



2024

Annual Comprehensive Financial Report For the Fiscal Year Ending December 31, 2024



70 East Main Street, Lake Zurich, IL 60047

**Annual Comprehensive
Financial Report
of the Village of Lake Zurich, Illinois**

For the Year Ended December 31, 2024

Prepared by the Finance Department

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Finance Director

Village of Lake Zurich

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OFFICE OF THE VILLAGE MANAGER

Ray Keller

June 30, 2025

The Honorable Tom Poynton, Village President
Members of the Village Board of Trustees
Residents of the Village of Lake Zurich, Illinois

The Finance Department is pleased to submit herewith the Annual Comprehensive Financial Report of the Village of Lake Zurich, Illinois (the Village) for the fiscal year ended December 31, 2024. This report provides a broad view of the Village's financial activities for the twelve-month 2024 fiscal year and its financial position at December 31, 2024.

Although addressed to the elected officials and residents of the Village, this report has a number of other users. Foremost among these other users are bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other government entities. Illinois statutes require that Illinois municipalities publish financial statements on an annual basis that are prepared in accordance with generally accepted accounting principles and are audited by independent accountants. In producing an Annual Comprehensive Financial Report, the Village of Lake Zurich has chosen to provide financial information that is significantly greater than that which is required under state law.

Responsibility for both the accuracy of the information presented in the Annual Comprehensive Financial Report as well as the completeness and fairness of the presentation, including all disclosures, rests with the Village. We believe that the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the Village and the results of its operations; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial affairs have been included.

Baker Tilly US, LLP (Certified Public Accountants) has issued an unmodified ("clean") opinion on the Village's financial statements for the fiscal year ended December 31, 2024. The independent auditors' report is located at the front of the financial section of this report.

Management of the Village has established a system of internal control designed to assure that the assets of the Village are safeguarded against loss, theft, or misuse. The system of internal control also assures that the accounting system compiles reliable financial data for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of the costs and benefits requires estimates and judgments by management.

This letter of transmittal should be read in conjunction with management's discussion and analysis to obtain the most complete assessment of the Village's current financial status and its future prospects.

Profile of the Government

The Village of Lake Zurich is located in southwestern Lake County, 37 miles northwest of downtown Chicago. The Village is an established residential community which traditionally served as a market center for surrounding rural areas and, earlier in the 20th century, as a popular summer resort. The population has increased by more than five times since 1960, as the Village has shared in the economic growth from an expanding Chicago metropolitan area. Lake Zurich has developed into a stable community with above-average wealth and housing values, and a balanced tax and revenue base.

Settlers first came to the area in the 1830's. George Ela settled in the area of Deer Grove, not far from Cedar Lake (now Lake Zurich) in 1835. Seth Paine, a Chicagoan, came to the area in 1836, and built a number of commercial establishments in what is now downtown Lake Zurich. New England farmers and German immigrants followed, and the Village was incorporated on September 19, 1896.

The Village grew slowly after its incorporation. The Palatine and Lake Zurich and Wauconda Railroad was built in 1910, but the line was discontinued in 1920. Rand Road (now U.S. Route 12) was paved through town in 1922, and helped establish Lake Zurich, with its rural setting and 250-acre lake, as a summer resort community. The east-west State Route 22, which also runs through Lake Zurich, was constructed in 1927. Population growth accelerated after World War II, with the Village's population increasing from 850 in 1950 to 3,458 in 1960, and further to 4,082 in 1970, 8,225 in 1980, and 14,927 in 1990 (up 81.5% from 1980). The 2020 Census reported a population of 19,759 up 32% from 1990. The land area of the Village is 6.9 square miles.

The Village's municipal neighbors include North Barrington to the west, Deer Park to the south, Kildeer to the southeast and east, and Hawthorn Woods to the north. Transportation links include U.S. Route 12 and State Route 22, and freight rail service by the CN Railroad. Commuter train service to Chicago is available in Barrington, five miles from Lake Zurich. O'Hare International Airport is approximately 30 miles from the Village.

The Village is a non-home rule community operating under the management form of municipal government as provided in 65 ICLS 5. Lake Zurich is governed by a President and six-member Board of Trustees. All are elected at an at-large basis in non-partisan elections to overlapping four year terms. The Board and President are charged with (among other things) setting policy, passing ordinances, adopting the budget and hiring the Village Manager. In turn, the Village Manager oversees day-to-day operations of the Village. Additional demographic information about the Village can be found in the statistical section of this report.

The Reporting Entity

This report includes all activities and functions of the Village that are under the jurisdiction of the Board of Trustees, as set forth in state and local law. There are two blended component units included in this report, those being the Police Pension Fund and the Firefighters' Pension Fund. These two pension plans are governed by separate boards, but the Village is obligated by state statute to fund the two plans based on actuarial valuations.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Village's accounting records are generally maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when measurable and available to liquidate obligations of the current period. Expenditures are recorded when a liability is incurred that is expected to draw upon current financial resources. The modified accrual accounting records are the basis for assessing budgetary compliance. After the end of the year, the Village's management makes certain adjustments to the accounting records to permit the preparation of required financial statements on the accrual basis of accounting to comply with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

The annual budget serves as the foundation for the Village's financial planning and control. It also serves as the legal authority to spend public funds. The Village Board has adopted the Budget Act for purposes of legally appropriating public funds. The Village Manager was designated by the Village Board as the Budget Officer. All departments submit their budget requests to the Village Manager approximately four months before the start of the next fiscal year. The Director of Finance prepares a projection of revenues to be received during the fiscal year. The Village Manager, Director of Finance, and appropriate staff review all budget requests and revenue estimates and develop a proposed budget. The proposed budget is presented to the Village Board and a formal public hearing is held prior to its adoption by the Village Board, which is required by state law prior to the first day of the fiscal year. The Budget Officer may approve the transfer of budgeted funds from one account to another, provided the two accounts are within the same object class and within the same department and fund. Further, the legal level of budgetary control resides at the department level, or where no departmental segregation of a fund exists, the fund level. Amendments or increases to the annual budget may be done only by a two-thirds vote of the Village Board. The Village's fiscal periods coincide with the calendar year.

Factors Affecting Economic Condition

Local Economy: Lake Zurich has a strong and active retail sales tax base acquired through commodity retail establishments primarily located on the busy Rand Road Corridor. The Village has a strong mix of retail superstores, such as Costco, Home Depot, Wal-Mart, Target, Jewel and Mariano's, which has helped in weathering downturns in the economy. Despite a strong sales tax base, the rising cost of operations limits the Village's ability to properly maintain and improve the residents' investment in Village infrastructure. To assist with long term planning, the Village maintains a 20-year Community Investment Plan (CIP) to manage the over \$137 million in infrastructure, including roads, water mains, sanitary and storm sewers, buildings and equipment. Village management is continuously looking for ways to cut costs and/or increase revenues. However, a large proportion of the increasing costs are mandated by statute, regulatory agencies, and/or labor contracts.

The Lake Zurich retail vacancy rate remained nearly unchanged in Quarter 1 of 2024 from 3.6% to 3.5%. Retail vacancy rates have remained steady over the past 24 months, hovering between 3% - 4% vacant since early 2022. The Lake Zurich retail environment has stabilized drastically from a peak retail vacancy rate of 8.5% in Quarter 4 of 2020, during the economic hardships of mandated COVID lockdowns. The retail vacancy rate increased in Quarter 4 of 2024 from 2.6% to 2.9% vacancy compared to the third quarter. As

of December 31, 2024, there was 76,056 square feet of retail space reported vacant in Lake Zurich, with average rates of \$18.81 per square foot (nnn).

The industrial vacancy rate remained flat at 2.3% vacant in Quarter 1 of 2024. The Lake Zurich Industrial Park is mature, thriving, and continues to attract large employers in manufacturing, production, and transportation industries. Indeed, the industrial park is Lake Zurich's primary employment center. The Village's industrial vacancy rate experienced a recent peak of 7.5% in Quarter 2 of 2020 due to the mandated shut downs prompted by the COVID public health emergency. The industrial vacancy rate decreased to 3.6% in Quarter 4 of 2024 compared to Q3 when 4% was reported vacant. As of December 31, 2024, there was 200,937 square feet of industrial space reported vacant in Lake Zurich, with average rates at \$5.56 per square foot (nnn).

Meanwhile, the Village's office vacancy rate has slowly increased reflecting a national trend of reduced demand for office space as hybrid-virtual working conditions continue to be popular. Lake Zurich does not have a heavy concentration of office space and thus was rather insulated from a spiking office vacancy rate during the COVID shutdowns. The office vacancy rate decreased slightly to 3.5% in Quarter 4 of this year compared to Quarter 3 at 3.6% vacant. As of December 31, 2024, there was 24,687 square feet of office space reported vacant in Lake Zurich, with average rates of \$24.77 per square foot (full service).

Long-Term Financial Planning: The Village uses a number of processes and resultant planning documents to accomplish its financial planning. As discussed above, the Village adopts an annual budget. The Village Board adopted the formal Community Investment Plan (CIP) in August 2022, forecasting out funding needs for capital items that are expected to exceed \$20,000 and have a useful life of more than a year, such as road improvements, large machinery and equipment, and building improvements. Projects were prioritized by mandatory, essential, deferrable and contributory. The CIP covers a twenty-year span of anticipated capital needs.

The Finance Department has developed five-year financial forecasts for funds, which are updated at least quarterly. These forecasts project revenues, expenditures, fund balance levels, and cash and investment levels. The forecasts are used for purposes of monitoring the long-term financial outlook of the Village, determining available funding for the capital projects, and assisting the Village Manager in setting budget goals for department directors.

Major Accomplishments and Initiatives for Fiscal Year 2024

The fiscal year ended December 31, 2024 saw many accomplishments and major initiatives come to fruition, including:

FISCAL SUSTAINABILITY

Lake Zurich maintains a long-term perspective when managing public finances. While maintaining a balanced budget each year, and diligent use of revenues, the Village continues to maintain its top-notch status AAA bond rating while investing in aging underground infrastructure and public safety pensions.

Village Reserves. The Village's official fund balance policy is to maintain a minimum of 25% for the General Fund, with a target of 40%. This reserve is maintained for use in emergency situations. The projected 2024 year-end General Fund Reserve is 37%. This is a significant accomplishment that allows for top bond ratings and low interest rates for tax payers.

Village Debt. Lake Zurich continues to reduce its debt to strengthen financial sustainability. In 2013, the village carried \$34 million in long-term bonded debt. This debt has decreased \$1.60 million in 2024, to a total amount of \$15.75 million.

Local Sales Tax Increase to Fund Lake Michigan Water. With the Lake Michigan public water supply transition officially underway, the Village Board unanimously approved an increase of 0.5% for the local Non-Home Rule Sales Tax to help fund the most expensive infrastructure project in Lake Zurich history. The new sales tax rate will generate an additional \$2.5 million annually, to be used to fund Lake Michigan project-related expenses. Revenue from this tax will cover one-third of the project's costs, reducing the reliance on future water rate increases for utility customers to fund the project.

Approximately 40% of retail purchases in Lake Zurich are made by non-residents, meaning people who don't live in Lake Zurich will contribute approximately 15% of the cost to bring Lake Michigan water into the Village.

Pension Obligations. The Village continues to fund public safety pension obligations to meet the 100% funding goal by 2040. The most recent actuarial valuations for 2024 show the Police Pension Fund is 57% funded and the Fire Pension Fund is 69% funded.

Selling Village-owned properties. In 2024, the Village sold property on the northeast corner of Main Street and Old Rand Road, returning this important corner to the tax rolls for the first time since 2006. True North Properties has since been progressing on its \$1.5 million of enhancements, including exterior facade improvements and updates to the interior. The Village also sold 32 and 36 Mionske last year, enabling the construction of two new homes on those parcels.

Stable Outlook. Lake Zurich has maintained its AAA stable outlook bond rating status from Standard & Poor's, which it has held since 2013, based on the following factors:

- Very strong local economy, with a projected per capita buying income at more than double the national average
- Very strong budgetary flexibility
- Strong overall budgetary performance
- Strong debt and contingency liabilities profile

ECONOMIC DEVELOPMENT

Lake Zurich is the primary economic hub for southwest Lake County with a booming Rand Road corridor and thriving industrial park. The Village aims to expand the community's economic base, with a focus on the Main Street District, to further establish and grow Lake Zurich as a regional business destination.

Welcoming New Families. Lake Zurich welcomed over 300 new households into town in 2024, with the largest influx in July 2024.

Welcoming New Business. Lake Zurich economic development efforts continue to attract private sector investment. New businesses in 2024 include: Lago by Fabio Viviani, El Vado Mexican restaurant, Lolo's Bowls, Mari's Restaurant, Duck Donuts, Polka Dot Restaurant, American Acrylics, Gravitea Boba tea Café, Autism Planet, Nirvana Dispensary, Body Life Lux, Tru-Seal Elastormers, Sugaring NYC, Optimize Fitness, Lake Liquors, and Sampoorra Foods.

Planning for the Future, Lake Zurich's New Comprehensive Plan. The comprehensive plan is a long-term guide for our development, growth, and land use for the next 10-20 years. The Village spent dozens

of hours in 2024 engaging with residents at special events, workshops, and focus groups to create a new vision for the future. This community visioning generated an aspirational but reality-based action plan for Village officials to rely on as we carefully plan future community design, accessibility, and partnerships.

Smalley Steel Ring Expansion. In 2024, the Village formalized an economic development partnership with Smalley on Oakwood Road, granting the company future financial assistance to support a multi-phased, multi-year expansion effort that will not be completed until 2040. Smalley Steel Ring has been operating in Lake Zurich for over 20 years and is a global supplier of wave springs, retaining rings, and section rings that are used in precision manufacturing for multiple industry segments.

Smalley intends to expand its operations in Lake Zurich with an added 200,000 square feet of new building space, including 86,000 square feet of office, 100,000 square feet of warehouse, and 13,420 square feet of manufacturing/production space. This development will cost at least \$51 million.

Residential Community Approved on South Old Rand Road In September 2024, the Village approved a development at 670 South Old Rand Road with developers at OSK Capital Partners. This plan was originally submitted to the Village in 2022 for construction of 50 townhouses within 12 buildings but was denied due to concerns about too high of density and wetlands disturbance. After much public engagement and listening, a revised plan of 18 single-family homes and 18 townhomes was approved.

Student Transition Center Opens. The community welcomed the renovation and opening of the Lake Zurich District 95 Student Transition Center in 2024. This impressive student center on Old Rand Road is designed to support transition into adulthood through programs that enhance employment and independent living skills, including vocational classrooms, a kitchen for hands-on learning, and life skills labs.

INFRASTRUCTURE INVESTMENT

With much of Lake Zurich built in the 1960's – 1980's, there are miles of aging underground infrastructure that are 50+ years old. The Village is seeking to fund its 20-year Community Investment Plan of replacing \$145 million in capital assets while also enhancing the suburban tree canopy and transitioning to a Lake Michigan water source.

Joint Action Water Agency Approves Lake Zurich. In March 2024, Mayor Poynton and Village officials attended the Central Lake County Joint Action Water Agency Board of Directors meeting, where Lake Zurich was unanimously approved for admission into the agency. This water transition has been talked about for decades and finally the community willpower and financial mechanisms are in place to make it a reality. Lake Michigan water is expected to be flowing to Lake Zurich by the end of 2028.

Lake Michigan Detailed Route Study. As the Village continues its transition to Lake Michigan water, a detailed route study is needed for project engineering. A preferred route study is underway to identify various corridors as potential routes to connect to the CLCJAWA system in Vernon Hills.

Buffalo Creek Streambank Stabilization. The Buffalo Creek streambank, located south of Bristol Trails Park, has experienced severe erosion over the years with timber retaining walls collapsing. So, the Village invested \$518,000 on this environmental green infrastructure project that will reinforce about 1,400 feet of streambank with protective armoring and gabion retaining walls, flood storage, and plant restoration using species that are native to northern Illinois.

Cedar Creek and Golfview Road See Investment. The Village completed a huge \$5.6 million infrastructure improvement program in 2024 that included the replacement of 1,500 feet of water main on the south side of Route 22, the replacement of 3,500 feet of water main and resurfacing of several streets

in the Cedar Creek neighborhood, the replacement of 1,900 feet of water main on the south side of Route 12, and the resurfacing of the entirety of Golfview Road.

Lakeside Promenade. Originally built in 2003, the Lake Zurich Promenade is a special focal point of the community, providing a scenic and recreational space. \$586,000 was invested in this site in 2024, which will see the Promenade reimagined with new brick pavers and hardscape features, customized emblems, and a new water irrigation system with native landscaping.

Paulus Park Sign Upgrade. In early 2024, the new Paulus Park media board was installed, replacing the old monopole sign that required hours of staff time to change messages manually. The new message board is programmed remotely through a secure connection and is capable of high-contrast graphics.

2024 Concrete Investments. The Village invested \$127,000 last year to address deteriorating sidewalk and curbs in an ongoing effort to improve municipal infrastructure, focusing on Wicklow Village and the industrial park. Sidewalk repairs are an integral part of the Village's commitment to providing safe pedestrian routes, while curb and gutter repairs help maintain the flow of stormwater and prevent pavement deterioration in roadways.

Keeping Walking Paths and Parking Lots Safe. The Village invested over \$1 million in 2024 for pavement rehab to municipal parking lots, walking paths, and sport courts at Staples, Sonoma, and Paulus parks. Curb and stormwater drainage improvements were also included in these infrastructure improvements. In total, over 14,000 square yards of pavement was improved.

SERVICE SUSTAINABILITY

For years, Lake Zurich has embraced innovation in how we provide core municipal services the public depends on. We are focused on being a sustainable municipality that is both adaptable and responsive in delivering the high-quality services the people of Lake Zurich expect.



Improvements for Americans with Disabilities. As Lake Zurich prepares for its first year collecting the full 4% “Special Recreation Association” property levy to allow more funding for people with special needs, the Village also spent a few weeks in 2024 gathering public feedback on this topic. 232 residents responded to a Village poll asking about priorities for ADA park improvements in the next five years, including which parks should be funded and which type of equipment should be purchased. The new 4% SRA tax levy is expected to generate over \$200,000 annually that can be invested in eligible accessibility improvements.

Creating an ADA Transition Plan. The Village has also been busy creating an official ADA Transition Plan. Working with consultants at the WT Group, Village Hall has spent much of summer 2024 conducting

access audits at all 32 village parks, most municipal facilities, and along the highest priority sidewalks (*20 miles of sidewalk out of a total 98 miles*). In August, staff held a digital workshop session with residents to review these access audits and obtain further feedback on how improvements should be ranked.

Consolidated Emergency Dispatch Progress. In 2022, Lake Zurich entered into an agreement for and contributed \$50,000 toward establishing a consolidated 911 dispatch center to serve Lake County. Since that time, the Village has actively participated in the planning process for this new consolidated center, anchored by a new facility being built in Libertyville by Lake County. With this transition, Lake Zurich is projected to save \$500,000 over a six-year period, when compared to continuing to operate an independent dispatch operation.

LakeComm, the new dispatch center, is expected to go live by the end of 2025 and is intended to improve emergency response times by centralizing multiple agencies across the County. There are currently 25 agencies that have committed to be LakeComm members.

Paulus Park Improvements In 2024, the Village Board approved a plan for Paulus Park enhancements that include shoreline restoration with an overlook, renovation of the water splash pad, a new gathering space with game tables, the addition of a bandshell on the stage, more baggo courts, and site landscaping. The Village received \$600,000 in State grant funds to support this project, which will total approximately \$3.3 million at completion.

LZ Joins GIS Consortium. The Village formally joined the GIS Consortium, a partnership of dozens of local governments in the Chicago-metro area that provide shared staffing support and resource management for geographic information systems. This initiative is primarily driven by Lake Zurich's investments in water and sewer infrastructure as we strive to move beyond paper atlases of our assets. Joining the GIS consortium will ultimately enable better service delivery and infrastructure record keeping.

Modernizing 'Traffic Court' Adjudication. The Village adopted new regulations in 2024 to allow for expanded options and local authority for non-home rule communities like Lake Zurich with the ability to have a more cost-effective method to pursue local ordinance violations. Adopting Division 2.1 of the Illinois Municipal Code now allows the Village Hearing Officer to issue final enforceable orders in the same method as a judgement entered by a court.

CIVIC ENGAGEMENT

Village leadership strives to meet you where you are. By attending neighborhood block parties, large special events, regular Coffee with the Mayor sit-downs, and public safety personnel having a community-oriented mindset, Lake Zurich officials are leaning forward to hear from you.

Arbor Day Engagement. Over 200 people showed up for Arbor Day 2024 to participate in a variety of activities at Paulus Park. Dozens of volunteers showed up to help residents load free compost, clean up litter in several parks, and plant a tree with the Tree Commission. The native plant sale, compost giveaway, and paper shredding were big hits with the community.

Local Government Academy. Lake Zurich took another important transparency and engagement step in 2024 by launching its first Local Government Academy. More than just a police academy course, this four-night series covered a variety of local government topics, such as organizational structure, TIF districts, how we budget for infrastructure improvements, and how local government functions on a fundamental level. The Village of Lake Zurich believes engaged residents with positive attitudes is how a community arrives at better outcomes



First Water Lantern Festival. The first year Water Lantern Festival was held at Paulus Park on May 18, 2024 and brought out over 2,000 people. Friends and family gathered to release lanterns onto the water, creating a beautiful and serene atmosphere where people decorated lanterns with personal messages, hopes, dreams, and memories. Once released onto the lake, the lanterns created a mesmerizing sight as they lit up the water.

Delta-8 THC and Kratom Banned. The Village took a bold move in 2024 implementing a ban on retailers in Lake Zurich from selling any products that contain Delta-8 THC and Kratom. Due to concerns over retailers selling such products without any governmental oversight or safety controls, in August the Village Board unanimously approved a layered approach through the end of 2024 with a total ban starting on January 1, 2025.

Development Courtesy Reviews. Lake Zurich values transparency and resident feedback, which is especially helpful when new developments are pitched. The Village Board conducts “courtesy reviews” before formal development applications are submitted, giving all involved parties a preview of and initial reactions to the proposed project. These courtesy reviews are broadcast live online and recorded for future viewing. These provide residents and Trustees an opportunity to highlight areas of concern and make recommendations that result in superior and more refined final development products.

In 2024, the Village conducted courtesy reviews for the proposed Meadow Wood East 15-lot subdivision, two development proposals for Block A on Main Street, a cannabis dispensary at 909 South Rand Road, and the renovations concepts for the northeast corner of Main Street and Old Rand Road.

Lake Michigan Water Supply Outreach. Village officials spent dozens of hours in 2024 meeting with small groups of interested neighbors at homeowner associations and the Ela Senior Center to discuss Lake Zurich’s ongoing transition to Lake Michigan water. A village-wide community meeting at Ela Library was also held in September 2024, where dozens of residents showed up to learn about the water supply transition, project cost, financing, and the implementation timeline.

Nittenau Visitors Tour Lake Zurich. In 2024, the Village welcomed 10 visitors from our Sister City of Nittenau, Germany. Our German friends toured a major manufacturer in the industrial park, the police station, Ela Library, and the water treatment facility at the Central Lake County Joint Action Water Agency. The group also spent time in Chicago and Milwaukee. At Lake Zurich’s 2024 Rock the Block event, the group was welcomed with a brief ceremony on the band stage.

PUBLIC SAFETY

Lake Zurich is routinely below the national, state, and county averages in all reported categories for crime statistics. Village crime rates are 43% lower than the national average and violent crimes in Lake Zurich are 85% lower than the national average. Said another way, Lake Zurich is safer than 77% of the cities in the United States.

Laying the Groundwork for a New Fire Station. Fire Station #1 was built in 1980 for a volunteer fire service when Lake Zurich's population was about 6,500. The Village has grown significantly since then with 20,000 residents and this station no longer serves the community's needs. Always planning for the future, Lake Zurich has entered into a new partnership with FGM Architects and consultants at Advanced Selections to plan for a future Fire Station #1 headquarters. By mid2025, the Village should have a solid plan for a future station location, architectural site diagramming, and an approximate building size.

Paramedics Teaching CPR to Lake Zurich. In February, the Fire Department hosted a community American Heart Association CPR training event. A Lake Zurich resident and cardiac arrest survivor was the brain child of this community event, which was attended by about 130 people.

40 Partners Go Live with Shared 911 Tech. In 2024, Lake Zurich successfully transitioned to the County-wide computer aided dispatch, records management system, e-Crash and e-Citation systems managed by the Lake County Sheriff's office. This tech consolidation enhances public safety throughout the County as first responders are now on a single system while saving taxpayer funds through the elimination of individually owned and operated technology solutions.

Police Body Cams Go Live. Over the summer of 2024, Lake Zurich police officers began utilizing body-worn cameras to aid in capturing audio and video recordings of daily police interactions. In conjunction with the new camera system, new in-car cameras were also installed. The use of body-worn cameras is required by all Illinois police departments by January 1, 2025.

Lake Zurich Police Awarded CALEA Accreditation. In 2024, the LZPD was awarded reaccreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA), which is considered the "Gold Standard" for public safety organizations and recognized internationally. Policies, procedures, personnel, equipment and facilities, along with four years' worth of proofs of compliance were meticulously inspected by an out-of-state CALEA assessor, who reviewed over 180 standards in order to verify compliance with the gold standard benchmarks that CALEA upholds.

