	10,984,183	10,483,371	500,812
Highways and streets	4,509,960	4,567,515	(57,555)
Capital outlay	750,895	708,749	42,146
Debt service:			
Principal	265,000	265,000	-
Interest and fees	153,627	153,626	1
Total expenditures	23,913,557	22,626,849	1,286,708
Revenues under expenditures before other financing sources (uses)	(932,919)	(711,019)	221,900
Other financing sources (uses):			
Transfer in	103,923	572,400	468,477
Transfers out	-	(122,365)	(122,365)
Total other financing sources (uses)	103,923	450,035	346,112
Net changes in fund balance	\$ (828,996)	(260,984)	\$ 568,012
Fund balance, beginning of the year		22,421,691	
Fund balance, end of the year		\$ 22,160,707	

See independent auditor's report.

City of Crystal Lake, Illinois
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Major Funds
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,141,916	\$ 1,077,248	\$ (64,668)
Investment income	225,000	255,736	30,736
Other	25,000	26,504	1,504
Total revenues	1,391,916	1,359,488	(32,428)
Expenditures - current:			
Highways and street:			
Contractual services	1,559,053	619,434	939,619
Supplies and materials	250,000	734,666	(484,666)
Capital outlay - streets	2,089,160	124,168	1,964,992
Total expenditures	3,898,213	1,478,268	2,419,945
Net changes in fund balance	\$ (2,506,297)	(118,780)	\$ 2,387,517
Fund balance, beginning of the year		9,770,497	
Fund balance, end of the year		\$ 9,651,717	

See independent auditor's report.

City of Crystal Lake, Illinois
Fire Rescue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 2,272,899	\$ 2,443,047	\$ 170,148
Intergovernmental	-	17,631	17,631
Property taxes	5,573,438	5,568,512	(4,926)
Investment income	58,376	25,575	(32,801)
Other	17,000	11,426	(5,574)
Total revenues	7,921,713	8,066,191	144,478
Expenditures:			
Public safety:			
Personal services	6,336,135	5,895,153	440,982
Contractual services	1,208,481	1,046,597	161,884
Materials and supplies	289,600	290,777	(1,177)
Capital outlay	500,000	332,864	167,136
Total expenditures	8,334,216	7,565,391	768,825
Revenues over (under) expenditures before other financing uses	(412,503)	500,800	913,303
Other financing uses - transfers out	(69,096)	(69,096)	-
Net changes in fund balance	\$ (481,599)	431,704	\$ 913,303
Fund balance, beginning of the year		3,787,949	
Fund balance, end of the year		\$ 4,219,653	

See independent auditor's report.

**City of Crystal Lake, Illinois
 Illinois Municipal Retirement Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 1,912,823	\$ 1,911,877	\$ (946)
Other taxes - replacement	19,000	-	(19,000)
Investment income	10,562	17,751	7,189
Total revenues	1,942,385	1,929,628	(12,757)
Expenditures - current - personal services:			
General government	876,286	741,925	134,361
Public safety	342,403	289,902	52,501
Highways and streets	341,514	289,150	52,364
Culture and recreation	382,182	323,582	58,600
Total expenditures	1,942,385	1,644,559	297,826
Net changes in fund balance	\$ -	285,069	\$ 285,069
Fund balance, beginning of the year		745,052	
Fund balance, end of the year		\$ 1,030,121	

See independent auditor's report.

City of Crystal Lake, Illinois
Notes to the Required Supplementary Information

Budgetary Information

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. 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 accounting principles generally accepted in the United States of America (GAAP), except depreciation is not budgeted in the Waterworks and Sewerage Fund.
- B. A public hearing is conducted to obtain taxpayer comments.
- C. Prior to May 1, the budget is legally enacted for the General Fund, Special Revenue Funds, Debt Services Funds (exceptions noted in Note I.D.), Capital Projects Funds (exceptions noted in Note I.D.), Enterprise Funds and Pension Trust Funds.
- D. 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. No budget modifications were made for the year ended April 30, 2009. The Library approved supplemental appropriations.

As of April 30, 2009, the following funds had an excess of actual expenditures over budget:

<u>Fund Name</u>	<u>Excess</u>
Foreign Fire Insurance Fund	\$ 14,032
Crystal Heights Debt Service Fund	87,325
SSA #44 Tracy Trail Project Debt Service Fund	58,507
SSA #45 Bryn Mawr Water and Sewer Project Fund	2,908
Downtown Redevelopment TIF Project Fund	907,730
Virginia Street Corridor TIF Construction Fund	11,981
Vulcan Lakes TIF District Fund	385,898
Police Pension Fund	162,881
Firefighters' Pension Fund	109,814

SUPPLEMENTARY INFORMATION

City of Crystal Lake, Illinois
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Charges for services:			
Zoning and subdivision fees	\$ 24,150	\$ 4,403	\$ (19,747)
Plan review fees	230,000	54,324	(175,676)
Parking	310,722	244,604	(66,118)
Police revenue	-	53,104	53,104
Annexation fees	14,000	350	(13,650)
Other fees	24,000	45,323	21,323
	<u>602,872</u>	<u>402,108</u>	<u>(200,764)</u>
Licenses and permits:			
Liquor licenses	93,775	94,218	443
Miscellaneous licenses and permits	5,250	43,843	38,593
Building permits	465,273	295,604	(169,669)
Occupancy permits	5,250	4,855	(395)
	<u>569,548</u>	<u>438,520</u>	<u>(131,028)</u>
Intergovernmental - grants	<u>12,500</u>	<u>27,386</u>	<u>14,886</u>
Fines and forfeitures:			
Police fines	797,000	608,176	(188,824)
Adjudication fines	50,000	18,036	(31,964)
	<u>847,000</u>	<u>626,212</u>	<u>(220,788)</u>
Property taxes	<u>2,094,002</u>	<u>2,093,079</u>	<u>(923)</u>

(cont'd)

City of Crystal Lake, Illinois
General Fund
Schedule of Revenues - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Other taxes:			
Replacement tax	\$ 108,360	\$ 144,517	\$ 36,157
State sales tax	11,215,750	10,189,284	(1,026,466)
Auto rental tax	28,500	30,560	2,060
Income tax	3,688,348	3,503,952	(184,396)
Franchise fees - cable	400,000	474,377	74,377
Telecommunications tax	1,911,000	1,925,732	14,732
Hotel tax	290,000	313,289	23,289
Local use tax	527,191	558,750	31,559
	<u>18,169,149</u>	<u>17,140,461</u>	<u>(1,028,688)</u>
Investment income	<u>286,750</u>	<u>921,432</u>	<u>634,682</u>
Miscellaneous:			
Rental income	56,667	82,246	25,579
Other	342,150	184,386	(157,764)
	<u>398,817</u>	<u>266,632</u>	<u>(132,185)</u>
Total revenues	<u>\$ 22,980,638</u>	<u>\$ 21,915,830</u>	<u>\$ (1,064,808)</u>

See independent auditor's report.

City of Crystal Lake, Illinois
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
General government:			
Executive department:			
Personnel services	\$ 22,800	\$ 23,010	\$ (210)
Contractual services	362,614	346,362	16,252
	<u>385,414</u>	<u>369,372</u>	<u>16,042</u>
Legal and judiciary department - contractual services	<u>327,550</u>	<u>292,402</u>	<u>35,148</u>
Administration department:			
Personnel services	1,637,820	1,536,289	101,531
Contractual services	340,781	272,559	68,222
Supplies and materials	128,620	100,479	28,141
	<u>2,107,221</u>	<u>1,909,327</u>	<u>197,894</u>
Building department:			
Personnel services	986,332	887,952	98,380
Contractual services	97,538	94,552	2,986
Supplies and materials	31,908	23,890	8,018
	<u>1,115,778</u>	<u>1,006,394</u>	<u>109,384</u>
Engineering department:			
Personnel services	1,159,113	1,080,380	78,733
Contractual services	181,739	177,056	4,683
Supplies and materials	62,570	40,274	22,296
	<u>1,403,422</u>	<u>1,297,710</u>	<u>105,712</u>
Planning department:			
Personnel services	467,918	449,676	18,242
Contractual services	207,109	289,316	(82,207)
Supplies and materials	13,805	12,364	1,441
	<u>688,832</u>	<u>751,356</u>	<u>(62,524)</u>

(cont'd)

City of Crystal Lake, Illinois
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
General government (cont'd):			
Information technology:			
Personnel services	\$ 305,910	\$ 289,449	\$ 16,461
Contractual services	27,206	12,013	15,193
Supplies and materials	140,590	126,598	13,992
	<u>473,706</u>	<u>428,060</u>	<u>45,646</u>
Health services - contractual services	<u>147,452</u>	<u>101,507</u>	<u>45,945</u>
Special projects department:			
Contractual services	507,795	287,886	219,909
Supplies and materials	92,722	4,574	88,148
	<u>600,517</u>	<u>292,460</u>	<u>308,057</u>
Total general government	<u>7,249,892</u>	<u>6,448,588</u>	<u>801,304</u>
Public safety:			
Police department:			
Personnel services	6,844,896	6,575,150	269,746
Contractual services	1,578,757	1,406,125	172,632
Supplies and materials	428,990	369,855	59,135
	<u>8,852,643</u>	<u>8,351,130</u>	<u>501,513</u>
Pension contributions	<u>2,094,002</u>	<u>2,093,079</u>	<u>923</u>
Fire and police commission:			
Contractual services	37,078	39,162	(2,084)
Supplies and materials	460	-	460
	<u>37,538</u>	<u>39,162</u>	<u>(1,624)</u>
Total public safety	<u>10,984,183</u>	<u>10,483,371</u>	<u>500,812</u>

(cont'd)

City of Crystal Lake, Illinois
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Highways and streets:			
Street department:			
Personnel services	\$ 1,981,708	\$ 2,028,054	\$ (46,346)
Contractual services	861,918	882,834	(20,916)
Supplies and materials	275,515	304,103	(28,588)
	<u>3,119,141</u>	<u>3,214,991</u>	<u>(95,850)</u>
Storm sewer maintenance department:			
Personnel services	551,875	530,840	21,035
Contractual services	51,421	42,795	8,626
Supplies and materials	43,390	54,739	(11,349)
	<u>646,686</u>	<u>628,374</u>	<u>18,312</u>
Fleet services:			
Personnel services	569,743	499,306	70,437
Contractual services	136,150	139,954	(3,804)
Supplies and materials	38,240	84,890	(46,650)
	<u>744,133</u>	<u>724,150</u>	<u>19,983</u>
Total highways and streets	<u>4,509,960</u>	<u>4,567,515</u>	<u>(57,555)</u>
Capital outlay:			
Police department	320,695	291,548	29,147
Storm sewer maintenance department	60,000	53,811	6,189
Street department	85,000	52,814	32,186
Special projects department	285,200	310,576	(25,376)
Total capital outlay	<u>750,895</u>	<u>708,749</u>	<u>42,146</u>
Debt service - special projects department:			
Principal	265,000	265,000	-
Interest	153,627	153,626	1
Total debt service	<u>418,627</u>	<u>418,626</u>	<u>1</u>
Total expenditures	<u>\$ 23,913,557</u>	<u>\$ 22,626,849</u>	<u>\$ 1,286,708</u>

See independent auditor's report.

**City of Crystal Lake, Illinois
Vulcan Lakes TIF District Fund
Schedule of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 17,400	\$ 41,058	\$ 23,658
Interest	-	(195)	(195)
Total revenues	<u>17,400</u>	<u>40,863</u>	<u>23,463</u>
Expenditures:			
Current - contractual services	-	1,148,193	(1,148,193)
Capital outlay - public works improvements	762,308	13	762,295
Total expenditures	<u>762,308</u>	<u>1,148,206</u>	<u>(385,898)</u>
Revenues under expenditures before other financing sources	(744,908)	(1,107,343)	(362,435)
Other financing sources - transfers in	762,308	1,256,449	494,141
Net changes in fund deficit	<u>\$ 17,400</u>	<u>149,106</u>	<u>\$ 131,706</u>
Fund deficit, beginning of the year		<u>(1,814,024)</u>	
Fund deficit, end of the year		<u>\$ (1,664,918)</u>	

See independent auditor's report.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which cannot be diverted to other uses. The nonmajor special revenue funds maintained by the City are as follows:

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.

