GURNEE
COMMUNITY OF OPPORTUNITY

Financial Status Report

3rd Quarter FY 2025-2026

May 1, 2025 – January 31, 2026

What's Inside

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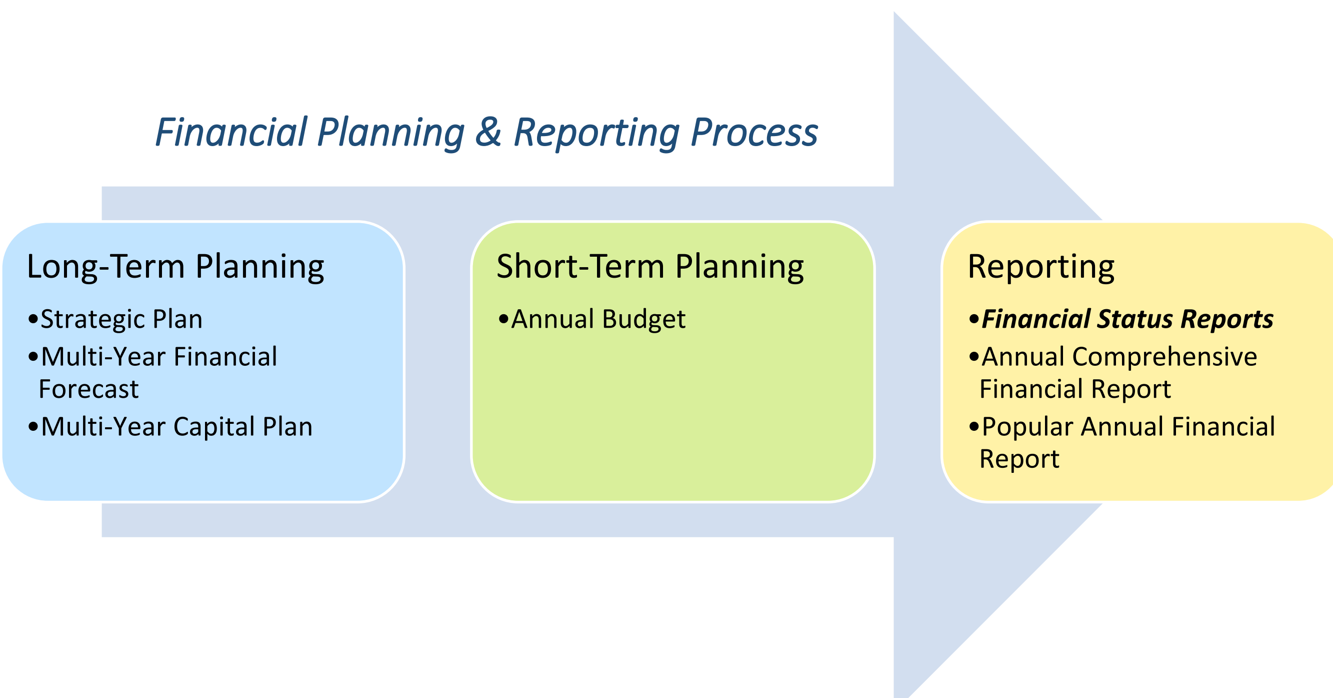
Introduction

This Financial Status Report is intended to provide readers with a summary of the Village's financial status on a quarterly basis. Regular financial reporting is important to share information with stakeholders as well as provide a vehicle to identify any irregularities that may need to be addressed. Regular reporting is one part of the Village's overall planning and reporting process outlined in the graphic below.

The enclosed Financial Status Report is presented on a Budget Basis. Budget Basis means the report is prepared on the same basis as the Village's budget, which differs from the basis on which the Village's Annual Comprehensive Financial Report (ACFR) is prepared. The ACFR fund financial statements are prepared on a modified accrual basis of accounting and include adjustments for short-term assets, liabilities, revenues and expenses that can be measured but not yet received, incurred or available for use. The Village budget is largely prepared on a cash basis in which revenues are recorded when received and expenditures when paid. One notable exception is Water & Sewer charges for service. These charges are recognized when billed to the customer rather than when collected.

Information contained in the report largely compares the fiscal year actual to fiscal year budget or prior year actual performance. The term "variance" is used to refer to the differences between these figures. For example, through the 1st quarter, 25% of the fiscal year is complete and thus we would expect 25% of revenue to be received or expenditures spent for each fund or classification. In situations where there is a significant variance between the percentages of the year completed and revenues or expenditures to date, explanations are provided.



Cash & Investments

The Village's Cash & Investments are governed by the Public Funds Investment Act (30 ILCS 235) and the Village Investment Policy. Priority is placed on safety and liquidity over investment income. Balances exclude the 307 - Police Pension & 308 - Fire Pension Funds which are managed by separate boards under separate statutory authority, and the 411 - Northeast Lake County Emergency Telephone Systems Board Fund. The Village utilizes the 91 day T-bill rate as a yield benchmark.

Cash & Investments Summary

Cash & Investments Summary by Fund		
	Total $49,085,157	
110 - General Fund	$32,555,448	66%
121 - 911 Fund	$1,623,116	3%
122 - Motor Fuel Tax Fund	$565,245	1%
123 - Impact Fee Fund	$24,570	0%
124 - PD Restricted Revenue Fund	$291,149	1%
125 - Economic Development Fund	$2,205,213	4%
131 - Capital Improvement Fund	$5,690,751	12%
211 - Golf Course Fund	$1,010,409	2%
221 - Water & Sewer Operating Fund	$6,627,971	14%
223 - Water & Sewer Capital Fund		
231 - Health Insurance Fund	-$1,909,100	-4%
233 - Fleet Services Fund	$400,385	1%

Cash & Investments Summary by Liquidity		
	Total $49,085,157	
Checking/Savings Accounts	$6,632,085	14%
Money Market/LGIP	$25,561,219	52%
Short-Term Investments	$16,885,952	34%
Petty Cash/Cash on Hand	$5,901	0%

Cash & Investments Summary by Institution		
	Total $49,085,157	
Village Departments	$5,901	0%
Gurnee Bank (Checking & Money Market)	$19,830,388	40%
Illinois Funds	$12,362,916	25%
Schwab Investment Account	$9,884,233	20%
5/3rd Securities Inc.	$7,001,719	14%

By Fund

The graphic to the left shows the eleven different funds for which the Village is responsible for managing cash and investments. The Water & Sewer Operating and Capital Funds are combined. It is possible for Funds to be negative based on the timing of revenues & expenditures throughout the year. For example, the 121 – 911 Fund makes expenditures throughout the year and is reimbursed quarterly from the Northeast Lake County Consolidated Emergency Telephone Systems Board on a quarterly basis.

By Liquidity

The Village maintains funds in a variety of accounts, from on-hand petty cash to short-term investments managed by an investment advisor. The amount held in each type of account depends on the cash flow needs throughout the year and potential emergency needs. Liquidity is important so that funds may be accessed as needed to make large payments to vendors for capital projects for example. In a normal operating and interest rate environment, the Village targets roughly a third of the portfolio in each of the categories with a small amount held for petty cash purposes.