Firefighters Visit St. Francis School. One of dozens of community outreach events conducted by the Fire Department in 2024, in October Lake Zurich firefighter/paramedics enjoyed teaching the kiddos about fire safety and showing them how we gear up for emergency situations.

High School Public Safety Drills. In June 2024, a joint-training session was held between School District 95 and the Lake Zurich police and fire departments, focusing on an integrated response to a hostile event at the LZ High School. Several other outside agencies also participated in the drill, including Lake County MEG unit members, Good Shepherd Hospital, Wauconda, Countryside, Barrington-Countryside, Long Grove, and Glenview Fire Departments.

GREEN INITIATIVES

Local governments have an important role to play in reducing carbon emissions and ensuring future generations inherit a sustainable ecosystem and livable environment. Some small things Lake Zurich is doing to help the planet include:

Green Business Program. The Village launched a new Lake Zurich initiative in 2024 designed to promote and recognize environmentally-sustainable businesses in the community. The Green Business Program is designed to empower environmentally friendly practices, reduce the carbon footprint of businesses of all sizes, and contribute to a more sustainable future. We know business plays a crucial role in shaping a sustainable future and can make a meaningful impact.

Curbside E-Waste Event. Lake Zurich's curbside e-waste collection event with LRS occurred in July 2024. A total of 11 pallets full of old electronics were collected. That's over 3,000 pounds of electronics that will be disassembled and kept out of landfills.

Suburban Forest Canopy. The Village spent \$25,000 in 2024 to enhance the suburban forest canopy with 46 new trees planted throughout the Village. These are split with roughly half planted in spring and half planted in fall.

Reducing Phosphate Runoff. The Village adds anti-icing additives such as beet juice and brine to all snow plows to reduce road salt usage and phosphate deposits that runoff into surface water. This can reduce the total quantity of salt used during a winter storm by up to a factor of four.

Clothing and Textile Recycling. Lake Zurich offers clothing and textile recycling, which redirects gently used items from landfills towards reuse in developing countries around the world.

Styrofoam Recycling Milestone. Lake Zurich offers Styrofoam recycling with the American Legion thanks to amazing resident volunteers. The program reached a milestone in late summer 2024; 40 semi-trucks of foam collected since starting in 2021. Foam is recycled into consumer products in the Chicago suburbs.

First EV Vehicles Join the Fleet. Added to the fleet in 2024 was a new Ford Lighting electric pickup truck that will be used by the Public Works Director for daily duties and a new Ford E-Transit van that will be used for facility maintenance. Without the need for oil changes and other non-EV maintenance requirements, the Village is expecting operational savings and monitoring for potential future vehicle replacements.

100% Green Power Extended. In 2024 Lake Zurich extended its 100% Green Power municipal aggregation program with mc2. This program is supported by 100% renewable energy, mostly from wind farms, solar farms, and hydroelectric plants in the Midwest. Lake Zurich earned official designation by the U.S. EPA as a Green Power community in 2024, generating over 50 million renewable energy credits in the first year of this program.

Keeping Natural Open Space Areas Healthy. With the completion of the Emerald Ash Borer parkway tree replacements in 2023, the Village reallocated that annual tree funding of \$100,000 to the enhancement and restoration of natural open space areas. In 2024 this included community investment in 17 different areas, including Oak Ridge Marsh Nature Park, Breezewald Park, Kildeer Creek, and Whispering Creek. Work included the removal of invasive species, prescribed burns to stimulate the growth of native plants, native seeding, ecological mowing and regular stewardship maintenance visits.

PRIORITIES FOR 2025 AND BEYOND

- **Long-Term Capital Planning.** Lake Zurich will continue to set aside funds and build capital reserves to sustainably fund infrastructure investment with the goal of avoiding the burden of expensive, large-scale projects.
- **Main Street Beautification.** Initiate the Main Street streetscape project, a big step that will change the look and feel of Main Street for decades, with a new landscaped median, more on-street parking spaces, enhanced brick pedestrian crosswalks, warm ambient lights strung overhead to add a cozy welcoming vibe, and redesigned wider sidewalks with more room for gathering spaces and new public street furniture.
- **Complete 911 Dispatch Consolidation.** Finish the multi-agency partnership to officially transfer emergency dispatch operations to LakeComm, which is expected to go live by the end of 2025.
- **Encourage Owners of Infill Properties** to develop their properties including the former Kmart property, the Cummings property, and the Regal Cinema property.
- **Curbside Composting.** Educate residents and homeowner associations on Lake Zurich's weekly curbside composting to encourage more housing units to comingle food scraps with yard waste, which comprise some 25% of all landfill waste. We send four times more food to landfills than yard waste.
- **Lake Michigan Water Transition.** Progress through the Lake Michigan water transition project, with a focus in 2025 on completing the detailed route study, engineering and design specs, permits, and preparing bid documents with the first bids expected to be ready at the end of 2025.
- **Replacing Fire Station #1.** Lake Zurich has a partnership with FGM Architects and consultants at Advanced Selections to plan for a future Fire Station #1 headquarters. In 2025, the Village will complete its plan for a future station location, architectural site diagramming, and an approximate building size.
- **Parks Master Plan.** Update the Village's parks master plan for our most important open spaces, ensuring that residents of all ages, backgrounds, and abilities have the opportunity to participate in shaping the future of our green spaces.
- **Paulus Park Phase 2.** Finish Paulus Park enhancements backed by OSLAD grant funds for the new splash pad, ADA access to Paulus beach, a new bandshell stage, shoreline restorations, and ADA accessible baggo courts.
- **National Community Survey.** Complete Lake Zurich's 6th National Community Survey to solicit community feedback on priorities and services. The Village has been participating in this survey every other year since 2015, providing valuable trendlines on evolving community expectations.

Acknowledgements

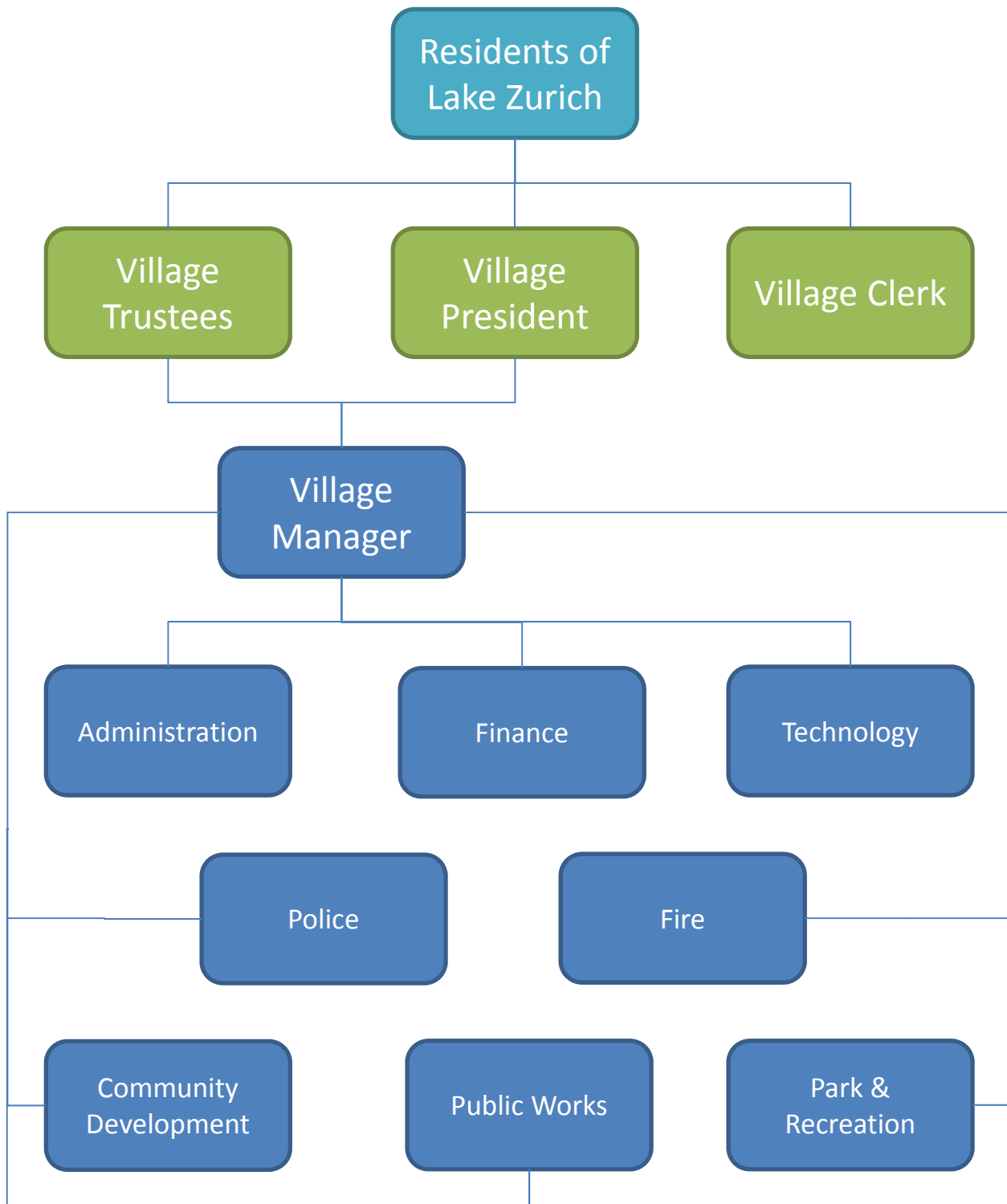
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. The Village President and Village Board of Trustees must be acknowledged and thanked for setting the highest standards of professionalism in the oversight and management of the Village's finances.

Respectfully submitted,

Ray Keller
Ray Keller
Village Manager

Amy Sparkowski
Amy Sparkowski
Director of Finance/
Village Treasurer

Village of Lake Zurich Organization Chart



VILLAGE OF LAKE ZURICH, ILLINOIS
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2024

VILLAGE BOARD OF TRUSTEES

Tom Poynton, Mayor

Jake Marx

Mary Beth Euker

Marc Spacone

Roger Sugrue

William Riley

Greg Weider

Kathleen Johnson, Village Clerk

Ray Keller, Village Manager

Amy Sparkowski, Finance Director/Treasurer

Independent Auditors' Report

To the Honorable President and
Members of the Board of Trustees of
Village of Lake Zurich, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lake Zurich, Illinois (the Village), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois
June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

This section of the financial report is management's overview and analysis of the financial position and financial performance of the Village of Lake Zurich for the fiscal year ended December 31, 2024. This statement should be read along with the transmittal letter and financial statements for the most complete understanding of the Village of Lake Zurich's financial activities for the year.

FINANCIAL HIGHLIGHTS

VILLAGE FUNDS AS A WHOLE:

- Total assets and deferred outflows of the Village exceeded liabilities and deferred inflows by \$144.7 million.
- Total net position of the Village increased \$10.5 million.
- Combined revenues totaled \$59.8 million, a 5.0% increase.
- Overall expenses totaled \$49.3 million, a 15.2% increase.

GENERAL FUND:

- Fund balance increased by \$871k.
- Total fund balance at the end of the year was \$15.4 million, of which \$1.4 million was non-spendable as advances to other funds, inventory and prepaid expenditures.
- Cash and investments totaled \$12.7 million.

BUSINESS-TYPE ACTIVITIES (Water and Sewer Fund)

- Net position increased \$4.2 million.
- Total net position at the end of the year was \$62.3 million, of which \$45.5 million was invested in capital assets, and \$16.8 million was unrestricted funds.
- Working capital of the fund increased by \$862k to \$13.8 million.

LONG-TERM DEBT

- Total long-term debt decreased \$1.9 million to \$79.6 million outstanding as of December 31, 2024. Included in this figure is a \$408k decrease to net pension liability.
- Bonded debt alone decreased \$1.6 million to \$15.8 million outstanding as of December 31, 2024.

CAPITAL ASSETS

- Total capital assets, net of accumulated depreciation, increased \$3.7 million to \$141.6 million.
- Capital assets for governmental activities, net of accumulated depreciation, increased \$2.9 million to \$93.0 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

In accordance with generally accepted accounting principles, the Village presents its financial statements so as to offer two perspectives of its financial position and results of operation. The government-wide perspective presents financial information for the government as a whole. The fund perspective involves the presentation of financial information for individual accounting entities established by the Village for specific purposes. The focus of the fund statements is on major funds. Both perspectives (government-wide and major fund) address likely user questions, provide a broad basis for comparison, and enhance the Village's accountability.

VILLAGE OF LAKE ZURICH MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

Government-wide statements

The government-wide statements are intended to provide a view of the financial position and operations of the Village in a manner similar to the private sector. These statements provide a long-term view of the financial position of the Village of Lake Zurich. The *Statement of Net Position* reflects all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net difference between them reported as net position. Over time, the change in net position may serve as a useful indicator to reflect the improving or deteriorating position of the Village.

The government-wide *Statement of Activities* reflects the change in Village net position for the current year. These activities are reported on a full accrual basis. Thus revenues and expenses are recorded as they are incurred, regardless of when cash flow is affected. Both the *Statement of Net Position* and the *Statement of Activities* include the Village's governmental and business-type activities.

Governmental activities encompass general government, public safety, highways and streets, culture and recreation and economic development. In general, taxes and intergovernmental revenues support governmental funds. The business-type activities of the Village consist of water and sewer operations, which are funded primarily from user fees. Revenues generated from water and sewer operations are intended to cover all or a significant amount of total costs. The government-wide financial statements can be found on pages 4-6 of this report.

Fund Financial Statements

The Village of Lake Zurich utilizes fund accounting. 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. Fund accounting is used to ensure and demonstrate compliance with specific financial and legal requirements. The Village of Lake Zurich has three fund types; governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds included in the fund financial statements are fundamentally the same as those reflected in the government-wide statements. The major difference is that the fund statements focus almost entirely on the short-term with emphasis on fiscal responsibility with relation to the current budgetary year. As such, the statements are prepared on the modified accrual basis. A reconciliation provided on the face of the governmental fund financial statements provides those items that were used to convert the fund modified accrual basis to the governmental-wide full accrual basis.

The Village of Lake Zurich has fourteen governmental funds to account for governmental functions. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for these funds, all of which are considered to be "major" funds. The purposes of these major funds are as follows:

The General Fund is the general operating fund for the Village and is utilized to account for all activity that is not accounted for in another fund.

The TIF (#1) Tax Allocation Fund accounts for all revenues and transfers to pay for administrative, debt service, and capital improvement activity necessary to stimulate and induce redevelopment of Downtown Lake Zurich pursuant to the Tax Increment Finance (TIF) Act.

The Downtown TIF #2 Special Revenue Fund captures all the costs and revenue associated with the construction and improvements to TIF District #2.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

The Debt Service Fund accounts for the accumulation of financial resources to pay principal and interest for general obligation bond issues, including the debt generated by the establishment of the Tax Increment Financing District.

The TIF (#1) Debt Service Fund accounts for the accumulation of financial resources to pay principal and interest expenses generated related to TIF District #1.

The Capital Improvements Fund accounts for the financial resources used for the acquisition and construction of capital projects.

The Non-Home Rule Sales Tax Capital Projects Fund accounts for the financial resources from non-home rule sales tax used for specific capital infrastructure improvement projects.

Data from the other seven (7) 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 the report. Budgetary comparisons are included at the fund level in the combining and individual fund financial statements. The basic governmental fund financial statements can be found on pages 7 through 14 of this report.

Proprietary Funds

The Village of Lake Zurich maintains one proprietary fund – the Waterworks and Sewerage Fund. This proprietary fund is categorized as an enterprise fund, which are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. As proprietary funds are reported on a full accrual basis, the Village of Lake Zurich fund statements for its Waterworks and Sewerage fund mirror the government-wide statements. The basic proprietary fund financial statements can be found on pages 15 through 19 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Hence, fiduciary funds are not included in the government-wide statements, as their resources are not available to support the Village's own programs. The Village of Lake Zurich has eight (8) fiduciary funds – the Police Pension Fund, the Firefighters Pension Fund, and six (6) Custodial Fund for Special Service Areas. Like proprietary funds, fiduciary funds are accounted for on a full accrual basis. The basic fiduciary fund statements can be found on pages 20 and 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide information that is critical to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement are on pages 22 through 63 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Included in this report is a budgetary comparison statement for the General Fund and the special revenue funds, as well as information regarding the Village's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information is available on pages 64 through 84.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

Amendments to Budget

Amendments to the budget are typically made throughout the year. The Village Manager, as Budget Officer, is authorized to implement a budget transfer between accounts within the same object class, provided it is within the same department and fund. No transfers were authorized by the Budget Officer during the year. Budget transfers between object classes and any increases or decreases to the total budget must be approved by the Village Board. One (1) budget amendment was approved during the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

The combined net position for the fiscal year ended December 31, 2024 totaled \$145 million and consisted of net position from both governmental activities and business-type activities of \$82 million and \$62 million respectively. Following is a table that shows total net position of the Village as of December 31, 2024 with a comparison to the preceding fiscal year.

As of December 31, 2023 and 2024

	Governmental Activities		Business-type Activities		Total Village Wide	
Category	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current and other assets	\$ 73,684,401	\$ 66,058,465	\$ 18,196,482	\$ 15,219,134	\$ 91,880,883	\$ 81,277,599
Capital assets	93,002,151	90,136,014	48,563,887	47,683,513	141,566,038	137,819,527
Total assets	166,686,552	156,194,479	66,760,369	62,902,647	233,446,921	219,097,126
Deferred Outflows	11,644,313	15,719,193	293,225	520,506	11,937,538	16,239,699
Total assets & deferred outflows	178,330,865	171,913,672	67,053,594	63,423,153	245,384,459	235,336,825
Current and other liabilities	4,456,981	5,757,954	987,197	1,554,809	5,444,178	7,312,763
Long-term liabilities	75,909,604	75,425,412	3,716,650	3,658,859	79,626,254	79,084,271
Total liabilities	80,366,585	81,183,366	4,703,847	5,213,668	85,070,432	86,397,034
Deferred Inflows	15,528,565	14,659,995	77,620	104,245	15,606,185	14,764,240
Total liabilities and deferred inflows	95,895,150	95,843,361	4,781,467	5,317,913	100,676,617	101,161,274
Net position:						
Net invest capital assets	93,002,151	90,136,014	45,453,517	43,974,861	138,455,668	134,110,875
Restricted	14,727,914	12,186,103	-	-	14,727,914	12,186,103
Unrestricted	(25,294,350)	(26,251,806)	16,818,610	14,130,379	(8,475,740)	(12,121,427)
Total net position	\$ 82,435,715	\$ 76,070,311	\$ 62,272,127	\$ 58,105,240	\$ 144,707,842	\$ 134,175,551

The Village's net investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure less any related debt used to acquire those assets still outstanding), is the largest portion of the Village's net position. As of December 31, 2024, capital assets net of related debt totaled \$138 million. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

In the governmental activities, the total net position increased by \$6.4 million. The General Fund was able to transfer additional funds to the Capital Improvement and the Equipment Replacement funds to accumulate resources for upcoming capital needs. General Fund was still able to post a surplus of \$871k.

Cash and investments for governmental activities increased \$6.3 million. Total assets and deferred outflows for the governmental activities increased \$6.4 million to \$178.3 million. The Village revenues performed favorably during the year and certain salary expenses were lower than expected, allowing the Village to retain cash in capital and equipment replacement funds for future years. Total liabilities and deferred inflows increased slightly from \$95.8 million to \$95.9 million.

For the business-type activities, total net position increased by \$4.2 million. This is mainly due to the water rate increase as of 1/1/2024 in anticipation of future Lake Michigan project expenditures.

During the current fiscal year, total net position of the Village increased by \$10.5 million compared to a \$14.2 million increase in 2023. A more detailed explanation of the change in net position of the governmental activities and business-type activities is provided in the following sections.

Statement of Activities

The following summarizes the changes in the Village's net position for the 2024 fiscal year:

Change in Net Position For the Fiscal Years Ended December 31, 2023 and 2024						
	Governmental Activities		Business-type Activities		Total Village Wide	
Category	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 13,109,788	\$ 12,126,410	\$ 10,271,825	\$ 8,470,911	\$ 23,381,613	\$ 20,597,321
Operating grants	881,321	876,088	-	-	881,321	876,088
Capital grants	319,618	236,547	-	-	319,618	236,547
General revenues:						
Taxes	15,641,949	14,381,441	-	-	15,641,949	14,381,441
Intergovernmental	16,081,429	17,840,091	-	-	16,081,429	17,840,091
Investment earnings	2,358,265	2,047,136	627,335	573,861	2,985,600	2,620,997
Other	537,481	464,343	10,050	-	547,531	464,343
Total revenues	48,929,851	47,972,056	10,909,210	9,044,772	59,839,061	57,016,828
Expenses:						
General Government	2,788,205	2,122,434	-	-	2,788,205	2,122,434
Public Safety	28,010,549	24,887,179	-	-	28,010,549	24,887,179
Highways and Streets	7,887,919	6,682,108	-	-	7,887,919	6,682,108
Culture and Recreation	2,075,144	1,744,888	-	-	2,075,144	1,744,888
Economic Development	1,016,524	620,537	-	-	1,016,524	620,537
Interest on long-term debt	786,106	820,534	-	-	786,106	820,534
Water/Sewer	-	-	6,742,323	5,926,671	6,742,323	5,926,671
Total expenses	42,564,447	36,877,680	6,742,323	5,926,671	49,306,770	42,804,351
Excess (deficiency) of revenues over expenses	6,365,404	11,094,376	4,166,887	3,118,101	10,532,291	14,212,477
Transfers:	-	(3,296,715)	-	3,296,715	-	-
Change in Net Position	6,365,404	7,797,661	4,166,887	6,414,816	10,532,291	14,212,477
Beginning net position	76,070,311	68,272,650	58,105,240	51,690,424	134,175,551	119,963,074
Ending net position	82,435,715	76,070,311	62,272,127	58,105,240	144,707,842	134,175,551

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

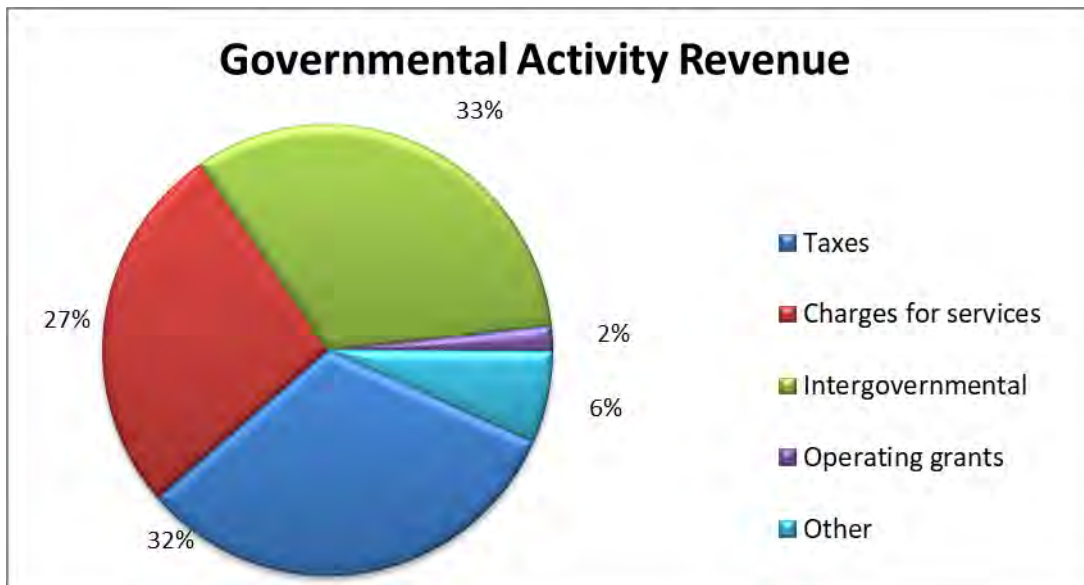
December 31, 2024

Governmental Activities

As is typical for governmental activities of local governments, program revenues cover a small percentage of program expenses, with general revenues covering the majority of expenses. For fiscal year 2024, governmental program expenses of \$42.6 million exceeded program revenues of \$14.3 million by \$28.3 million. General revenues of \$34.6 million made up for the deficiency.

Revenues

The following graph indicates the breakdown of 2024 revenues by type.



Total revenues of \$48.9 million were higher than last year by \$958k (2.0%). No new major revenue sources were implemented. The largest contributors to the increase were property tax (\$1.2 million), sales tax (\$827k), and ambulance service fee (\$729k).

Utility taxes have been fluctuating, and ended the year down \$84k (6.1%). The telecommunications tax has been unpredictable in the past few years. Receipts were down 2.9% at \$311k. Receipts have been declining due to changes in how customers receive their phone service, such as free long-distance with most cellular plans.

Sales tax revenues came in at \$11.6 million, an increase of \$827k (7.7%). Lake Zurich's mix of retailers provides stability and consistency during more difficult financial periods, better than localities that are selling more luxury or specialty products.