Police Special Details Fund – To account for patrol activity costs reimbursed by a third party.

Home Rule Sales Tax Fund – To account for proceeds from home rule sales tax and for expenses authorized by the City Council.

Debt Service Funds

Debt service funds are used to account for monies accumulated to retire general long-term debt. The debt service funds maintained by the City are as follows:

Special Service Area Nos. 4-18 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area Nos. 4-18 bonds. Financing is being provided by a property tax levy.

Special Service Area No. 19 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area No. 19 bonds. Financing is being provided by a property tax levy.

Special Service Area Nos. 21-31 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area Nos. 21-31 bonds. Financing is being provided by a property tax levy.

Special Service Area Nos. 32-39 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area Nos. 32-39 bonds. Financing is being provided by a property tax levy.

Special Service Area No. 42 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area No. 42 bonds. Financing is being provided by a property tax levy.

Special Assessment No. 149 – To account for the accumulation of resources for, and the payment of, principal and interest on the Special Service Area No. 149 bonds related to the North Shore water and sewer project. Financing is being provided by assessments to property owners in the Service Area No. 149.

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 a property tax levy.

SEECOM Debt Service – To account for the accumulation of resources to retire principal and interest on the 2004 General Obligation Bonds related to the SEECOM central dispatch service. Financing is provided by SEECOM member communities.

2007 Special Service Area No. 44 Tracy Trail Street Project – To account for the accumulation of resources for, and the payment of, principal and interest on the 2007 Special Service Area No. 44 bonds. Financing is being provided by a property tax levy on property owners in the Service Area No. 44.

2006 Special Service Area No. 45 Bryn Mawr Water and Sewer Project – To account for the accumulation of resources for, and the payment of, principal and interest on the 2006 Special Service Area No. 45 bonds. Financing is being provided by a property tax levy on property owners in the Service Area No. 45.

2007 Special Service Area No. 46 Ryland Water and Sewer Project – To account for the accumulation of resources for, and the payment of, principal and interest on the 2007 Special Service Area No. 46 bonds. Financing is being provided by a property tax levy on property owners in the Service Area No. 46.

Nonmajor Governmental Funds (cont'd)

Capital Projects Funds

Capital projects funds account for the resources used by the City for the acquisition and or construction of capital facilities. The capital projects funds maintained by the City are as follows:

Special Service Area No. 42 – To account for the proceeds of special service area bonds used for capital improvements in special service districts within the City.

Special Assessment No. 145 – To account for the proceeds of special assessment bonds used for capital improvements to the Woodstock Street sanitary sewer and cover lift station.

Downtown Redevelopment TIF Project – To account for the TIF related improvements, including Veteran Memorial lighting, downtown parking improvements, Metra station upgrades, and demolition of the Public Works garage.

Crystal Heights Utility Extension – To account for the extension of utilities to the Crystal Heights subdivision.

Main Street TIF Construction - 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 - 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.

Special Service Area No. 44 Tracy Trail Construction - To account for the proceeds of special service area bonds used for capital improvements in special service districts within the City.

Special Service Area No. 45 Bryn Mawr Project - To account for the proceeds of special service area bonds used for capital improvements in special service districts within the City.

Special Service Area No. 46 Ryland Main Construction - To account for the proceeds of special service area bonds used for capital improvements in special service districts within the City.

**City of Crystal Lake, Illinois
Combining Balance Sheet -
Nonmajor Governmental Funds
April 30, 2009**

Assets	Total	Special Revenue	Debt Service
Cash and investments	\$ 6,904,990	\$ 3,224,047	\$ 2,341,822
Receivables:			
Property taxes	957,593	47,198	700,652
Accrued interest	14,469	14,469	-
Other	271,102	6,424	264,678
Due from other governments	950,197	950,197	-
Prepaid items	13,673	-	13,673
Total assets	\$ 9,112,024	\$ 4,242,335	\$ 3,320,825
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 34,185	\$ 33,011	\$ -
Accrued expenses	3,547	3,547	-
Recapture fees payable	1,711,869	-	1,535,106
Due to other funds	239,013	3,639	235,374
Deferred revenue - property taxes	957,593	47,198	700,652
Total liabilities	2,946,207	87,395	2,471,132
Fund balances:			
Reserved for prepaid items	13,673	-	13,673
Unreserved	6,152,144	4,154,940	836,020
Total fund balances	6,165,817	4,154,940	849,693
Total liabilities and fund balances	\$ 9,112,024	\$ 4,242,335	\$ 3,320,825

See independent auditor's report.

Capital
Projects

\$ 1,339,121

209,743

-

-

-

-

\$ 1,548,864

\$ 1,174

-

176,763

-

209,743

387,680

-

1,161,184

1,161,184

\$ 1,548,864

City of Crystal Lake, Illinois
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended April 30, 2009

	<u>Total</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:			
Charges for services	\$ 532,657	\$ 33,192	\$ 499,465
Licenses and permits	248,958	248,958	-
Property taxes	1,912,668	461,367	550,594
Other taxes	3,882,645	3,882,645	-
Interest	125,127	74,154	25,055
Miscellaneous	17,176	17,176	-
Total revenues	6,719,231	4,717,492	1,075,114
Expenditures:			
Current:			
General government	441,745	-	5,442
Public safety	166,227	166,227	-
Highways and streets	173,423	173,423	-
Capital outlay	4,721,803	1,043,894	143,141
Debt service:			
Principal	415,000	-	415,000
Interest and fees	618,365	-	618,365
Total expenditures	6,536,563	1,383,544	1,181,948
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	182,668	3,333,948	(106,834)
Other financing sources (uses):			
Transfers in	728,969	474,679	150,135
Transfers out	(2,331,530)	(2,181,395)	-
Total other financing sources (uses)	(1,602,561)	(1,706,716)	150,135
Net changes in fund balances	(1,419,893)	1,627,232	43,301
Fund balances, beginning of the year	7,585,710	2,527,708	806,392
Fund balances, end of the year	\$ 6,165,817	\$ 4,154,940	\$ 849,693

See independent auditor's report.

Capital
Projects

\$ -
-
900,707
-
25,918
-

926,625

436,303
-
-
3,534,768

3,971,071

(3,044,446)

104,155
(150,135)

(45,980)

(3,090,426)

4,251,610

\$ 1,161,184

**City of Crystal Lake, Illinois
Combining Balance Sheet -
Nonmajor Special Revenue Funds
April 30, 2009**

Assets	Total	Road/ Vehicle License	School Crossing Guard
Cash and investments	\$ 3,224,047	\$ 2,399,378	\$ 36,072
Receivables:			
Property taxes	47,198	-	47,198
Accrued interest	14,469	14,469	-
Other	6,424	133	1,613
Due from other governments	950,197	-	-
Total assets	\$ 4,242,335	\$ 2,413,980	\$ 84,883
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 33,011	\$ 20,118	\$ -
Accrued expenses	3,547	-	2,866
Due to other funds	3,639	-	-
Deferred revenue - property taxes	47,198	-	47,198
Total liabilities	87,395	20,118	50,064
Fund balances - unreserved	4,154,940	2,393,862	34,819
Total liabilities and fund balances	\$ 4,242,335	\$ 2,413,980	\$ 84,883

See independent auditor's report.

Foreign Fire Insurance	Police Special Details	Home Rule Sales Tax
\$ 74,958	\$ -	\$ 713,639
-	-	-
-	-	-
-	4,320	358
-	-	950,197
<u>\$ 74,958</u>	<u>\$ 4,320</u>	<u>\$ 1,664,194</u>
\$ 12,893	\$ -	\$ -
-	681	-
-	3,639	-
-	-	-
<u>12,893</u>	<u>4,320</u>	<u>-</u>
<u>62,065</u>	<u>-</u>	<u>1,664,194</u>
<u>\$ 74,958</u>	<u>\$ 4,320</u>	<u>\$ 1,664,194</u>

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, 2009

	<u>Total</u>	<u>Road/ Vehicle License</u>	<u>School Crossing Guard</u>
Revenues:			
Charges for services	\$ 33,192	\$ -	\$ -
Licenses and permits	248,958	248,958	-
Property taxes	461,367	414,836	46,531
Other taxes	3,882,645	-	-
Investment income (loss)	74,154	61,915	321
Miscellaneous	17,176	(908)	18,084
Total revenues	4,717,492	724,801	64,936
Expenditures:			
Current:			
Public safety	166,227	-	55,120
Highways and streets	173,423	173,423	-
Capital outlay	1,043,894	1,043,894	-
Total expenditures	1,383,544	1,217,317	55,120
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	3,333,948	(492,516)	9,816
Other financing sources (uses):			
Transfers in	474,679	456,469	-
Transfers out	(2,181,395)	-	-
Total other financing sources (uses)	(1,706,716)	456,469	-
Net changes in fund balances	1,627,232	(36,047)	9,816
Fund balances, beginning of the year	2,527,708	2,429,909	25,003
Fund balances, end of the year	\$ 4,154,940	\$ 2,393,862	\$ 34,819

See independent auditor's report.

<u>Foreign Fire Insurance</u>	<u>Police Special Details</u>	<u>Home Rule Sales Tax</u>
\$ -	\$ 33,192	\$ -
-	-	-
-	-	-
48,755	-	3,833,890
469	(250)	11,699
-	-	-
<u>49,224</u>	<u>32,942</u>	<u>3,845,589</u>
59,955	51,152	-
-	-	-
-	-	-
<u>59,955</u>	<u>51,152</u>	<u>-</u>
<u>(10,731)</u>	<u>(18,210)</u>	<u>3,845,589</u>
-	18,210	-
-	-	(2,181,395)
-	18,210	(2,181,395)
(10,731)	-	1,664,194
72,796	-	-
<u>\$ 62,065</u>	<u>\$ -</u>	<u>\$ 1,664,194</u>

**City of Crystal Lake, Illinois
Road/Vehicle License Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses and permits	\$ 212,000	\$ 248,958	\$ 36,958
Property taxes	398,950	414,836	15,886
Other taxes - replacement	9,300	-	(9,300)
Investment income	72,015	61,915	(10,100)
Miscellaneous	-	(908)	(908)
Total revenues	692,265	724,801	32,536
Expenditures:			
Highways and streets	261,020	173,423	87,597
Capital outlay	1,175,300	1,043,894	131,406
Total expenditures	1,436,320	1,217,317	219,003
Revenues under expenditures before other financing sources	(744,055)	(492,516)	251,539
Other financing sources - transfers in	456,469	456,469	-
Net changes in fund balance	\$ (287,586)	(36,047)	\$ 251,539
Fund balance, beginning of the year		2,429,909	
Fund balance, end of the year		\$ 2,393,862	

See independent auditor's report.

**City of Crystal Lake, Illinois
School Crossing Guard Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 46,053	\$ 46,531	\$ 478
Investment income	378	321	(57)
Miscellaneous	16,500	18,084	1,584
Total revenues	62,931	64,936	2,005
Expenditures - public safety:			
Personal services	56,769	54,744	2,025
Materials and supplies	300	376	(76)
Total expenditures	57,069	55,120	1,949
Net changes in fund balance	\$ 5,862	9,816	\$ 3,954
Fund balance, beginning of the year		25,003	
Fund balance, end of the year		\$ 34,819	

See independent auditor's report.

**City of Crystal Lake, Illinois
Foreign Fire Insurance Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Foreign fire insurance	\$ 45,923	\$ 48,755	\$ 2,832
Investment income	-	469	469
	<u>45,923</u>	<u>49,224</u>	<u>3,301</u>
Total revenues	45,923	49,224	3,301
Expenditures - public safety:			
Personnel services	1,500	1,075	425
Contractual services	6,800	9,874	(3,074)
Materials and supplies	37,623	49,006	(11,383)
	<u>45,923</u>	<u>59,955</u>	<u>(14,032)</u>
Total expenditures	45,923	59,955	(14,032)
Net changes in fund balance	\$ -	(10,731)	\$ (10,731)
Fund balance, beginning of the year		<u>72,796</u>	
Fund balance, end of the year		<u>\$ 62,065</u>	

See independent auditor's report.