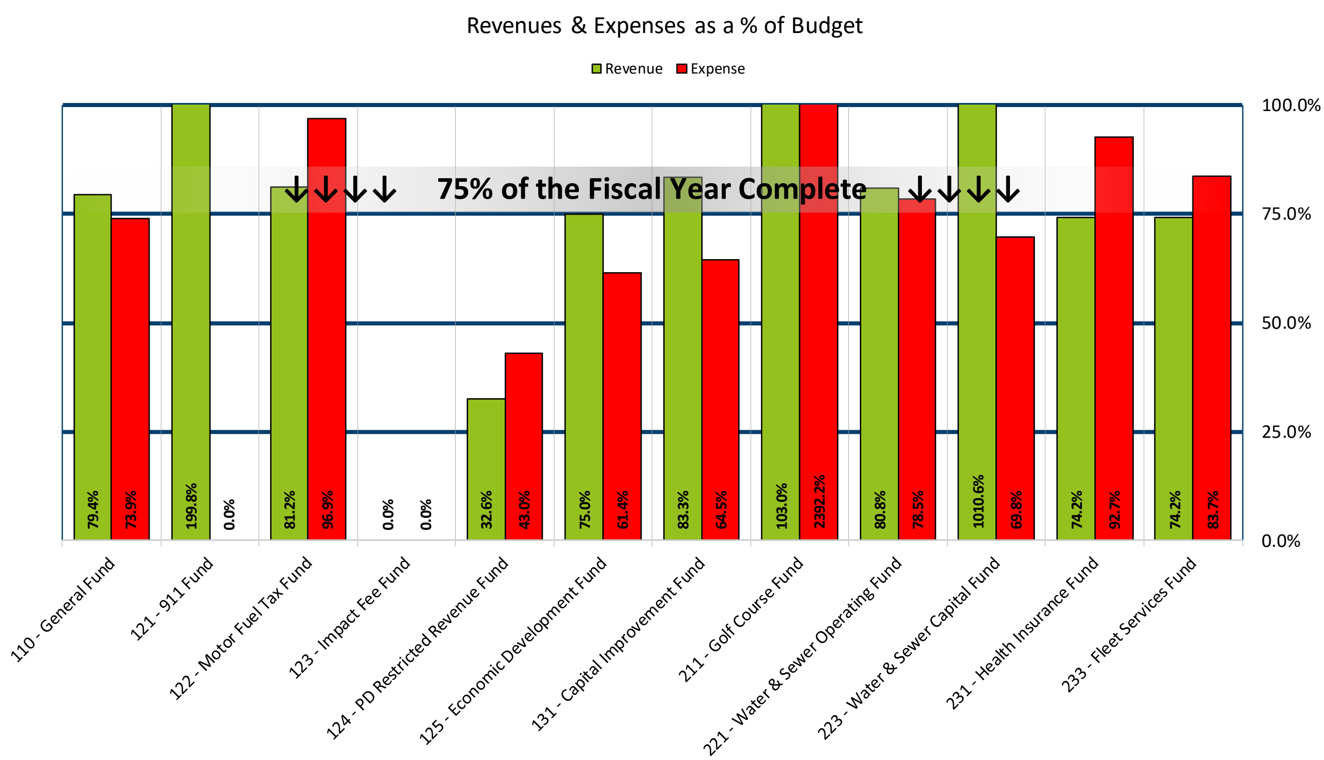
By Financial Institution

The Village maintains contractual relationships with a primary banking services provider (Gurnee Bank) for day to day banking needs, and two independent investment advisors (Sawyer Falduto Asset Management LLC, and 5/3rd Securities Inc.) to manage short-term investment of idle balances. The Village has had a long-standing relationship with the Illinois Funds which is a local government investment pool (LGIP) managed by the Illinois State Treasurer's Office.

All Funds Summary

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 Village of Gurnee, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. To get an idea of how each individual Fund is doing at the highest level, comparing revenues and expenses to budget can be useful. This chart shows each Fund's budgeted and actual revenues and expenses along with budgeted and actual surplus or deficit. Many of the Village's Funds have transactions that are seasonal in nature such as the 131 – Capital Improvement Fund where most of the activity occurs in the summer construction months. This report focuses on the 110 – General Fund and 221/223 – Water & Sewer Fund as these are the two primary operating Funds of the Village. Discussion on significant budget variances for major Governmental Funds and the Water & Sewer Fund can be found in more detail in the individual Fund sections. The graphic below shows budget to actual information for all funds in summary.

	Revenue			Expense			Revenue +/(-) Expense	
Fund	**FY26 Budget**	**FY26 Actual**	**% of Budget**	**FY26 Budget**	**FY26 Actual**	**% of Budget**	**FY26 Budget**	**FY26 Actual**
Total All Funds	**$101,410,236**	**$68,319,816**	**67.4%**	**$103,481,932**	**$70,724,186**	**68.3%**	**-$2,071,696**	**-$2,404,370**
Total Governmental Funds	**$64,260,678**	**$51,321,536**	**79.9%**	**$72,187,204**	**$51,145,873**	**70.9%**	**-$7,926,526**	**$175,663**
110 - General Fund	$53,435,761	$42,427,788	79.4%	$53,435,761	$39,490,866	73.9%	$0	$2,936,922
121 - 911 Fund	$205,000	$409,685	199.8%	$1,195,458	$0	0.0%	($990,458)	$409,685
122 - Motor Fuel Tax Fund	$1,391,417	$1,130,292	81.2%	$1,429,670	$1,384,670	96.9%	($38,253)	($254,378)
123 - Impact Fee Fund	$0	$0	0.0%	$0	$0	0.0%	$0	$0
124 - PD Restricted Revenue Fund	$157,500	$51,335	32.6%	$183,815	$79,112	43.0%	($26,315)	($27,777)
125 - Economic Development Fund	$3,071,000	$2,303,250	75.0%	$3,071,000	$1,884,910	61.4%	$0	$418,341
131 - Capital Improvement Fund	$6,000,000	$4,999,187	83.3%	$12,871,500	$8,306,316	64.5%	($6,871,500)	($3,307,129)
Total Proprietary Funds	**$19,890,238**	**$16,244,310**	**81.7%**	**$22,658,228**	**$18,895,505**	**83.4%**	**-$2,767,990**	**-$2,651,195**
211 - Golf Course Fund	$81,000	$83,468	103.0%	$25,000	$598,057	2392.2%	$56,000	($514,589)
221 - Water & Sewer Operating Fund	$10,746,000	$8,688,048	80.8%	$7,691,490	$6,035,081	78.5%	$3,054,510	$2,652,967
223 - Water & Sewer Capital Fund	$80,000	$808,446	1010.6%	$5,458,500	$3,811,753	69.8%	($5,378,500)	($3,003,307)
231 - Health Insurance Fund	$5,700,910	$4,228,778	74.2%	$5,700,910	$5,284,962	92.7%	$0	($1,056,183)
233 - Fleet Services Fund	$3,282,328	$2,435,570	74.2%	$3,782,328	$3,165,653	83.7%	($500,000)	($730,082)



Major Revenues

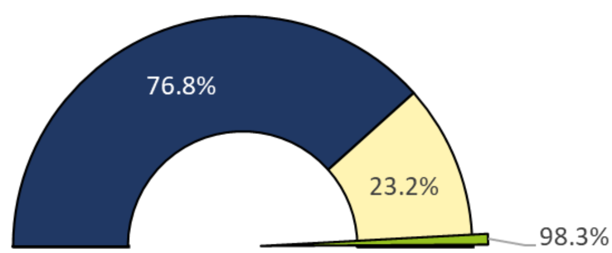
Major Revenues consist of Sales Tax, Amusement Tax, Food & Beverage Tax, Hotel Tax, Income Tax, Local Use Tax and Water & Sewer charges. Combined, these revenues make up roughly 68% of the General Fund and 95% of the Water & Sewer Fund. These taxes are the most economically sensitive revenue streams the Village relies on for operations, and the water and sewer charges are intended to fully support the operations and capital needs of the water and sewer system.