The State Income Tax receipts of \$3.4 million exceeded original expectations. This revenue source benefited from positive economic factors and the impact of prior year accounting adjustments to the local government distributive fund.

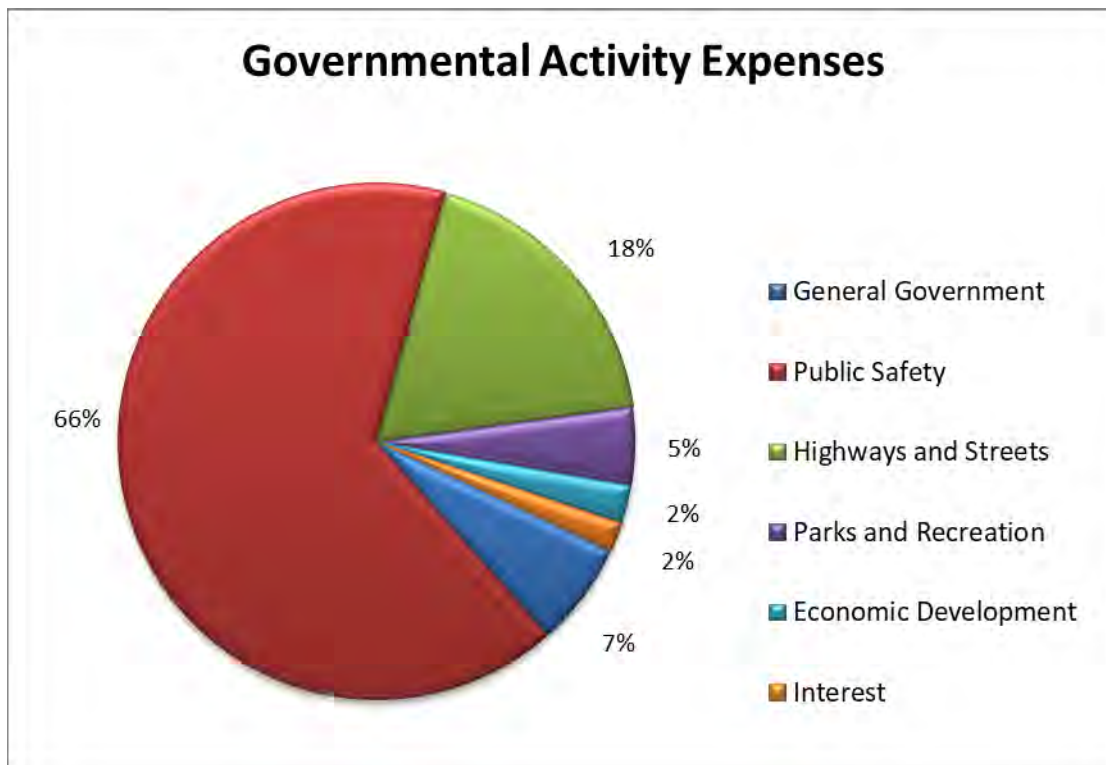
**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

Charges for Services make up 27% of the Village's governmental revenue. Charges for services increased by \$983k (8.1%), coming in at \$13.1 million. The most notable increase in this category relates to ambulance service fees. No new charges were implemented.

Expenses

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



Expenses associated with governmental activities increased by \$5.7 million (15.4%). The most significant increase relates to GASB 68 IMRF and public safety pension, which increased \$3.5 million. Other increases include land improvements, sworn pension costs, and compensated absences.

Business Type Activities

For business-type activities, net position increased a total of \$4.2 million. Program revenues of \$10.3 million exceeded program expenses of \$6.7 million. The increase in water charges for service significantly contributed to the increase in net position. Depreciation of water and sewer fund capital assets is a large portion of the expenses at \$2.1 million (31% of operating expenses). Overall, expenses increased 16.8%. The largest increases in expenses relate to GASB 68 IMRF.

Charges for services associated with business-type activities totaled \$10.3 million, up 21.3% from the prior year. This increase was largely due to the increased water rates and the increase in water and sewer connection fees from new residential developments.

VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

Governmental Funds

As noted earlier, the focus of fund reporting is the short-term inflow and outflow of expendable resources. Fund balance is a useful indicator in assessing available resources with respect to meeting future obligations.

At December 31, 2024 governmental funds reported combined fund balances of \$44.3 million. Of this amount, \$12.9 million is unrestricted and is available for future obligations. About \$14.8 million is restricted, with \$7.5 million for capital projects, \$1.0 million for debt service, and \$1.5 million restricted for Tax Increment Financing (TIF). The remainder of restricted funds relate to special recreation, public safety, highway and streets, PEG fees, and tourism, generated by the hotel tax.

GENERAL FUND:

The General Fund is the Village's primary operating fund. For the fiscal year ended December 31, 2024, fund balance in the General Fund increased by \$871k from current year activities. Change to fund balance is a combination of revenues of \$37.2 million compared to expenditures of \$32.2 million. Other financing uses of \$4.2 million are also included, representing a transfer of \$3.1 million to the Capital Improvement Fund, \$675k to the Dispatch Services Fund, \$253k to the Special Events Fund and \$250k to the Equipment Replacement Fund. After all activity and adjustments are accounted for, the General Fund has an ending fund balance of \$15.4 million.

OTHER MAJOR FUNDS:

- The TIF Tax Allocation Fund currently has a fund balance of \$620k. This is \$392k higher than the previous year fund balance of 228k. The increase is primarily due to an increase in property taxes. Any fund balance in the TIF Tax Allocation Fund would be restricted entirely for TIF purposes.
- The Debt Service Fund has a positive fund balance of \$1.0 million that is restricted entirely for the payment of future debt service. This is \$33k higher than the previous year, due to favorable property tax collection.
- The TIF (#1) Debt Service Fund currently has a negative fund balance of \$759k. While any fund balance in this fund would be restricted for payment of future debt service, the fund received a long-term advance of over \$1.5 million to cover its expenditures to date. Fund balance increased by \$113k during the year and the long-term advance is at \$1.3 million, unchanged from last year. The TIF is working on rebuilding the fund balance for future years.
- The Capital Improvements Fund increased fund balance from \$14.3 million to \$14.8 million. The majority of the increase is due to advanced funding from the General Fund for upcoming capital projects. Of this fund balance, \$240k is earmarked for noise mitigation related to the CN rail, which will be drawn down over the next few fiscal years.
- The Downtown TIF Fund #2 increased fund balance by \$391k over the year. Property tax and investment income came in favorably and no large infrastructure projects took place during the year. Fund balance at year-end was \$225k.
- The Non-Home Rule Sales Tax Capital Projects Fund increased fund balance by \$664k over the year. The Annual Road Program was expended from Non-Home Rule during the current year. Fund balance at year-end of \$7.5 million is restricted for capital projects.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

Proprietary Funds

The focus for the proprietary fund at the fund level is synonymous with that found at the government-wide level. Reporting is on a full-accrual basis with short-term and long-term emphasis on financial data. The Waterworks and Sewerage Fund is the sole proprietary fund for the Village of Lake Zurich. This fund records all financial activity relating to the municipality's water and sewer operations. The Waterworks and Sewerage Fund provides the same type of information in the government-wide financial statements reflected as "Business-type" activities, but in more detail.

At December 31, 2024, net position of the proprietary fund totaled \$61.4 million. Cash and investments totaled \$14.0 million, a increase of \$2.7 million (24.3%). The increase was the result of the water rate increase relating to the transition to Lake Michigan water. The increased revenue continues to be set aside to fund the Lake Michigan project.

Operating revenues increased 19.1% from the previous year to \$9.5 million, consistent with the \$3.46 rate increase to the Lake Zurich portion of water bills that took effect during 2024. Completion of the water meter replacement project is still providing more accurate consumption records. Operating expenses (including depreciation) of \$6.8 million were 16.8% higher than the previous year, with increased maintenance cost, risk insurance, and GASB 68 IMRF factoring into that increase. Depreciation increased by \$88k (4.3%).

Fiduciary Funds

Police and Firefighters' Pension Funds: The Village's two single-employer pension plans experienced growth in the fiscal year ended December 31, 2024. Combined, the funds reported a \$8.4 million increase in plan fiduciary net position. Investment earnings (net of related expenses) posted a combined gain of \$8.8 million between the two funds. Cash and investments totaled \$94.2 million as of December 31st.

Custodial Funds: The Village has six (6) special service area funds. These funds do not have budgets, nor do they have measures of operations. They are used to account for assets and liabilities of funds kept in a custodial manner. Combined, the funds reported a \$49k decrease in net position to \$438k. This decrease was due to the termination of two SSAs in 2024 along with increased maintenance expenses.

GENERAL FUND HIGHLIGHTS

Amendments to Budget

The Village Manager as Budget Officer is authorized to implement a budget transfer between accounts within the same object class, provided it is within the same department and fund. Budget transfers between object classes and any increases or decreases to the total budget must be approved by the Village Board through a budget amendment. The revenues and expenditures were monitored closely throughout the year to stay in compliance with the fund level budgetary policy.

One budget amendment was approved for this fiscal year that affected the General Fund. Revenues and other financing sources were increased \$934k, in addition to an increase to expenditures and other financing uses of \$934k, leaving the budgeted change to fund balance at \$5k. The largest revenue increases were to Sales Tax (\$280k), Ambulance Service Fees (\$210k), and Investment Income (\$100k). For expenditures, the major increases were the transfer to the Capital Improvement Fund (\$1.2 million) to help fund several upcoming expensive but necessary capital projects, and the transfer to the Equipment Replacement Fund (\$200k).

VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

Change in Fund Balance

General Fund

When the original budget was adopted in December of 2024, a surplus of \$5k was expected for the General Fund. After the budget amendments, the expectation remained unchanged. The actual Fund Balance for General Fund, however, shows a surplus at year-end of \$871k. Revenues and other financing sources came in at \$37.3 million for the year, \$702k more than budgeted. Expenditures totaled \$32.2 million, which was \$164k less than budgeted. Overall, expenditures and other financing uses totaled \$36.4 million. The following table summarizes General Fund revenues and expenditures, with a comparison to budget, for the fiscal year ended December 31, 2024.

General Fund Budgetary Highlights
Fiscal Year Ended December 31, 2024

	Final Budget	Actual
Revenues & Other Financing Sources		
Taxes	\$ 11,421,567	\$ 11,284,906
Licenses and permits	895,820	836,322
Intergovernmental	19,935,805	20,444,526
Charges for services	3,104,787	3,260,150
Fines and forfeits	410,500	416,568
Other revenue	742,971	970,800
Sub-total revenues	\$ 36,511,450	\$ 37,213,272
Other financing sources	42,944	42,944
Total Revenues and Other Financing Sources	\$ 36,554,394	\$ 37,256,216
Expenditures and Other Financing Uses		
General government	\$ 2,219,676	\$ 2,193,140
Public safety	23,857,552	23,797,535
Highways and streets	4,392,604	4,354,030
Culture and recreation	1,353,701	1,336,737
Economic development	491,321	469,220
Sub-total expenditures	\$ 32,314,854	\$ 32,150,662
Other financing uses		
Transfers to Other Funds	4,234,240	4,234,240
Total Expenditures and Other Financing Sources	36,549,094	36,384,902
Change in Fund Balance	\$ 5,300	\$ 871,314

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

Capital Assets

The Village of Lake Zurich's investment in capital assets, net of accumulated depreciation, amounted to \$141.6 million at December 31, 2024. The investment includes land, buildings, improvements, machinery and equipment, vehicles and infrastructure as follows:

	Governmental Activities		Business-type Activities		Total	
	FYE 24	FYE 23	FYE 24	FYE 23	FYE 24	FYE 23
Land and Improvements	\$ 37,014,416	\$36,234,574	\$ 250,421	\$ 250,421	\$ 37,264,837	\$ 36,484,995
Building and Improvements	7,798,998	6,967,822	-	-	7,798,998	6,967,822
Machinery & Equipment	1,729,559	1,698,653	1,606,553	1,637,750	3,336,112	3,336,403
Vehicles	3,080,536	3,163,194	647,148	671,644	3,727,684	3,834,838
Other	2,096,033	1,086,654	517,081	3,764,347	2,613,114	4,851,001
Infrastructure	41,282,609	40,985,117	45,542,684	41,359,351	86,825,293	82,344,468
Total	\$ 93,002,151	\$90,136,014	\$ 48,563,887	\$47,683,513	\$ 141,566,038	\$ 137,819,527

Capital additions for the year totaled \$5.9 million for governmental funds and \$6.4 million for the business-type activities of the water and sewer fund. Additions included the following major projects:

Governmental Funds:

- Land improvements of \$1.1 million, with \$1.0 million for parking lots, and \$91k for the Paulus Park message board.
- Building improvements of \$1.2 million, with \$656k for roof replacements, \$331k for the Breezewald Bathroom/Pavilion, \$141k for the PW generator, and \$57k for PD garage floor repairs.
- Vehicles of \$297k, with \$61k for an Etransit van, \$61k for a public works pickup truck, and \$175k for three police utility interceptors.
- Machinery and Equipment of \$220k, with \$177k for a trackless tractor, and \$43k for a storage array.
- Infrastructure improvements of \$1.9 million for the annual road program.

Business-Type Fund:

- Infrastructure improvements of \$6.1, with \$2.8 million for water main replacements, and \$3.3 million for the Main St infrastructure project.
- Machinery and Equipment of \$72k, for lift station replacement controls.
- Vehicles of \$63k for a pickup truck.

Additional information on the Village's capital assets is presented in the notes to the basic financial statements on pages 38 and 39.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

DEBT ADMINISTRATION

During the fiscal year, bonded debt was decreased by \$1.6 million. Series 2024 was issued for \$1,299,000 on a short-term basis and was repaid before the end of the fiscal year. During the year, there was no additional new debt.

	Governmental Activities		Business-type Activities		Total Village Wide	
	FYE 24	FYE 23	FYE 24	FYE 23	FYE 24	FYE 23
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Alternate Revenue Bonds	15,535,000	17,035,000	-	-	15,535,000	17,035,000
TIF Revenue Bonds	-	-	-	-	-	-
Water Alternate Revenue Bonds	-	-	215,000	320,000	215,000	320,000
Bonded Debt Total	15,535,000	17,035,000	215,000	320,000	15,750,000	17,355,000
IEPA Loan	-	-	668,200	890,728	668,200	890,728
Compensated Absences	1,869,909	1,802,249	63,736	75,940	1,933,645	1,878,189
Net Pension Liability	55,325,572	55,795,384	284,726	222,759	55,610,298	56,018,143
Financed Purchases	4,798	10,555	2,220,696	2,488,212	2,225,494	2,498,767
Other Postemployment Benefits	3,148,110	2,622,215	257,818	223,838	3,405,928	2,846,053
Other	26,215	62,303	6,474	9,711	32,689	72,014
Total Other LT Debt	60,374,604	60,292,706	3,501,650	3,911,188	63,876,254	64,203,894
Combined LT Debt Total	75,909,604	77,327,706	3,716,650	4,231,188	79,626,254	81,558,894

The Village maintains a AAA, stable outlook, bond rating from Standard and Poors, which had been upgraded from AA in 2013. Maintaining the AAA stable was based on the following factors:

- Very strong budgetary flexibility
- Strong overall budgetary performance.
- Strong debt and contingent liabilities profile.

Additional information on the Village's long-term debt is presented in the notes to the basic financial statements on pages 41 through 45.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Village is directly impacted by any legislation that could reduce or eliminate any state shared revenue, and in turn impact the level of service to the residents. Therefore, the political environment in Springfield is being closely monitored.
- Minimizing retail vacancies continue to be a priority for the Village, as sales tax is a significant revenue source. The Village will continue to monitor economic trends relating to retail sales and adjust forecasts/spending as appropriate.
- Increased market costs and supply issues for commodity services and personnel continue to be a challenge.
- Pension funding levels and resulting required contributions remain sensitive to disability claims, retirements, and new accounting requirements.

**VILLAGE OF LAKE ZURICH
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

- One of the four union contracts is set to December 31, 2024. Negotiated salary and benefit increases are expected to be reasonable and in-line with market conditions, allowing for increased stability in the operating budget of the Village.
- A Lake Michigan Water Allocation Permit secured from the IL EPA and an agreement with Central Lake County Joint Action Water Agency leads the way in securing Lake Michigan as the new water source.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. At December 31, 2024 the unrestricted fund balance of the General Fund was 37% of total expenditures of the upcoming year. Village policy states a minimum unrestricted fund balance be maintained of 25% with a target of 40%.

The Water/Sewer Fund had cash and investments of \$14.0 million at December 31, 2024. The fund also had unrestricted net position of \$16.0 million. The Village monitors both revenues and expenses to determine the rate levels necessary to cover the maintenance and long-term infrastructure needs of the Water/Sewer Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Lake Zurich's financial position and activities for the fiscal year ended December 31, 2024. Questions and requests for additional information should be directed to the Finance Director, Village of Lake Zurich, 70 E. Main Street, Lake Zurich, Illinois 60047.

BASIC FINANCIAL STATEMENTS

Village of Lake Zurich

Statement of Net Position

December 31, 2024

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and investments	\$ 52,213,381	\$ 14,043,236	\$ 66,256,617
Receivables (net):			
Property taxes	13,976,497	-	13,976,497
Accounts	2,359,939	1,292,211	3,652,150
Leases	430,410	-	430,410
Internal balances	(2,846,258)	2,846,258	-
Due from fiduciary funds	-	2,137	2,137
Due from other governmental units	2,945,434	-	2,945,434
Prepaid items	2,491,609	7,704	2,499,313
Inventories	15,674	4,936	20,610
Land held for resale	2,097,715	-	2,097,715
Capital assets:			
Capital assets not being depreciated	32,569,584	767,502	33,337,086
Capital assets net of accumulated depreciation	<u>60,432,567</u>	<u>47,796,385</u>	<u>108,228,952</u>
Total assets	<u>166,686,552</u>	<u>66,760,369</u>	<u>233,446,921</u>
Deferred Outflows of Resources			
Pension related amounts	9,213,201	203,417	9,416,618
Unamortized loss on refunding	1,334,513	-	1,334,513
OPEB related amounts	<u>1,096,599</u>	<u>89,808</u>	<u>1,186,407</u>
Total deferred outflows of resources	<u>11,644,313</u>	<u>293,225</u>	<u>11,937,538</u>
Liabilities			
Accounts payable	1,925,888	900,781	2,826,669
Accrued payroll	869,965	67,896	937,861
Deposits payable	692,412	-	692,412
Other payables	309,205	-	309,205
Accrued interest payable	62,438	18,520	80,958
Unearned revenues	597,073	-	597,073
Noncurrent liabilities:			
Due within one year	1,905,421	474,074	2,379,495
Due in more than one year	<u>74,004,183</u>	<u>3,242,576</u>	<u>77,246,759</u>
Total liabilities	<u>80,366,585</u>	<u>4,703,847</u>	<u>85,070,432</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	13,976,435	-	13,976,435
Lease related amounts	387,840	-	387,840
Pension related amounts	390,448	14,246	404,694
OPEB related amounts	<u>773,842</u>	<u>63,374</u>	<u>837,216</u>
Total deferred inflows of resources	<u>15,528,565</u>	<u>77,620</u>	<u>15,606,185</u>

See notes to financial statements

Village of Lake Zurich

Statement of Net Position

December 31, 2024

	Governmental Activities	Business- Type Activities	Total
Net Position			
Net investment in capital assets	\$ 93,002,151	\$ 45,453,517	\$138,455,668
Restricted for:			
Public safety	460,452	-	460,452
TIF	1,515,926	-	1,515,926
Debt service	974,336	-	974,336
Noise mitigation	239,530	-	239,530
Capital projects	7,456,621	-	7,456,621
Highways and streets	3,549,550	-	3,549,550
Tourism	443,880	-	443,880
PEG fees	87,619	-	87,619
Unrestricted	<u>(25,294,350)</u>	<u>16,818,610</u>	<u>(8,475,740)</u>
 Total net position	 <u>\$ 82,435,715</u>	 <u>\$ 62,272,127</u>	 <u>\$144,707,842</u>

See notes to financial statements

Village of Lake Zurich

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 2,788,205	\$ 980,571	\$ 3,030	\$ -	\$ (1,804,604)	\$ -	\$ (1,804,604)
Public safety	28,010,549	10,936,331	-	-	(17,074,218)	-	(17,074,218)
Highways and streets	7,887,919	56,939	878,291	19,618	(6,933,071)	-	(6,933,071)
Culture and recreation	2,075,144	1,135,947	-	300,000	(639,197)	-	(639,197)
Economic development	1,016,524	-	-	-	(1,016,524)	-	(1,016,524)
Interest and fiscal charges	786,106	-	-	-	(786,106)	-	(786,106)
Total governmental activities	<u>42,564,447</u>	<u>13,109,788</u>	<u>881,321</u>	<u>319,618</u>	<u>(28,253,720)</u>	<u>-</u>	<u>(28,253,720)</u>
Business-type activities:							
Waterworks and sewerage	<u>6,742,323</u>	<u>10,271,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,529,502</u>	<u>3,529,502</u>
Total business-type activities	<u>6,742,323</u>	<u>10,271,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,529,502</u>	<u>3,529,502</u>
Total	<u>\$ 49,306,770</u>	<u>\$ 23,381,613</u>	<u>\$ 881,321</u>	<u>\$ 319,618</u>	<u>(28,253,720)</u>	<u>3,529,502</u>	<u>(24,724,218)</u>
General Revenues							
Taxes:							
Property taxes					13,379,812	-	13,379,812
Utility taxes					1,288,694	-	1,288,694
Telecommunications taxes					310,839	-	310,839
Other taxes					662,604	-	662,604
Intergovernmental:							
Replacement					109,621	-	109,621
Sales taxes					11,580,433	-	11,580,433
Local use					700,370	-	700,370
Shared income tax					3,355,481	-	3,355,481
Intergovernmental revenues					335,524	-	335,524
Special events					121,753	-	121,753
Investment income					2,358,265	627,335	2,985,600
Miscellaneous					386,028	10,050	396,078
Other					29,700	-	29,700
Total general revenues					<u>34,619,124</u>	<u>637,385</u>	<u>35,256,509</u>
Change in net position					6,365,404	4,166,887	10,532,291
Net Position, Beginning					<u>76,070,311</u>	<u>58,105,240</u>	<u>134,175,551</u>
Net Position, Ending					<u>\$ 82,435,715</u>	<u>\$ 62,272,127</u>	<u>\$ 144,707,842</u>

See notes to financial statements

Village of Lake Zurich

Balance Sheet -
Governmental Funds
December 31, 2024

	<u>General Fund</u>	<u>TIF Tax Allocation</u>	<u>Downtown TIF #2</u>	<u>Debt Service</u>
Assets				
Cash and investments	\$ 12,748,158	\$ 620,175	\$ 3,283,001	\$ 1,036,760
Receivables:				
Property taxes receivable	9,950,942	1,777,382	432,691	1,376,014
Accounts receivable	1,248,429	-	147,702	-
Lease	430,410	-	-	-
Advances to other funds	1,300,000	-	-	-
Due from other governments	2,945,434	-	-	-
Prepaid items	127,985	-	-	-
Inventories	15,674	-	-	-
Land held for resale	-	-	2,097,715	-
	<u>-</u>	<u>-</u>	<u>2,097,715</u>	<u>-</u>
Total assets	<u>\$ 28,767,032</u>	<u>\$ 2,397,557</u>	<u>\$ 5,961,109</u>	<u>\$ 2,412,774</u>

See notes to financial statements

<u>TIF Debt Service</u>	<u>Capital Improvements</u>	<u>Non-Home Rule Sales Tax Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 541,027	\$ 12,494,157	\$ 6,753,755	\$ 5,563,195	\$ 43,040,228
-	-	-	439,468	13,976,497
-	-	812,234	138,239	2,346,604
-	-	-	-	430,410
-	3,103,000	50,000	-	4,453,000
-	-	-	-	2,945,434
-	-	-	10,475	138,460
-	-	-	-	15,674
-	-	-	-	2,097,715
<u>\$ 541,027</u>	<u>\$ 15,597,157</u>	<u>\$ 7,615,989</u>	<u>\$ 6,151,377</u>	<u>\$ 69,444,022</u>

See notes to financial statements

Village of Lake Zurich

Balance Sheet -
Governmental Funds
December 31, 2024

	<u>General Fund</u>	<u>TIF Tax Allocation</u>	<u>Downtown TIF #2</u>	<u>Debt Service</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 950,402	\$ -	\$ 2,785	\$ -
Accrued wages	783,194	-	-	-
Other liabilities	149,391	-	-	-
Advances from other funds	-	-	5,153,000	-
Unearned revenues	476,960	-	-	-
Deposits	<u>692,412</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,052,359</u>	<u>-</u>	<u>5,155,785</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	147,702	-
Property taxes levied for future periods	9,950,894	1,777,382	432,691	1,376,000
Lease related amounts	<u>387,840</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>10,338,734</u>	<u>1,777,382</u>	<u>580,393</u>	<u>1,376,000</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	127,985	-	-	-
Nonspendable for inventory	15,674	-	-	-
Nonspendable for advances to other funds	1,300,000	-	-	-
Restricted for public safety	176,057	-	-	-
Restricted for TIF	-	620,175	224,931	-
Restricted for debt service	-	-	-	1,036,774
Restricted for noise mitigation	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for tourism	-	-	-	-
Restricted for PEG	87,619	-	-	-
Assigned to capital project funds	-	-	-	-
Assigned to special events	-	-	-	-
Assigned to dispatch services	-	-	-	-
Assigned to special projects	13,297	-	-	-
Unassigned	<u>13,655,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>15,375,939</u>	<u>620,175</u>	<u>224,931</u>	<u>1,036,774</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,767,032</u>	<u>\$ 2,397,557</u>	<u>\$ 5,961,109</u>	<u>\$ 2,412,774</u>