**City of Crystal Lake, Illinois
Police Special Details Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 64,000	\$ 33,192	\$ (30,808)
Investment income (loss)	-	(250)	(250)
Total revenues	64,000	32,942	(31,058)
Expenditures - public safety - personnel services	64,000	51,152	12,848
Revenues over (under) expenditures before other financing sources	-	(18,210)	(18,210)
Other financing sources - transfers in	-	18,210	18,210
Net changes in fund balance	\$ -	-	\$ -
Fund balance, beginning of the year		-	
Fund balance, end of the year		\$ -	

See independent auditor's report.

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City of Crystal Lake, Illinois
Home Rule Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,694,054	\$ 3,833,890	\$ 1,139,836
Investment income	-	11,699	11,699
Total revenues	2,694,054	3,845,589	1,151,535
Other financing uses - transfers out	-	2,181,395	(2,181,395)
Net changes in fund balance	\$ 2,694,054	1,664,194	\$ (1,029,860)
Fund balance, beginning of the year		-	
Fund balance, end of the year		\$ 1,664,194	

See independent auditor's report.

**City of Crystal Lake, Illinois
Combining Balance Sheet -
Nonmajor Debt Service Funds
April 30, 2009**

Assets	Total	Special Service Area Nos. 4-18	Special Service Area No. 19
Cash and investments	\$ 2,341,822	\$ 498,858	\$ 18,037
Receivables:			
Property taxes	700,652	-	-
Other	264,678	-	-
Prepaid items	13,673	-	-
Total assets	\$ 3,320,825	\$ 498,858	\$ 18,037
Liabilities and Fund Balances			
Liabilities:			
Recapture fees payable	\$ 1,535,106	\$ 500,553	\$ 15,023
Due to other funds	235,374	-	-
Deferred revenue - property taxes	700,652	-	-
Total liabilities	2,471,132	500,553	15,023
Fund balances (deficits):			
Reserved for prepaid items	13,673	-	-
Unreserved	836,020	(1,695)	3,014
Total fund balances (deficits)	849,693	(1,695)	3,014
Total liabilities and fund balances	\$ 3,320,825	\$ 498,858	\$ 18,037

(cont'd)

See independent auditor's report.

Special Service Area Nos. 21-31	Special Service Area Nos. 32-39	Special Service Area No. 42	Special Assessment No. 149	Crystal Heights Debt Service	2007 SSA #44 Tracy Trail Street Project
\$ 117,712	\$ 1,614,464	\$ -	\$ -	\$ 53,119	\$ 39,632
-	-	-	-	85,800	78,185
-	(10,364)	-	275,042	-	-
-	-	-	-	-	-
<u>\$ 117,712</u>	<u>\$ 1,604,100</u>	<u>\$ -</u>	<u>\$ 275,042</u>	<u>\$ 138,919</u>	<u>\$ 117,817</u>
\$ 112,229	\$ 907,201	\$ 100	\$ -	\$ -	\$ -
-	-	-	232,172	-	-
-	-	-	-	85,800	78,185
<u>112,229</u>	<u>907,201</u>	<u>100</u>	<u>232,172</u>	<u>85,800</u>	<u>78,185</u>
-	-	-	-	-	-
5,483	696,899	(100)	42,870	53,119	39,632
<u>5,483</u>	<u>696,899</u>	<u>(100)</u>	<u>42,870</u>	<u>53,119</u>	<u>39,632</u>
<u>\$ 117,712</u>	<u>\$ 1,604,100</u>	<u>\$ -</u>	<u>\$ 275,042</u>	<u>\$ 138,919</u>	<u>\$ 117,817</u>

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City of Crystal Lake, Illinois
Combining Balance Sheet -
Nonmajor Debt Service Funds (cont'd)
April 30, 2009

	2006 SSA #45 Bryn Mawr Water and Sewer Project	2007 SSA #46 Ryland Water and Sewer Project
Assets		
Cash and investments	\$ -	\$ -
Receivables:		
Property taxes	380,495	156,172
Other	-	-
Prepaid items	13,673	-
Total assets	\$ 394,168	\$ 156,172
Liabilities and Fund Balances		
Liabilities:		
Recapture fees payable	\$ -	\$ -
Due to other funds	809	2,393
Deferred revenue - property taxes	380,495	156,172
Total liabilities	381,304	158,565
Fund balances (deficits) :		
Reserved for prepaid items	13,673	-
Unreserved	(809)	(2,393)
Total fund balances (deficits)	12,864	(2,393)
Total liabilities and fund balances	\$ 394,168	\$ 156,172

City of Crystal Lake, Illinois
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficits) - Nonmajor Debt Service Funds
For the Year Ended April 30, 2009

	<u>Total</u>	<u>Special Service Area Nos. 4-18</u>	<u>Special Service Area No. 19</u>
Revenues:			
Charges for services	\$ 499,465	\$ -	\$ -
Property taxes	550,594	-	-
Investment income (loss)	25,055	-	-
Total revenues	1,075,114	-	-
Expenditures:			
Current - general government	5,442	-	-
Debt service:			
Principal	415,000	-	-
Interest and fees	618,365	-	-
Miscellaneous	143,141	-	-
Total expenditures	1,181,948	-	-
Revenues over (under) expenditures before other financing sources	(106,834)	-	-
Other financing sources - transfers in	150,135	-	-
Net changes in fund balances (deficits)	43,301	-	-
Fund balances (deficits), beginning of the year	806,392	(1,695)	3,014
Fund balances (deficits), end of the year	\$ 849,693	\$ (1,695)	\$ 3,014

(cont'd)

See independent auditor's report.

Special Service Area Nos. 21-31	Special Service Area Nos. 32-39	Special Service Area No. 42	Special Assessment No. 149	Crystal Heights Debt Service	SEECOM Debt Service	2007 SSA #44 Tracy Trail Street Project
\$ -	\$ -	\$ -	\$ 49,989	\$ 114,276	\$ 289,458	\$ 45,742
-	-	-	-	86,659	-	81,027
1,466	19,832	-	(5,284)	6,867	-	(1,093)
1,466	19,832	-	44,705	207,802	289,458	125,676
-	-	-	-	5,442	-	-
-	-	-	-	90,000	195,000	50,000
-	-	-	-	43,224	94,458	31,025
-	-	-	-	86,659	-	56,482
-	-	-	-	225,325	289,458	137,507
1,466	19,832	-	44,705	(17,523)	-	(11,831)
-	-	-	-	-	-	150,135
1,466	19,832	-	44,705	(17,523)	-	138,304
4,017	677,067	(100)	(1,835)	70,642	-	(98,672)
\$ 5,483	\$ 696,899	\$ (100)	\$ 42,870	\$ 53,119	\$ -	\$ 39,632

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City of Crystal Lake, Illinois
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficits) - Nonmajor Debt Service Funds (cont'd)
For the Year Ended April 30, 2009

	2006 SSA #45 Bryn Mawr Water and Sewer Project	2007 SSA #46 Ryland Water and Sewer Project
Revenues:		
Charges for services	\$ -	\$ -
Property taxes	382,908	-
Investment income (loss)	1,756	1,511
	<u>384,664</u>	<u>1,511</u>
Total revenues	384,664	1,511
Expenditures:		
Current - general government	-	-
Debt service:		
Principal	80,000	-
Interest and fees	305,908	143,750
Miscellaneous	-	-
	<u>385,908</u>	<u>143,750</u>
Total expenditures	385,908	143,750
Revenues over (under) expenditures before other financing sources	(1,244)	(142,239)
Other financing sources - transfers in	<u>-</u>	<u>-</u>
Net changes in fund balances (deficits)	(1,244)	(142,239)
Fund balances (deficits), beginning of the year	<u>14,108</u>	<u>139,846</u>
Fund balances (deficits), end of the year	<u>\$ 12,864</u>	<u>\$ (2,393)</u>

City of Crystal Lake, Illinois
Special Assessment No. 149 Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services - assessments	\$ 7,100	\$ 49,989	\$ 42,889
Investment income (loss)	-	(5,284)	(5,284)
Total revenues	\$ 7,100	44,705	\$ 37,605
Fund deficit, beginning of the year		(1,835)	
Fund balance, end of the year		\$ 42,870	

See independent auditor's report.

**City of Crystal Lake, Illinois
 Crystal Heights Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 120,000	\$ 114,276	\$ (5,724)
Property taxes	-	86,659	86,659
Investment income	-	6,867	6,867
Total revenues	120,000	207,802	87,802
Expenditures:			
Current - general government - contractual services	-	5,442	(5,442)
Debt service:			
Principal	90,000	90,000	-
Interest	48,000	43,224	4,776
Miscellaneous	-	86,659	(86,659)
Total expenditures	138,000	225,325	(87,325)
Net changes in fund balance	\$ (18,000)	(17,523)	\$ 477
Fund balance, beginning of the year		70,642	
Fund balance, end of the year		\$ 53,119	

See independent auditor's report.

City of Crystal Lake, Illinois
SEECOM Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - charges for services	\$ 290,000	\$ 289,458	\$ (542)
Expenditures:			
Debt service:			
Principal	195,000	195,000	-
Interest	95,000	94,458	542
Total expenditures	290,000	289,458	542
Net changes in fund balance	\$ -	-	\$ -
Fund balance, beginning of the year		-	
Fund balance, end of the year		\$ -	

See independent auditor's report.

City of Crystal Lake, Illinois
SSA #44 Tracy Trail Street Project Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 45,742	\$ 45,742
Property taxes	79,000	81,027	2,027
Investment income (loss)	-	(1,093)	(1,093)
Total revenues	<u>79,000</u>	<u>125,676</u>	<u>46,676</u>
Expenditures:			
Debt service:			
Principal	50,000	50,000	-
Interest	29,000	31,025	(2,025)
Miscellaneous	-	56,482	(56,482)
Total expenditures	<u>79,000</u>	<u>137,507</u>	<u>(58,507)</u>
Revenues over (under) expenditures before other financing sources	-	(11,831)	(11,831)
Other financing sources - transfers in	-	150,135	150,135
Net changes in fund balance (deficit)	<u>\$ -</u>	<u>138,304</u>	<u>\$ 138,304</u>
Fund deficit, beginning of the year		<u>(98,672)</u>	
Fund balance, end of the year		<u>\$ 39,632</u>	

See independent auditor's report.

City of Crystal Lake, Illinois
SSA #45 Bryn Mawr Water and Sewer Project Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 383,000	\$ 382,908	\$ (92)
Investment income	-	1,756	1,756
Total revenues	383,000	384,664	1,664
Expenditures - debt service:			
Principal	80,000	80,000	-
Interest	303,000	305,908	(2,908)
Total expenditures	383,000	385,908	(2,908)
Net changes in fund balance	\$ -	(1,244)	\$ (1,244)
Fund balance, beginning of the year		14,108	
Fund balance, end of the year		\$ 12,864	

See independent auditor's report.

City of Crystal Lake, Illinois
SSA #46 Ryland Water and Sewer Project Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - investment income	\$ -	\$ 1,511	\$ 1,511
Expenditures - debt service - interest	143,750	143,750	-
Net changes in fund balance	\$ (143,750)	(142,239)	\$ 1,511
Fund balance, beginning of the year		139,846	
Fund deficit, end of the year		\$ (2,393)	

See independent auditor's report.

**City of Crystal Lake, Illinois
Combining Balance Sheet -
Nonmajor Capital Projects Funds
April 30, 2009**

Assets	Total	Special Service Area No. 42	Special Assessment No. 145
Cash and investments	\$ 1,339,121	\$ 99,819	\$ 117,014
Receivables - property taxes	209,743	-	-
Total assets	\$ 1,548,864	\$ 99,819	\$ 117,014
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,174	\$ -	\$ -
Recapture fees payable	176,763	69,340	107,423
Deferred revenue - property taxes	209,743	-	-
Total liabilities	387,680	69,340	107,423
Fund balances - unreserved	1,161,184	30,479	9,591
Total liabilities and fund balances	\$ 1,548,864	\$ 99,819	\$ 117,014

See independent auditor's report.