State Shared & Locally Imposed Taxes

The charts below show Major Revenues in total and individually by month for the last 5-years. The charts include three comparisons described in further detail below:

- **YTD Versus Last Year –** This indicator shows actual collections through the current quarter this fiscal year versus the immediately preceding fiscal year. This variance can be helpful to identify any year to year variances.
- **YTD Versus Seasonally Adjusted Budget –** This indicator shows actual collections through the current quarter this fiscal year versus the year-to-date budget adjusted for seasonality. Seasonality is determined based on the percentage of revenues collected for the same timeframe in the preceding fiscal year. For example, In the chart below 76.8% of total major revenues were collected through the 3rd quarter last year, therefore the seasonally adjusted budget is 76.8% of the total FY 20205/2026 annual budget. Major Revenues through the 3rd quarter are at 98.3% of budget.

Major Revenues vs. Seasonally Adjusted Budget
(millions $)

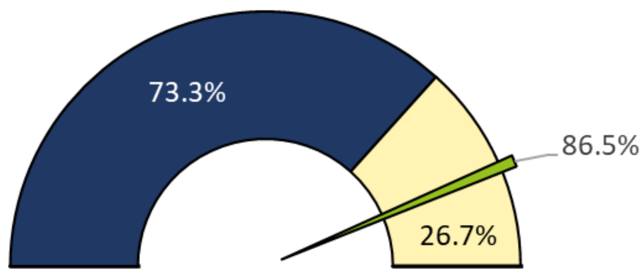


Major Revenues Dashboard				
Revenue	**vs. Last Year**		**vs. Adj Budget**	
Total Budget		$30,151,020		$31,243,306
YTD Adjusted Budget		$24,760,271		$23,984,242
YTD Actual	**101.9%**	**$30,710,036**	**98.3%**	**$30,710,036**
Over/(Under)	**24.0%**	**$5,949,764**	**28.0%**	**$6,725,794**
Sales Tax (MST & HMR)	13.6%	$1,635,838	18.0%	$2,076,887
Amusment Tax	-6.2%	($239,029)	-3.5%	($132,191)
Food & Beverage Tax	5.0%	$113,822	6.3%	$141,596
Hotel Tax	5.7%	$100,993	4.0%	$72,277
Income Tax	5.5%	$224,122	3.1%	$126,458
Use Tax	-72.9%	($575,303)	-53.8%	($248,556)

Sales Tax

Items except food, drugs and titled property are subject to an 8.00% Sales Tax in Gurnee. The 8.00% rate includes a 1.00% Home Rule Sales Tax, 6.25% State Tax and 0.75% Regional Transportation Tax. The Village receives 1% of the state rate and 1% Home Rule Sales Tax rate within the corporate limits of the Village and certain internet sales as of March 1, 2021 based on the destination of the sale. Sales tax revenue though the 3rd quarter is at 86.5% of budget, ahead of the seasonally adjusted budget of 73.3%.

Sales Tax vs. Seasonally Adjusted Budget
(millions $)



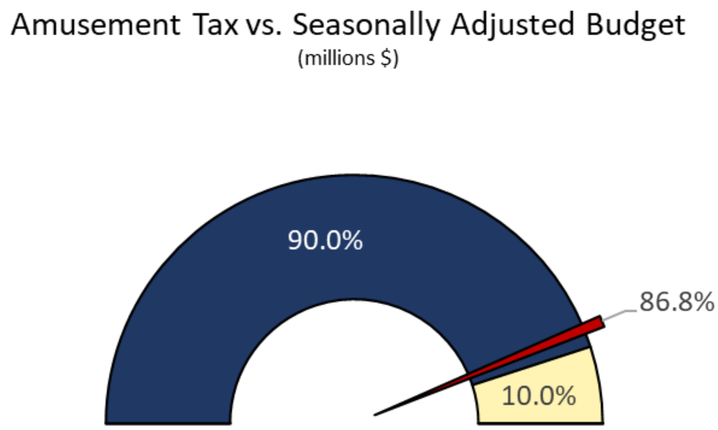
331301 - SALES TAX					
Sales/Receipt Month	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Taxpayers	**3,357**	**4,451**	**5,431**	**6,424**	**7,231**
Feb/May	$848,369	$997,047	$956,395	$1,066,538	$1,159,926
Mar/Jun	$1,258,930	$1,212,104	$1,140,729	$1,276,196	$1,452,975
Apr/Jul	$1,157,079	$1,217,721	$1,179,912	$1,208,047	$1,472,507
May/Aug	$1,319,111	$1,266,855	$1,323,149	$1,375,724	$1,553,931
Jun/Sep	$1,433,070	$1,388,056	$1,426,876	$1,399,253	$1,634,772
Jul/Oct	$1,318,850	$1,253,658	$1,339,371	$1,400,383	$1,669,449
Aug/Nov	$1,290,065	$1,274,944	$1,379,179	$1,415,428	$1,662,548
Sep/Dec	$1,221,475	$1,237,710	$1,294,495	$1,297,743	$1,496,060
Oct/Jan	$1,218,810	$1,245,362	$1,272,183	$1,568,499	$1,541,482
Nov/Feb	$1,246,296	$1,242,683	$1,349,174	$1,421,329	
Dec/Mar	$1,517,492	$1,540,650	$1,637,052	$1,762,319	
Jan/Apr	$945,665	$1,010,108	$1,053,281	$1,185,883	
Total YTD Actual	**$14,775,212**	**$14,886,898**	**$15,351,796**	**$16,377,343**	**$13,643,650**
Annual Budget	**$12,203,750**	**$13,775,000**	**$14,650,000**	**$14,900,000**	**$15,775,800**
Over/(Under) Budget	**$2,571,462**	**$1,111,898**	**$701,796**	**$1,477,343**	**($2,132,150)**
% of Budget	**121.1%**	**108.1%**	**104.8%**	**109.9%**	**86.5%**

YTD vs. Last Year	
YTD Actual	$13,643,650
Last Year	$12,007,812
$ Difference	**$1,635,838**
% Difference	**13.6%**

vs. Seasonally Adjusted Budget	
YTD Actual	$13,643,650
YTD Adj. Budget	$11,566,762
$ Difference	**$2,076,887**
% Difference	**18.0%**

Amusement Tax

Effective May 1, 2018 the Village increased the tax on amusements from 3% to 4% on receipts within Village boundaries. The Village has approximately 15 Amusement Taxpayers. Prior to this increase, Amusement Tax had not been adjusted in nearly 20 years. The largest Amusement Tax generator is Six Flags Great America. Amusement tax revenue though the 3rd quarter is at 86.8% of budget, behind the seasonally adjusted budget of 90.0%.



331601 - AMUSEMENT TAX					
Sales/Receipt Month	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Taxpayers	**11**	**14**	**15**	**14**	**15**
Apr/May	$131,641	$54,391	$327,477	$460,713	$324,737
May/Jun	$299,589	$434,934	$421,240	$261,771	$359,752
Jun/Jul	$626,845	$751,173	$634,331	$758,605	$608,297
Jul/Aug	$623,910	$602,563	$473,312	$534,173	$569,758
Aug/Sep	$501,474	$408,480	$480,024	$479,735	$577,158
Sep/Oct	$342,278	$328,061	$336,623	$486,332	$306,385
Oct/Nov	$436,306	$545,527	$558,935	$510,319	$499,584
Nov/Dec	$133,937	$184,877	$126,099	$193,903	$87,440
Dec/Jan	$160,425	$132,972	$113,074	$156,180	$269,590
Jan/Feb	$107,423	$83,762	$94,936	$111,837	
Feb/Mar	$33,376	$92,621	$103,440	$141,319	
Mar/Apr	$207,419	$106,841	$128,351	$173,827	
Total YTD Actual	**$3,604,625**	**$3,726,203**	**$3,797,842**	**$4,268,713**	**$3,602,702**
Annual Budget	**$2,931,250**	**$3,600,000**	**$3,500,000**	**$3,700,000**	**$4,150,000**
Over/(Under) Budget	**$673,375**	**$126,203**	**$297,842**	**$568,713**	**($547,298)**
% of Budget	**123.0%**	**103.5%**	**108.5%**	**115.4%**	**86.8%**