See notes to financial statements

<u>TIF Debt Service</u>	<u>Capital Improvements</u>	<u>Non-Home Rule Sales Tax Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 767,179	\$ 147,256	\$ 43,523	\$ 1,911,145
-	-	-	75,782	858,976
-	-	12,112	-	161,503
1,300,000	-	-	-	6,453,000
-	-	-	120,113	597,073
-	-	-	-	692,412
<u>1,300,000</u>	<u>767,179</u>	<u>159,368</u>	<u>239,418</u>	<u>10,674,109</u>
-	-	-	-	147,702
-	-	-	439,468	13,976,435
-	-	-	-	387,840
-	-	-	439,468	14,511,977
-	-	-	10,475	138,460
-	-	-	-	15,674
-	-	-	-	1,300,000
-	-	-	284,395	460,452
-	-	-	670,820	1,515,926
-	-	-	-	1,036,774
-	239,530	-	-	239,530
-	-	7,456,621	-	7,456,621
-	-	-	3,549,550	3,549,550
-	-	-	443,880	443,880
-	-	-	-	87,619
-	14,590,448	-	-	14,590,448
-	-	-	260,168	260,168
-	-	-	253,203	253,203
-	-	-	-	13,297
(758,973)	-	-	-	12,896,334
<u>(758,973)</u>	<u>14,829,978</u>	<u>7,456,621</u>	<u>5,472,491</u>	<u>44,257,936</u>
<u>\$ 541,027</u>	<u>\$ 15,597,157</u>	<u>\$ 7,615,989</u>	<u>\$ 6,151,377</u>	<u>\$ 69,444,022</u>

See notes to financial statements

Village of Lake Zurich

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Total Fund Balances, Governmental Funds	\$ 44,257,936
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	93,002,151
Less internal service fund portion	(4,490,480)
The loss on refunding of bonds is capitalized and amortized over the life of the bonds on the statement of net position.	1,334,513
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	9,213,201
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	1,096,599
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(390,448)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(773,842)
Internal service funds are reported in the Statement of Net Position as governmental activities.	15,158,127
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(15,535,000)
Financed purchases payable	(4,798)
Compensated absences	(1,869,909)
Accrued interest	(62,438)
Unamortized debt premium	(26,215)
Net pension liability	(55,325,572)
Total OPEB liability	<u>(3,148,110)</u>

Net Position of Governmental Activities	<u>\$ 82,435,715</u>
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Village of Lake Zurich

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2024

	<u>General Fund</u>	<u>TIF Tax Allocation</u>	<u>Downtown TIF #2</u>	<u>Debt Service</u>
Revenues				
Taxes	\$ 11,284,906	\$ 1,780,944	\$ 433,558	\$ 1,306,205
Licenses	836,322	-	-	-
Intergovernmental	20,444,526	-	-	-
Charges for services	3,260,150	-	-	-
Fines, forfeitures and penalties	416,568	-	-	-
Special events	-	-	-	-
Investment income	630,159	53,033	148,738	56,959
Miscellaneous revenues	<u>340,641</u>	<u>-</u>	<u>66,597</u>	<u>-</u>
Total revenues	<u>37,213,272</u>	<u>1,833,977</u>	<u>648,893</u>	<u>1,363,164</u>
Expenditures				
Current:				
General government	2,193,140	-	-	-
Public safety	23,797,535	-	-	-
Highways and streets	4,354,030	-	-	-
Culture and recreation	1,336,737	-	-	-
Economic development	469,220	586,507	257,527	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,654</u>
Total expenditures	<u>32,150,662</u>	<u>586,507</u>	<u>257,527</u>	<u>31,654</u>
Excess (deficiency) of revenues over expenditures	<u>5,062,610</u>	<u>1,247,470</u>	<u>391,366</u>	<u>1,331,510</u>
Other Financing Sources (Uses)				
Proceeds from sales of capital assets	42,944	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>(4,234,240)</u>	<u>(855,000)</u>	<u>-</u>	<u>(1,299,000)</u>
Total other financing sources (uses)	<u>(4,191,296)</u>	<u>(855,000)</u>	<u>-</u>	<u>(1,299,000)</u>
Net change in fund balances	871,314	392,470	391,366	32,510
Fund Balances (Deficit), Beginning	<u>14,504,625</u>	<u>227,705</u>	<u>(166,435)</u>	<u>1,004,264</u>
Fund Balances (Deficit), Ending	<u>\$ 15,375,939</u>	<u>\$ 620,175</u>	<u>\$ 224,931</u>	<u>\$ 1,036,774</u>

See notes to financial statements

<u>TIF Debt Service</u>	<u>Capital Improvements</u>	<u>Non-Home Rule Sales Tax Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 2,833,233	\$ 741,939	\$ 18,380,785
-	-	-	-	836,322
-	300,000	-	878,291	21,622,817
-	104,388	-	1,032,600	4,397,138
-	-	-	-	416,568
-	-	-	121,036	121,036
27,108	466,992	365,586	217,310	1,965,885
<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>407,938</u>
<u>27,108</u>	<u>872,080</u>	<u>3,198,819</u>	<u>2,991,176</u>	<u>48,148,489</u>
-	-	-	17,738	2,210,878
-	-	-	1,641,948	25,439,483
-	-	-	454,778	4,808,808
-	-	-	480,431	1,817,168
-	-	-	2,017	1,315,271
-	3,360,144	2,534,472	-	5,894,616
1,500,000	-	-	-	1,500,000
<u>568,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,083</u>
<u>2,068,429</u>	<u>3,360,144</u>	<u>2,534,472</u>	<u>2,596,912</u>	<u>43,586,307</u>
<u>(2,041,321)</u>	<u>(2,488,064)</u>	<u>664,347</u>	<u>394,264</u>	<u>4,562,182</u>
-	-	-	-	42,944
2,154,000	3,056,000	-	1,018,240	6,228,240
<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(6,478,240)</u>
<u>2,154,000</u>	<u>3,056,000</u>	<u>-</u>	<u>928,240</u>	<u>(207,056)</u>
112,679	567,936	664,347	1,322,504	4,355,126
<u>(871,652)</u>	<u>14,262,042</u>	<u>6,792,274</u>	<u>4,149,987</u>	<u>39,902,810</u>
<u>\$ (758,973)</u>	<u>\$ 14,829,978</u>	<u>\$ 7,456,621</u>	<u>\$ 5,472,491</u>	<u>\$ 44,257,936</u>

See notes to financial statements

Village of Lake Zurich

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds	\$ 4,355,126
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	5,683,720
Less net internal service funds additions and depreciation expense	(35,745)
Depreciation is reported in the government-wide financial statements	(2,817,583)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal repaid	1,505,757
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Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.

Debt discount	36,088
Amortization of loss on refunding	(230,081)

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(67,660)
Accrued interest on debt	7,969
Net pension liability	469,812
Deferred outflows of resources related to pensions	(4,394,815)
Deferred inflows of resources related to pensions	153,349
Net OPEB liability	(525,895)
Deferred outflows of resources related to OPEB	550,016
Deferred inflows of resources related to OPEB	58,963

Internal service funds are used by management to charge costs to individual funds. The change in net position of the internal service fund reported with governmental activities

1,616,383

Change in Net Position of Governmental Activities	<u>\$ 6,365,404</u>
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Village of Lake Zurich

Statement of Net Position -
Proprietary Fund
December 31, 2024

	Waterworks and Sewerage	Governmental Activities - Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 14,043,236	\$ 9,173,153
Accounts receivable	1,292,211	13,335
Due from fiduciary funds	2,137	-
Prepaid items	7,704	2,353,149
Inventories	<u>4,936</u>	<u>-</u>
Total current assets	<u>15,350,224</u>	<u>11,539,637</u>
Noncurrent assets:		
Capital assets:		
Capital assets not being depreciated	767,502	-
Property and equipment	96,108,064	7,541,357
Less accumulated depreciation	(48,311,679)	(3,050,877)
Other assets:		
Advances to other funds	<u>2,000,000</u>	<u>-</u>
Total noncurrent assets	<u>50,563,887</u>	<u>4,490,480</u>
Total assets	<u>65,914,111</u>	<u>16,030,117</u>
Deferred Outflows of Resources		
Pension related amounts	203,417	-
OPEB related Amount	<u>89,808</u>	<u>-</u>
Total deferred outflows of resources	<u>293,225</u>	<u>-</u>

See notes to financial statements

Village of Lake Zurich

Statement of Net Position -
Proprietary Fund
December 31, 2024

	Waterworks and Sewerage	Governmental Activities - Internal Service Funds
Liabilities		
Current liabilities:		
Accounts payable	900,781	14,743
Accrued wages	67,896	10,989
Accrued interest	18,520	-
Compensated absences	12,747	-
Unamortized bond premium	3,237	-
IEPA loan payable	228,126	-
Financed purchase obligation	124,964	-
Alternative revenue bonds payable	<u>105,000</u>	<u>-</u>
 Total current liabilities	 <u>1,461,271</u>	 <u>25,732</u>
Noncurrent liabilities:		
Long-term debt:		
Compensated absences	50,989	-
Total other postemployment benefit liability	257,818	-
Net pension liability	284,726	-
Unamortized bond premium	3,237	-
IEPA loan payable	440,074	-
Financed purchase obligation	2,095,732	-
Alternative revenue bonds payable	<u>110,000</u>	<u>-</u>
 Total noncurrent liabilities	 <u>3,242,576</u>	 <u>-</u>
 Total liabilities	 <u>4,703,847</u>	 <u>25,732</u>
 Deferred Inflows of Resources		
Pension related amounts	14,246	-
OPEB related amounts	<u>63,374</u>	<u>-</u>
 Total deferred inflows of resources	 <u>77,620</u>	 <u>-</u>
 Net Position		
Net investment in capital assets	45,453,517	4,490,480
Unrestricted	<u>15,972,352</u>	<u>11,513,905</u>
 Total net position	 <u>\$ 61,425,869</u>	 <u>\$ 16,004,385</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	<u>846,258</u>	<u>(846,258)</u>
Net position business-type activities	<u>\$ 62,272,127</u>	
Net internal service funds reported in the statement of net position as governmental activities		<u>\$ 15,158,127</u>

See notes to financial statements

Village of Lake Zurich

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Fund
Year Ended December 31, 2024

	<u>Waterworks and Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues		
Charges for services	\$ 9,506,010	\$ -
Contributions	<u>-</u>	<u>5,727,182</u>
Total operating revenues	<u>9,506,010</u>	<u>5,727,182</u>
Operating Expenses		
Administration	1,308,281	-
Operations	3,375,408	125,468
Insurance and claims	-	3,978,381
Depreciation	<u>2,129,615</u>	<u>481,466</u>
Total operating expenses	<u>6,813,304</u>	<u>4,585,315</u>
Operating income (loss)	<u>2,692,706</u>	<u>1,141,867</u>
Nonoperating Revenues (Expenses)		
Connection fees	765,815	-
Investment income	627,335	392,381
Gain on sale of capital assets	10,050	-
Interest and fiscal charges	<u>(96,884)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>1,306,316</u>	<u>392,381</u>
Income (loss) before contributions and transfers	<u>3,999,022</u>	<u>1,534,248</u>
Contributions and Transfers		
Transfers in	<u>-</u>	<u>250,000</u>
Total contributions and transfers	<u>-</u>	<u>250,000</u>
Change in net position	3,999,022	1,784,248
Net Position, Beginning	<u>57,426,847</u>	<u>14,220,137</u>
Net Position, Ending	<u><u>\$ 61,425,869</u></u>	<u><u>\$ 16,004,385</u></u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>167,865</u>	<u>(167,865)</u>
Change in net position of business-type activities	<u><u>\$ 4,166,887</u></u>	
Change in net position of governmental activities		<u><u>\$ 1,616,383</u></u>

See notes to financial statements

Village of Lake Zurich

Statement of Cash Flows -
Proprietary Fund
Year Ended December 31, 2024

	Waterworks and Sewerage	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities		
Received from customers	\$ 9,372,751	\$ 5,719,269
Paid to suppliers for goods and services	(2,593,275)	(1,170,122)
Paid to employees for services	<u>(1,733,962)</u>	<u>(3,397,885)</u>
Net cash flows from operating activities	<u>5,045,514</u>	<u>1,151,262</u>
Cash Flows From Investing Activities		
Investment income	<u>627,335</u>	<u>392,381</u>
Net cash flows from investing activities	<u>627,335</u>	<u>392,381</u>
Cash Flows From Noncapital Financing Activities		
Receipt of transfer	<u>-</u>	<u>250,000</u>
Net cash flows from noncapital financing activities	<u>-</u>	<u>250,000</u>
Cash Flows From Capital and Related Financing Activities		
Principal paid	(595,044)	-
Interest paid	(102,369)	-
Connection fees received	765,815	-
Acquisition and construction of capital assets	(3,009,989)	(517,211)
Proceeds from the sale of capital assets	<u>10,050</u>	<u>-</u>
Net cash flows from capital and related financing activities	<u>(2,931,537)</u>	<u>(517,211)</u>
Net change in cash and cash equivalents	2,741,312	1,276,432
Cash and Cash Equivalents, Beginning	<u>11,301,924</u>	<u>7,896,721</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 14,043,236</u></u>	<u><u>\$ 9,173,153</u></u>

See notes to financial statements

Village of Lake Zurich

Statement of Cash Flows -

Proprietary Fund

Year Ended December 31, 2024

	<u>Waterworks and Sewerage</u>	<u>Governmental Activities - Internal Service Funds</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 2,692,706	\$ 1,141,867
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	2,129,615	481,466
Changes in assets and liabilities:		
Accounts receivable	(133,259)	(7,913)
Prepaid items	63,714	(407,213)
Inventories	1,374	-
Deferred outflows, pension related items	270,432	-
Deferred outflows, OPEB related items	(43,151)	-
Accounts payable	(5,946)	(54,895)
Accrued wages	12,911	-
Compensated absences	(12,204)	(2,050)
Total OPEB liability	33,980	-
Net pension liability	61,967	-
Deferred inflows, pension related items	(18,909)	-
Deferred inflows, OPEB related items	<u>(7,716)</u>	<u>-</u>
Net cash flows from operating activities	<u><u>\$ 5,045,514</u></u>	<u><u>\$ 1,151,262</u></u>
Noncash Capital and Related Financing Activities		
None		

See notes to financial statements

Village of Lake Zurich

Statement of Fiduciary Net Position -
Fiduciary Funds
December 31, 2024

	Pension Trusts	Custodial Fund - Special Service Areas
Assets		
Cash and investments	\$ 41,738	\$ 444,447
Investments:		
Money markets	618,461	-
Insurance contracts	347,261	-
Illinois Police Officers' Pension Investment Fund	35,262,706	-
Illinois Firefighters' Pension Investment Fund	57,966,120	-
Prepaid items	<u>9,078</u>	<u>-</u>
Total assets	<u>94,245,364</u>	<u>444,447</u>
Liabilities		
Accounts payable	8,661	4,400
Due to primary government	<u>-</u>	<u>2,137</u>
Total liabilities	<u>8,661</u>	<u>6,537</u>
Net Position		
Restricted for retirement benefits	94,236,703	-
Restricted for special service areas	<u>-</u>	<u>437,910</u>
Total net position	<u>\$ 94,236,703</u>	<u>\$ 437,910</u>

See notes to financial statements

Village of Lake Zurich

Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended December 31, 2024

	Pension Trust Funds	Custodial Fund - Special Service Areas
Additions		
Contributions		
Employer	\$ 4,910,271	\$ -
Employee	1,067,041	-
Property tax	-	28,961
Total contributions	5,977,312	28,961
Investment Income		
Net appreciation in fair value of investments	7,601,430	-
Interest on investments	1,315,291	-
Total investment income	8,916,721	-
Less investment expense	(100,167)	-
Net investment income	8,816,554	-
Total additions	14,793,866	28,961
Deductions		
Pension payments and refunds	6,259,961	-
Administration	101,417	-
Public works	-	77,755
Total deductions	6,361,378	77,755
Change in fiduciary net position	8,432,488	(48,794)
Net Position, Beginning	85,804,215	486,704
Net Position, Ending	<u>\$ 94,236,703</u>	<u>\$ 437,910</u>

See notes to financial statements

Village of Lake Zurich

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December 31, 2024

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Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The Village of Lake Zurich, Illinois (the Village) was incorporated in 1896. The Village is a non home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

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

Reporting Entity

This report includes all of the funds of the Village. The reporting entity for the Village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Fiduciary Component Units

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPERS.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated from these statements.

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

Fund Financial Statements

Financial statements of the Village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental and enterprise funds:

General Fund

General Fund is used to account for the Village's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Funds

TIF Tax Allocation Fund is used to account for all restricted revenues and to record fund transfers to pay for administrative, debt service and capital improvement activity necessary to stimulate and induce redevelopment of Downtown Lake Zurich pursuant to the TIF act.

Downtown TIF #2 Fund is used to account for all restricted revenues and activities associated with improvements within the Tax Increment Financing District.

Debt Service Funds

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

TIF Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of TIF debt principal, interest and related costs.

Capital Projects Funds

Capital Improvements Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the Village.

Non-Home Rule Sales Tax Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the Village.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Enterprise Funds

Waterworks and Sewerage Fund is used to account for operations of the potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

The Village reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Foreign Fire Tax Fund
- Hotel Tax Fund
- Motor Fuel Tax Fund
- Special Events Fund
- Dispatch Services Fund
- TIF #3 Fund
- TIF #4 Industrial District

In addition, the Village reports the following fund types:

Internal Service Funds

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the Village, or to other governmental units, on a cost-reimbursement basis.

- Medical Self-Insurance Fund
- Risk Management Fund
- Equipment Replacement Fund

Pension Trust Funds

Pension Trust Funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

- Police Pension Fund
- Firefighters' Pension Fund

Custodial Fund

Custodial Fund is used to account for and report assets controlled by the Village and the assets are for the benefit of individuals, private organizations and/or other governmental units.

- Special Service Areas Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, franchise taxes, licenses, miscellaneous taxes, public charges for services and interest. Other general revenues such as permits, fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Waterworks and Sewerage Fund are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

Illinois Public Act 101 0610 consolidated the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds and required the Police Pension Fund and Firefighters' Pension Fund to pool their funds for investment purposes. The Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund are external investment pools valued at share price, the price for which the investments could be sold. Additional information related to the Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund can be found at <https://www.ipopif.org> and <https://www.ifpif.org>, respectively.

The Illinois Police Officers' Pension Investment Fund's investment policy statement has an investment objective to earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation. In the March 4, 2022 actuarial experience study the Illinois Police Officers' Pension Investment Fund's actuaries recommended an investment return of 6.75%.

The Illinois Firefighters' Pension Investment Fund's investment policy has an investment objective that seeks to maximize the likelihood of meeting long-term return objectives, while (i) maintaining prudent risk exposure, (ii) controlling fees and expenses related to management of the Fund and (iii) complying with the governing provisions of the Illinois Pension Code (40 ILCS 5 et seq.) and other applicable laws and regulations. Long-term return objectives are based on an assumed rate of return as set forth by the Illinois Firefighters' Pension Investment Fund's actuary. In the December 1, 2021 actuarial experience study the Illinois Firefighters' Pension Investment Fund's actuaries recommended an investment return of 7.125%.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio in a manner that provides sufficient liquidity to enable the Village to meet all operating requirements which may be reasonably anticipated in any fund. The investment policy limits the maximum maturity length of investments to three years from the date of purchase unless the funds invested are earmarked for a special purpose, in which case the maximum maturity length shall be five years from the date of purchase, but must coincide as nearly as possible with the expected use of the funds. The Police Pension Fund's and Firefighters' Pension Fund's investment policy does not limit the maximum maturity length of investments in the funds.

Credit Risk

The Village limits its exposure to credit risk by investing in securities issued by the United States Government, securities issued by agencies of the United States Government, which are implicitly guaranteed by the United States Government, or corporate bonds rated within the three highest classifications by at least two standard rating services. The Police Pension Fund and the Firefighters' Pension Fund limit exposure to credit risk by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment grade corporate bonds rated at or above BBB- by Standard and Poors, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies.

Concentration of Credit Risk

In order to limit the exposure to concentration of credit risk, the Village's investment policy states that no more than 25% of the Village's total investment portfolio may be invested in a single security type or with a single financial institution, with the exception of U.S Treasury securities and authorized pools. The Village's investment policy does not specifically prohibit the use of or the investment in derivatives. The Police Pension Fund and Firefighters' Pension Fund do not have formal written policies with regard to the concentration of credit risk for investments. The Police Pension Fund and Firefighters' Pension Fund are both subject to the Illinois Compiled Statutes (ILCS) which limits fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Custodial Credit Risk, Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. Both the Police Pension and Firefighters' Pension's investment policies limit exposure to deposit custodial credit risk by requiring deposits in excess of FDIC insurable limits to be collateralized.

Custodial Credit Risk, Investments

The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Village's agent in the Village's name. To limit exposure, the Police Pension Fund and the Firefighters' Pension Fund require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third party acting as the fund's agent separate from where the investment was purchased in the fund's name.

Village of Lake Zurich

Notes to Financial Statements December 31, 2024

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. Investment in IMET's 1-3 year fund may be redeemed with 5 business days' notice.