Downtown Redevelopment TIF Project	Crystal Heights Utility Extension	Main Street TIF Construction	Virginia Street Corridor TIF	SSA 44 Tracy Trail Construction	SSA 45 Bryn Mawr Project	SSA 46 Ryland Main Construction
\$ -	\$ 672,072	\$ 66,107	\$ 58,177	\$ 120,037	\$ 179,730	\$ 26,165
-	-	56,064	153,679	-	-	-
\$ -	\$ 672,072	\$ 122,171	\$ 211,856	\$ 120,037	\$ 179,730	\$ 26,165
\$ -	\$ -	\$ 717	\$ 457	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	56,064	153,679	-	-	-
-	-	56,781	154,136	-	-	-
-	672,072	65,390	57,720	120,037	179,730	26,165
\$ -	\$ 672,072	\$ 122,171	\$ 211,856	\$ 120,037	\$ 179,730	\$ 26,165

City of Crystal Lake, Illinois
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit) - Nonmajor Capital Projects Funds
For the Year Ended April 30, 2009

	Total	Special Service Area No. 42	Special Assessment No. 145
Revenues:			
Property taxes	\$ 900,707	\$ -	\$ -
Investment income (loss)	25,918	-	-
Miscellaneous	-	-	-
Total revenues	926,625	-	-
Expenditures:			
Current - contractual services	436,303	-	-
Capital outlay - public works improvements	3,534,768	-	-
Total expenditures	3,971,071	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,044,446)	-	-
Other financing sources (uses):			
Transfers in	104,155	-	-
Transfers out	(150,135)	-	-
Total other financing sources (uses)	(45,980)	-	-
Net changes in fund balances	(3,090,426)	-	-
Fund balances (deficit), beginning of the year	4,251,610	30,479	9,591
Fund balances, end of the year	\$ 1,161,184	\$ 30,479	\$ 9,591

See independent auditor's report.

Downtown Redevelopment TIF Project	Crystal Heights Utility Extension	Main Street TIF Construction	Virginia Street Corridor TIF	SSA 44 Tracy Trail Construction	SSA 45 Bryn Mawr Project	SSA 46 Ryland Main Construction
\$ 724,971	\$ -	\$ 44,276	\$ 131,460	\$ -	\$ -	\$ -
18,376	-	732	583	1,922	4,309	(4)
-	-	-	-	-	-	-
743,347	-	45,008	132,043	1,922	4,309	(4)
363,272	-	14,750	58,281	-	-	-
3,232,478	-	2,290	-	-	300,000	-
3,595,750	-	17,040	58,281	-	300,000	-
(2,852,403)	-	27,968	73,762	1,922	(295,691)	(4)
104,155	-	-	-	-	-	-
-	-	-	-	(150,135)	-	-
104,155	-	-	-	(150,135)	-	-
(2,748,248)	-	27,968	73,762	(148,213)	(295,691)	(4)
2,748,248	672,072	37,422	(16,042)	268,250	475,421	26,169
\$ -	\$ 672,072	\$ 65,390	\$ 57,720	\$ 120,037	\$ 179,730	\$ 26,165

City of Crystal Lake, Illinois
Downtown Redevelopment TIF Project Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ -	\$ 724,971	\$ 724,971
Interest	-	18,376	18,376
Total revenues	-	743,347	743,347
Expenditures:			
Current - contractual services	-	363,272	(363,272)
Capital outlay - public works	2,688,020	3,232,478	(544,458)
Total expenditures	2,688,020	3,595,750	(907,730)
Revenues under expenditures before other financing sources	(2,688,020)	(2,852,403)	(164,383)
Other financing sources - transfers in	-	104,155	104,155
Net changes in fund balance	\$ (2,688,020)	(2,748,248)	\$ (60,228)
Fund balance, beginning of the year		2,748,248	
Fund balance, end of the year		\$ -	

See independent auditor's report.

City of Crystal Lake, Illinois
Virginia Street Corridor TIF Construction Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 93,000	\$ 131,460	\$ 38,460
Interest	-	583	583
	<u>93,000</u>	<u>132,043</u>	<u>39,043</u>
Total revenues	93,000	132,043	39,043
Expenditures - current - contractual services	<u>46,300</u>	<u>58,281</u>	<u>(11,981)</u>
Net changes in fund balance	<u>\$ 46,700</u>	<u>73,762</u>	<u>\$ 27,062</u>
Fund deficit, beginning of the year		<u>(16,042)</u>	
Fund balance, end of the year		<u>\$ 57,720</u>	

See independent auditor's report.

**City of Crystal Lake, Illinois
Main Street TIF Construction Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 23,000	\$ 44,276	\$ 21,276
Interest	-	732	732
Total revenues	<u>23,000</u>	<u>45,008</u>	<u>22,008</u>
Expenditures:			
Current - contractual services	-	14,750	(14,750)
Capital outlay - public works improvements	100,000	2,290	97,710
Total expenditures	<u>100,000</u>	<u>17,040</u>	<u>82,960</u>
Net changes in fund balance	<u>\$ (77,000)</u>	<u>27,968</u>	<u>\$ 104,968</u>
Fund balance, beginning of the year		<u>37,422</u>	
Fund balance, end of the year		<u>\$ 65,390</u>	

See independent auditor's report.

City of Crystal Lake, Illinois
Waterworks and Sewerage Fund
Schedule of Revenues - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Charges for services:			
Water sales	\$ 3,299,475	\$ 3,136,010	\$ (163,465)
Sewer sales	3,366,144	3,211,550	(154,594)
Penalties	145,000	298,861	153,861
Water meter fees	70,000	24,544	(45,456)
Water tap fees	1,500	17,550	16,050
Miscellaneous	35,000	13,943	(21,057)
Total operating revenues	<u>6,917,119</u>	<u>6,702,458</u>	<u>(214,661)</u>
Nonoperating revenue:			
Connection fees	1,662,500	667,847	(994,653)
Investment income	105,440	59,519	(45,921)
Rental income	195,000	172,621	(22,379)
Total nonoperating revenues	<u>1,962,940</u>	<u>899,987</u>	<u>(1,062,953)</u>
Total revenues	<u>\$ 8,880,059</u>	<u>\$ 7,602,445</u>	<u>\$ (1,277,614)</u>

See independent auditor's report.

City of Crystal Lake, Illinois
Waterworks and Sewerage Fund
Schedule of Operating Expenses, Excluding Depreciation
and Nonoperating Expenses - Budget and Actual
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating expenses, excluding depreciation:			
Administration:			
Personal services	\$ 471,575	\$ 374,823	\$ 96,752
Contractual services	145,631	150,420	(4,789)
Supplies and materials	43,675	22,592	21,083
Total administration	660,881	547,835	113,046
Operations:			
Water division:			
Personal services	1,332,791	1,299,635	33,156
Contractual services	773,238	813,690	(40,452)
Supplies and materials	497,470	541,441	(43,971)
Capital outlay	914,000	75,919	838,081
Total water division	3,517,499	2,730,685	786,814
Wastewater division:			
Personal services	987,898	907,807	80,091
Contractual services	870,153	829,030	41,123
Supplies and materials	411,430	416,618	(5,188)
Capital outlay	2,441,500	41,636	2,399,864
Total wastewater division	4,710,981	2,195,091	2,515,890
Sewer and lifts division:			
Personal services	307,575	274,870	32,705
Contractual services	114,678	128,101	(13,423)
Supplies and materials	80,045	82,292	(2,247)
Capital outlay	106,000	27,491	78,509
Total sewer and lifts division	608,298	512,754	95,544
Total operations	8,836,778	5,438,530	3,398,248
Total operating expenses, excluding depreciation	\$ 9,497,659	\$ 5,986,365	\$ 3,511,294
Nonoperating expenses:			
Interest	\$ 496,100	\$ 485,739	\$ 10,361
Loss on sale of capital assets	-	5,259	(5,259)
Total nonoperating expenses	\$ 496,100	\$ 490,998	\$ 5,102

See independent auditor's report.

City of Crystal Lake, Illinois
Pension Trust Funds
Combining Statement of Plan Net Assets
April 30, 2009

Assets	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Cash	\$ 8,658	\$ 17,716	\$ 26,374
Investments:			
Illinois Funds Investment Pool	69,788	151,704	221,492
Money market accounts	851,280	568,370	1,419,650
U.S. government and agency securities	9,002,088	6,863,702	15,865,790
Insurance contracts	-	319,681	319,681
Mutual funds - bonds	876,259	-	876,259
Mutual funds - stocks	7,551,545	4,128,968	11,680,513
Interest receivable	108,962	75,390	184,352
Total assets	<u>\$ 18,468,580</u>	<u>\$ 12,125,531</u>	<u>\$ 30,594,111</u>
Liabilities and Net Assets			
Liabilities - accounts payable	\$ 236	\$ 273	\$ 509
Net assets - restricted for pension benefits	<u>18,468,344</u>	<u>12,125,258</u>	<u>30,593,602</u>
Total liabilities and net assets	<u>\$ 18,468,580</u>	<u>\$ 12,125,531</u>	<u>\$ 30,594,111</u>

See independent auditor's report.

City of Crystal Lake, Illinois
Pension Trust Funds
Combining Statement of Changes in Plan Net Assets
For the Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Total
Additions:			
Contributions:			
Employer	\$ 1,187,907	\$ 904,951	\$ 2,092,858
Members	454,450	407,744	862,194
	<u>1,642,357</u>	<u>1,312,695</u>	<u>2,955,052</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(3,790,760)	(1,771,944)	(5,562,704)
Interest income	842,119	383,773	1,225,892
Less investment expenses	(75,761)	(35,196)	(110,957)
	<u>(3,024,402)</u>	<u>(1,423,367)</u>	<u>(4,447,769)</u>
Total additions	<u>(1,382,045)</u>	<u>(110,672)</u>	<u>(1,492,717)</u>
Deductions:			
Pension benefits and refunds	1,221,753	476,986	1,698,739
Administrative expenses	7,013	5,163	12,176
Total deductions	<u>1,228,766</u>	<u>482,149</u>	<u>1,710,915</u>
Changes in net assets	<u>(2,610,811)</u>	<u>(592,821)</u>	<u>(3,203,632)</u>
Total net assets, beginning of the year	<u>21,079,155</u>	<u>12,718,079</u>	<u>33,797,234</u>
Total net assets, end of the year	<u>\$ 18,468,344</u>	<u>\$ 12,125,258</u>	<u>\$ 30,593,602</u>

See independent auditor's report.

**City of Crystal Lake, Illinois
Police Pension Fund
Schedule of Changes in Plan
Net Assets - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Additions:			
Contributions:			
Employer	\$ 1,188,842	\$ 1,187,907	\$ (935)
Members	436,800	454,450	17,650
	<u>1,625,642</u>	<u>1,642,357</u>	<u>16,715</u>
Investment income:			
Net appreciation in fair value of investments	-	(3,790,760)	(3,790,760)
Interest income	909,996	842,119	(67,877)
Less investment expenses	(86,100)	(75,761)	10,339
	<u>823,896</u>	<u>(3,024,402)</u>	<u>(3,848,298)</u>
Total additions	<u>2,449,538</u>	<u>(1,382,045)</u>	<u>(3,831,583)</u>
Deductions:			
Pension benefits and refunds	1,051,185	1,221,753	(170,568)
Administrative expenses	14,700	7,013	7,687
Total deductions	<u>1,065,885</u>	<u>1,228,766</u>	<u>(162,881)</u>
Changes in net assets	<u>\$ 1,383,653</u>	<u>(2,610,811)</u>	<u>\$ (3,994,464)</u>
Total net assets, beginning of the year		<u>21,079,155</u>	
Total net assets, end of the year		<u>\$ 18,468,344</u>	

See independent auditor's report.

**City of Crystal Lake, Illinois
Firefighters' Pension Fund
Schedule of Changes in Plan
Net Assets - Budget and Actual
For the Year Ended April 30, 2009**

	Original and Final Budget	Actual	Variance Positive (Negative)
Additions:			
Contributions:			
Employer	\$ 905,160	\$ 904,951	\$ (209)
Members	348,075	407,744	59,669
	<u>1,253,235</u>	<u>1,312,695</u>	<u>59,460</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	-	(1,771,944)	(1,771,944)
Interest income	561,154	383,773	(177,381)
Less investment expenses	(34,680)	(35,196)	(516)
	<u>526,474</u>	<u>(1,423,367)</u>	<u>(1,949,841)</u>
Total additions	<u>1,779,709</u>	<u>(110,672)</u>	<u>(1,890,381)</u>
Deductions:			
Pension benefits and refunds	365,835	476,986	(111,151)
Administrative expenses	6,500	5,163	1,337
Total deductions	<u>372,335</u>	<u>482,149</u>	<u>(109,814)</u>
Changes in net assets	<u>\$ 1,407,374</u>	<u>(592,821)</u>	<u>\$ (2,000,195)</u>
Total net assets, beginning of the year		<u>12,718,079</u>	
Total net assets, end of the year		<u>\$ 12,125,258</u>	

See independent auditor's report.