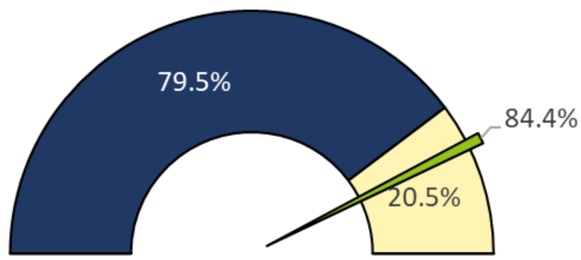
YTD vs. Last Year	
YTD Actual	$3,602,702
Last Year	$3,841,731
$ Difference	**($239,029)**
% Difference	**-6.2%**

vs. Seasonally Adjusted Budget	
YTD Actual	$3,602,702
YTD Adj. Budget	$3,734,892
$ Difference	**($132,191)**
% Difference	**-3.5%**

Food & Beverage Tax

Food & Beverage Tax is 1% on meals prepared for immediate consumption as well as packaged liquor. The Village has approximately 168 Food & Beverage taxpayers. With the change in internet sales, the Village also collects Food & Beverage Tax from online delivery services such as Uber Eats and Grub Hub. Food & Beverage tax revenue though the 3rd quarter is at 84.4% of budget, ahead of the seasonally adjusted budget of 79.5%.

Food & Beverage Tax vs. Seasonally Adjusted Budget
(millions $)



331609 - FOOD & BEVERAGE TAX					
Sales/Receipt Month	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Taxpayers	**142**	**151**	**160**	**155**	**168**
Apr/May	$159,904	$184,336	$213,196	$205,764	$216,238
May/Jun	$196,386	$219,948	$239,774	$236,486	$279,761
Jun/Jul	$231,931	$252,603	$286,763	$283,586	$321,003
Jul/Aug	$256,543	$265,756	$287,869	$284,199	$313,902
Aug/Sep	$227,495	$232,465	$269,067	$266,341	$311,171
Sep/Oct	$196,202	$216,648	$231,998	$235,321	$235,508
Oct/Nov	$183,890	$229,076	$232,473	$249,102	$256,537
Nov/Dec	$188,858	$197,350	$197,912	$231,696	$222,162
Dec/Jan	$200,411	$220,793	$237,205	$299,907	$249,940
Jan/Feb	$153,565	$169,505	$177,315	$165,985	
Feb/Mar	$158,612	$186,953	$200,090	$197,692	
Mar/Apr	$188,845	$204,488	$211,228	$228,876	
Total YTD Actual	**$2,342,643**	**$2,579,921**	**$2,784,891**	**$2,884,954**	**$2,406,223**
Annual Budget	**$1,807,500**	**$2,130,000**	**$2,400,000**	**$2,650,000**	**$2,850,000**
Over/(Under) Budget	**$535,143**	**$449,921**	**$384,891**	**$234,954**	**($443,777)**
% of Budget	**129.6%**	**121.1%**	**116.0%**	**108.9%**	**84.4%**

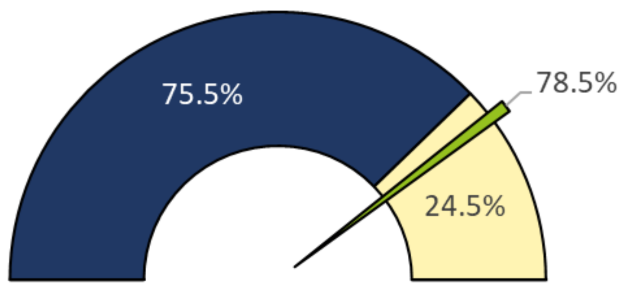
YTD vs. Last Year	
YTD Actual	$2,406,223
Last Year	$2,292,402
$ Difference	**$113,822**
% Difference	**5.0%**

vs. Seasonally Adjusted Budget	
YTD Actual	$2,406,223
YTD Adj. Budget	$2,264,627
$ Difference	**$141,596**
% Difference	**6.3%**

Hotel Tax

Hotel Tax is 6% on room rentals and has bounced back versus last year and two years ago. The Village has approximately 12 Hotel taxpayers. Hotel tax revenue though the 3rd quarter is at 78.5% of budget, ahead of the seasonally adjusted budget of 75.5%.

Hotel Tax vs. Seasonally Adjusted Budget
(millions $)



331607 - HOTEL TAX					
Sales/Receipt Month	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Taxpayers	**12**	**12**	**12**	**12**	**12**
Apr/May	$145,262	$214,881	$255,838	$237,127	$262,611.45
May/Jun	$145,145	$160,625	$173,133	$104,076	$184,380
Jun/Jul	$166,758	$211,299	$205,144	$279,546	$231,304
Jul/Aug	$271,769	$265,719	$234,937	$249,733	$266,603
Aug/Sep	$204,198	$214,264	$195,075	$85,784	$236,797
Sep/Oct	$126,830	$143,174	$144,001	$248,389	$143,122
Oct/Nov	$149,568	$167,448	$155,912	$131,332	$186,441
Nov/Dec	$151,322	$174,221	$142,254	$253,582	$54,786
Dec/Jan	$178,579	$198,811	$208,053	$194,201	$318,717
Jan/Feb	$138,042	$32,612	$75,409	$38,087	
Feb/Mar	$149,119	$310,336	$290,102	$290,266	
Mar/Apr	$238,660	$252,384	$247,068	$249,854	
Total YTD Actual	**$2,065,253**	**$2,345,776**	**$2,326,925**	**$2,361,976**	**$1,884,762**
Annual Budget	**$1,475,000**	**$1,800,000**	**$2,250,000**	**$2,400,000**	**$2,400,000**
Over/(Under) Budget	**$590,253**	**$545,776**	**$76,925**	**($38,024)**	**($515,238)**
% of Budget	**140.0%**	**130.3%**	**103.4%**	**98.4%**	**78.5%**

YTD vs. Last Year	
YTD Actual	$1,884,762
Last Year	$1,783,769
$ Difference	**$100,993**
% Difference	**5.7%**

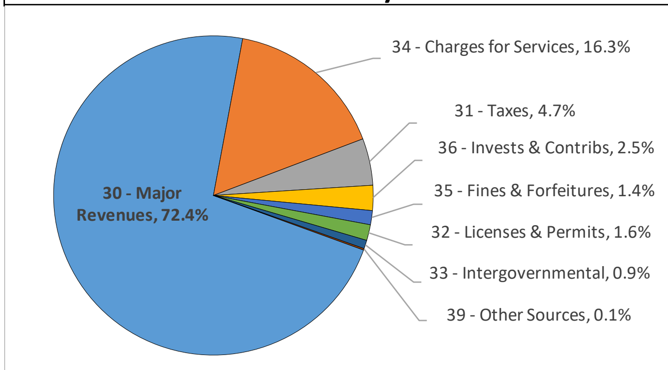
vs. Seasonally Adjusted Budget	
YTD Actual	$1,884,762
YTD Adj. Budget	$1,812,485
$ Difference	**$72,277**
% Difference	**4.0%**

110 – General Fund

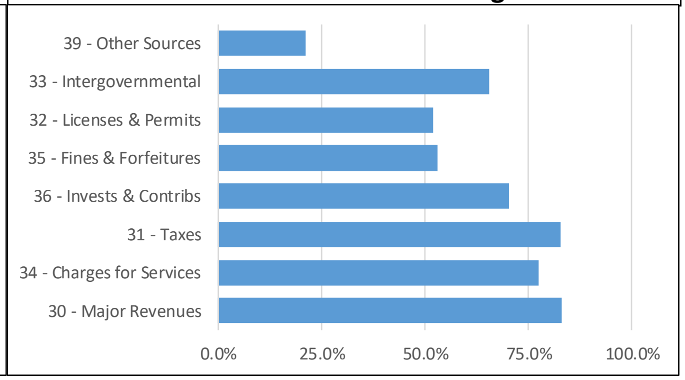
The 110 - General Fund is the primary operating fund of the Village and accounts for the vast majority of non-water & sewer related activity. Activities accounted for in the General Fund include Police, Fire, Public Works (non-Water & Sewer), Community Development and Administration.