Receivables

Property taxes for levy year 2024 attaches as an enforceable lien on January 1, 2024, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

Tax bills for levy year 2024 are prepared by Lake County and issued on or about May 1, 2025 and are payable in two installments, on or about June 1 and September 1 2025 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2024 property tax levy is recognized as a receivable and deferred inflows in fiscal 2024, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2024, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2024 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, buildings, vehicles, plant and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for computers and software, \$15,000 for vehicles and furniture and fixtures, \$25,000 for land improvements and machinery and equipment, \$50,000 for buildings and building improvements and \$250,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land improvements	20-30 Years
Buildings	45 Years
Building improvements	10-30 Years
Vehicles	3-25 Years
Computers and software	5 Years
Furniture and fixtures	5-20 Years
Machinery and equipment	10-30 Years
Infrastructure	40-50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Accumulated vacation leave, including related Social Security and Medicare, that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements and the remainder is reported in long-term debt. Accumulated vacation leave and sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, notes payable, net pension liability, total other postemployment benefit liability and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Leases

The Village is a lessor because it leases capital assets to other entities. As a lessor, the Village reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The Village continues to report and depreciate the capital assets being leased as capital assets of the primary government.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Village Board has, by ordinance, adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Land Held for Resale

The Village's land held for resale includes land that is being held for sale for future development of the Village. The assets are valued at lower of cost or market.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Special Events	\$ 480,013	\$ 480,431	\$ 418

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2024, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
TIF Debt Service	\$ (758,973)

3. Detailed Notes on All Funds

Deposits and Investments

Deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Petty cash	\$ 2,675	\$ -
Deposits	51,610,249	51,784,060
Illinois funds	8,706,362	8,706,362
Negotiable certificates of deposit	491,815	491,815
U.S. treasuries	5,931,701	5,931,701
Money markets	618,461	618,461
Illinois Police Officers' Pension Investment Fund	35,262,706	35,262,706
Illinois Firefighters' Pension Investment Fund	57,966,120	57,966,120
Insurance contracts	347,261	347,261
Total deposits and investments	<u>\$ 160,937,350</u>	<u>\$ 161,108,486</u>

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

Reconciliation to financial statements

Per statement of net position:

Cash and investments \$ 66,256,617

Per statement of net position, fiduciary funds:

Cash and investments, pension trusts 41,738

Cash and investments, custodial fund 444,447

Money markets 618,461

Illinois Police Officers' Investment Fund 35,262,706

Illinois Firefighters' Pension Investment Fund 57,966,120

Insurance contracts 347,261

Total deposits and investments \$ 160,937,350

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

The valuation methods for recurring fair value measurements are as follows:

- Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Level 3 are valued using either a discounted cash flow or market comparable companies technique.
- The Village utilized the market valuation method for all recurring fair value measurements and investments

Investment Type	December 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ 5,931,701	\$ -	\$ -	\$ 5,931,701
Negotiable certificates of deposit	<u>-</u>	<u>491,815</u>	<u>-</u>	<u>491,815</u>
Total	<u>\$ 5,931,701</u>	<u>\$ 491,815</u>	<u>\$ -</u>	<u>\$ 6,423,516</u>

The Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund are measured at net asset value.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

The Village does not have any deposits exposed to custodial credit risk.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The investments in negotiable certificates of deposit, the Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund were not rated. The investments in Illinois Funds were rated AAAm by Standard & Poor's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2024, investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1-5	6-10
Negotiable certificates of deposit	\$ 491,815	\$ 244,044	\$ 247,771	\$ -
U.S. treasuries	5,931,701	1,946,804	3,984,897	-
Total	<u>\$ 6,423,516</u>	<u>\$ 2,190,848</u>	<u>\$ 4,232,668</u>	<u>\$ -</u>

Money-Weighted Rate of Return

Police Pension Fund

For the year ended December 31, 2024, the annual money-weighted rate of return on the Police Pension plan investments, net of pension plan investment expense, was 9.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

For the year ended December 31, 2024, the annual money-weighted rate of return on the Firefighters' Pension plan investments, net of pension plan investment expense, was 10.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for the lease receivable.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Lease Receivables

<u>Governmental Activities</u> <u>Lease Receivables Description</u>	<u>Date of</u> <u>Inception</u>	<u>Final</u> <u>Maturity</u>	<u>Interest Rates</u>	<u>Receivable</u> <u>Balance</u> <u>December 31,</u> <u>2024</u>
Tower Lease	08/03/15	09/01/40	4.75%	\$ 424,562
Sunset Pavilion Lease	01/01/22	12/31/26	4.75	<u>5,848</u>
Total governmental activities				<u>\$ 430,410</u>

The Village recognized \$31,448 and \$21,034 of lease revenue and interest revenue, respectively, during the fiscal year.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 30,473,551	\$ -	\$ -	\$ -	\$ 30,473,551
Construction in progress	<u>1,086,654</u>	<u>-</u>	<u>1,226,746</u>	<u>217,367</u>	<u>2,096,033</u>
Total capital assets not being depreciated	<u>31,560,205</u>	<u>-</u>	<u>1,226,746</u>	<u>217,367</u>	<u>32,569,584</u>
Capital assets being depreciated:					
Land improvements	10,491,835	-	1,098,656	-	11,590,491
Buildings	12,258,956	-	-	-	12,258,956
Building improvements	1,871,130	-	1,184,686	-	3,055,816
Vehicles	6,973,400	-	296,788	87,898	7,182,290
Machinery and equipment	3,514,277	-	220,423	-	3,734,700
Computers/software	166,694	-	-	-	166,694
Infrastructure	<u>82,218,806</u>	<u>-</u>	<u>1,873,788</u>	<u>-</u>	<u>84,092,594</u>
Total capital assets being depreciated	<u>117,495,098</u>	<u>-</u>	<u>4,674,341</u>	<u>87,898</u>	<u>122,081,541</u>
Total capital assets	<u>149,055,303</u>	<u>-</u>	<u>5,901,087</u>	<u>305,265</u>	<u>154,651,125</u>
Less accumulated depreciation for:					
Land improvements	4,730,812	-	318,814	-	5,049,626
Buildings	6,869,421	(554)	266,799	-	7,135,666
Building improvements	292,843	554	86,711	-	380,108
Vehicles	3,810,206	-	379,446	87,898	4,101,754
Machinery and equipment	1,884,864	(12,782)	176,734	-	2,048,816
Computers/software	97,454	12,782	12,783	-	123,019
Infrastructure	<u>41,233,689</u>	<u>-</u>	<u>1,576,296</u>	<u>-</u>	<u>42,809,985</u>
Total accumulated depreciation	<u>58,919,289</u>	<u>-</u>	<u>2,817,583</u>	<u>87,898</u>	<u>61,648,974</u>
Net capital assets being depreciated	<u>58,575,809</u>	<u>-</u>	<u>1,856,758</u>	<u>-</u>	<u>60,432,567</u>
Total governmental activities capital assets, net	<u>\$ 90,136,014</u>	<u>\$ -</u>	<u>\$ 3,083,504</u>	<u>\$ 217,367</u>	<u>\$ 93,002,151</u>

* Adjustment to reclassify depreciation of assets.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$	95,416
Public safety		533,146
Highways and streets		1,980,458
Health and human services		<u>208,563</u>

Total governmental activities depreciation expense \$ 2,817,583

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 250,421	\$ -	\$ -	\$ 250,421
Construction in progress	<u>3,764,347</u>	<u>134,192</u>	<u>3,381,458</u>	<u>517,081</u>
Total capital assets not being depreciated	<u>4,014,768</u>	<u>134,192</u>	<u>3,381,458</u>	<u>767,502</u>
Capital assets being depreciated:				
Vehicles	1,186,494	63,020	3,881	1,245,633
Machinery and equipment	2,522,310	71,751	-	2,594,061
Computer/software	206,031	-	-	206,031
Infrastructure	<u>85,939,855</u>	<u>6,122,484</u>	<u>-</u>	<u>92,062,339</u>
Total capital assets being depreciated	<u>89,854,690</u>	<u>6,257,255</u>	<u>3,881</u>	<u>96,108,064</u>
Total capital assets	<u>93,869,458</u>	<u>6,391,447</u>	<u>3,385,339</u>	<u>96,875,566</u>
Less accumulated depreciation for:				
Vehicles	514,850	87,516	3,881	598,485
Machinery and equipment	974,683	100,154	-	1,074,837
Computer/software	115,908	2,794	-	118,702
Infrastructure	<u>44,580,504</u>	<u>1,939,151</u>	<u>-</u>	<u>46,519,655</u>
Total accumulated depreciation	<u>46,185,945</u>	<u>2,129,615</u>	<u>3,881</u>	<u>48,311,679</u>
Net capital assets being depreciated	<u>43,668,745</u>	<u>4,127,640</u>	<u>-</u>	<u>47,796,385</u>
Business-type activities capital assets, net	<u>\$ 47,683,513</u>	<u>\$ 4,261,832</u>	<u>\$ 3,381,458</u>	<u>\$ 48,563,887</u>

Interfund Advances and Transfers

Advances

The general fund is advancing funds to the TIF Debt Service Fund. The amount advanced is due to the cash flow issues in the funds since the districts' inceptions.

The non-home rule sales tax capital projects fund, capital improvements fund and waterworks and sewerage are advancing funds to the downtown TIF #2 fund. The amount advanced is due to the cash flow issues in the fund since the district's inception.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General	TIF Debt Service	\$ 1,300,000	\$ 1,300,000
Non-Home Rule Sales Tax			
Capital Projects	Downtown TIF #2	50,000	50,000
Capital Improvements	Downtown TIF #2	3,103,000	3,103,000
Waterworks and Sewerage	Downtown TIF #2	<u>2,000,000</u>	<u>2,000,000</u>
Total, fund financial statements		6,453,000	
Less fund eliminations		(4,453,000)	
Add interfund receivables created with internal service fund eliminations		<u>846,258</u>	
Total, internal balances, government-wide statement of net position		<u>\$ 2,846,258</u>	

The principal purpose of these advances is to fund TIF eligible expenditures in advance of sufficient increment to cover costs.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Capital Improvement	General	\$ 3,056,000	Funding for capital projects
			Funding for special events
			administration and
Nonmajor Governmental	General	928,240	Dispatch Center
TIF Debt Service	TIF Tax Allocation	855,000	Funding for debt payment
TIF Debt Service	Debt Service	1,299,000	Funding for debt payment
			Funding for special events
Nonmajor Governmental	Nonmajor Governmental	90,000	administration
Internal Service	General	<u>250,000</u>	Funding for internal services
Total, fund financial statements		6,478,240	
Less government-wide eliminations		<u>(6,478,240)</u>	
Total transfers, government-wide statement of activities		<u>\$ -</u>	

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

Short-Term Debt Activity

The Village issued short-term debt for \$1,299,000. The Taxable General Obligation Refunding Bond (Limited Tax), Series 2024 dated June 6, 2024 were matured October 7, 2024; payable in one installment with an interest rate of 7.25%.

Short-term debt activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Taxable General Obligation Refunding Bond (Limited Tax), Series 2023	\$ -	\$ 1,299,000	\$ 1,299,000	\$ -

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
Tax increment financing bonds	\$ 17,035,000	\$ -	\$ 1,500,000	\$ 15,535,000	\$ 1,525,000
Financed purchases	10,555	-	5,757	4,798	3,817
(Discounts)/Premiums	62,303	-	36,088	26,215	2,622
Total bonds and notes payable	<u>17,107,858</u>	<u>-</u>	<u>1,541,845</u>	<u>15,566,013</u>	<u>1,531,439</u>
Other liabilities:					
Compensated absences (net change)	1,802,249	67,660	-	1,869,909	373,982
Total other postemployment benefits liability	2,622,215	794,314	268,419	3,148,110	-
Net pension liability	<u>55,795,384</u>	<u>1,208,813</u>	<u>1,678,625</u>	<u>55,325,572</u>	<u>-</u>
Total other liabilities	<u>60,219,848</u>	<u>2,070,787</u>	<u>1,947,044</u>	<u>60,343,591</u>	<u>373,982</u>
Total governmental activities long-term liabilities	<u>\$ 77,327,706</u>	<u>\$ 2,070,787</u>	<u>\$ 3,488,889</u>	<u>\$ 75,909,604</u>	<u>\$ 1,905,421</u>
Business-Type Activities					
Bonds and notes payable:					
Alternative revenue bonds	\$ 320,000	\$ -	\$ 105,000	\$ 215,000	\$ 105,000
Illinois EPA loans, direct placement	890,728	-	222,528	668,200	228,126
Financed purchases	2,488,212	-	267,516	2,220,696	124,964
(Discounts)/Premiums	9,711	-	3,237	6,474	3,237
Total bonds and notes payable	<u>3,708,651</u>	<u>-</u>	<u>598,281</u>	<u>3,110,370</u>	<u>461,327</u>
Other liabilities:					
Compensated absences (net change)	75,940	-	12,204	63,736	12,747
Total other postemployment benefits liability	223,838	55,962	21,982	257,818	-
Net pension liability	<u>222,759</u>	<u>61,967</u>	<u>-</u>	<u>284,726</u>	<u>-</u>
Total other liabilities	<u>522,537</u>	<u>117,929</u>	<u>34,186</u>	<u>606,280</u>	<u>12,747</u>
Total business-type activities long-term liabilities	<u>\$ 4,231,188</u>	<u>\$ 117,929</u>	<u>\$ 632,467</u>	<u>\$ 3,716,650</u>	<u>\$ 474,074</u>

The Village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the Village. As of December 31, 2024, the statutory debt limit for the Village was \$85,757,668, providing a debt margin of \$85,757,668.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Alternative Revenue Debt

<u>Business-Type Activities</u>					Balance
<u>Alternative Revenue Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2024</u>
General Obligation Waterworks and Sewerage System Alternative Revenue Bonds Series 2016B	08/01/16	12/15/26	2.00%	\$ 1,000,000	\$ 215,000
Total business-type activities, alternative revenue debt					<u>\$ 215,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Alternative Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 105,000	\$ 4,300
2026	110,000	2,200
Total	<u>\$ 215,000</u>	<u>\$ 6,500</u>

Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

Tax Increment Financing Bonds at December 31, 2024, consists of the following:

<u>Governmental Activities</u>					Balance
<u>Tax Increment Financing Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2024</u>
General Obligation TIF Alternative Revenue Bonds Series 2015A	04/23/15	12/15/34	3.25% - 3.75%	\$ 11,775,000	\$ 11,775,000
General Obligation TIF Alternative Revenue Bonds Series 2016A	05/16/16	02/01/29	1.10 - 3.05	6,785,000	3,760,000
Total governmental activities tax increment financing bonds					<u>\$ 15,535,000</u>

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Tax Increment Financing Bonds	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,525,000	\$ 511,403
2026	1,565,000	465,814
2027	1,625,000	417,858
2028	1,690,000	367,301
2029	1,750,000	313,552
2030-2034	<u>7,380,000</u>	<u>835,516</u>
Total	<u>\$ 15,535,000</u>	<u>\$ 2,911,444</u>

Financed Purchases

Financed purchases are payable from the General Fund and Waterworks and Sewerage Fund.

Financed Purchases at December 31, 2024 consist of the following:

<u>Governmental Activities</u>					Balance December 31, 2024
<u>Financed Purchases</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	
Copier equipment	02/09/21	03/31/26	4.45%	\$ 17,695	\$ <u>4,798</u>
Total governmental activities financed purchases					<u>\$ 4,798</u>
<u>Business-Type Activities</u>					Balance December 31, 2024
<u>Financed Purchases</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	
Water meters	10/10/17	10/01/33	2.50%	\$ 3,000,000	\$ <u>2,220,696</u>
Total business-type activities financed purchases					<u>\$ 2,220,696</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Financed Purchases		Business-Type Activities Financed Purchases	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,817	\$ 136	\$ 124,964	\$ 54,887
2026	981	7	194,303	50,481
2027	-	-	224,080	45,355
2028	-	-	255,499	39,472
2029	-	-	285,627	32,789
2030-2033	<u>-</u>	<u>-</u>	<u>1,136,223</u>	<u>62,770</u>
Total	<u>\$ 4,798</u>	<u>\$ 143</u>	<u>\$ 2,220,696</u>	<u>\$ 285,754</u>

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Other Loans Payable - Direct Placement

Loans are payable from Illinois Environmental Protection Agency. The outstanding IEPA notes are direct borrowings and contain a provision that in an event of default, the IEPA shall pursue the collection of the amounts past due, the outstanding balance and relating costs by any other reasonable means provided by the law.

Other Loans Payable - Direct Placement at December 31, 2024 consists of the following:

Business-Type Activities

<u>Other Loans Payable - Direct Placement</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
IEPA Loan 2006	10/15/05	12/16/26	2.50%	\$ 2,000,000	\$ 239,847
IEPA Loan 2008	09/27/07	08/11/28	1.25%	1,673,182	<u>428,353</u>
Total business-type activities other loans payable, direct placement					<u>\$ 668,200</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Other Loans Payable - Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 228,126	\$ 15,288
2026	220,577	9,550
2027	108,385	4,814
2028	<u>111,112</u>	<u>2,088</u>
Total	<u>\$ 668,200</u>	<u>\$ 31,740</u>

Other Debt Information

The total other postemployment benefits liability and net pension liability attributable to governmental activities will be liquidated primarily by the General Fund.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Net Position

Net position reported on the government-wide statement of net position at December 31, 2024, includes the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Total capital assets	\$ 154,651,125	\$ 96,875,566
Less accumulated depreciation	<u>61,648,974</u>	<u>48,311,679</u>
Net carrying value of capital assets	<u>93,002,151</u>	<u>48,563,887</u>
Less all outstanding principal of capital-related debt/borrowings related to the Village's own capital assets, including borrowing used to refund capital-related borrowings	-	3,103,896
Less unamortized original issue premiums on outstanding capital debt	<u>-</u>	<u>6,474</u>
Subtotal	<u>-</u>	<u>3,110,370</u>
Total net investment in capital assets	<u>\$ 93,002,151</u>	<u>\$ 45,453,517</u>

4. Other Information

Employees' Retirement System

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

For the year ended December 31, 2024, the following balances are recognized in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
IMRF	\$ 1,460,219	\$ 1,043,225	\$ 73,062	\$ 1,890,563
Police Pension Plan	27,590,641	4,196,371	-	3,375,969
Firefighters' Pension Plan	<u>26,559,438</u>	<u>4,177,022</u>	<u>331,632</u>	<u>4,061,802</u>
Total	<u>\$ 55,610,298</u>	<u>\$ 9,416,618</u>	<u>\$ 404,694</u>	<u>\$ 9,328,334</u>

Illinois Municipal Retirement Fund**Plan Description**

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter to a maximum of 75 percent of their final rate of earnings.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased ever year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2024, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	138
Inactive, non-retired members	96
Active members	<u>74</u>
Total	<u><u>308</u></u>

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The actuarially determined contribution rate for the calendar year ending December 31, 2024 was 5.07% of annual covered payroll for IMRF. The Village also contributes for disability benefits, death 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.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value
Actuarial assumptions	
Investment rate of return	7.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

Mortality

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

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

Discount Rate

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

Discount Rate Sensitivity

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset)	\$ 6,714,427	\$ 1,460,219	\$ (2,622,099)

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2024 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/(Asset) (a) - (b)</u>
Balances at December 31, 2023	\$ 43,108,957	\$ 42,017,740	\$ 1,091,217
Service cost	554,740	-	554,740
Interest on total pension liability	3,071,222	-	3,071,222
Differences between expected and actual experience of the total pension liability	(111,698)	-	(111,698)
Benefit payments, including refunds of employee contributions	(2,049,288)	(2,049,288)	-
Contributions, employer	-	332,919	(332,919)
Contributions, employee	-	293,371	(293,371)
Net investment income	-	4,100,659	(4,100,659)
Other (net transfer)	-	(1,581,687)	1,581,687
Balances at December 31, 2024	<u>\$ 44,573,933</u>	<u>\$ 43,113,714</u>	<u>\$ 1,460,219</u>

Plan fiduciary net position as a percentage of the total pension liability 96.72 %

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, pension expense was \$1,890,563. Deferred outflows and inflows of resources related to pension were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 94,115	\$ 66,395
Assumption changes	-	6,667
Net difference between projected and actual earnings on pension plan investments	<u>949,110</u>	<u>-</u>
Total	<u>\$ 1,043,225</u>	<u>\$ 73,062</u>

The amounts reported as deferred outflows and inflows of resources related to pensions is \$970,163. Amounts will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 517,881
2026	1,201,347
2027	(516,408)
2028	<u>(232,657)</u>
Total	<u>\$ 970,163</u>

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 contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered 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 on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or a one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2024, the Police Pension membership consisted of:

Retirees and beneficiaries	36
Inactive, non-retired members	7
Active members	<u>32</u>
Total	<u><u>75</u></u>

Contributions

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 Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2024 was 62.98% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024.

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	6.75%
Inflation	2.50%
Projected salary increases	2.50%-3.00%
Cost-of-living adjustments	1.25%-3.00%

Mortality rates for active lives, inactive lives, survivor lives and disabled lives were based on the PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2021. Ten percent of active deaths are assumed to be in the line of duty. The actuarial assumptions were based on the results of a 2021 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 36,643,151	\$ 27,590,641	\$ 20,219,644

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

Changes in Net Pension Liability/(Asset)

The Village's changes in net pension liability/(asset) for the year ended December 31, 2024 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2023	\$ 59,051,484	\$ 32,669,655	\$ 26,381,829
Service cost	767,821	-	767,821
Interest on total pension liability	3,939,166	-	3,939,166
Differences between expected and actual experience of the total pension liability	2,178,275	-	2,178,275
Benefit payments, including refunds of employee contributions	(2,922,573)	(2,922,573)	-
Contributions, employer	-	2,279,595	(2,279,595)
Contributions, employee	-	358,723	(358,723)
Contributions, other	176,958	176,958	-
Net investment income	-	3,065,317	(3,065,317)
Administration	-	(27,185)	27,185
Balances at December 31, 2024	<u>\$ 63,191,131</u>	<u>\$ 35,600,490</u>	<u>\$ 27,590,641</u>
Plan fiduciary net position as a percentage of the total pension liability			56.34 %

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Village recognized pension expense of \$3,375,969. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,320,614	\$ -
Assumption changes	48,012	-
Net difference between projected and actual earnings on pension plan investments	<u>827,745</u>	<u>-</u>
Total	<u>\$ 4,196,371</u>	<u>\$ -</u>

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

The amounts reported as deferred outflows and inflows of resources related to pensions is \$4,196,371 and will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2025	\$ 1,616,515
2026	1,624,402
2027	111,465
2028	480,943
2029	<u>363,046</u>
Total	<u><u>\$ 4,196,371</u></u>

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 and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be 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. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Plan Membership

At December 31, 2024, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	43
Inactive, non-retired members	5
Active members	<u>52</u>
Total	<u><u>100</u></u>

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2024, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The Village's actuarially determined contribution rate for the fiscal year ending December 31, 2024 was 48.05% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024.

Summary of Significant Accounting Policies

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	6.75%
Inflation	2.50%
Projected salary increases	2.50%-18.00%
Cost-of-living adjustments	1.25%-3.00%

Mortality rates for active lives, inactive lives, survivor lives and disabled lives were based on the PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2021. Twenty percent of active deaths are assumed to be in the line of duty. The actuarial assumptions were based on the results of a 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.75% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 39,219,000	\$ 26,559,438	\$ 16,281,048

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Changes in Net Pension Liability/(Asset)

The Village's changes in net pension liability/(asset) for the year ended December 31, 2024 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a) - (b)
Balances at December 31, 2023	\$ 81,679,657	\$ 53,134,560	\$ 28,545,097
Service cost	1,283,048	-	1,283,048
Interest on total pension liability	5,487,346	-	5,487,346
Differences between expected and actual experience of the total pension liability	69,229	-	69,229
Benefit payments, including refunds of employee contributions	(3,337,387)	(3,337,387)	-
Contributions, employer	-	2,630,676	(2,630,676)
Contributions, employee	-	517,601	(517,601)
Contributions, other	13,760	13,760	-
Net investment income	-	5,751,239	(5,751,239)
Administration	-	(74,234)	74,234
Balances at December 31, 2024	<u>\$ 85,195,653</u>	<u>\$ 58,636,215</u>	<u>\$ 26,559,438</u>

Plan fiduciary net position as a percentage of the total pension liability 68.83 %

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Village recognized pension expense of \$4,061,802. The Village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,994,013	\$ 331,632
Assumption changes	498,768	-
Net difference between projected and actual earnings on pension plan investments	<u>684,241</u>	<u>-</u>
Total	<u>\$ 4,177,022</u>	<u>\$ 331,632</u>

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

The amounts reported as deferred outflows and inflows of resources related to pensions is \$3,845,390 and will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2025	\$ 1,606,234
2026	2,026,293
2027	(638,242)
2028	(64,199)
2029	453,325
Thereafter	<u>461,979</u>
Total	<u><u>\$ 3,845,390</u></u>

Pension Segment Information

Fiduciary Net Position

	<u>Pension Trust</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Assets			
Cash and investments	\$ 22,937	\$ 18,801	\$ 41,738
Investments:			
Money markets	316,877	301,584	618,461
Insurance contracts	-	347,261	347,261
Illinois Police Officers' Pension Investment Fund	35,262,706	-	35,262,706
Illinois Firefighters' Pension Investment Fund	-	57,966,120	57,966,120
Prepaid items	<u>2,109</u>	<u>6,969</u>	<u>9,078</u>
Total assets	<u>35,604,629</u>	<u>58,640,735</u>	<u>94,245,364</u>
Liabilities			
Accounts payable	<u>4,140</u>	<u>4,521</u>	<u>8,661</u>
Total liabilities	<u>4,140</u>	<u>4,521</u>	<u>8,661</u>
Net Position			
Restricted for pension benefits	<u>35,600,489</u>	<u>58,636,214</u>	<u>94,236,703</u>
Total net position	<u><u>\$ 35,600,489</u></u>	<u><u>\$ 58,636,214</u></u>	<u><u>\$ 94,236,703</u></u>

Village of Lake Zurich

Notes to Financial Statements

December 31, 2024

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 2,279,595	\$ 2,630,676	\$ 4,910,271
Employee	<u>535,680</u>	<u>531,361</u>	<u>1,067,041</u>
Total contributions	<u>2,815,275</u>	<u>3,162,037</u>	<u>5,977,312</u>
Investment income:			
Interest on investments	207,339	1,107,952	1,315,291
Net appreciation in fair value of investments	<u>2,883,065</u>	<u>4,718,365</u>	<u>7,601,430</u>
Total investment income	3,090,404	5,826,317	8,916,721
Less investment expense	<u>(25,087)</u>	<u>(75,080)</u>	<u>(100,167)</u>
Net investment income	<u>3,065,317</u>	<u>5,751,237</u>	<u>8,816,554</u>
Total additions	<u>5,880,592</u>	<u>8,913,274</u>	<u>14,793,866</u>
Deductions			
Pension payments and refunds	2,922,573	3,337,388	6,259,961
Administration	<u>27,185</u>	<u>74,232</u>	<u>101,417</u>
Total deductions	<u>2,949,758</u>	<u>3,411,620</u>	<u>6,361,378</u>
Change in net position	2,930,834	5,501,654	8,432,488
Net Position, Beginning	<u>32,669,655</u>	<u>53,134,560</u>	<u>85,804,215</u>
Net Position, Ending	<u>\$ 35,600,489</u>	<u>\$ 58,636,214</u>	<u>\$ 94,236,703</u>

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The Village participates in a public entity risk pool called the Intergovernmental Risk Management Agency (IRMA) and the Intergovernmental Personnel Benefit Cooperative (IPBC) to provide coverage for losses from these risks.