City of Crystal Lake, Illinois
Agency Fund - Special Assessment Fund
Combining Statement of Changes in Assets and Liabilities
For the Year Ended April 30, 2009

	<u>Balance May 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance April 30, 2009</u>
Assets				
Cash	\$ 128,567	\$ 1,207	\$ -	\$ 129,774
Other receivables	621	-	-	621
	<u>\$ 129,188</u>	<u>\$ 1,207</u>	<u>\$ -</u>	<u>\$ 130,395</u>
Liabilities				
Recapture fees payable	\$ (83,865)	\$ 1,207	\$ -	\$ (82,658)
Due to other funds	213,053	-	-	213,053
	<u>\$ 129,188</u>	<u>\$ 1,207</u>	<u>\$ -</u>	<u>\$ 130,395</u>

See independent auditor's report.

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City of Crystal Lake, Illinois
Capital Assets Used in the Operation of Governmental Funds
Schedule of General Fixed Assets - By Source
April 30, 2009

Assets

Governmental funds capital assets:	
Land	\$ 102,588,927
Construction in progress	3,316,692
Buildings and improvements	24,695,660
Machinery, equipment and vehicles	10,584,999
Infrastructure	<u>42,398,805</u>
Total governmental funds capital assets	<u>\$ 183,585,083</u>

Investment in Governmental Funds
Capital Assets By Source

General Fund	\$ 137,322,534
Special Revenue Funds	9,406,885
Developer Contributions	<u>36,855,664</u>
Total governmental funds capital assets	<u>\$ 183,585,083</u>

See independent auditor's report.

City of Crystal Lake, Illinois
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
April 30, 2009

	Land	Construction in Progress	Buildings and Improvements
General government	\$ 102,412,500	\$ 1,851,736	\$ 10,768,141
Public safety	-	-	13,538,645
Highways and streets	176,427	1,464,956	388,874
	\$ 102,588,927	\$ 3,316,692	\$ 24,695,660

See independent auditor's report.

Machinery, Equipment and Vehicles	Infrastructure	Total
\$ 1,025,830	\$ 789,117	\$ 116,847,324
5,589,918	-	19,128,563
3,969,251	41,609,688	47,609,196
\$ 10,584,999	\$ 42,398,805	\$ 183,585,083

City of Crystal Lake, Illinois
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
April 30, 2009

	Balance May 1, 2008	Additions	Deletions and Transfers
General government	\$ 114,805,059	\$ 2,042,265	\$ -
Public safety	18,859,417	315,474	46,328
Highways and streets	44,726,597	2,935,640	53,041
	<u>\$ 178,391,073</u>	<u>\$ 5,293,379</u>	<u>\$ 99,369</u>

See independent auditor's report.

Balance
April 30, 2009
<hr/>
\$ 116,847,324
19,128,563
47,609,196
<hr/>
\$ 183,585,083
<hr/>

City of Crystal Lake, Illinois
Discretely Presented Component Unit - Crystal Lake Public Library
Statement of Net Assets and Governmental Funds Balance Sheet
April 30, 2009

	Governmental Funds		
	General Operating	Gift and Memorial	Ames
Assets			
Current:			
Cash and investments	\$ 2,417,549	\$ 8,926	\$ 469,794
Property tax receivable	3,935,986	-	-
Due from other funds	1,960	-	-
Capital assets, net of accumulated depreciation	-	-	-
Total assets	\$ 6,355,495	\$ 8,926	\$ 469,794
Liabilities			
Current:			
Accounts payable	\$ 97,992	\$ -	\$ -
Accrued payroll	67,007	-	-
Unearned property tax revenue	3,935,986	-	-
Due to other funds	1,500	460	-
Notes payable	-	-	-
Compensated absences	-	-	-
Total current liabilities	4,102,485	460	-
Noncurrent:			
Notes payable	-	-	-
Compensated absences payable	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	4,102,485	460	-
Fund balance/net assets:			
Reserved for - working cash	-	-	-
Unreserved	2,253,010	8,466	469,794
Invested in capital assets, net of related debt	-	-	-
Restricted for working cash	-	-	-
Unrestricted	-	-	-
Total fund balance/net assets	2,253,010	8,466	469,794
Total liabilities and fund balance/net assets	\$ 6,355,495	\$ 8,926	\$ 469,794

See independent auditor's report.

<u>Nonmajor Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
\$ 167,997	\$ 3,064,266	\$ -	\$ 3,064,266
-	3,935,986	-	3,935,986
-	1,960	(1,960)	-
-	-	6,472,236	6,472,236
<u>\$ 167,997</u>	<u>\$ 7,002,212</u>	<u>\$ 6,470,276</u>	<u>\$ 13,472,488</u>
\$ -	\$ 97,992	\$ -	\$ 97,992
-	67,007	-	67,007
-	3,935,986	-	3,935,986
-	1,960	(1,960)	-
-	-	125,000	125,000
-	-	63,573	63,573
-	<u>4,102,945</u>	<u>186,613</u>	<u>4,289,558</u>
-	-	250,000	250,000
-	-	516,393	516,393
-	-	766,393	766,393
-	<u>4,102,945</u>	<u>953,006</u>	<u>5,055,951</u>
50,773	50,773	(50,773)	-
117,224	2,848,494	(2,848,494)	-
-	-	6,097,236	6,097,236
-	-	50,773	50,773
-	-	2,268,528	2,268,528
<u>167,997</u>	<u>2,899,267</u>	<u>5,517,270</u>	<u>8,416,537</u>
<u>\$ 167,997</u>	<u>\$ 7,002,212</u>	<u>\$ 6,470,276</u>	<u>\$ 13,472,488</u>

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City of Crystal Lake, Illinois
Reconciliation of Balance Sheet - Governmental Funds
to the Statement of Net Assets
Discretely Presented Component Unit - Crystal Lake Public Library
April 30, 2009

Total fund balance - governmental funds	\$ 2,899,267
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,472,236
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Notes payable	(375,000)
Compensated absences payable	<u>(579,966)</u>
Net assets of governmental activities	<u>\$ 8,416,537</u>

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 Balances - All Governmental Funds
For the Year Ended April 30, 2009

	Governmental Funds		
	General Operating	Gift and Memorial	Ames
Expenditures/expenses- culture and recreation	\$ 3,587,192	\$ 59,008	\$ 15,887
Program revenues:			
Fines and fees	153,036	-	-
Intergovernmental	31,773	-	-
Total program revenues	184,809	-	-
Net program expenditures/expenses	(3,402,383)	(59,008)	(15,887)
General revenues:			
Property taxes	3,795,242	-	-
Investment income	43,188	235	9,613
Capital facilities	-	-	-
Miscellaneous	5,180	6,392	-
Total general revenues	3,843,610	6,627	9,613
Other financing sources (uses):			
Transfers in	2,189	-	25,000
Transfers out	(25,000)	-	-
Total other financing sources (uses)	(22,811)	-	25,000
Net changes in fund balances	418,416	(52,381)	18,726
Fund balances, beginning of the year	1,834,594	60,847	451,068
Fund balances, end of the year	\$ 2,253,010	\$ 8,466	\$ 469,794

See independent auditor's report.

<u>Nonmajor Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$ 11,662	\$ 3,673,749	\$ (17,987)	\$ 3,655,762
14,880	167,916	-	167,916
-	31,773	-	31,773
14,880	199,689	-	199,689
3,218	(3,474,060)	17,987	(3,456,073)
-	3,795,242	-	3,795,242
2,359	55,395	-	55,395
1,929	1,929	-	1,929
-	11,572	-	11,572
4,288	3,864,138	-	3,864,138
-	27,189	-	27,189
(2,189)	(27,189)	-	(27,189)
(2,189)	-	-	-
5,317	390,078	17,987	408,065
162,680	2,509,189	5,499,283	8,008,472
\$ 167,997	\$ 2,899,267	\$ 5,517,270	\$ 8,416,537

City of Crystal Lake, Illinois
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Component Unit - Crystal Lake Public Library
For the Year Ended April 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 390,078
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$191,770) exceeds capital outlay (\$0) in the current period.	(191,770)
The repayment of principal of long-term debt is reported as an expenditure in governmental funds but as a reduction of the liability outstanding in the statement of activities.	250,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Increase in compensated absences payable	<u>(40,243)</u>
Change in net assets of governmental activities	<u>\$ 408,065</u>

See independent auditor's report.

City of Crystal Lake, Illinois
Discretely Presented Component Unit - Crystal Lake Public Library
Combining Balance Sheet - Nonmajor Governmental Funds
April 30, 2009

	<u>Total</u>	<u>Capital Project Fund Public Library Repair and Construction</u>	<u>Permanent Fund Working Cash</u>
Assets			
Cash and investments	\$ 167,997	\$ 117,224	\$ 50,773
Due from other funds	-	-	-
	<u>\$ 167,997</u>	<u>\$ 117,224</u>	<u>\$ 50,773</u>
Liabilities and Fund Balances			
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Reserved for working cash	50,773	-	50,773
Unreserved	<u>117,224</u>	<u>117,224</u>	<u>-</u>
Total fund balances	<u>167,997</u>	<u>117,224</u>	<u>50,773</u>
Total liabilities and fund balances	<u>\$ 167,997</u>	<u>\$ 117,224</u>	<u>\$ 50,773</u>

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 Balances - Nonmajor Governmental Funds
For the Year Ended April 30, 2009

	<u>Total</u>	<u>Capital Project Fund Public Library Repair and Construction</u>	<u>Permanent Fund Working Cash</u>
Revenues:			
Interest	\$ 2,359	\$ 1,586	\$ 773
Capital facilities	1,929	1,929	-
Rental income	14,880	14,880	-
Total revenues	19,168	18,395	773
Expenditures - current - culture and recreation	11,662	11,662	-
Revenues over expenditures before other financing uses	7,506	6,733	773
Other financing uses - transfers out	(2,189)	-	(2,189)
Net changes in fund balances	5,317	6,733	(1,416)
Fund balances, beginning of the year	162,680	110,491	52,189
Fund balances, end of the year	\$ 167,997	\$ 117,224	\$ 50,773

See independent auditor's report.

City of Crystal Lake
Crystal Lake Public Library Component Unit - General Operating Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 4,223,498	\$ 4,223,498	\$ 3,795,242	\$ (428,256)
Intergovernmental	117,000	117,000	31,773	(85,227)
Fines and forfeitures	167,050	167,050	153,036	(14,014)
Interest	50,000	50,000	43,188	(6,812)
Miscellaneous	1,000	1,000	5,180	4,180
Total revenues	<u>4,558,548</u>	<u>4,558,548</u>	<u>4,028,419</u>	<u>(530,129)</u>
Expenditures:				
Culture and recreation:				
Personal services	2,500,000	2,500,000	2,205,970	294,030
Contractual services	858,848	858,848	460,464	398,384
Supplies and materials	879,700	879,700	591,933	287,767
Debt service:				
Principal	250,000	250,000	250,000	-
Interest	45,000	45,000	24,672	20,328
Capital outlay:				
Building	50,000	50,000	9,674	40,326
Operating equipment	103,000	103,000	44,479	58,521
Total expenditures	<u>4,686,548</u>	<u>4,686,548</u>	<u>3,587,192</u>	<u>1,099,356</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(128,000)</u>	<u>(128,000)</u>	<u>441,227</u>	<u>569,227</u>

(cont'd)

City of Crystal Lake
Crystal Lake Public Library Component Unit - General Operating Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers in	\$ 3,000	\$ 3,000	\$ 2,189	\$ (811)
Transfers out	-	-	(25,000)	(25,000)
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>(22,811)</u>	<u>(25,811)</u>
Net changes in fund balance	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>	418,416	<u>\$ 543,416</u>
Fund balance, beginning of the year			<u>1,834,594</u>	
Fund balance, end of the year			<u>\$ 2,253,010</u>	

See independent auditor's report.