110 - General Fund

YTD Revenues by Source



YTD Revenue as a % of Budget



	FY 2023/2024 Actual	FY 2024/2025 Actual	FY 2025/2026 Budget	FY 2025/2026 YTD Actual	FY 2025/2026 Budget vs. Actual	% of Budget
Revenues	**$51,550,721**	**$53,904,780**	**$53,435,761**	**$42,427,788**	**($11,007,973)**	**79.4%**
30 - Major Revenues	$35,962,208	$38,030,937	$36,943,306	$30,710,036	($6,233,270)	83.1%
34 - Charges for Services	$8,472,695	$9,256,778	$8,933,857	$6,915,818	($2,018,039)	77.4%
31 - Taxes	$2,209,455	$2,333,575	$2,425,000	$2,011,533	($413,467)	82.9%
36 - Invests & Contribs	$1,341,882	$1,438,635	$1,527,500	$1,076,426	($451,074)	70.5%
35 - Fines & Forfeitures	$956,994	$1,025,296	$1,145,000	$607,232	($537,768)	53.0%
32 - Licenses & Permits	$1,539,018	$1,183,883	$1,300,000	$676,905	($623,095)	52.1%
33 - Intergovernmental	$758,209	$361,533	$559,696	$366,365	($193,331)	65.5%
39 - Other Sources	$310,259	$274,143	$300,000	$63,473	($236,527)	21.2%
53 - Fund Transfers In	$0	$0	$301,402	$0	($301,402)	0.0%

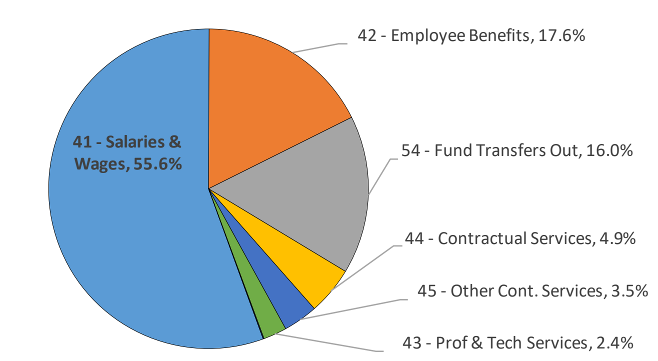
Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

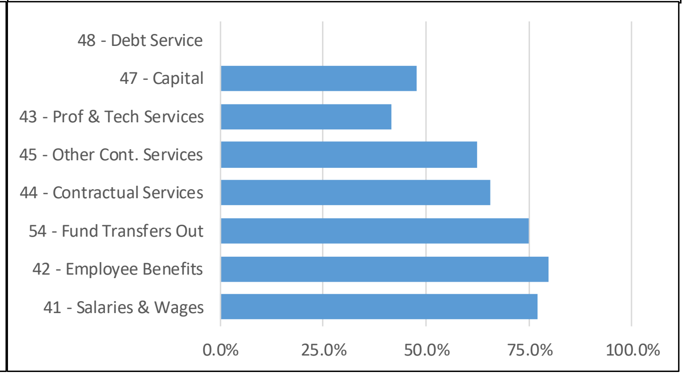
- **35 – Fines & Forfeitures** is under budget due to red light camera revenue. Several intersections were off-line for intersection work and the Village discontinued the program. The negative variance is expected to carry through the end of the year.
- **32 – Licenses & Permits** is under budget due to the timing of building permits and liquor licenses.
- **33 – Intergovernmental** is under budget due to lower Replacement Tax and Use Tax. Legislation related to internet and out of state purchases were previously subject to Use Tax are now required to pay the full rate based on the destination of the sale.
- **39 – Other Sources** is under budget due to lower workers compensation reimbursements.
- **53 – Fund Transfers In** is under budget due to the timing of closing the 911 Fund.

110 - General Fund

YTD Expenditures by Source



YTD Expenditures as a % of Budget



	FY 2023/2024 Actual	FY 2024/2025 Actual	FY 2025/2026 Budget	FY 2025/2026 YTD Actual	FY 2025/2026 Budget vs. Actual	% of Budget
Expenditures	**$49,518,187**	**$52,492,859**	**$53,435,761**	**$39,490,866**	**$13,944,895**	**73.9%**
41 - Salaries & Wages	$25,630,723	$26,053,241	$27,821,520	$21,427,880	$6,393,640	77.0%
42 - Employee Benefits	$7,959,425	$8,195,544	$8,489,758	$6,769,032	$1,720,726	79.7%
54 - Fund Transfers Out	$8,483,800	$12,902,830	$8,230,620	$6,172,965	$2,057,655	75.0%
44 - Contractual Services	$1,809,454	$1,930,037	$2,848,432	$1,869,645	$978,787	65.6%
45 - Other Cont. Services	$1,359,962	$1,330,877	$2,154,485	$1,345,031	$809,454	62.4%
43 - Prof & Tech Services	$953,252	$857,005	$2,190,431	$912,972	$1,277,459	41.7%
46 - Supplies	$888,705	$930,423	$1,202,265	$649,371	$552,894	54.0%
49 - Other Financing Uses	$2,432,866	$292,901	$431,250	$311,898	$119,352	72.3%
47 - Capital	$0	$0	$67,000	$32,071	$34,929	47.9%
48 - Debt Service	$0	$0	$0	$0	$0	0.0%

Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **41 – Salaries & Wages** is over due to the timing of payrolls and communications bonus payouts.
- **42 – Employee Benefits** is over budget due to the timing of workers compensation insurance premiums, longevity and sick leave payouts.

General Fund - Fund Balance

The Village relies heavily on economically sensitive revenues and does not levy a property tax. Fund Balance, commonly referred to as reserves or rainy day funds, are important to maintain operations in the event of a sudden economic downturn as was experienced with the COVID-19 pandemic. These funds allow the Village to make up for any shortfalls and “keep the doors open”. In accordance with the Village’s General Corporate Fund Balance Policy, an unassigned fund balance for the General Fund should at a minimum equal 60% of the subsequent year’s budgeted expenditures less transfers. Any balance over 65% may be transferred for capital or other obligations. Below is a graphic depictng the timing of determing the amount and use of any surplus balances.