Public Entity Risk Pool

IRMA

The Village participates in the IRMA. IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Co-operations Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management 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.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

The Village'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.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to any membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

IPBC

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

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

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The Village administers a single-employer defined contribution healthcare plan (the Retiree Health Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The activity of the plan is reported in the Village's governmental and business-type activities. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Benefits Provided

The Village provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary. All retirees contribute 100% of the actuarially determined premium to the plan. Active employees do not contribute to the plan until retirement.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	23
Active plan members	<u>156</u>
Total	<u><u>179</u></u>

Total OPEB Liability

The total OPEB liability of \$3,405,928 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.28%
Inflation	3.00%
Salary increases	4.00%
Healthcare cost trend rates	HMO Plan 4.50%; PPO Plan and HDHP 4.50%
Retirees' share of benefit-related costs	100%

The discount rate was based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on the PubG.H-2010(B) Blue Collar Mortality projected to the valuation date with Scale MP-2020.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period 1/1/2024-12/31/2024.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	<u>\$ 2,846,053</u>
Changes for the year:	
Service cost	66,294
Interest	108,034
Differences between expected and actual experience	704,076
Changes in assumptions or other inputs	(28,128)
Other	<u>(290,401)</u>
Net changes	<u>559,875</u>
Balances at December 31, 2024	<u><u>\$ 3,405,928</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% in 2023 to 4.28% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 3,664,103	\$ 3,405,928	\$ 3,180,104

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 3,151,156	\$ 3,405,928	\$ 3,702,148

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

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

For the year ended December 31, 2024, the Village recognized negative OPEB expense of \$190,430. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 628,450	\$ 253,885
Changes of assumptions or other inputs	<u>557,957</u>	<u>583,331</u>
Total	<u>\$ 1,186,407</u>	<u>\$ 837,216</u>

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

<u>Years Ending December 31:</u>	<u>Amount</u>
2025	\$ 16,102
2026	16,102
2027	40,459
2028	34,331
2029	30,013
Thereafter	<u>212,184</u>
Total	<u>\$ 349,191</u>

Tax Increment Financing District

The Village of Lake Zurich has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Village of Lake Zurich

Notes to Financial Statements
December 31, 2024

The Village rebates sales tax in order to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the business and governmental entities concerned.

The Village has entered into economic incentive agreements with one commercial entity, as well as with two other government agencies, whereby the Village has agreed to rebate a portion of sales taxes generated by particular businesses to each entity. Each agreement for rebate with the commercial entities is limited to a specified time period and are limited to sales taxes generated by the commercial entity. The commercial rebates are paid monthly or quarterly, depending on specific terms, with the agreements expiring between 10 and 30 years after commencement. The agreements with the government agencies exist in perpetuity based on an intergovernmental agreement to rebate portions of sales taxes generated by any businesses on particular properties. These payments are made monthly in accordance with the agreements.

As of December 31, 2024, the Village has an accrued rebate liability of \$136,576 for amounts collected by the state but not yet paid to the Village and/or due to the other entities. Of this amount, \$70,689 is due to commercial entities and \$65,887 to governmental entities. For the fiscal year-to-date, the Village recorded \$384,052 in payment across all sales tax rebate agreements.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Lake Zurich

General Fund

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

December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 11,421,567	\$ 11,421,567	\$ 11,284,906
Licenses and permits	895,820	895,820	836,322
Intergovernmental	19,486,039	19,935,805	20,444,526
Charges for services	2,828,819	3,104,787	3,260,150
Fines, forfeitures and penalties	410,500	410,500	416,568
Investment income	400,000	500,000	630,159
Miscellaneous revenues	167,794	242,971	340,641
Total revenues	35,610,539	36,511,450	37,213,272
Expenditures			
General government	2,272,602	2,219,676	2,193,140
Public safety	24,299,475	23,857,552	23,797,535
Highways and streets	4,240,368	4,392,604	4,354,030
Culture and recreation	1,421,099	1,353,701	1,336,737
Economic development	551,955	491,321	469,220
Total expenditures	32,785,499	32,314,854	32,150,662
Excess (deficiency) of revenues over expenditures	2,825,040	4,196,596	5,062,610
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	10,000	42,944	42,944
Transfers out	(2,829,740)	(4,234,240)	(4,234,240)
Total other financing sources (uses)	(2,819,740)	(4,191,296)	(4,191,296)
Net change in fund balances	\$ 5,300	\$ 5,300	871,314
Fund Balance, Beginning			14,504,625
Fund Balance, Ending			\$ 15,375,939

See notes to required supplementary information

Village of Lake Zurich

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

TIF Tax Allocation

Year Ended December 31, 2024

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes			
Property taxes	\$ 1,548,330	\$ 1,780,944	\$ 1,780,944
Investment income	<u>15,000</u>	<u>15,000</u>	<u>53,033</u>
Total revenues	<u>1,563,330</u>	<u>1,795,944</u>	<u>1,833,977</u>
Expenditures			
Current:			
Economic development	<u>578,899</u>	<u>589,457</u>	<u>586,507</u>
Total expenditures	<u>578,899</u>	<u>589,457</u>	<u>586,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>984,431</u>	<u>1,206,487</u>	<u>1,247,470</u>
Other Financing Sources (Uses)			
Transfers out	<u>(855,000)</u>	<u>(855,000)</u>	<u>(855,000)</u>
Total other financing sources (uses)	<u>(855,000)</u>	<u>(855,000)</u>	<u>(855,000)</u>
Net change in fund balance	<u>\$ 129,431</u>	<u>\$ 351,487</u>	392,470
Fund Balance, Beginning			<u>227,705</u>
Fund Balance, Ending			<u>\$ 620,175</u>

See notes to required supplementary information

Village of Lake Zurich

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

Downtown TIF #2

Year Ended December 31, 2024

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes			
Property taxes	\$ 373,300	\$ 433,558	\$ 433,558
Investment income	50,000	137,461	148,738
Miscellaneous revenues	<u>32,200</u>	<u>64,200</u>	<u>66,597</u>
Total revenues	<u>455,500</u>	<u>635,219</u>	<u>648,893</u>
Expenditures			
Current:			
Economic development	<u>1,362,850</u>	<u>1,523,366</u>	<u>257,527</u>
Total expenditures	<u>1,362,850</u>	<u>1,523,366</u>	<u>257,527</u>
Net change in fund balance	<u><u>\$ (907,350)</u></u>	<u><u>\$ (888,147)</u></u>	391,366
Fund Balance (Deficit), Beginning			<u>(166,435)</u>
Fund Balance, Ending			<u><u>\$ 224,931</u></u>

See notes to required supplementary information

Village of Lake Zurich

Illinois Municipal Retirement Fund -
Schedule of Changes in the Village's Net Pension Liability/(Asset) and Related Ratios
Last Ten Fiscal Years

	2015	2016	2017
Total Pension Liability			
Service cost	\$ 551,596	\$ 512,260	\$ 515,984
Interest	2,268,919	2,351,795	2,437,948
Differences between expected and actual experience	(359,277)	(340,738)	(97,822)
Changes of assumptions	41,607	(83,331)	(1,056,112)
Benefit payments, including refunds of member contributions	(1,369,411)	(1,300,032)	(1,453,935)
Net change in total pension liability	1,133,435	1,139,954	346,063
Total Pension Liability, Beginning	<u>30,701,554</u>	<u>31,834,989</u>	<u>32,974,943</u>
Total Pension Liability, Ending (a)	<u>\$ 31,834,989</u>	<u>\$ 32,974,943</u>	<u>\$ 33,321,006</u>
Plan Fiduciary Net Position			
Employer contributions	653,377.00	\$ 628,101	\$ 619,482
Employee contributions	231,267	233,460	232,112
Net investment income	136,524	1,863,659	4,957,532
Benefit payments, including refunds of member contributions	(1,369,411)	(1,300,032)	(1,453,935)
Other (net transfer)	(27,440)	(27,607)	(506,291)
Net change in plan fiduciary net position	(375,683)	1,397,581	3,848,900
Plan Fiduciary Net Position, Beginning	<u>27,547,190</u>	<u>27,171,507</u>	<u>28,569,088</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 27,171,507</u>	<u>\$ 28,569,088</u>	<u>\$ 32,417,988</u>
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	<u>\$ 4,663,482</u>	<u>\$ 4,405,855</u>	<u>\$ 903,018</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.4%	86.6%	97.3%
Covered Payroll	\$ 5,139,246	\$ 4,934,022	\$ 5,158,053
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	90.7%	89.3%	17.5%

See notes to required supplementary information

2018	2019	2020	2021	2022	2023	2024
\$ 497,479	\$ 531,265	\$ 508,696	\$ 491,209	\$ 515,682	\$ 529,647	\$ 554,740
2,457,376	2,580,817	2,665,200	2,730,469	2,873,570	2,939,176	3,071,222
427,124	(282,902)	(144,446)	620,977	(509,819)	373,633	(111,698)
1,054,884	-	(400,862)	-	-	(26,467)	-
(1,609,460)	(1,633,136)	(1,674,835)	(1,764,329)	(1,997,861)	(1,965,136)	(2,049,288)
2,827,403	1,196,044	953,753	2,078,326	881,572	1,850,853	1,464,976
33,321,006	36,148,409	37,344,453	38,298,206	40,376,532	41,258,104	43,108,957
<u>\$ 36,148,409</u>	<u>\$ 37,344,453</u>	<u>\$ 38,298,206</u>	<u>\$ 40,376,532</u>	<u>\$ 41,258,104</u>	<u>\$ 43,108,957</u>	<u>\$ 44,573,933</u>
\$ 631,725	\$ 504,915	\$ 612,352	\$ 616,348	\$ 482,725	\$ 397,866	\$ 332,919
242,143	242,490	241,702	257,450	298,646	283,740	293,371
(1,685,438)	5,705,253	5,045,039	6,580,211	(5,455,580)	4,183,491	4,100,659
(1,609,460)	(1,633,136)	(1,674,835)	(1,764,329)	(1,997,861)	(1,965,136)	(2,049,288)
705,340	(37,476)	(49,907)	103,052	(344,532)	682,954	(1,581,687)
(1,715,690)	4,782,046	4,174,351	5,792,732	(7,016,602)	3,582,915	1,095,974
32,417,988	30,702,298	35,484,344	39,658,695	45,451,427	38,434,825	42,017,740
<u>\$ 30,702,298</u>	<u>\$ 35,484,344</u>	<u>\$ 39,658,695</u>	<u>\$ 45,451,427</u>	<u>\$ 38,434,825</u>	<u>\$ 42,017,740</u>	<u>\$ 43,113,714</u>
<u>\$ 5,446,111</u>	<u>\$ 1,860,109</u>	<u>\$ (1,360,489)</u>	<u>\$ (5,074,895)</u>	<u>\$ 2,823,279</u>	<u>\$ 1,091,217</u>	<u>\$ 1,460,219</u>
84.9%	95.0%	103.6%	112.6%	93.2%	97.5%	96.7%
\$ 5,380,953	\$ 5,388,637	\$ 5,366,812	\$ 5,603,154	\$ 5,844,133	\$ 6,305,332	\$ 6,566,446
101.2%	34.5%	-25.4%	-90.6%	48.3%	17.3%	22.2%

See notes to required supplementary information

Village of Lake Zurich

Illinois Municipal Retirement Fund -
Schedule of Employer Contributions
Last Ten Fiscal Years

	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Actuarially determined contribution	\$ 613,312	\$ 431,173	\$ 619,482	\$ 631,724
Contributions in relation to the actuarially determined contribution	(613,312)	(431,173)	(619,482)	(631,725)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>
Covered payroll	\$ 5,139,246	\$ 3,387,062	\$ 5,158,053	\$ 5,380,953
Contributions as a percentage of covered payroll	11.93%	12.73%	12.01%	11.74%

The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.25%
Salary increases	2.75% to 13.75% including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010

Other information:

There were no benefit changes during the year.

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
\$ 504,915	\$ 612,353	\$ 616,347	\$ 482,725	\$ 397,866	\$ 332,919
(504,915)	(612,352)	(616,348)	(482,725)	(397,866)	(332,919)
<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,388,637	\$ 5,366,812	\$ 5,603,154	\$ 5,844,133	\$ 6,305,332	\$ 6,566,446
9.37%	11.41%	11.00%	8.26%	6.31%	5.07%

See notes to required supplementary information

Village of Lake Zurich

Police Pension Fund -
Schedule of Changes in the Village's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018
Total Pension Liability				
Service cost	\$ 618,479	\$ 404,047	\$ 718,675	\$ 635,929
Interest	2,554,948	1,926,743	2,795,706	2,901,439
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	(28,659)	(2,808,702)	985,053	190,986
Changes of assumptions	2,501,228	-	(1,168,984)	828,894
Buy back contributions	-	-	-	-
Benefit payments, including refunds of member contributions	(1,267,820)	(901,384)	(1,569,353)	(1,793,230)
Net change in total pension liability	4,378,176	(1,379,296)	1,761,097	2,764,018
Total Pension Liability, Beginning	<u>38,484,991</u>	<u>42,863,167</u>	<u>41,483,871</u>	<u>43,244,968</u>
Total Pension Liability, Ending (a)	<u>\$ 42,863,167</u>	<u>\$ 41,483,871</u>	<u>\$ 43,244,968</u>	<u>\$ 46,008,986</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 1,445,052	\$ 1,564,453	\$ 1,772,589	\$ 1,820,234
Employee contributions	302,885	218,169	304,715	373,412
Buy back contributions	-	-	-	-
Net investment income	127,632	869,361	2,535,432	(1,069,397)
Benefit payments, including refunds of member contributions	(1,267,820)	(901,384)	(1,569,353)	(1,793,230)
Administration	(31,815)	(25,420)	(26,555)	(34,947)
Net change in plan fiduciary net position	575,934	1,725,179	3,016,828	(703,928)
Plan Fiduciary Net Position, Beginning	<u>17,356,857</u>	<u>17,932,791</u>	<u>19,657,970</u>	<u>22,674,798</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 17,932,791</u>	<u>\$ 19,657,970</u>	<u>\$ 22,674,798</u>	<u>\$ 21,970,870</u>
Village's Net Pension Liability, Ending (a) - (b)	<u>\$ 24,930,376</u>	<u>\$ 21,825,901</u>	<u>\$ 20,570,170</u>	<u>\$ 24,038,116</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.84%	47.39%	52.43%	47.75%
Covered Payroll	\$ 3,109,454	\$ 3,101,474	\$ 3,055,082	\$ 3,081,455
Village's Net Pension Liability as a Percentage of Covered Payroll	801.76%	703.73%	673.31%	780.09%

*The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
\$ 665,520	\$ 715,413	\$ 634,170	\$ 704,024	\$ 761,904	\$ 767,821
3,088,283	3,216,586	3,445,778	3,577,348	3,702,781	3,939,166
48,258	-	-	-	-	-
24,101	1,752,846	7,132	95,107	1,744,970	2,178,275
-	-	144,038	-	-	-
730	-	-	-	126,364	176,958
<u>(1,844,332)</u>	<u>(2,107,676)</u>	<u>(2,308,656)</u>	<u>(2,394,906)</u>	<u>(2,757,285)</u>	<u>(2,922,573)</u>
1,982,560	3,577,169	1,922,462	1,981,573	3,578,734	4,139,647
<u>46,008,986</u>	<u>47,991,546</u>	<u>51,568,715</u>	<u>53,491,177</u>	<u>55,472,750</u>	<u>59,051,484</u>
<u>\$ 47,991,546</u>	<u>\$ 51,568,715</u>	<u>\$ 53,491,177</u>	<u>\$ 55,472,750</u>	<u>\$ 59,051,484</u>	<u>\$ 63,191,131</u>
\$ 1,801,045	\$ 1,865,631	\$ 2,020,139	\$ 2,099,955	\$ 2,159,735	\$ 2,279,595
321,876	471,811	333,942	336,158	359,043	358,723
730	-	-	-	126,364	176,958
4,188,319	3,885,940	3,558,796	(5,139,056)	3,875,004	3,065,317
<u>(1,844,332)</u>	<u>(2,107,676)</u>	<u>(2,308,656)</u>	<u>(2,394,906)</u>	<u>(2,757,285)</u>	<u>(2,922,573)</u>
<u>(31,117)</u>	<u>(31,350)</u>	<u>(31,659)</u>	<u>(31,906)</u>	<u>(27,760)</u>	<u>(27,185)</u>
4,436,521	4,084,356	3,572,562	(5,129,755)	3,735,101	2,930,835
<u>21,970,870</u>	<u>26,407,391</u>	<u>30,491,747</u>	<u>34,064,309</u>	<u>28,934,554</u>	<u>32,669,655</u>
<u>\$ 26,407,391</u>	<u>\$ 30,491,747</u>	<u>\$ 34,064,309</u>	<u>\$ 28,934,554</u>	<u>\$ 32,669,655</u>	<u>\$ 35,600,490</u>
<u>\$ 21,584,155</u>	<u>\$ 21,076,968</u>	<u>\$ 19,426,868</u>	<u>\$ 26,538,196</u>	<u>\$ 26,381,829</u>	<u>\$ 27,590,641</u>
55.03%	59.13%	63.68%	52.16%	55.32%	56.34%
\$ 3,354,032	\$ 3,137,746	\$ 3,323,824	\$ 3,392,109	\$ 3,623,037	\$ 3,619,808
643.53%	671.72%	584.47%	782.35%	728.17%	762.21%

See notes to required supplementary information

Village of Lake Zurich

Police Pension Fund -
Schedule of Employer Contributions
Last Ten Fiscal Years

	April 30, 2016	April 30, 2016*	December 31, 2017	December 31, 2018
Actuarially determined contribution	\$ 1,402,842	\$ 1,564,453	\$ 1,790,395	\$ 1,799,590
Contributions in relation to the actuarially determined contribution	1,445,052	1,564,453	1,772,589	1,820,234
Contribution deficiency (excess)	\$ (42,210)	\$ -	\$ 17,806	\$ (20,644)
Covered payroll	\$ 3,109,454	\$ 3,101,474	\$ 3,055,082	\$ 3,081,445
Contributions as a percentage of covered payroll	46.47%	50.44%	58.02%	59.07%

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Notes to Schedule:

1) Valuation date: Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	2.50% to 12.00% per year
Investment rate of return	6.75%
Retirement age	50-70
Mortality	Healthy - PubS-2010 Healthy Mortality Table, with generational improvement Scale MP-2021
	Disabled - PubS-2010 Disabled Mortality Table, with generational improvement scale MP-2021

<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
\$ 1,750,667	\$ 1,924,555	\$ 2,006,032	\$ 2,067,695	\$ 2,142,608	\$ 2,305,938
<u>1,801,045</u>	<u>1,865,631</u>	<u>2,020,139</u>	<u>2,099,955</u>	<u>2,159,735</u>	<u>2,279,595</u>
<u>\$ (50,378)</u>	<u>\$ 58,924</u>	<u>\$ (14,107)</u>	<u>\$ (32,260)</u>	<u>\$ (17,127)</u>	<u>\$ 26,343</u>
\$ 3,354,032	\$ 3,137,746	\$ 3,323,824	\$ 3,392,109	\$ 3,623,037	\$ 3,619,808
53.70%	59.46%	60.78%	61.91%	59.61%	62.98%

See notes to required supplementary information

Village of Lake Zurich

Police Pension Fund -
Schedule of Investment Returns
Last Ten Fiscal Years

	<u>April 30, 2016</u>	<u>April 30, 2016*</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>
Annual money-weighted rate of return, net of investment expense	0.72%	4.73%	12.80%	-4.71%

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
19.10%	14.66%	11.67%	-15.08%	13.42%	9.40%

See notes to required supplementary information

Village of Lake Zurich

Firefighters' Pension Fund -
Schedule of Changes in the Village's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	April 30, 2016	April 30, 2016	December 31, 2017	December 31, 2018
Total Pension Liability				
Service cost	\$ 1,149,541	\$ 751,025	\$ 1,421,674	\$ 1,281,368
Interest	2,980,213	2,314,004	3,442,447	3,600,377
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	305,055	(3,347,579)	1,116,190	1,482,142
Changes of assumptions	2,811,180	-	(2,288,858)	1,010,548
Buy back contributions	-	-	-	-
Benefit payments, including refunds of member contributions	(901,657)	(550,340)	(1,072,050)	(1,350,851)
Net change in total pension liability	6,344,332	(832,890)	2,619,403	6,023,584
Total Pension Liability, Beginning	<u>44,602,130</u>	<u>50,946,462</u>	<u>50,113,572</u>	<u>52,732,975</u>
Total Pension Liability, Ending (a)	<u>\$ 50,946,462</u>	<u>\$ 50,113,572</u>	<u>\$ 52,732,975</u>	<u>\$ 58,756,559</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 1,905,569	\$ 1,911,342	\$ 2,176,385	\$ 2,304,265
Employee contributions	478,570	328,920	562,401	492,620
Buy back contributions	-	-	-	-
Net investment income	(320,256)	750,015	3,723,725	(1,554,258)
Benefit payments, including refunds of member contributions	(901,657)	(550,340)	(1,072,050)	(1,350,851)
Administration	(61,615)	(63,270)	(84,741)	(52,151)
Net change in plan fiduciary net position	1,100,611	2,376,667	5,305,720	(160,375)
Plan Fiduciary Net Position, Beginning	<u>25,561,981</u>	<u>26,662,592</u>	<u>29,039,259</u>	<u>34,344,979</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 26,662,592</u>	<u>\$ 29,039,259</u>	<u>\$ 34,344,979</u>	<u>\$ 34,184,604</u>
Village's Net Pension Liability, Ending (a) - (b)	<u>\$ 24,283,870</u>	<u>\$ 21,074,313</u>	<u>\$ 18,387,996</u>	<u>\$ 24,571,955</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.33%	57.95%	65.13%	58.18%
Covered Payroll	\$ 5,130,269	\$ 5,322,548	\$ 5,208,600	\$ 5,214,441
Village's Net Pension Liability as a Percentage of Covered Payroll	473.34%	395.94%	353.03%	471.23%

See notes to required supplementary information

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
\$ 1,290,345	\$ 1,325,498	\$ 1,288,974	\$ 1,282,692	\$ 1,342,279	\$ 1,283,048
3,986,763	4,243,326	4,499,505	4,830,601	5,030,904	5,487,346
121,794	-	-	-	-	-
302,107	362,654	276,813	(580,359)	3,557,365	69,229
-	-	1,163,791	-	-	-
-	-	14,026	-	1,048	13,760
(1,967,507)	(1,902,974)	(2,296,421)	(2,366,978)	(2,883,148)	(3,337,387)
3,733,502	4,028,504	4,946,688	3,165,956	7,048,448	3,515,996
58,756,559	62,490,061	66,518,565	71,465,253	74,631,209	81,679,657
<u>\$ 62,490,061</u>	<u>\$ 66,518,565</u>	<u>\$ 71,465,253</u>	<u>\$ 74,631,209</u>	<u>\$ 81,679,657</u>	<u>\$ 85,195,653</u>
\$ 2,290,246	\$ 2,300,705	\$ 2,498,348	\$ 2,531,073	\$ 2,533,314	\$ 2,630,676
498,580	508,641	502,853	518,642	523,162	517,601
-	-	14,026	-	1,048	13,760
6,547,762	6,077,296	5,607,760	(9,349,166)	7,008,509	5,751,239
(1,967,507)	(1,902,974)	(2,296,421)	(2,366,978)	(2,883,148)	(3,337,387)
(45,936)	(60,646)	(49,244)	(40,646)	(49,343)	(74,233)
7,323,145	6,923,022	6,277,322	(8,707,075)	7,133,542	5,501,656
34,184,604	41,507,749	48,430,771	54,708,093	46,001,018	53,134,560
<u>\$ 41,507,749</u>	<u>\$ 48,430,771</u>	<u>\$ 54,708,093</u>	<u>\$ 46,001,018</u>	<u>\$ 53,134,560</u>	<u>\$ 58,636,215</u>
<u>\$ 20,982,312</u>	<u>\$ 18,087,794</u>	<u>\$ 16,757,160</u>	<u>\$ 28,630,191</u>	<u>\$ 28,545,097</u>	<u>\$ 26,559,438</u>
66.42%	72.81%	76.55%	61.64%	65.05%	68.83%
\$ 5,324,271	\$ 5,338,995	\$ 5,270,025	\$ 5,485,373	\$ 5,533,178	\$ 5,474,363
394.09%	338.79%	317.97%	521.94%	515.89%	485.16%

See notes to required supplementary information

Village of Lake Zurich

Firefighters' Pension Fund -
Schedule of Employer Contributions
Last Ten Fiscal Years

	<u>April 30, 2016</u>	<u>April 30, 2016*</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>
Actuarially determined contribution	\$ 1,815,433	\$ 1,911,342	\$ 2,198,557	\$ 2,278,591
Contributions in relation to the actuarially determined contribution	<u>1,905,569</u>	<u>1,911,342</u>	<u>2,176,385</u>	<u>2,304,265</u>
Contribution deficiency (excess)	<u>\$ (90,136)</u>	<u>\$ -</u>	<u>\$ 22,172</u>	<u>\$ (25,674)</u>
Covered payroll	\$ 5,130,269	\$ 5,322,548	\$ 5,208,600	\$ 5,214,441
Contributions as a percentage of covered payroll	37.14%	35.91%	41.78%	44.19%

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Notes to Schedule:

1) Valuation date: Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

2) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	2.50% to 18.00% per year
Investment rate of return	6.75%
Retirement age	50-70
Mortality	Healthy - PubS-2010 Healthy Mortality Table, with generational improvement Scale MP-2021
	Disabled - PubS-2010 Disabled Mortality Table, with generational improvement scale MP-2021

<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
\$ 2,153,131	\$ 2,373,133	\$ 2,491,121	\$ 2,485,816	\$ 2,512,418	\$ 2,659,901
<u>2,290,246</u>	<u>2,300,705</u>	<u>2,498,348</u>	<u>2,531,073</u>	<u>2,533,314</u>	<u>2,630,676</u>
<u>\$ (137,115)</u>	<u>\$ 72,428</u>	<u>\$ (7,227)</u>	<u>\$ (45,257)</u>	<u>\$ (20,896)</u>	<u>\$ 29,225</u>
\$ 5,324,271	\$ 5,338,995	\$ 5,270,025	\$ 5,485,373	\$ 5,533,178	\$ 5,474,363
43.02%	43.09%	47.41%	46.14%	45.78%	48.05%

See notes to required supplementary information

Village of Lake Zurich

Firefighters' Pension Fund -
Schedule of Investment Returns
Last Ten Fiscal Years

	<u>April 30, 2016</u>	<u>April 30, 2016*</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>
Annual money-weighted rate of return, net of investment expense	-1.18%	5.05%	12.59%	-4.41%

*The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Notes to Schedule:

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
19.12%	14.49%	11.50%	-16.99%	15.21%	10.85%

See notes to required supplementary information

Village of Lake Zurich

Retiree Health Insurance Plan

Schedule of Changes in the Village's Total OPEB Liability and Related Ratios

Last Seven Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 43,217	\$ 48,030	\$ 50,191	\$ 64,244
Interest	118,607	118,055	109,049	64,581
Changes of assumptions	(164,052)	122,226	412,890	(86,869)
Benefit payments, including refunds of member contributions	(173,514)	(192,924)	(179,027)	(211,262)
Differences between expected and actual experience of the total OPEB liability	-	-	(321,885)	-
Other changes	(111,794)	(525)	(54,013)	-
Net change in total OPEB liability	(287,536)	94,862	17,205	(169,306)
Total OPEB Liability, Beginning	<u>3,627,263</u>	<u>3,339,727</u>	<u>3,434,589</u>	<u>3,451,794</u>
Total OPEB Liability, Ending (a)	<u>\$ 3,339,727</u>	<u>\$ 3,434,589</u>	<u>\$ 3,451,794</u>	<u>\$ 3,282,488</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 13,156,588	\$ 13,156,588	\$ 13,435,863	\$ 13,435,863
Village's Net Pension Liability as a Percentage of Covered-Employee Payroll	25.38%	26.11%	25.69%	24.43%

Notes to Schedule:

The Village implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 76,538	\$ 53,741	\$ 66,294
71,532	117,515	108,034
(219,976)	68,358	(28,128)
(206,538)	(240,250)	(290,401)
(157,355)	-	704,076
-	-	-
(435,799)	(636)	559,875
<u>3,282,488</u>	<u>2,846,689</u>	<u>2,846,053</u>
<u>\$ 2,846,689</u>	<u>\$ 2,846,053</u>	<u>\$ 3,405,928</u>
0.00%	0.00%	0.00%
\$ 14,418,438	\$ 14,418,463	\$ 15,449,700
19.74%	19.74%	22.05%

See notes to required supplementary information

Village of Lake Zurich

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue (except the Foreign Fire Insurance Tax and TIF #4 Industrial District), Debt Service, Capital Projects, Enterprise, Internal Service and Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level, or, where no departmental segregation of a fund exists, the fund level. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to restrict that portion of the applicable appropriation - is utilized in the governmental funds. Material encumbrances outstanding at year end, if any, are reported as restrictions of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

All departments of the Village submit requests for appropriation to the Village's manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and can add to, subtract from or change appropriations; but cannot change the form of the budget.