City of Crystal Lake
Crystal Lake Public Library Component Unit - Gift and Memorial Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 235	\$ 235
Miscellaneous	150,000	150,000	6,392	(143,608)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>6,627</u>	<u>(143,373)</u>
Expenditures:				
Culture and recreation:				
Contractual services	177,500	177,500	49,971	127,529
Supplies and materials	23,500	23,500	5,837	17,663
Capital outlay	-	-	3,200	(3,200)
Total expenditures	<u>201,000</u>	<u>201,000</u>	<u>59,008</u>	<u>141,992</u>
Net changes in fund balance	<u>\$ (51,000)</u>	<u>\$ (51,000)</u>	<u>(52,381)</u>	<u>\$ (1,381)</u>
Fund balance, beginning of the year			<u>60,847</u>	
Fund balance, end of the year			<u>\$ 8,466</u>	

See independent auditor's report.

City of Crystal Lake
Crystal Lake Public Library Component Unit - Ames Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues - interest	\$ -	\$ -	\$ 9,613	\$ 9,613
Expenditures - culture and recreation - contractual services	40,000	40,000	15,887	24,113
Revenues under expenditures before other financing uses	(40,000)	(40,000)	(6,274)	33,726
Other financing uses - transfers in	-	-	25,000	25,000
Net changes in fund balance	\$ (40,000)	\$ (40,000)	18,726	\$ 58,726
Fund balance, beginning of the year			451,068	
Fund balance, end of the year			\$ 469,794	

See independent auditor's report.

City of Crystal Lake
Crystal Lake Public Library Component Unit - Public Library Repair and
Construction Fund (Capital Project Fund) - Schedule of Revenues,
Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Interest	\$ -	\$ -	\$ 1,586	\$ 1,586
Capital facilities	20,000	20,000	1,929	(18,071)
Rental income	17,940	17,940	14,880	(3,060)
Total revenues	<u>37,940</u>	<u>37,940</u>	<u>18,395</u>	<u>(19,545)</u>
Expenditures - culture and recreation - contractual services	<u>137,940</u>	<u>137,940</u>	<u>11,662</u>	<u>126,278</u>
Net changes in fund balance	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>6,733</u>	<u>\$ 106,733</u>
Fund balance, beginning of the year			<u>110,491</u>	
Fund balance, end of the year			<u>\$ 117,224</u>	

See independent auditor's report.

City of Crystal Lake
Crystal Lake Public Library Component Unit - Working Cash Fund (Permanent Fund)
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues - interest	\$ 3,000	\$ 5,000	\$ 773	\$ (4,227)
Other financing uses - transfers out	(3,000)	(3,000)	(2,189)	811
Net changes in fund balance	\$ -	\$ 2,000	(1,416)	\$ (3,416)
Fund balance, beginning of the year			52,189	
Fund balance, end of the year			\$ 50,773	

See independent auditor's report.

STATISTICAL SECTION

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This part of the City of Crystal Lake's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.	142 – 153
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	154 – 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, and to help make comparisons over time and with other governments.	165 – 166
Operating Information These schedules contain information about the City's operations and resources, to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	167 - 172

**City of Crystal Lake, Illinois
Net Assets By Component
Last Six Fiscal Years
(Accrual Basis of Accounting)**

	<u>2009</u>	<u>Fiscal Year 2008</u>
Governmental activities:		
Invested in capital assets, net of related debt	\$ 142,698,809	\$ 139,028,556
Restricted	836,020	806,392
Unrestricted	<u>35,162,097</u>	<u>36,364,037</u>
Total governmental activities	<u>\$ 178,696,926</u>	<u>\$ 176,198,985</u>
Business-type activities:		
Invested in capital assets, net of related debt	\$ 51,853,939	\$ 52,187,382
Unrestricted	<u>4,406,249</u>	<u>5,178,987</u>
Total business-type activities	<u>\$ 56,260,188</u>	<u>\$ 57,366,369</u>
Primary government:		
Invested in capital assets, net of related debt	\$ 194,552,748	\$ 191,215,938
Restricted	836,020	806,392
Unrestricted	<u>39,568,346</u>	<u>41,543,024</u>
Total primary government	<u>\$ 234,957,114</u>	<u>\$ 233,565,354</u>

Source: Audited financial statements.

The City implemented GASB Statement 34 in the fiscal year ended April 30, 2004.

See independent auditor's report.

Ended April 30,			
2007	2006	2005	2004
\$ 136,717,137	\$ 143,207,897	\$ 140,891,791	\$ 141,765,596
1,262,516	11,179,914	9,971,068	11,373,072
35,403,503	20,671,704	19,817,257	17,387,044
<u>\$ 173,383,156</u>	<u>\$ 175,059,515</u>	<u>\$ 170,680,116</u>	<u>\$ 170,525,712</u>
\$ 52,830,550	\$ 46,823,209	\$ 46,395,885	\$ 50,675,313
5,185,544	5,221,328	6,655,756	3,756,297
<u>\$ 58,016,094</u>	<u>\$ 52,044,537</u>	<u>\$ 53,051,641</u>	<u>\$ 54,431,610</u>
\$ 189,547,687	\$ 190,031,106	\$ 187,287,676	\$ 192,440,909
1,262,516	11,179,914	9,971,068	11,373,072
40,589,047	25,893,032	26,473,013	21,143,341
<u>\$ 231,399,250</u>	<u>\$ 227,104,052</u>	<u>\$ 223,731,757</u>	<u>\$ 224,957,322</u>

**City of Crystal Lake, Illinois
Change in Net Assets,
Last Six Fiscal Years
(Accrual Basis of Accounting)**

	<u>2009</u>	<u>Fiscal Year 2008</u>
Expenses:		
Governmental activities:		
General and administrative	\$ 8,609,775	\$ 8,124,338
Public safety	19,574,409	17,132,484
Highways and streets	7,820,886	7,250,516
Culture and recreation	323,582	299,181
Interest on long-term debt	766,112	741,136
Total governmental activities expenses	37,094,764	33,547,655
Business-type activities - waterworks and sewerage	9,110,643	8,905,333
Total business-type activities expenses	9,110,643	8,905,333
Total expenses	\$ 46,205,407	\$ 42,452,988
Program revenues:		
Governmental activities:		
Charges for services:		
General and administrative	\$ 869,769	\$ 1,344,296
Public safety	3,122,362	2,565,009
Highways and streets	248,958	220,544
Operating grants and contributions:		
Highways and streets	1,077,248	1,150,479
Other activities	76,141	169,777
Capital grants and contributions - public safety	17,631	-
Total governmental activities program revenues	5,412,109	5,450,105
Business-type activities:		
Charges for services - waterworks and sewerage	7,528,983	7,388,909
Capital grants and contributions	-	-
Total business-type activities program revenues	7,528,983	7,388,909
Total program revenues	\$ 12,941,092	\$ 12,839,014

(cont'd)

Ended April 30,			
2007	2006	2005	2004
\$ 7,410,758	\$ 6,840,977	\$ 7,949,231	\$ 5,362,775
17,180,813	14,010,932	13,592,326	11,644,238
6,100,201	6,641,246	6,833,764	5,777,522
251,717	258,943	232,296	193,990
646,250	560,334	540,505	523,231
<u>31,589,739</u>	<u>28,312,432</u>	<u>29,148,122</u>	<u>23,501,756</u>
<u>8,605,569</u>	<u>7,812,546</u>	<u>7,774,757</u>	<u>6,827,295</u>
<u>8,605,569</u>	<u>7,812,546</u>	<u>7,774,757</u>	<u>6,827,295</u>
<u>\$ 40,195,308</u>	<u>\$ 36,124,978</u>	<u>\$ 36,922,879</u>	<u>\$ 30,329,051</u>
\$ 1,418,677	\$ 1,767,822	\$ 1,129,894	\$ 809,658
2,966,666	2,606,313	2,614,586	2,337,109
220,926	851,872	465,495	515,358
1,213,479	1,170,289	1,183,739	1,331,828
211,743	41,468	148,564	162,363
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,031,491</u>	<u>6,437,764</u>	<u>5,542,278</u>	<u>5,156,316</u>
7,718,993	6,611,350	5,720,245	5,560,988
<u>-</u>	<u>-</u>	<u>467,038</u>	<u>-</u>
<u>7,718,993</u>	<u>6,611,350</u>	<u>6,187,283</u>	<u>5,560,988</u>
<u>\$ 13,750,484</u>	<u>\$ 13,049,114</u>	<u>\$ 11,729,561</u>	<u>\$ 10,717,304</u>

City of Crystal Lake, Illinois
Change in Net Assets (cont'd)
Last Six Fiscal Years
(Accrual Basis of Accounting)

	<u>2009</u>	<u>Fiscal Year 2008</u>
Net (expense) revenue:		
Governmental activities	\$ (31,682,655)	\$ (28,097,550)
Business-type activities	<u>(1,581,660)</u>	<u>(1,516,424)</u>
Total net (expense) revenue	<u>\$ (33,264,315)</u>	<u>\$ (29,613,974)</u>
General revenues and other changes in net assets:		
Governmental activities:		
Taxes:		
Property	11,527,194	10,364,823
Replacement	144,517	171,107
State sales/home rule	14,581,923	11,471,956
Auto rental	30,560	26,807
Income	3,503,952	3,748,680
Franchise fees - cable	474,377	433,134
Telecommunications	1,925,732	2,022,417
Hotel	313,289	241,208
Interest	1,345,422	1,794,262
Miscellaneous	735,643	1,271,781
Transfers	<u>(402,017)</u>	<u>(632,796)</u>
Total governmental activities	<u>34,180,592</u>	<u>30,913,379</u>
Business-type activities:		
Investment earnings	59,519	222,720
Miscellaneous	13,943	11,183
Transfers	<u>402,017</u>	<u>632,796</u>
Total business-type activities	<u>475,479</u>	<u>866,699</u>
Total	<u>\$ 34,656,071</u>	<u>\$ 31,780,078</u>
Change in net assets:		
Governmental activities	\$ 2,497,937	\$ 2,815,829
Business-type activities	<u>(1,106,181)</u>	<u>(649,725)</u>
Total change in net assets	<u>\$ 1,391,756</u>	<u>\$ 2,166,104</u>

Source: Audited financial statements.

The City implemented GASB Statement 34 in the fiscal year ended April 30, 2004.

See independent auditor's report.

<u>Ended April 30,</u>			
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ (25,558,248)	\$ (21,874,668)	\$ (23,605,844)	\$ (18,345,440)
<u>(886,576)</u>	<u>(1,201,196)</u>	<u>(1,587,474)</u>	<u>(1,266,307)</u>
\$ (26,444,824)	\$ (23,075,864)	\$ (25,193,318)	\$ (19,611,747)
9,187,482	7,875,234	6,485,545	5,827,463
162,583	146,870	104,106	95,384
11,680,593	11,296,923	10,989,717	11,017,810
26,677	26,619	28,203	29,971
3,431,732	2,806,403	2,888,037	2,292,329
403,659	364,175	346,628	661,232
1,911,745	2,097,640	1,925,304	-
157,955	152,288	141,625	142,765
1,902,500	1,375,656	520,949	382,345
1,633,322	112,259	330,134	653,642
<u>(6,616,359)</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,881,889	26,254,067	23,760,248	21,102,941
215,259	194,092	83,887	33,114
26,515	-	123,618	-
<u>6,616,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,858,133	194,092	207,505	33,114
\$ 30,740,022	\$ 26,448,159	\$ 23,967,753	\$ 21,136,055
\$ (1,676,359)	\$ 4,379,399	\$ 154,404	\$ 2,757,501
<u>5,971,557</u>	<u>(1,007,104)</u>	<u>(1,379,969)</u>	<u>(1,233,193)</u>
\$ 4,295,198	\$ 3,372,295	\$ (1,225,565)	\$ 1,524,308

City of Crystal Lake, Illinois
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:				
Reserved	\$ 2,675,549	\$ 677,431	\$ 611,212	\$ 340,272
Unreserved	19,485,158	21,744,305	19,788,129	17,260,266
Total General Fund	\$ 22,160,707	\$ 22,421,736	\$ 20,399,341	\$ 17,600,538
All other governmental funds:				
Reserved:				
Other	\$ 448,696	\$ 434,922	\$ 398,899	\$ 213,839
Unreserved, reported in:				
Special Revenue Funds	18,621,408	16,396,284	15,231,274	12,924,791
Debt service	836,020	806,392	1,262,516	2,695,631
Capital Project Funds	(503,734)	2,437,541	4,037,027	951,259
Total all other governmental funds	\$ 19,402,390	\$ 20,075,139	\$ 20,929,716	\$ 16,785,520

Source: Audited financial statements.