May
- Current Fiscal Year Starts
- Prior Year Preliminary Surplus Determined

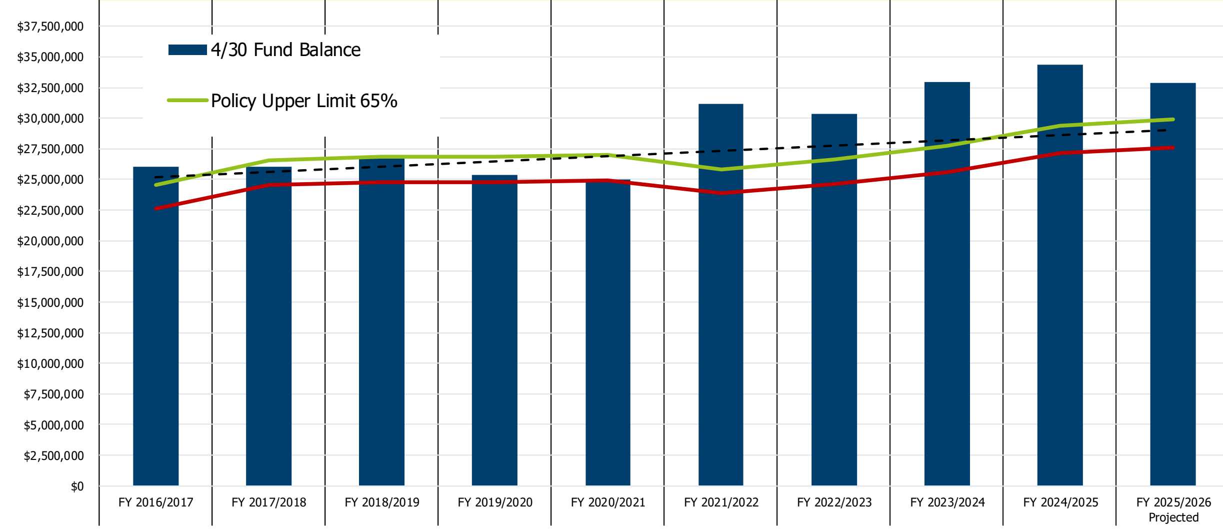
November
- Annual Audit Complete
- Prior Year Audited Surplus Determined
- 6 Month Review of Current Year Revenues & Expenditures

December
- Prior Year Surplus Transfer Proposed
- Next Year Capital Funding Determined
- Next Year Capital Plan Presented

April
- Next Year Fiscal Year Budget Approved
- Prior Year Surplus Transfers Approved

The FY 2024/2025 ending fund balance is $34.37 million or approximately 76.0% of FY 2025/2026 budgeted expenditures less transfers. This is well above the policy limit and insures against revenue interruptions. Excess FY 2024/2025 Fund balance of $6.5 million is proposed for transfer to the 131 - Capital Improvement Fund ($4.00 million), 211 - Golf Course Fund ($1.5 million) and 221 - Water & Sewer Capital Fund ($1.00 million) with the FY 2026/2027 Annual Budget. The projected ending balance on April 30, 2026 is $32.91 million or 71.6% of next year budgeted expenditures less transfers out. Assuming no revenue interruptions or unanticipated expenditures through the first three quarters of FY 2026/2027, $3.0 million would be available for transfer.

	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026 Projected
Policy Expenditure Basis (1)	$37,748,845	$40,873,091	$41,316,749	$41,292,737	$41,523,871	$39,768,465	$41,030,294	$42,667,338	$45,205,141	$45,966,716
5/1 Fund Balance	$24,919,357	$26,016,882	$26,041,417	$26,743,168	$25,385,545	$24,980,815	$31,490,476	$30,386,266	$32,961,969	$35,339,991
Projected Surplus/(Deficit)	$4,095,100	$2,083,860	$3,602,951	$1,837,104	($422,013)	$10,609,661	$3,626,115	$5,647,529	$5,411,921	$4,072,696
Surplus Transfers Out	($2,997,575)	($2,059,325)	($2,901,200)	($3,194,727)	$17,283	($4,100,000)	($4,500,000)	($3,000,000)	($4,000,000)	($6,500,000)
4/30 Fund Balance	$26,016,882	$26,041,417	$26,743,168	$25,385,545	$24,980,815	$31,199,420	$30,386,266	$32,961,969	$34,373,890	$32,912,687
Change vs. Prior Year	$1,097,525	$24,535	$701,751	($1,357,623)	($404,730)	$6,218,605	($813,154)	$2,575,703	$1,411,921	($1,461,203)
Fund Balance %	63.7%	63.0%	64.8%	61.1%	62.8%	76.0%	71.2%	77.3%	76.0%	71.6%
Policy Lower Limit 60%	$22,649,307	$24,523,855	$24,790,050	$24,775,642	$24,914,323	$23,861,079	$24,618,176	$25,600,403	$27,123,085	$27,580,030
Policy Upper Limit 65%	$24,536,749	$26,567,509	$26,855,887	$26,840,279	$26,990,516	$25,849,502	$26,669,691	$27,733,770	$29,383,342	$29,878,366
Excess/(Short) Lower Limit	$3,367,575	$1,517,562	$1,953,118	$609,903	$66,492	$7,338,341	$5,768,090	$7,361,566	$7,250,806	$5,332,657
Excess/(Short) Upper Limit	$1,480,133	($526,092)	($112,719)	($1,454,734)	($2,009,701)	$5,349,918	$3,716,575	$5,228,199	$4,990,549	$3,034,322



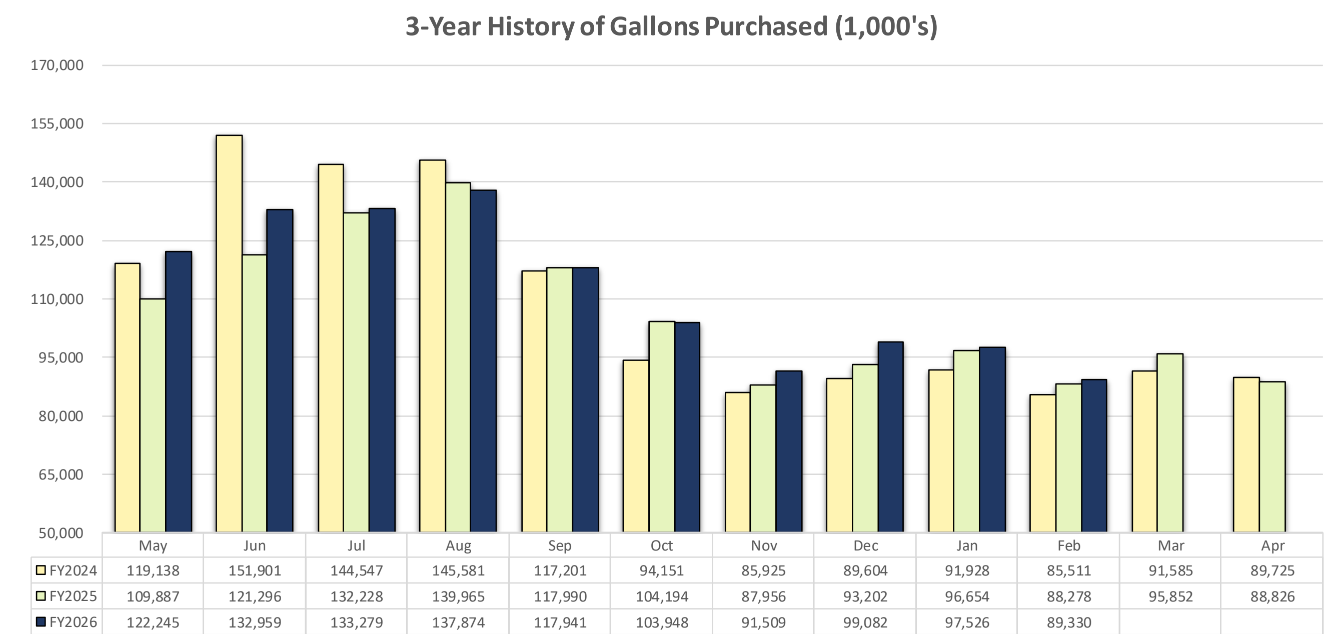
(1) Policy Exepnditure basis is next year expenditure budget less transfers.

Water Usage

Water revenues or charges for service are driven largely by water demand and weather. The Village tracks water usage billed from the water provider CLCJAWA. This usage is billed in arrears to the Village customers on a bi-monthly basis. Water purchased from CLCJAWA is a leading indicator of revenues billed approximately two months later. The chart below shows water purchased from CLCJAWA and precipitation.