Management cannot amend the budget for individual funds without seeking the approval of the governing body.

Expenditures cannot legally exceed budgeted appropriations at the fund or department (General Fund) level and the Board of Trustees must approve any over expenditures of appropriation or transfers of appropriated amounts. During the year, two supplementary appropriations were necessary.

Village of Lake Zurich

General Fund

Detailed Schedule of Revenues - Budget and Actual

December 31, 2024

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property:			
Police protection	\$ 2,061,290	\$ 2,061,290	\$ 1,990,758
Fire protection	2,061,290	2,061,290	1,986,962
Ambulance	995	995	976
Pension	51,000	51,000	50,050
Police pension	2,305,938	2,305,938	2,305,938
Fire pension	2,659,901	2,659,901	2,659,901
SRA	375,000	375,000	368,008
Road and bridge	13,000	13,000	31,835
PTAB recapture	-	-	24,091
Utility:			
Electric tax	930,418	930,418	928,250
Gas tax	486,113	486,113	360,444
Telecommunication taxes	238,907	238,907	310,839
Television franchise tax	237,715	237,715	249,283
Peg Cable	-	-	17,571
Total taxes	<u>11,421,567</u>	<u>11,421,567</u>	<u>11,284,906</u>
Licenses and Permits			
Licenses:			
Liquor	160,000	160,000	176,650
Contractor registration	86,200	86,200	87,550
Other business	97,000	97,000	112,823
Permits:			
Administrative plan review	118,600	118,600	82,048
Building	212,000	212,000	193,157
Electrical	42,400	42,400	30,813
Plumbing	31,800	31,800	33,386
Occupancy certificates	35,000	35,000	25,780
Sidewalk	30,000	30,000	19,930
Truck permits	14,000	14,000	14,900
Other	68,820	68,820	59,285
Total licenses and permits	<u>895,820</u>	<u>895,820</u>	<u>836,322</u>
Intergovernmental			
State income tax	3,318,041	3,318,041	3,355,481
Municipal sales	8,085,057	8,365,057	8,747,200
Personal property replacement tax	120,414	120,414	109,621
Street maintenance reimbursement	18,048	18,048	19,618
Local use tax	841,733	841,733	700,370
Auto rental tax	5,000	5,000	12,270
Pull tax	323,970	323,970	317,434
Fire/rescue service contract	6,511,375	6,511,375	6,440,443
Vehicle maintenance charge	35,000	35,000	52,308
Cannabis tax	32,401	32,401	49,739
Licenses:			
Grants	50,000	219,766	335,524
Governmental agency	145,000	145,000	304,518
Total intergovernmental	<u>19,486,039</u>	<u>19,935,805</u>	<u>20,444,526</u>

Village of Lake Zurich

General Fund

Detailed Schedule of Revenues - Budget and Actual

December 31, 2024

	Original Budget	Final Budget	Actual
Charges for Services			
Police fees:			
Police alarm fees	\$ 3,000	\$ 3,000	\$ 1,850
Public safety special detail	210,000	276,000	276,000
Police administration tow fees	40,000	40,000	55,600
Police lock out fees	5,000	5,000	6,650
Police contracted services	3,000	3,000	4,350
Fire/rescue fees:			
Special detail	5,000	5,000	14,330
Ambulance fees	1,300,000	1,509,968	1,509,968
Spillage fees	-	-	4,343
Inspection fees	40,000	40,000	44,617
Public education	5,000	5,000	3,089
Site plan review	140,700	140,700	104,919
Elevator inspections	700	700	1,215
Printing and reproduction fees	4,000	4,000	3,326
Engineering review	110,000	110,000	194,373
Reimbursements	2,000	2,000	2,161
Park fees	106,030	106,030	103,037
Park program fees	823,889	823,889	902,172
Beach Fees	30,000	30,000	26,350
Other	500	500	1,800
Total charges for services	<u>2,828,819</u>	<u>3,104,787</u>	<u>3,260,150</u>
Fines, forfeitures and penalties			
Circuit court fines	200,500	200,500	212,920
Other fines	210,000	210,000	203,648
Total fines, forfeitures and penalties	<u>410,500</u>	<u>410,500</u>	<u>416,568</u>
Investment Income	<u>400,000</u>	<u>500,000</u>	<u>630,159</u>
Miscellaneous			
Miscellaneous	135,890	211,067	289,893
Donations	2,000	2,000	6,907
Rent	29,904	29,904	43,841
Total miscellaneous	<u>167,794</u>	<u>242,971</u>	<u>340,641</u>
Total revenues	<u><u>\$ 35,610,539</u></u>	<u><u>\$ 36,511,450</u></u>	<u><u>\$ 37,213,272</u></u>

Village of Lake Zurich

General Fund

Schedule of Expenditures - Budget and Actual

December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Expenditures			
General Government			
General administration	\$ 69,575	\$ 69,590	\$ 66,918
Village administration	1,037,571	968,635	966,464
Finance department	585,039	587,879	574,120
Technology department	580,417	593,572	585,638
Total general government	<u>2,272,602</u>	<u>2,219,676</u>	<u>2,193,140</u>
Public Safety			
Police	9,569,189	9,738,955	9,697,339
Fire	13,467,992	12,954,023	12,873,170
Community development	<u>1,262,294</u>	<u>1,164,574</u>	<u>1,227,026</u>
Total public safety	<u>24,299,475</u>	<u>23,857,552</u>	<u>23,797,535</u>
Highways and Streets			
Public works	<u>4,240,368</u>	<u>4,392,604</u>	<u>4,354,030</u>
Culture and Recreation			
Parks and recreation department	<u>1,421,099</u>	<u>1,353,701</u>	<u>1,336,737</u>
Economic Development	<u>551,955</u>	<u>491,321</u>	<u>469,220</u>
Total expenditures	<u>\$ 32,785,499</u>	<u>\$ 32,314,854</u>	<u>\$ 32,150,662</u>

Village of Lake Zurich

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	<u>Foreign Fire Tax</u>	<u>Hotel Tax</u>	<u>Motor Fuel Tax</u>	<u>Special Events</u>	<u>Dispatch Services</u>
Assets					
Cash and investments	\$ 284,395	\$ 435,153	\$ 3,515,164	\$ 272,038	\$ 385,625
Receivables (net):					
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	8,879	74,197	-	55,163
Prepaid items	-	-	-	10,475	-
Total assets	<u>\$ 284,395</u>	<u>\$ 444,032</u>	<u>\$ 3,589,361</u>	<u>\$ 282,513</u>	<u>\$ 440,788</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 39,811	\$ 2,431	\$ 1,281
Accrued wages	-	152	-	9,439	66,191
Unearned revenues	-	-	-	-	120,113
Total liabilities	-	152	39,811	11,870	187,585
Deferred Inflows of Resources					
Property taxes levied for future periods	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	10,475	-
Restricted	284,395	443,880	3,549,550	-	-
Assigned	-	-	-	260,168	253,203
Total fund balances	<u>284,395</u>	<u>443,880</u>	<u>3,549,550</u>	<u>270,643</u>	<u>253,203</u>
Total liabilities and fund balances	<u>\$ 284,395</u>	<u>\$ 444,032</u>	<u>\$ 3,589,361</u>	<u>\$ 282,513</u>	<u>\$ 440,788</u>

<u>TIF #3</u>	<u>TIF #4 Industrial District</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 349,828	\$ 320,992	\$ 5,563,195
125,468	314,000	439,468
-	-	138,239
<u>-</u>	<u>-</u>	<u>10,475</u>
<u>\$ 475,296</u>	<u>\$ 634,992</u>	<u>\$ 6,151,377</u>

\$ -	\$ -	\$ 43,523
-	-	75,782
<u>-</u>	<u>-</u>	<u>120,113</u>
<u>-</u>	<u>-</u>	<u>239,418</u>

<u>125,468</u>	<u>314,000</u>	<u>439,468</u>
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<u>125,468</u>	<u>314,000</u>	<u>439,468</u>
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-	-	10,475
349,828	320,992	4,948,645
<u>-</u>	<u>-</u>	<u>513,371</u>
<u>349,828</u>	<u>320,992</u>	<u>5,472,491</u>

<u>\$ 475,296</u>	<u>\$ 634,992</u>	<u>\$ 6,151,377</u>
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Village of Lake Zurich

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2024

	<u>Foreign Fire Tax</u>	<u>Hotel Tax</u>	<u>Motor Fuel Tax</u>	<u>Special Events</u>	<u>Dispatch Services</u>
Revenues					
Taxes	\$ 174,720	\$ 126,633	\$ -	\$ -	\$ -
Intergovernmental	-	-	878,291	-	-
Charges for services	-	-	-	-	1,032,600
Special events	-	-	-	121,036	-
Investment income	-	11,027	170,165	4,666	14,080
	<u>-</u>	<u>11,027</u>	<u>170,165</u>	<u>4,666</u>	<u>14,080</u>
Total revenues	<u>174,720</u>	<u>137,660</u>	<u>1,048,456</u>	<u>125,702</u>	<u>1,046,680</u>
Expenditures					
Current:					
General government	-	17,738	-	-	-
Public safety	43,394	-	-	-	1,598,554
Highways and streets	-	-	454,778	-	-
Culture and recreation	-	-	-	480,431	-
Economic development	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>43,394</u>	<u>17,738</u>	<u>454,778</u>	<u>480,431</u>	<u>1,598,554</u>
Excess (deficiency) of revenues over expenditures	<u>131,326</u>	<u>119,922</u>	<u>593,678</u>	<u>(354,729)</u>	<u>(551,874)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	343,240	675,000
Transfers out	-	(90,000)	-	-	-
	<u>-</u>	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(90,000)</u>	<u>-</u>	<u>343,240</u>	<u>675,000</u>
Net change in fund balances	131,326	29,922	593,678	(11,489)	123,126
Fund Balances, Beginning	<u>153,069</u>	<u>413,958</u>	<u>2,955,872</u>	<u>282,132</u>	<u>130,077</u>
Fund Balances, Ending	<u>\$ 284,395</u>	<u>\$ 443,880</u>	<u>\$ 3,549,550</u>	<u>\$ 270,643</u>	<u>\$ 253,203</u>

<u>TIF #3</u>	<u>TIF #4 Industrial District</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 125,720	\$ 314,866	\$ 741,939
-	-	878,291
-	-	1,032,600
-	-	121,036
<u>10,479</u>	<u>6,893</u>	<u>217,310</u>
<u>136,199</u>	<u>321,759</u>	<u>2,991,176</u>
-	-	17,738
-	-	1,641,948
-	-	454,778
-	-	480,431
<u>1,250</u>	<u>767</u>	<u>2,017</u>
<u>1,250</u>	<u>767</u>	<u>2,596,912</u>
<u>134,949</u>	<u>320,992</u>	<u>394,264</u>
-	-	1,018,240
<u>-</u>	<u>-</u>	<u>(90,000)</u>
<u>-</u>	<u>-</u>	<u>928,240</u>
134,949	320,992	1,322,504
<u>214,879</u>	<u>-</u>	<u>4,149,987</u>
<u>\$ 349,828</u>	<u>\$ 320,992</u>	<u>\$ 5,472,491</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Hotel Tax
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Hotel/Motel tax	\$ 125,169	\$ 125,169	\$ 126,633
Investment income	<u>5,000</u>	<u>5,000</u>	<u>11,027</u>
Total revenues	<u>130,169</u>	<u>130,169</u>	<u>137,660</u>
Expenditures			
Current:			
General government	<u>20,578</u>	<u>20,578</u>	<u>17,738</u>
Total expenditures	<u>20,578</u>	<u>20,578</u>	<u>17,738</u>
Excess (deficiency) of revenues over (under) expenditures	<u>109,591</u>	<u>109,591</u>	<u>119,922</u>
Other Financing Sources (Uses)			
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>
Total other financing sources (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>
Net change in fund balance	<u>\$ 19,591</u>	<u>\$ 19,591</u>	29,922
Fund Balance, Beginning			<u>413,958</u>
Fund Balance, Ending			<u>\$ 443,880</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Motor Fuel Tax
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Reimbursements	\$ 868,211	\$ 868,211	\$ 878,291
Investment income	<u>200,000</u>	<u>200,000</u>	<u>170,165</u>
Total revenues	<u>1,068,211</u>	<u>1,068,211</u>	<u>1,048,456</u>
Expenditures			
Current:			
Highways and streets	<u>607,483</u>	<u>607,483</u>	<u>454,778</u>
Total expenditures	<u>607,483</u>	<u>607,483</u>	<u>454,778</u>
Net change in fund balance	<u>\$ 460,728</u>	<u>\$ 460,728</u>	593,678
Fund Balance, Beginning			<u>2,955,872</u>
Fund Balance, Ending			<u>\$ 3,549,550</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Special Events
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Special events	\$ 96,625	\$ 109,125	\$ 121,036
Investment income	<u>875</u>	<u>4,330</u>	<u>4,666</u>
Total revenues	<u>97,500</u>	<u>113,455</u>	<u>125,702</u>
Expenditures			
Current:			
Culture and recreation	<u>440,596</u>	<u>480,013</u>	<u>480,431</u>
Total expenditures	<u>440,596</u>	<u>480,013</u>	<u>480,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(343,096)</u>	<u>(366,558)</u>	<u>(354,729)</u>
Other Financing Sources (Uses)			
Transfers in	<u>343,240</u>	<u>343,240</u>	<u>343,240</u>
Total other financing sources (uses)	<u>343,240</u>	<u>343,240</u>	<u>343,240</u>
Net change in fund balance	<u>\$ 144</u>	<u>\$ (23,318)</u>	(11,489)
Fund Balance, Beginning			<u>282,132</u>
Fund Balance, Ending			<u>\$ 270,643</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Dispatch Services
Year Ended December 31, 2024

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for services	\$ 1,018,400	\$ 1,018,400	\$ 1,032,600
Investment income	<u>3,000</u>	<u>3,000</u>	<u>14,080</u>
Total revenues	<u>1,021,400</u>	<u>1,021,400</u>	<u>1,046,680</u>
Expenditures			
Current:			
Public safety	<u>1,689,437</u>	<u>1,689,437</u>	<u>1,598,554</u>
Total expenditures	<u>1,689,437</u>	<u>1,689,437</u>	<u>1,598,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(668,037)</u>	<u>(668,037)</u>	<u>(551,874)</u>
Other Financing Sources (Uses)			
Transfers in	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
Total other financing sources (uses)	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>
Net change in fund balance	<u>\$ 6,963</u>	<u>\$ 6,963</u>	123,126
Fund Balance, Beginning			<u>130,077</u>
Fund Balance, Ending			<u>\$ 253,203</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - TIF #3
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Property tax	\$ 98,980	\$ 98,980	\$ 125,720
Investment income	<u>-</u>	<u>-</u>	<u>10,479</u>
Total revenues	<u>98,980</u>	<u>98,980</u>	<u>136,199</u>
Expenditures			
Current:			
Economic development	<u>1,500</u>	<u>1,500</u>	<u>1,250</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,250</u>
Net change in fund balance	<u>\$ 97,480</u>	<u>\$ 97,480</u>	134,949
Fund Balance, Beginning			<u>214,879</u>
Fund Balance, Ending			<u>\$ 349,828</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Debt Service
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Property tax	\$ 1,331,000	\$ 1,331,000	\$ 1,306,205
Investment income	<u>25,000</u>	<u>25,000</u>	<u>56,959</u>
Total revenues	<u>1,356,000</u>	<u>1,356,000</u>	<u>1,363,164</u>
Expenditures			
Current:			
Debt service:			
Principal	1,299,000	1,299,000	-
Interest and fiscal charges	<u>31,654</u>	<u>31,654</u>	<u>31,654</u>
Total expenditures	<u>1,330,654</u>	<u>1,330,654</u>	<u>31,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,346</u>	<u>25,346</u>	<u>1,331,510</u>
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>(1,299,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,299,000)</u>
Net change in fund balance	<u>\$ 25,346</u>	<u>\$ 25,346</u>	32,510
Fund Balance, Beginning			<u>1,004,264</u>
Fund Balance, Ending			<u>\$ 1,036,774</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - TIF Debt Service
Year Ended December 31, 2024

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Investment income	\$ 10,000	\$ 10,000	\$ 27,108
Total revenues	10,000	10,000	27,108
Expenditures			
Debt service:			
Principal	1,500,000	1,500,000	1,500,000
Interest and fiscal charges	569,688	569,688	568,429
Total expenditures	2,069,688	2,069,688	2,068,429
Excess (deficiency) of revenues over (under) expenditures	(2,059,688)	(2,059,688)	(2,041,321)
Other Financing Sources (Uses)			
Proceeds from bond issuance	1,299,000	1,299,000	-
Transfers in	855,000	855,000	2,154,000
Total other financing sources (uses)	2,154,000	2,154,000	2,154,000
Net change in fund balance	\$ 94,312	\$ 94,312	112,679
Fund Balance (Deficit), Beginning			(871,652)
Fund Balance (Deficit), Ending			<u>\$ (758,973)</u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Capital Improvements
Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Grants	\$ -	\$ -	\$ 300,000
Park fees	-	-	104,388
Investment income	200,000	200,000	466,992
Miscellaneous revenues	<u>-</u>	<u>-</u>	<u>700</u>
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>872,080</u>
Expenditures			
Capital outlay:			
Infrastructure improvements	1,200,000	1,200,000	429,800
Capital project improvements	<u>6,643,000</u>	<u>6,643,000</u>	<u>2,930,344</u>
Total expenditures	<u>7,843,000</u>	<u>7,843,000</u>	<u>3,360,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,643,000)</u>	<u>(7,643,000)</u>	<u>(2,488,064)</u>
Other Financing Sources (Uses)			
Transfers in	<u>1,851,500</u>	<u>3,056,000</u>	<u>3,056,000</u>
Total other financing sources (uses)	<u>1,851,500</u>	<u>3,056,000</u>	<u>3,056,000</u>
Net change in fund balance	<u><u>\$ (5,791,500)</u></u>	<u><u>\$ (4,587,000)</u></u>	567,936
Fund Balance, Beginning			<u>14,262,042</u>
Fund Balance, Ending			<u><u>\$ 14,829,978</u></u>

Village of Lake Zurich

Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual - Non-Home Rule Sales Tax Capital Projects

Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Sales tax	\$ 2,752,286	\$ 2,752,286	\$ 2,833,233
Investment income	<u>200,000</u>	<u>200,000</u>	<u>365,586</u>
Total revenues	<u>2,952,286</u>	<u>2,952,286</u>	<u>3,198,819</u>
Expenditures			
Capital outlay:			
Infrastructure improvements	<u>3,083,250</u>	<u>3,083,250</u>	<u>2,534,472</u>
Total expenditures	<u>3,083,250</u>	<u>3,083,250</u>	<u>2,534,472</u>
Net change in fund balance	<u>\$ (130,964)</u>	<u>\$ (130,964)</u>	664,347
Fund Balance, Beginning			<u>6,792,274</u>
Fund Balance, Ending			<u>\$ 7,456,621</u>

Village of Lake Zurich

Schedule of Revenues, Expenses and Changes in Net Position - Budget to Actual

Waterworks and Sewerage Fund

December 31, 2024

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for services	\$ 9,245,174	\$ 9,245,174	\$ 9,506,010
Total operating revenues	9,245,174	9,245,174	9,506,010
Operating Expenses			
Administration	1,011,667	1,011,667	1,308,281
Operations	12,414,002	12,414,002	3,375,408
Depreciation	2,225,000	2,225,000	2,129,615
Total operating expenses	15,650,669	15,650,669	6,813,304
Operating income (loss)	(6,405,495)	(6,405,495)	2,692,706
Nonoperating Revenues (Expenses)			
Connection fees	555,100	555,100	765,815
Investment income	300,000	300,000	627,335
Gain on sale of capital assets	-	-	10,050
Interest and fiscal charges	(88,261)	(88,261)	(96,884)
Total nonoperating revenues (expenses)	766,839	766,839	1,306,316
Change in net position	\$ (5,638,656)	\$ (5,638,656)	3,999,022
Net Position, Beginning			57,426,847
Net Position, Ending			\$ 61,425,869

Village of Lake Zurich

Schedule of Operating Revenues - Budget to Actual

Waterworks and Sewerage Fund

December 31, 2024

	Original Budget	Final Budget	Actual
Charges for Services			
Water charges	\$ 3,980,284	\$ 9,060,674	\$ 9,191,726
Debt service charges	1,456,047	-	-
Capital charge	3,624,343	-	-
Meter sales	15,000	15,000	47,820
Late fees	88,500	88,500	123,066
Wastewater service agreements	81,000	81,000	142,320
Inspection fees	-	-	1,500
Other	-	-	(422)
	<u> </u>	<u> </u>	<u> </u>
Total operating revenues	<u>\$ 9,245,174</u>	<u>\$ 9,245,174</u>	<u>\$ 9,506,010</u>

Village of Lake Zurich

Schedule of Operating Expenses - Budget to Actual

Waterworks and Sewerage Fund

December 31, 2024

	Original Budget	Final Budget	Actual
Administration			
Personnel services	\$ 443,116	\$ 443,116	\$ 737,364
Contractual services	493,735	493,735	489,510
Commodities	74,816	74,816	81,407
Total administration	<u>\$ 1,011,667</u>	<u>\$ 1,011,667</u>	<u>\$ 1,308,281</u>
Operations			
Water service:			
Personnel services	\$ 731,559	\$ 731,559	\$ 681,830
Contractual services	5,564,300	5,564,300	835,710
Commodities	654,050	654,050	741,562
Total water service	<u>6,949,909</u>	<u>6,949,909</u>	<u>2,259,102</u>
Sewer service:			
Personnel services	683,751	683,751	612,078
Contractual services	372,042	372,042	257,698
Commodities	90,300	90,300	101,221
Total sewer service	<u>1,146,093</u>	<u>1,146,093</u>	<u>970,997</u>
Capital outlay	<u>4,318,000</u>	<u>4,318,000</u>	<u>3,021,106</u>
Less nonoperating items:			
Capital assets capitalized	<u>-</u>	<u>-</u>	<u>(2,875,797)</u>
Total operations	<u>\$ 12,414,002</u>	<u>\$ 12,414,002</u>	<u>\$ 3,375,408</u>
Depreciation	<u>\$ 2,225,000</u>	<u>\$ 2,225,000</u>	<u>\$ 2,129,615</u>