See independent auditor's report.

Fiscal Year Ended April 30,					
2005	2004	2003	2002	2001	2000
\$ 525,307	\$ 2,517,619	\$ 10,277,714	\$ 10,220,000	\$ 8,420,000	\$ 6,530,000
15,419,241	12,701,026	11,592,553	12,851,531	12,314,598	11,144,605
<u>\$ 15,944,548</u>	<u>\$ 15,218,645</u>	<u>\$ 21,870,267</u>	<u>\$ 23,071,531</u>	<u>\$ 20,734,598</u>	<u>\$ 17,674,605</u>
\$ -	\$ 1,977,500	\$ 700,000	\$ 1,040,000	\$ 927,500	\$ 781,500
12,082,978	11,778,954	9,897,314	8,719,679	7,665,413	6,796,903
2,226,871	2,092,935	4,131,105	3,856,774	3,630,075	3,307,519
2,224,513	22,852	(86,804)	3,206,714	4,679,309	4,919,947
<u>\$ 16,534,362</u>	<u>\$ 15,872,241</u>	<u>\$ 14,641,615</u>	<u>\$ 16,823,167</u>	<u>\$ 16,902,297</u>	<u>\$ 15,805,869</u>

City of Crystal Lake, Illinois
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006
Revenues:				
Charges for services	\$ 3,377,812	\$ 3,160,600	\$ 4,288,313	\$ 2,916,576
Licenses and permits	687,478	860,051	1,210,611	632,204
Intergovernmental	1,122,265	1,263,765	1,652,364	1,211,757
Fines and forfeitures	626,212	501,930	663,780	432,197
Property taxes	11,527,194	10,364,823	7,709,144	7,875,234
Other taxes	21,023,106	18,171,800	17,754,485	16,890,918
Interest	1,345,426	1,794,262	1,902,500	1,204,294
Miscellaneous	321,738	971,674	1,289,021	1,357,289
Total revenues	40,031,231	37,088,905	36,470,218	32,520,469
Expenditures:				
Current:				
General government	7,632,258	7,356,181	6,696,934	6,826,624
Public safety	18,172,027	16,060,090	15,186,465	14,032,258
Highways and streets	6,384,188	5,390,757	5,035,142	4,335,035
Culture and recreation	1,471,775	299,181	251,717	258,943
Capital outlay	5,887,597	5,991,202	9,192,871	3,938,417
Debt service:				
Principal	680,000	830,000	1,040,000	805,000
Interest and fees	771,991	743,676	559,090	417,044
Total expenditures	40,999,836	36,671,087	37,962,219	30,613,321
Revenues over (under) expenditures before other financing sources (uses)	(968,605)	417,818	(1,492,001)	1,907,148
Other financing sources (uses):				
Transfers in	2,557,818	234,945	3,856,920	430,906
Transfers out	(2,522,991)	(234,945)	(3,856,920)	(430,906)
General obligation bonds	-	-	-	-
SSA bonds issued	-	750,000	8,435,000	-
Total other financing sources (uses)	34,827	750,000	8,435,000	-
Net changes in fund balances	\$ (933,778)	\$ 1,167,818	\$ 6,942,999	\$ 1,907,148
Debt service as a percentage of noncapital expenditures	4.07%	4.84%	4.51%	4.49%

Source: Audited financial statements.

See independent auditor's report.

Fiscal Year Ended April 30,					
2005	2004	2003	2002	2001	2000
\$ 2,383,571	\$ 2,312,564	\$ -	\$ -	\$ -	\$ -
549,297	585,454	740,384	693,846	583,363	664,921
1,146,559	1,494,191	2,296,335	2,781,023	2,411,210	2,070,738
677,795	764,107	2,329,572	2,030,966	2,100,889	2,137,103
6,485,545	5,827,463	5,254,389	5,247,633	4,675,773	4,537,860
16,423,621	14,239,491	13,349,530	13,056,092	12,713,937	12,288,232
520,949	382,345	876,418	1,466,420	2,191,631	1,403,766
1,171,489	713,058	721,433	739,945	822,920	884,190
<u>29,358,826</u>	<u>26,318,673</u>	<u>25,568,061</u>	<u>26,015,925</u>	<u>25,499,723</u>	<u>23,986,810</u>
6,003,834	5,001,352	5,314,595	4,881,700	4,398,890	3,950,772
12,161,148	11,145,716	10,000,453	9,290,460	8,528,566	7,827,997
4,203,136	4,254,149	3,565,612	3,390,587	3,506,561	2,999,199
232,296	193,990	-	-	-	-
6,831,460	9,770,958	8,294,127	4,371,243	2,940,645	3,561,731
2,700,000	1,055,000	1,125,000	1,105,000	1,170,000	1,080,000
493,547	562,453	651,090	719,132	798,640	884,704
<u>32,625,421</u>	<u>31,983,618</u>	<u>28,950,877</u>	<u>23,758,122</u>	<u>21,343,302</u>	<u>20,304,403</u>
(3,266,595)	(5,664,945)	(3,382,816)	2,257,803	4,156,421	3,682,407
2,382,798	8,471,360	3,177,495	38,921	49,489	10,605
(2,382,798)	(8,471,360)	(3,177,495)	(38,921)	(49,489)	(10,605)
4,654,619	-	-	-	-	-
-	-	-	-	-	-
<u>4,654,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,388,024</u>	<u>\$ (5,664,945)</u>	<u>\$ (3,382,816)</u>	<u>\$ 2,257,803</u>	<u>\$ 4,156,421</u>	<u>\$ 3,682,407</u>
9.79%	5.06%	6.13%	7.68%	9.22%	9.68%

City of Crystal Lake, Illinois
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006
Property tax	\$ 11,527,194	\$ 10,364,823	\$ 7,709,144	\$ 7,875,234
Replacement tax	144,517	171,107	142,124	146,870
State sales tax	10,189,283	10,915,086	11,168,510	11,296,923
Home rule sales tax	3,833,890	-	-	-
Auto rental tax	30,560	26,807	26,677	26,619
Income	3,503,952	3,748,680	3,431,732	2,806,403
Franchise fees - cable	474,377	433,134	403,659	364,175
Telecommunications	1,925,732	2,022,417	1,911,745	2,097,640
Hotel	313,289	241,208	157,955	152,288
Local use	558,750	556,870	512,083	-
	<u>\$ 32,501,544</u>	<u>\$ 28,480,132</u>	<u>\$ 25,463,629</u>	<u>\$ 24,766,152</u>

See independent auditor's report.

Fiscal Year Ended April 30,					
2005	2004	2003	2002	2001	2000
\$ 6,485,545	\$ 5,827,463	\$ 5,254,389	\$ 5,247,633	\$ 4,675,773	\$ 4,537,860
104,107	95,384	104,047	68,809	86,223	90,611
10,989,717	11,017,810	10,680,299	10,356,373	9,875,681	9,630,876
-	-	-	-	-	-
28,203	29,971	24,068	26,866	29,133	23,343
2,888,037	2,292,329	2,471,800	2,604,044	2,722,900	2,543,402
346,628	661,232	-	-	-	-
1,925,304	-	-	-	-	-
141,625	142,765	69,316	-	-	-
-	-	-	-	-	-
<u>\$22,909,166</u>	<u>\$ 20,066,954</u>	<u>\$ 18,603,919</u>	<u>\$18,303,725</u>	<u>\$ 17,389,710</u>	<u>\$ 16,826,092</u>

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
1999	\$ 603,327	\$ 523,672,422	\$ 180,024,071	\$ 41,045,633	\$ 150,767
2000	852,010	552,017,420	195,324,625	49,068,381	133,168
2001	954,894	592,824,200	206,610,201	52,456,150	138,095
2002	969,882	650,506,995	222,449,942	56,792,526	146,022
2003	1,271,412	718,258,807	235,377,010	62,570,088	156,244
2004	1,285,944	774,447,288	251,783,539	66,396,250	167,884
2005	1,262,723	860,469,362	266,195,135	71,554,658	684,018
2006	1,273,866	924,013,250	292,876,714	74,250,686	537,447
2007	1,301,267	998,313,489	303,911,661	78,105,425	553,367
2008	1,350,877	1,028,670,946	326,161,997	82,471,180	451,126

Source: McHenry County Clerk.

Note: Property in the City is assessed using a multiplier of 33.3%, therefore the estimated actual taxable values are equal to assessed values times 3.
Tax rates are per \$100 of assessed value.

See independent auditor's report.

<u>Rail Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Percentage of Assessed Value</u>
\$ 345,369	\$ 745,841,589	\$ 0.4327	\$ 2,237,524,767	33.33%
357,830	797,753,434	0.4338	2,393,260,302	33.33%
371,714	853,355,254	0.4396	2,560,065,762	33.33%
435,480	931,300,847	0.4609	2,793,902,541	33.33%
467,883	1,018,101,444	0.5180	3,054,304,332	33.33%
522,927	1,094,603,832	0.6049	3,283,811,496	33.33%
493,168	1,200,659,064	0.6499	3,601,977,192	33.33%
509,716	1,293,461,679	0.6962	3,880,385,037	33.33%
779,271	1,382,964,480	0.7056	4,148,893,440	33.33%
582,126	1,439,688,252	0.7021	4,319,064,756	33.33%

City of Crystal Lake, Illinois
Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating:					
City of Crystal Lake	\$ 0.7021	\$ 0.7056	\$ 0.6962	\$ 0.6499	\$ 0.6049
Crystal Lake Public Library	0.2773	0.2773	0.2773	0.2773	0.2773
McHenry County	0.7014	0.6871	0.7060	0.7278	0.7346
District 47	0.2588	2.5283	2.8974	2.6392	2.7506
District 155	1.7395	1.6992	2.1707	1.7781	1.8490
Debt Service:					
McHenry County	-	-	-	-	-
District 47	0.0863	0.1313	0.1330	0.1355	0.1421
District 155	0.1253	0.1221	0.1230	0.1242	0.1290
Other	-	-	1.2152	0.9678	1.0095
Total Tax Rate:					
City of Crystal Lake	0.7021	0.7056	0.6962	0.6499	0.6049
Crystal Lake Public Library	0.2773	0.2773	0.2773	0.2773	0.2773
McHenry County	0.7014	0.6871	0.7060	0.7278	0.7346
District 47	0.3451	2.6596	3.0304	2.7747	2.8927
District 155	1.8648	1.8213	2.2937	1.9023	1.9780
Other	-	-	0.9379	0.9678	1.0095
Other:					
College District	0.2686	0.2634	0.2741	0.2922	0.3033
McHenry County Conservation	0.1732	0.1738	0.1425	0.1490	0.1580
Crystal Lake Park District	0.3463	0.3431	0.3536	0.3562	0.3714
Township (Algonquin)	0.0522	0.0510	0.0523	0.0531	0.0551
Road and Bridge (Algonquin)	0.1151	0.1124	0.1154	0.1173	0.1217

Source: McHenry County Clerk.

See independent auditor's report.