Usage vs. Last Year	Precipitation vs. Last Year
3.3%	-34.1%

1,000's Gallons Purchased From CLCJAWA										
	FY2024		FY2025		FY2026		Usage Variances		Precipitation Variances	
Month	Actual (1,000's Gallons)	Precipitation (inches)	Actual (1,000's Gallons)	Precipitation (inches)	Actual (1,000's Gallons)	Precipitation (inches)	Month vs. Prior Year	YTD vs. FY2025	Month vs. Prior Year	YTD vs. FY2025
Total	**1,306,797**	**23.43**	**1,276,328**	**30.06**	**1,125,693**	**16.47**				
May	119,138	0.91	109,887	6.01	122,245	2.45	11.2%	11.2%	-59.2%	-59.2%
Jun	151,901	1.47	121,296	6.30	132,959	2.10	9.6%	10.4%	-66.7%	-63.0%
Jul	144,547	4.27	132,228	7.72	133,279	6.02	0.8%	6.9%	-22.0%	-47.2%
Aug	145,581	2.48	139,965	2.18	137,874	1.82	-1.5%	4.6%	-16.5%	-44.2%
Sep	117,201	4.53	117,990	1.52	117,941	1.46	0.0%	3.7%	-3.9%	-41.6%
Oct	94,151	3.12	104,194	1.25	103,948	2.62	-0.2%	3.1%	109.6%	-34.1%
Nov	85,925		87,956		91,509		4.0%	3.2%	0.0%	-34.1%
Dec	89,604		93,202		99,082		6.3%	3.5%	0.0%	-34.1%
Jan	91,928		96,654		97,526		0.9%	3.3%	0.0%	-34.1%
Feb	85,511		88,278		89,330		1.2%	3.1%	0.0%	-34.1%
Mar	91,585	3.27	95,852	3.54						
Apr	89,725	3.38	88,826	1.54						



221&223 – Water & Sewer Funds

The 221 - Water & Sewer Operating and 223 – Water & Sewer Capital Funds account for activities related to operating the Village's Water & Sewer utility systems. Funding is primarily from user fees and connection charges. Expenses include personnel related expenses and contracts for purchase of Lake Michigan water from the Central Lake County Joint Action Water Agency. Sewer is conveyed to either Lake County or the North Shore Water Reclamation District. The 223 - Water & Sewer Capital Fund accounts for water & sewer system related capital and infrastructure maintenance and replacement. These Funds are combined in the graphic below to provide a complete picture of the financial position of the Water & Sewer Utility.

221 - Water & Sewer Operating Fund
223 - Water & Sewer Capital Fund

	FY 2023/2024 Actual	FY 2024/2025 Actual	FY 2025/2026 Budget	FY 2025/2026 YTD Actual	Budget vs. Actual	% of Budget
Total Revenues	**$11,958,484**	**$10,863,737**	**$10,826,000**	**$9,496,494**	**($1,329,506)**	**87.7%**
32 - Licenses & Permits	$288,421	$96,637	$80,000	$58,446	($21,554)	73.1%
33 - Intergovernmental	$0	$0	$0	$750,000	$750,000	0.0%
34 - Charges for Services	$9,833,898	$10,153,930	$10,463,000	$8,452,613	($2,010,387)	80.8%
35 - Fines & Forfeitures	$139,180	$158,796	$125,000	$93,641	($31,359)	74.9%
36 - Invests & Contribs	$193,148	$193,997	$150,000	$141,466	($8,534)	94.3%
39 - Other Sources	$3,837	$10,377	$8,000	$328	($7,672)	4.1%
53 - Fund Transfers In	$1,500,000	$250,000	$0	$0	$0	0.0%
Total Expenditures	**$12,101,877**	**$10,262,342**	**$13,149,990**	**$9,846,833**	**$3,303,157**	**74.9%**
41 - Salaries & Wages	$1,127,472	$1,199,504	$1,426,020	$1,129,484	$296,536	79.2%
42 - Employee Benefits	$407,043	$418,068	$439,607	$406,899	$32,708	92.6%
43 - Prof & Tech Services	$1,561	$2,035	$18,810	$1,383	$17,427	7.3%
44 - Contractual Services	$2,964,372	$2,988,273	$3,325,154	$2,439,870	$885,284	73.4%
45 - Other Cont. Services	$336,491	$551,585	$324,205	$359,774	($35,569)	111.0%
46 - Supplies	$838,273	$354,000	$367,970	$214,316	$153,654	58.2%
47 - Capital	$4,055,543	$2,909,479	$4,651,500	$3,206,503	$1,444,997	68.9%
48 - Debt Service	$564,248	$564,248	$564,248	$564,248	$0	100.0%
49 - Other Financing Uses	$773,275	$811,940	$852,537	$639,403	$213,134	75.0%
54 - Fund Transfers Out	$1,033,600	$463,210	$1,179,940	$884,955	$294,985	75.0%
Surplus/(Deficit)	**($143,393)**	**$601,395**	**($2,323,990)**	**($350,340)**		
Ending Cash Position	**$6,048,744**	**$7,606,763**	**$5,282,773**	**$7,256,423**		
% of Budgeted Expenditures	**83.9%**	**105.5%**	**73.3%**	**100.6%**		

Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- **32 – Licenses & Permits** is under budget due to the timing of permits.
- **39 – Other Sources** is under budget due to lower workers compensation reimbursements.

Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **42 – Employee Benefits** is over budget due to the timing of workers compensation insurance premiums and additional overtime for snow operations.
- **45 – Other Contractual Services** is over budget due to the timing of insurance premiums and bank charges.

Fund Balance

Proprietary Funds typically report Net Assets in place of traditional Fund Balance. Net Assets includes things like depreciable capital assets and does not give an accurate picture of current spendable resources. Therefore, cash balance is shown as an alternative which gives an idea of current available resources and is a better comparison to unrestricted Fund Balance in Governmental Funds.

Other Major Governmental Funds

The **122 - Motor Fuel Tax Fund** accounts for proceeds from the state distributed motor fuel tax funds that are restricted to use for maintenance of roadways and transportation assets. The Motor Fuel Tax Fund is used to supplement the Village's annual road program.

122 - Motor Fuel Tax Fund	FY 2023/2024 Actual	FY 2024/2025 Actual	FY 2025/2026 Budget	FY 2025/2026 YTD Actual	Budget vs. Actual	% of Budget
Revenues	**$1,401,743**	**$1,427,215**	**$1,391,417**	**$1,130,292**	**($261,125)**	**81.2%**
33 - Intergovernmental	$1,364,242	$1,387,324	$1,366,417	$1,067,487	($298,930)	78.1%
36 - Invests & Contribs	$37,501	$39,892	$25,000	$62,805	$37,805	251.2%
Expenditures	**$2,000,001**	**$1,350,000**	**$1,429,670**	**$1,384,670**	**$45,000**	**96.9%**
44 - Contractual Services	$2,000,001	$1,350,000	$1,429,670	$1,384,670	$45,000	96.9%
47 - Capital	$0	$0	$0	$0	$0	0.0%
Surplus/(Deficit)	**($598,258)**	**$77,215**	**($38,253)**	**($254,378)**		
Ending Cash Balance	**$742,407**	**$1,053,443**	**$1,015,190**	**$799,065**		

Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- All revenues are within at least 5% of budget.

Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **44 – Contractual Services** is over budget due to the timing of the road resurfacing program.

Fund Balance

There is no formal policy for this Fund, however the Village strives to keep $1m in reserves in the event other funding in the 131 – Capital Improvement Fund becomes unavailable, as was the case during the pandemic.

The **131 - Capital Improvement Fund** accounts for all non-Water & Sewer capital expenditures. Funding is derived primarily from 50% of the Village's Home Rule Sales Tax and transfers from other funds.