2003	2002	2001	2000	1999
\$ 0.5180	\$ 0.4609	\$ 0.4396	\$ 0.4338	\$ 0.4327
0.2773	0.2773	0.2795	0.2798	0.2826
0.7040	0.6240	0.5601	0.5610	0.5593
2.8467	2.9721	3.0897	3.0919	3.1083
1.9115	1.9997	2.0798	2.0837	2.0825
0.0113	0.0485	0.0779	0.0830	0.0889
0.1466	0.1543	0.1596	0.1636	0.1369
0.1318	0.0898	0.0935	0.0947	0.0957
1.1712	1.1984	1.2424	1.2069	1.2218
0.5180	0.4609	0.4396	0.4338	0.4327
0.2773	0.2773	0.2795	0.2798	0.2826
0.7153	0.6725	0.6380	0.6440	0.6482
2.9933	3.1264	3.2493	3.2555	3.2452
2.0433	2.0895	2.1733	2.1784	2.1782
1.1712	1.1984	1.2424	1.2069	1.2218
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

**City of Crystal Lake, Illinois
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	Type of Business
Bradley Oper. Ltd. Partnership	Shopping
Crystal Point LLC	Shopping
Skyridge Partners II LLC	Residential Housing
Darlington Court Apartments	Residential Housing
Cobalt Industrial	Industrial
Sunrise Residential Housing	Residential Housing
Tyco Healthcare Group	Manufacturing
Walmart Real Estate Business	Shopping
Inland Ryan LLC	Shopping
Inland Showplace LLC	Theater/shopping
The Fountains	Residential Housing
Crystal Lake Commons	Shopping
Sage Products, Inc.	Medical Products
Holiday Inn	Hotel
Home Depot	Shopping
Knaack Manufacturing	Tool Boxes
Crystal Lake Plaza	Shopping
Crystal Court	Shopping

Source: McHenry County Treasurer.

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.

See independent auditor's report.

2008			1999		
Taxable Assessed Value	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total District Taxable Assessed Value
\$ 11,061,509	1	0.78%	\$ -	-	-
10,911,261	2	0.76%	4,054,114	4	0.59%
10,385,450	3	0.72%			
8,258,053	4	0.57%	-	-	-
7,206,790	5	0.50%			
6,912,329	6	0.48%	-	-	-
6,440,932	7	0.45%	-	-	-
6,009,504	8	0.42%			
5,490,702	9	0.38%	-	-	-
5,114,284	10	0.36%	2,666,400	9	0.39%
-		-	6,098,497	1	0.88%
-		-	5,674,286	2	0.82%
-		-	4,204,126	3	0.61%
-		-	3,521,361	5	0.51%
-		-	3,477,740	6	0.50%
-		-	2,911,820	7	0.42%
-		-	2,859,068	8	0.41%
-		-	2,383,210	10	0.34%
\$ 77,790,814		5.42%	\$ 37,850,622		5.47%

**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 Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Extension		Amount	Percentage of Extension
2000	\$ 3,024,185	\$ 2,895,375	95.74 %	\$ -	\$ 2,895,375	95.74 %
2001	3,196,659	2,895,821	90.59	-	2,895,821	90.59
2002	3,430,267	3,426,325	99.89	-	3,426,325	99.89
2003	3,732,587	3,696,263	99.03	-	3,696,263	99.03
2004	4,274,118	4,269,999	99.90	-	4,269,999	99.90
2005	5,253,795	5,253,393	99.99	-	5,253,393	99.99
2006	6,596,164	6,580,448	99.76	-	6,580,448	99.76
2007	7,774,180	7,749,837	99.69	-	7,749,837	99.69
2008	8,891,222	8,882,151	99.90	-	8,882,151	99.90
2009	9,629,102	9,619,778	99.90	-	9,619,778	99.90

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.

Source: McHenry County Clerk.

See independent auditor's report.

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	SSA Bonds	General Obligation Bonds	Notes Payable			
2000	\$ 10,665,000	\$ -	\$ 3,100,000	\$ -	\$ 13,765,000	N/A	\$ 377.12
2001	9,495,000	-	2,970,000	8,468,848	20,933,848	2.11	550.89
2002	8,390,000	-	2,835,000	14,340,525	25,565,525	2.49	650.52
2003	7,265,000	-	2,690,000	15,820,000	25,775,000	2.46	644.38
2004	5,425,000	785,000	2,535,000	15,246,931	23,991,931	2.24	585.17
2005	9,645,000	540,000	5,575,000	14,583,022	30,343,022	2.83	740.07
2006	9,100,000	280,000	5,285,000	13,902,122	28,567,122	2.75	717.98
2007	8,340,000	8,435,000	4,975,000	13,865,098	35,615,098	3.42	895.12
2008	7,560,000	9,135,000	4,660,000	12,474,889	33,829,889	3.25	850.25
2009	7,010,000	9,005,000	4,325,000	11,753,090	32,093,090	2.30	707.69

Note: Population data can be found at page 165, Demographic and Economic Statistics.

N/A - Information not available.

See independent auditor's report.

City of Crystal Lake, Illinois
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended April 30,	General Obligation Debt	Debt Payable From Enterprise Revenues	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2000	\$ 10,560,000	\$ 2,970,000	\$ 7,590,000	1.02 %	\$ 207.95
2001	9,885,000	2,970,000	6,915,000	0.87	181.97
2002	9,270,000	2,835,000	6,435,000	0.75	163.74
2003	8,625,000	2,690,000	5,935,000	0.64	148.38
2004	7,960,000	2,535,000	5,425,000	0.53	132.32
2005	15,220,000	5,575,000	9,645,000	0.88	235.24
2006	14,385,000	5,285,000	9,100,000	0.76	228.71
2007	13,315,000	4,975,000	8,340,000	0.64	209.61
2008	12,220,000	4,660,000	7,560,000	0.55	190.01
2009	11,335,000	4,325,000	7,010,000	0.49	154.58

Note: Population data can be found at page 165, Demographic and Economic Statistics.
Property value data can be found at pages 154 and 155, Assessed Value and Actual Value of Taxable Property.

See independent auditor's report.

City of Crystal Lake, Illinois
Direct and Overlapping Governmental Activities Debt
April 30, 2009

Governmental Unit	Outstanding Debt	Applicable to the City	
		Percent	Amount
City of Crystal Lake	\$ 7,010,000	100.00 %	\$ 7,010,000
Special Service Areas	9,005,000	100.00	9,005,000
	<u>16,015,000</u>		<u>16,015,000</u>
Overlapping:			
School District Number 47	28,635,000	63.11	18,071,549
School District Number 155	10,600,931	41.26	4,373,944
College District Number 528	-	16.66	-
McHenry County	-	16.08	-
McHenry County Conservation District	150,055,000	14.63	21,953,047
Crystal Lake Park District	6,241,880	75.85	4,734,466
	<u>\$ 195,532,811</u>		<u>49,133,006</u>
Total others			49,133,006
Total overlapping debt			<u>\$ 65,148,006</u>

Source: McHenry County Clerk, local government entity or comprehensive annual report.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the boundaries of the government and dividing it by the government's total taxable assessed value.

See independent auditor's report.

**City of Crystal Lake, Illinois
Legal Debt Margin Information
Last Ten Fiscal Years**

The City is a home rule municipality. To date, the General Assembly has set no limits for home-rule municipalities.

Article VII, Section 6(k) of the Illinois Constitution governs computation of the legal debt margin.

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

See independent auditor's report.

**City of Crystal Lake, Illinois
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended April 30,	Estimated Population	Per Capita Personal Income (5)	School Enrollment (6)	Unemployment Rate
2000	36,500 (1)	\$ 26,146	\$ 12,457	2.9% (1)
2001	38,000 (3)	26,146	12,706	3.6% (1)
2002	39,300 (1)	26,146	12,853	5.1% (1)
2003	40,000 (1)	26,146	13,471	6.5% (2)
2004	41,000 (1)	26,146	13,053	4.6% (1)
2005	41,000 (1)	26,146	15,458	5.3% (1)
2006	39,788 (3)	26,146	16,175	4.6% (4)
2007	39,788 (3)	26,146	16,011	4.1% (4)
2008	39,788 (3)	26,146	16,215	4.9% (4)
2009	45,349 (3)	30,777	16,008	9.6% (4)

Sources:

- (1) City Estimate
- (2) McHenry County
- (3) Special Census
- (4) Illinois Department of Employment Security
- (5) U.S. Census
- (6) Elementary and High School - obtained from School Districts

See independent auditor's report.

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**City of Crystal Lake, Illinois
Principal Employers
Current Year**

Employer	Employees	Rank	% of Total City Population
CL Elementary School District 47	863	1	1.90%
Consolidated High School District 155	440	2	0.97%
Precision Twist Drills	371	3	0.82%
Columbia College/Webster University	363	4	0.80%
TC Industries	350	5	0.77%
McHenry County College	305	6	0.67%
Jewel Food Stores	300	7	0.66%
City of Crystal Lake	285	8	0.63%
Althoff Industries	270	9	0.60%
Seven Worldwide	250	10	0.55%
	<u>3,797</u>		<u>8.37%</u>

Information is not readily available for previous years.

Source: 2007 Illinois Manufacturers and 2007 Illinois Service Directories.

See independent auditor's report.

**City of Crystal Lake, Illinois
Full-time Equivalent Employees
Last Ten Fiscal Years**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government	45	44	44	44	44
Public Safety:					
Police	79	71	71	73	73
Fire	64	55	51	47	47
Highways and Streets:					
Engineering	12	12	11	11	11
Maintenance	22	23	23	23	23
Sanitation	10	10	12	12	12
Waterworks and Sewerage	24	23	28	28	28
	<u>256</u>	<u>238</u>	<u>240</u>	<u>238</u>	<u>238</u>

Source: City records.

See independent auditor's report.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
44	44	44	44	44
75	75	74	72	73
39	39	39	31	31
12	12	11	11	11
27	27	26	23	27
13	13	12	12	12
<u>28</u>	<u>36</u>	<u>32</u>	<u>30</u>	<u>31</u>
<u>238</u>	<u>246</u>	<u>238</u>	<u>223</u>	<u>229</u>

**City of Crystal Lake, Illinois
Operating Indicators
Last Ten Fiscal Years**

	Fiscal Year			
	2009	2008	2007	2006
Police:				
Physical arrests	1,660	1,717	1,123	1,782
Parking violations	8,824	8,978	12,412	13,803
Traffic violations	7,093	6,631	7,933	8,255
Fire:				
Number of calls answered	5,116	5,207	4,991	5,258
Inspections	749	600	600	N/A
Highways and Streets:				
Street resurfacing (miles)	6.5	8.2	7.9	N/A
Water:				
New connections	50	118	195	N/A
Water main breaks	27	29	18	N/A
Average daily consumption (millions of gallons)	4.940	4.860	4.807	N/A
Wastewater:				
Average daily sewage treatment (in gallons)	5,870	6,092	4,500	N/A

Source: City records.

N/A - Information not readily available.

See independent auditor's report.

Ended April 30,

2005	2004	2003	2002	2001	2000
1,804	2,231	2,231	2,605	2,476	2,371
13,762	12,796	12,796	10,312	10,691	9,444
8,369	7,620	7,620	5,027	5,325	6,487
5,567	5,264	5,264	4,836	4,845	4,699
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**City of Crystal Lake, Illinois
Capital Asset Statistics
Last Ten Fiscal Years**

	Fiscal Year				
	2009	2008	2007	2006	2005
Public safety:					
Police:					
Stations	1	1	1	1	1
Patrol units	22	31	31	31	31
Fire Stations	3	3	3	3	3
Highways and Streets:					
Streets (miles)	163	163	163	177	176.8
Streetlights	1,996	1,996	1,996	1,700	1,700
Traffic signals	29	29	29	N/A	N/A
Culture and Recreation:					
Parks acreage	1,393	1,393	1,393	1,393	1,393
Parks	44	44	44	44	44
Tennis courts	30	30	30	30	30
Community centers	8	8	8	8	8
Water:					
Water mains (miles)	175	175	210	181	181
Fire hydrants	3,017	2,859	2,795	2,614	2,614
Maximum daily capacity (millions of gallons)	9.20	9.20	8.45	9.60	9.60
Sewer:					
Sanitary sewers (miles)	120	127	126	185	185
Storm sewers (miles)	60	62	60	110	110
Maximum daily treatment (thousands of gallons)	12,854	12,825	19,500	19,500	19,500

Source: City records.

See independent auditor's report.

Ended April 30,

2004	2003	2002	2001	2000
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1	1	1	1	1
25	25	25	25	25
3	3	3	3	3
175.4	175.4	175.0	185.0	184.0
1,900	1,900	1,884	1,884	1,845
N/A	N/A	N/A	N/A	N/A
1,200	1,200	1,200	1,420	1,108
39	39	39	39	37
30	30	30	27	27
8	8	8	8	7
180	180	180	175	167
2,600	2,600	3,093	3,005	3,005
9.60	9.60	9.60	9.60	8.60
184	184	184	180	166
110	110	110	108	94
16,250	16,250	16,250	16,250	16,250

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