131 - Capital Improvement Fund	FY 2023/2024 Actual	FY 2024/2025 Actual	FY 2025/2026 Budget	FY 2025/2026 YTD Actual	Budget vs. Actual	% of Budget
Revenues	**$8,571,579**	**$8,431,723**	**$6,000,000**	**$4,999,187**	**($1,000,813)**	**83.3%**
30 - Major Revenues	$5,555,200	$5,500,831	$5,700,000	$4,689,322	($1,010,678)	82.3%
33 - Intergovernmental	$19,146	$484,592	$0	$8,170	$8,170	0.0%
36 - Invests & Contribs	$273,547	$378,093	$250,000	$230,037	($19,963)	92.0%
39 - Other Sources	$73,685	$418,208	$50,000	$71,659	$21,659	143.3%
53 - Fund Transfers In	$2,650,000	$1,650,000	$0	$0	$0	0.0%
Expenditures	**$11,835,088**	**$7,453,405**	**$12,871,500**	**$8,306,316**	**$4,565,184**	**64.5%**
43 - Prof & Tech Services	$267,750	$400,336	$1,320,000	$658,184	$661,816	49.9%
44 - Contractual Services	$4,281,427	$3,954,199	$6,440,000	$5,215,385	$1,224,615	81.0%
47 - Capital	$1,749,288	$2,167,396	$3,877,000	$1,506,873	$2,370,127	38.9%
48 - Debt Service	$5,356,736	$0	$0	$0	$0	0.0%
49 - Other Financing Uses	$0	$30,974	$0	$0	$0	0.0%
54 - Fund Transfers Out	$179,886	$900,500	$1,234,500	$925,875	$308,625	75.0%
Surplus/(Deficit)	**($3,263,509)**	**$978,318**	**($6,871,500)**	**($3,307,129)**		
Ending Cash Balance	**$7,707,377**	**$9,153,651**	**$2,282,151**	**$5,846,522**		

Revenues

Notable and significant variances from budget (-5%, indicated by red arrows in the graphic) include:

- All revenues are within at least 5% of budget.

Expenditures

Notable and significant variances from budget (+5%, indicated by red arrows in the graphic) include:

- **44 – Contractual Services** is over budget due to the timing of the road resurfacing/reconstruction program and other capital projects.

Fund Balance

There is no formal policy for this Fund, The Village strives to keep a balance in excess of $1 million in the Fund for unanticipated capital items.

The Village maintains several other Funds to account for various activities and resources that may be restricted as to how they are used. Funds are broken into three categories and are described below.

Non-Major Governmental Funds

The **121 – 911 Fund** accounts for the Village's portion of 911 related expenditures and reimbursement from the 411 – Northeast Lake County Consolidated Emergency Telephone Systems Board.

The **123 - Impact Fee Fund** accounts for fees collected from developers for necessary improvements made by the Village and money collected for county road improvements within the Village. The Village utilizes these funds for capital purposes.

The **124 - PD Restricted Revenue Fund** accounts for seized assets related to drug arrests. The Village receives a percentage of assets any time there is a drug arrest and assets are recovered. The money must be used for drug awareness and prevention. The Village utilizes these funds for capital purposes.

The **125 – Economic Development Fund** was established to segregate economic development activities out of the General Fund and build a reserve to be used for future development opportunities. Expenditures in the Fund include rebate agreements and grant programs. Funding comes from a transfer from the General Fund.

Other Proprietary Funds

The **211 - Golf Course Fund** accounts for the initial purchase of Bittersweet Golf Course and the repayment of an initial operating loan to the contracted operator of the course GolfVisions. The arrangement is considered a public-private service concession arrangement under GASB Statement 60, and therefore only the initial asset and any payments from the operator are recorded in the Fund.

The **231 – Health Insurance Fund** accounts for expenditures related to the administration of the Village's health and wellness program which includes self-insured health, dental, and life insurance.

The **233 – Fleet Services Fund** accounts for expenditures related to the maintenance and replacement of the vehicle and equipment fleet. This includes the operation of the shop, parts, fuel and vehicle & equipment purchases.

Fiduciary Funds

The **307 - Police Pension Fund** accounts for activity related to the Village's pension obligations for employees covered under ILCS Article 3 pension system. Funding comes from Employee and Employer contributions, and investment income.

The **308 - Fire Pension Fund** accounts for activity related to the Village's pension obligations for employees covered under ILCS Article 4 pension system. Funding comes from Employee and Employer contributions, and investment income.

The **411 – NLCC-ETSB Fund** accounts for activity related to the Northeast Lake County Consolidated Emergency Telephone Systems Board that consists of the Village and the City of Zion.

Additional Financial Information

Additional Financial Information can be found on the Village's website at the following links:

Strategic Plan
https://www.gurnee.il.us/government/open-data/strategic-plan

Multi-Year Capital Plan
https://www.gurnee.il.us/government/open-data/multi-year-capital-plan

Budgets
https://www.gurnee.il.us/government/open-data/annual-budget

Financial Status Reports
https://www.gurnee.il.us/government/open-data/financial-status-reports

Annual Comprehensive Financial Reports (Audit)
https://www.gurnee.il.us/government/open-data/acfr

Popular Annual Financial Reports (PAFR)
https://www.gurnee.il.us/government/open-data/popular-annual-financial-report

Village Hall
325 N. O'Plaine Road
(847) 599-7500 (Administration)
(847) 599-7550 (Community Development)
M-F, 7:30 a.m. - 4:00 p.m.
Night Deposit Available
Water & Sewer Bills: 24 hours/7 days a week

Police Station
100 N. O'Plaine Road
Non-Emergency: (847) 599-7000
Office Hours: M-F, 8:30 a.m. - 4:30 p.m.
(847) 599-7050 (Administration)
(847) 599-7040 (Investigations)
(847) 599-7070 (Records)
(847) 599-7100 (Gurnee Mills Substation)

Fire Station No. 1
4580 Old Grand Avenue
Non-Emergency: (847) 599-6600
Office Hours: M-F, 7:30 a.m.-4:00 p.m.

Fire Station No. 2
6581 Dada Drive
Non-Emergency: (847) 599-6600
Office Hours: M-F, 7:30 a.m. - 4:00 p.m.

Fire Station No. 3
5330 Manchester Drive
Non-Emergency: (847) 599-6600
Office Hours: M-F, 7:30 a.m. - 4:00 p.m.

Public Works Facility
1151 Kilbourne Road
(847) 599-6800
Office Hours: M-F, 7:00 a.m. - 3:00 p.m.

Connect with the Village

The Village of Gurnee provides many opportunities for visitors and residents to receive information on Village-related activities including meeting notices and agendas, construction updates, bids & RFP's, and press releases.

Emergency Notifications

Communication is a priority in a major emergency. To make sure that you are ready to receive important communications about emergencies and incidents as they happen, please sign up for the Village's emergency notification service, connect by clicking HERE.

Village of Gurnee E-News

Sign up for updates and announcements on various topics, delivered to your email inbox. This form is found on the Village website **HERE**.

Village of Gurnee Website

Visit the official Village of Gurnee website at: **https://www.gurnee.il.us** for current information on Village events and services. The site also allows individuals to sign up for various E-News lists on a variety of topics.

Village of Gurnee Public Portal

Also available on the Village Website, residents and visitors can access our **Public Portal** for submitting service requests, requesting information, asking a question for Village staff, or submitting a Freedom of Information Act (FOIA) Request. The Portal includes requests ranging from reporting potholes, graffiti, and street light outages, to vacation house watch, overnight parking, and updating, starting, or ending water and sewer accounts.

***Keeping Posted* Newsletter**

The Village of Gurnee publishes the *Keeping Posted* newsletter on a quarterly basis. The newsletter is mailed to every resident, but also available for download **HERE**.

The Village on Social Media

The Village of Gurnee is active on several social media platforms:

Facebook

    Gurnee Police Department Facebook

X (Formerly Twitter)

Instagram

YouTube

NextDoor

LinkedIn