Village of Lake Zurich

Combining Statement of Net Position -
Internal Service Funds
December 31, 2024

	Medical Self- Insurance	Risk Management	Equipment Replacement	Total
Assets				
Current assets:				
Cash and investments	\$ 2,279,332	\$ 1,139,469	\$ 5,754,352	\$ 9,173,153
Receivables:				
Accounts receivable	13,335	-	-	13,335
Prepaid items	<u>400,000</u>	<u>1,953,149</u>	<u>-</u>	<u>2,353,149</u>
Total current assets	<u>2,692,667</u>	<u>3,092,618</u>	<u>5,754,352</u>	<u>11,539,637</u>
Noncurrent assets:				
Capital assets:				
Property and equipment	-	-	7,541,357	7,541,357
Less Accumulated depreciation	<u>-</u>	<u>-</u>	<u>(3,050,877)</u>	<u>(3,050,877)</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>4,490,480</u>	<u>4,490,480</u>
Total assets	<u>2,692,667</u>	<u>3,092,618</u>	<u>10,244,832</u>	<u>16,030,117</u>
Liabilities				
Current liabilities:				
Accounts payable	11,924	2,732	87	14,743
Accrued wages	<u>-</u>	<u>10,989</u>	<u>-</u>	<u>10,989</u>
Total current liabilities	<u>11,924</u>	<u>13,721</u>	<u>87</u>	<u>25,732</u>
Total liabilities	<u>11,924</u>	<u>13,721</u>	<u>87</u>	<u>25,732</u>
Net Position				
Net investment in capital assets	-	-	4,490,480	4,490,480
Unrestricted net position	<u>2,680,743</u>	<u>3,078,897</u>	<u>5,754,265</u>	<u>11,513,905</u>
Total net position	<u>\$ 2,680,743</u>	<u>\$ 3,078,897</u>	<u>\$ 10,244,745</u>	<u>\$ 16,004,385</u>

Village of Lake Zurich

Combining Statement of Revenues, Expenses and

Changes in Fund Net Position -

Internal Service Funds

Year Ended December 31, 2024

	<u>Medical Self- Insurance</u>	<u>Risk Management</u>	<u>Equipment Replacement</u>	<u>Total</u>
Operating Revenues				
Employer contributions	\$ 3,016,785	\$ 1,437,535	\$ 760,600	\$ 5,214,920
Employee contributions	166,224	-	-	166,224
Pensioner contributions	<u>346,038</u>	<u>-</u>	<u>-</u>	<u>346,038</u>
Total operating revenues	<u>3,529,047</u>	<u>1,437,535</u>	<u>760,600</u>	<u>5,727,182</u>
Operating Expenses				
Personnel services	-	246,641	-	246,641
Contractual services	3,149,094	778,000	-	3,927,094
Less reimbursements	-	(195,354)	-	(195,354)
Commodities	-	-	125,468	125,468
Depreciation	<u>-</u>	<u>-</u>	<u>481,466</u>	<u>481,466</u>
Total operating expenses	<u>3,149,094</u>	<u>829,287</u>	<u>606,934</u>	<u>4,585,315</u>
Operating income (loss)	<u>379,953</u>	<u>608,248</u>	<u>153,666</u>	<u>1,141,867</u>
Nonoperating Revenues (Expenses)				
Investment income	<u>91,688</u>	<u>21,863</u>	<u>278,830</u>	<u>392,381</u>
Total nonoperating revenues (expenses)	<u>91,688</u>	<u>21,863</u>	<u>278,830</u>	<u>392,381</u>
Income (loss) before transfers	<u>471,641</u>	<u>630,111</u>	<u>432,496</u>	<u>1,534,248</u>
Transfers				
Transfers in	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Total transfers	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Change in net position	471,641	630,111	682,496	1,784,248
Net Position, Beginning	<u>2,209,102</u>	<u>2,448,786</u>	<u>9,562,249</u>	<u>14,220,137</u>
Net Position, Ending	<u>\$ 2,680,743</u>	<u>\$ 3,078,897</u>	<u>\$ 10,244,745</u>	<u>\$ 16,004,385</u>

Village of Lake Zurich

Combining Statement of Cash Flows -
Internal Service Funds
Year Ended December 31, 2024

	Medical Self- Insurance	Risk Management	Equipment Replacement	Total
Cash Flows From Operating Activities				
Received from customers	\$ 3,521,134	\$ 1,437,535	\$ 760,600	\$ 5,719,269
Paid to suppliers for goods and services	1,023	(997,685)	(173,460)	(1,170,122)
Paid to employees for services	(3,149,194)	(248,691)	-	(3,397,885)
Net cash flows from operating activities	<u>372,963</u>	<u>191,159</u>	<u>587,140</u>	<u>1,151,262</u>
Cash Flows From Investing Activities				
Investment income	<u>91,688</u>	<u>21,863</u>	<u>278,830</u>	<u>392,381</u>
Net cash flows from investing activities	<u>91,688</u>	<u>21,863</u>	<u>278,830</u>	<u>392,381</u>
Cash Flows From Noncapital Financing Activities				
Receipt (payment) of transfer	-	-	250,000	250,000
Net cash flows from noncapital financing activities	-	-	<u>250,000</u>	<u>250,000</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	-	(517,211)	(517,211)
Net cash flows from capital and related financing activities	-	-	<u>(517,211)</u>	<u>(517,211)</u>
Net change in cash and cash equivalents	464,651	213,022	598,759	1,276,432
Cash and Cash Equivalents, Beginning	<u>1,814,681</u>	<u>926,447</u>	<u>5,155,593</u>	<u>7,896,721</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,279,332</u>	<u>\$ 1,139,469</u>	<u>\$ 5,754,352</u>	<u>\$ 9,173,153</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities				
Operating income	\$ 379,953	\$ 608,248	\$ 153,666	\$ 1,141,867
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	-	-	481,466	481,466
Changes in assets and liabilities:				
Accounts receivable	(7,913)	-	-	(7,913)
Prepaid items	-	(407,213)	-	(407,213)
Accounts payable	923	(7,826)	(47,992)	(54,895)
Compensated absences	-	(2,050)	-	(2,050)
Net cash flows from operating activities	<u>\$ 372,963</u>	<u>\$ 191,159</u>	<u>\$ 587,140</u>	<u>\$ 1,151,262</u>
Noncash Capital and Related Financing Activities				
None				

Village of Lake Zurich

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Medical Self-Insurance

Year Ended December 31, 2024

	Budgeted Amounts		Actual
	Original	Final	
Operating Revenues			
Employer contributions	\$ 3,016,785	\$ 3,016,785	\$ 3,016,785
Employee contributions	293,800	293,800	166,224
Pensioner contributions	<u>412,489</u>	<u>412,489</u>	<u>346,038</u>
Total operating revenues	<u>3,723,074</u>	<u>3,723,074</u>	<u>3,529,047</u>
Operating Expenses			
Insurance and claims			
Personnel services	13,000	13,000	-
Contractual services	<u>3,710,066</u>	<u>3,710,066</u>	<u>3,149,094</u>
Total insurance and claims	<u>3,723,066</u>	<u>3,723,066</u>	<u>3,149,094</u>
Total operating expenses	<u>3,723,066</u>	<u>3,723,066</u>	<u>3,149,094</u>
Operating income	<u>8</u>	<u>8</u>	<u>379,953</u>
Nonoperating Revenues			
Investment income	<u>30,000</u>	<u>30,000</u>	<u>91,688</u>
Total nonoperating revenues	<u>30,000</u>	<u>30,000</u>	<u>91,688</u>
Change in net position	<u>\$ 30,008</u>	<u>\$ 30,008</u>	471,641
Net Position, Beginning			<u>2,209,102</u>
Net Position, Ending			<u>\$ 2,680,743</u>

Village of Lake Zurich

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Risk Management

Year Ended December 31, 2024

	Budgeted Amounts		
	Original	Final	Actual
Operating Revenues			
Contributions:			
Employer contributions	\$ 1,437,535	\$ 1,437,535	\$ 1,437,535
Total operating revenues	1,437,535	1,437,535	1,437,535
Operating Expenses			
Insurance and claims:			
Personnel services	227,538	227,538	246,641
Contractual services	1,210,000	1,210,000	778,000
Less reimbursements	(110,000)	(110,000)	(195,354)
Total insurance and claims	1,327,538	1,327,538	829,287
Total operating expenses	1,327,538	1,327,538	829,287
Operating income	109,997	109,997	608,248
Nonoperating Revenues			
Investment income	2,000	2,000	21,863
Total nonoperating revenues	2,000	2,000	21,863
Net income before transfers	111,997	111,997	630,111
Transfers			
Transfers out	(200,000)	(200,000)	-
Net transfers	(200,000)	(200,000)	-
Change in net position	\$ (88,003)	\$ (88,003)	630,111
Net Position, Beginning			2,448,786
Net Position, Ending			\$ 3,078,897

Village of Lake Zurich

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -

Equipment Replacement

Year Ended December 31, 2024

	Budgeted Amount		
	Original	Final	Actual
Operating Revenues			
Contributions:			
Employer contributions	\$ 496,600	\$ 760,600	\$ 760,600
Total operating revenue	496,600	760,600	760,600
Operating Expenses			
Operations:			
Vehicles	705,000	705,000	303,714
Equipment	263,100	263,100	338,965
Depreciation	541,946	541,946	481,466
Total operations	1,510,046	1,510,046	1,124,145
Total operating expenses	1,510,046	1,510,046	1,124,145
Operating income (loss)	(1,013,446)	(749,446)	(363,545)
Nonoperating Revenues			
Investment income	175,000	175,000	278,830
Total nonoperating revenues	175,000	175,000	278,830
Net loss before transfers	(838,446)	(574,446)	(84,715)
Transfers			
Transfers in	50,000	250,000	250,000
Net transfers	50,000	250,000	250,000
Change in net position, budgetary basis	\$ (788,446)	\$ (324,446)	165,285
Adjustments to GAAP Basis			
Capital assets capitalized			517,211
Change in net position, GAAP basis			682,496
Net Position, Beginning			9,562,249
Net Position, Ending			\$ 10,244,745

Village of Lake Zurich

Combining Statement of Fiduciary Net Position -
Pension Trust Funds
December 31, 2024

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments	\$ 22,937	\$ 18,801	\$ 41,738
Investments:			
Money markets	316,877	301,584	618,461
Insurance contracts	-	347,261	347,261
Illinois Police Officers' Pension Investment Fund	35,262,706	-	35,262,706
Illinois Firefighters' Pension Investment Fund	-	57,966,120	57,966,120
Prepaid items	<u>2,109</u>	<u>6,969</u>	<u>9,078</u>
Total assets	<u>35,604,629</u>	<u>58,640,735</u>	<u>94,245,364</u>
Liabilities			
Accounts payable	<u>4,140</u>	<u>4,521</u>	<u>8,661</u>
Total liabilities	<u>4,140</u>	<u>4,521</u>	<u>8,661</u>
Net Position			
Restricted for retirement benefits	<u>\$ 35,600,489</u>	<u>\$ 58,636,214</u>	<u>\$ 94,236,703</u>

Village of Lake Zurich

Combining Statement of Changes in Fiduciary Net Position -
Pension Trust Funds
Year Ended December 31, 2024

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 2,279,595	\$ 2,630,676	\$ 4,910,271
Employee	<u>535,680</u>	<u>531,361</u>	<u>1,067,041</u>
Total contributions	<u>2,815,275</u>	<u>3,162,037</u>	<u>5,977,312</u>
Investment income:			
Net appreciation in fair value of investments	2,883,065	4,718,365	7,601,430
Interest on investments	<u>207,339</u>	<u>1,107,952</u>	<u>1,315,291</u>
Total investment income	3,090,404	5,826,317	8,916,721
Less investment expense	<u>(25,087)</u>	<u>(75,080)</u>	<u>(100,167)</u>
Net investment income	<u>3,065,317</u>	<u>5,751,237</u>	<u>8,816,554</u>
Total additions	<u>5,880,592</u>	<u>8,913,274</u>	<u>14,793,866</u>
Deductions			
Pension payments and refunds	2,922,573	3,337,388	6,259,961
Administration	<u>27,185</u>	<u>74,232</u>	<u>101,417</u>
Total deductions	<u>2,949,758</u>	<u>3,411,620</u>	<u>6,361,378</u>
Change in net position	2,930,834	5,501,654	8,432,488
Net Position, Beginning	<u>32,669,655</u>	<u>53,134,560</u>	<u>85,804,215</u>
Net Position, Ending	<u><u>\$ 35,600,489</u></u>	<u><u>\$ 58,636,214</u></u>	<u><u>\$ 94,236,703</u></u>

LONG-TERM DEBT REQUIREMENTS

Village of Lake Zurich

Long-Term Debt Requirements

General Obligation Refunding Bonds (Alternative Revenue Source) Series of 2015A

December 31, 2024

Date of Issue	April 23, 2015
Date of Maturity	December 15, 2034
Authorized Issue	\$ 11,775,000
Interest Rates	3.25% to 3.75%
Principal Maturity Date	December 15

Future Principal and Interest Requirements

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2024	\$ 810,000	\$ 413,685	\$ 1,223,685	2025	\$ 206,842	2025	\$ 206,843
2025	840,000	387,360	1,227,360	2026	193,680	2026	193,680
2026	875,000	360,060	1,235,060	2027	180,030	2027	180,030
2027	915,000	331,622	1,246,622	2028	165,811	2028	165,811
2028	955,000	301,428	1,256,428	2029	150,714	2029	150,714
2029	1,370,000	268,956	1,638,956	2030	134,478	2030	134,478
2030	1,415,000	221,008	1,636,008	2031	110,504	2031	110,504
2031	1,480,000	170,066	1,650,066	2032	85,033	2032	85,033
2032	1,530,000	116,048	1,646,048	2033	58,024	2033	58,024
2033	1,585,000	59,438	1,644,438	2034	29,719	2034	29,719
	<u>\$ 11,775,000</u>	<u>\$ 2,629,671</u>	<u>\$ 14,404,671</u>		<u>\$ 1,314,835</u>		<u>\$ 1,314,836</u>

Village of Lake Zurich

Long-Term Debt Requirements

IEPA Loan of 2006

December 31, 2024

Date of Issue	October 15, 2005
Date of Maturity	December 16, 2026
Authorized Issue	\$ 2,000,000
Interest Rates	2.50%
Principal Maturity Date	June 16 and December 16
Payable at	Illinois Environmental Protection Agency

Future Principal and Interest Requirements

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 16	Amount	December 16	Amount
2024	\$ 124,995	\$ 5,220	\$ 130,215	2025	\$ 2,998	2025	\$ 2,222
2025	114,852	2,076	116,928	2026	1,436	2026	640
	<u>\$ 239,847</u>	<u>\$ 7,296</u>	<u>\$ 247,143</u>		<u>\$ 4,434</u>		<u>\$ 2,862</u>

Village of Lake Zurich

Long-Term Debt Requirements

IEPA Loan of 2008

December 31, 2024

Date of Issue	September 27, 2007
Date of Maturity	August 11, 2028
Authorized Issue	\$ 1,673,182
Interest Rates	1.25%
Principal Maturity Date	August 11 and February 11
Payable at	Illinois Environmental Protection Agency

Future Principal and Interest Requirements

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	February 11	Amount	August 11	Amount
2024	\$ 103,131	\$ 10,068	\$ 113,199	2025	\$ 5,354	2025	\$ 4,714
2025	105,725	7,474	113,199	2026	4,065	2026	3,409
2026	108,385	4,814	113,199	2027	2,744	2027	2,070
2027	111,112	2,088	113,200	2028	1,389	2028	699
	<u>\$ 428,353</u>	<u>\$ 24,444</u>	<u>\$ 452,797</u>		<u>\$ 13,552</u>		<u>\$ 10,892</u>

Village of Lake Zurich**Long-Term Debt Requirements**

General Obligation Refunding Bonds (Alternative Revenue Source) Series of 2016A

December 31, 2024

Date of Issue	May 16, 2016
Date of Maturity	February 1, 2029
Authorized Issue	\$ 6,785,000
Interest Rates	1.10% to 3.05%
Principal Maturity Date	February 1 and August 1

Future Principal and Interest Requirements

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	February 1	Amount	August 1	Amount
2024	\$ 715,000	\$ 97,717	\$ 812,717	2025	\$ 53,506	2025	\$ 44,211
2025	725,000	78,453	803,453	2026	44,211	2026	34,242
2026	750,000	57,797	807,797	2027	34,242	2027	23,555
2027	775,000	35,679	810,679	2028	23,555	2028	12,124
2028	795,000	12,124	807,124	2029	12,124	2029	-
	<u>\$ 3,760,000</u>	<u>\$ 281,770</u>	<u>\$ 4,041,770</u>		<u>\$ 167,638</u>		<u>\$ 114,132</u>

Village of Lake Zurich

Long-Term Debt Requirements

General Obligation Waterworks and Sewerage Bonds (Alternative Revenue Source) Series of 2016B

December 31, 2024

Date of Issue	August 1, 2016
Date of Maturity	December 15, 2026
Authorized Issue	\$ 1,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00%
Principal Maturity Date	December 15

Future Principal and Interest Requirements

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2024	\$ 105,000	\$ 4,300	\$ 109,300	2025	\$ 2,150	2025	\$ 2,150
2025	110,000	2,200	112,200	2026	1,100	2026	1,100
	<u>\$ 215,000</u>	<u>\$ 6,500</u>	<u>\$ 221,500</u>		<u>\$ 3,250</u>		<u>\$ 3,250</u>

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	118-124
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	125-128
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	129-133
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place.	134-136
Operating Information These schedules contain service and infrastructure data to help the reader understand how the Village's financial report relates to the services the Village provides and the activities it performs.	137-139

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Village of Lake Zurich

Net Position by Component
Last Ten Fiscal Years

Fiscal Year	April 30, 2016*	December 31, 2016**	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Governmental Activities										
Net investment in capital assets	\$ 82,125,245	\$ 82,623,774	\$ 83,071,165	\$ 83,682,136	\$ 88,305,543	\$ 85,919,640	\$ 86,028,829	\$ 86,971,571	\$ 90,136,014	\$ 93,002,151
Restricted	10,779,838	12,026,955	11,260,966	10,713,751	11,057,528	11,042,791	16,840,573	14,265,789	12,186,103	14,727,914
Unrestricted	(58,319,684)	(56,718,186)	(54,079,782)	(54,801,370)	(56,147,503)	(47,851,756)	(41,835,263)	(32,964,710)	(26,251,806)	(25,294,350)
Total governmental activities	<u>\$ 34,585,399</u>	<u>\$ 37,932,543</u>	<u>\$ 40,252,349</u>	<u>\$ 39,594,517</u>	<u>\$ 43,215,568</u>	<u>\$ 49,110,675</u>	<u>\$ 61,034,139</u>	<u>\$ 68,272,650</u>	<u>\$ 76,070,311</u>	<u>\$ 82,435,715</u>
Business-Type Activities										
Net investment in capital assets	\$ 39,130,472	\$ 39,849,034	\$ 38,774,738	\$ 36,769,636	\$ 37,783,758	\$ 38,573,695	\$ 39,003,754	\$ 39,432,356	\$ 43,974,861	\$ 45,453,517
Restricted	-	-	-	-	-	-	1,096,080	-	-	-
Unrestricted	4,078,672	3,147,564	4,700,206	4,885,210	5,881,004	7,587,296	8,948,490	12,258,068	14,130,379	16,818,610
Total business-type activities	<u>\$ 43,209,144</u>	<u>\$ 42,996,598</u>	<u>\$ 43,474,944</u>	<u>\$ 41,654,846</u>	<u>\$ 43,664,762</u>	<u>\$ 46,160,991</u>	<u>\$ 49,048,324</u>	<u>\$ 51,690,424</u>	<u>\$ 58,105,240</u>	<u>\$ 62,272,127</u>
Primary Government										
Net investment in capital assets	\$ 121,255,717	\$ 122,472,808	\$ 121,845,903	\$ 120,451,772	\$ 126,089,301	\$ 124,493,335	\$ 125,032,583	\$ 126,403,927	\$ 134,110,875	\$ 138,455,668
Restricted	10,779,838	12,026,955	11,260,966	10,713,751	11,057,528	11,042,791	17,936,653	14,265,789	12,186,103	14,727,914
Unrestricted	(54,241,012)	(53,570,622)	(49,379,576)	(49,916,160)	(50,266,499)	(40,264,460)	(32,886,773)	(20,706,642)	(12,121,427)	(8,475,740)
Total primary government	<u>\$ 77,794,543</u>	<u>\$ 80,929,141</u>	<u>\$ 83,727,293</u>	<u>\$ 81,249,363</u>	<u>\$ 86,880,330</u>	<u>\$ 95,271,666</u>	<u>\$ 110,082,463</u>	<u>\$ 119,963,074</u>	<u>\$ 134,175,551</u>	<u>\$ 144,707,842</u>

* The Village implemented GASB Statement No.68 in 2016, causing a reduction in unrestricted net position.

** The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Data Source

Audited Financial Statements

Village of Lake Zurich

Change in Net Position
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Expenses										
Governmental activities:										
General government	\$ 1,522,322	\$ 772,641	\$ 1,769,844	\$ 2,188,126	\$ 2,003,371	\$ 1,761,391	\$ 1,724,549	\$ 2,086,891	\$ 2,122,434	\$ 2,788,205
Public safety	20,687,223	16,155,251	22,066,110	22,341,200	22,631,359	21,301,322	18,808,688	24,533,255	24,887,179	28,010,549
Highways and streets	4,855,446	3,518,270	4,522,520	5,281,131	5,281,079	5,241,285	5,464,562	6,907,881	6,682,108	7,887,919
Culture and recreation	1,147,881	920,054	1,526,825	1,803,515	1,878,294	997,789	1,236,703	1,663,731	1,744,888	2,075,144
Economic development	1,515,262	1,231,598	2,186,755	1,071,579	1,408,997	1,502,578	618,979	720,097	620,537	1,016,524
Interest on long-term debt	1,475,911	1,088,971	967,636	1,045,097	1,000,955	946,072	885,519	849,545	820,534	786,106
Total governmental activities expenses	31,204,045	23,686,785	33,039,690	33,730,648	34,204,055	31,750,437	28,739,000	36,761,400	36,877,680	42,564,447
Business-type activities:										
Waterworks and sewerage	4,679,952	3,772,676	5,235,787	7,912,780	5,593,327	4,962,077	4,960,349	5,638,174	5,926,671	6,742,323
Total business-type activities expenses	4,679,952	3,772,676	5,235,787	7,912,780	5,593,327	4,962,077	4,960,349	5,638,174	5,926,671	6,742,323
Total primary government expenses	\$ 35,883,997	\$ 27,459,461	\$ 38,275,477	\$ 41,643,428	\$ 39,797,382	\$ 36,712,514	\$ 33,699,349	\$ 42,399,574	\$ 42,804,351	\$ 49,306,770
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 651,761	\$ 282,411	\$ 670,333	\$ 952,435	\$ 959,564	\$ 920,751	\$ 944,651	\$ 1,025,879	\$ 985,574	\$ 980,571
Public safety	7,096,281	5,712,362	8,312,753	8,394,249	9,010,081	8,272,702	9,213,468	10,686,378	10,007,803	10,936,331
Highways and streets	74,080	28,177	63,544	70,908	55,808	67,835	55,038	46,131	42,459	56,939
Culture and recreation	655,848	572,725	817,009	714,275	760,864	169,632	1,033,762	1,319,905	1,090,574	1,135,947
Economic development	95,579	67,340	94,975	-	-	-	-	-	-	-
Operating grants	594,937	392,568	610,354	564,495	740,143	742,456	810,422	810,124	876,088	881,321
Capital grants	47,133	-	66,442	17,636	19,233	468,874	648,180	444,296	236,547	319,618
Total governmental activities program revenues	9,215,619	7,055,583	10,635,410	10,713,998	11,545,693	10,642,250	12,705,521	14,332,713	13,239,045	14,310,727
Business-type activities:										
Charges for services:										
Waterworks and sewerage	5,382,500	3,545,694	5,672,242	6,191,268	7,431,278	7,395,537	7,848,540	8,128,400	8,470,911	10,271,825
Total business-type activities program revenues	5,382,500	3,545,694	5,672,242	6,191,268	7,431,278	7,395,537	7,848,540	8,128,400	8,470,911	10,271,825
Total primary government program revenues	\$ 14,598,119	\$ 10,601,277	\$ 16,307,652	\$ 16,905,266	\$ 18,976,971	\$ 18,037,787	\$ 20,554,061	\$ 22,461,113	\$ 21,709,956	\$ 24,582,552
Net Revenue (Expense)										
Governmental activities	\$ (21,988,426)	\$ (16,631,202)	\$ (22,404,280)	\$ (23,016,650)	\$ (22,658,362)	\$ (21,108,187)	\$ (16,033,479)	\$ (22,428,687)	\$ (23,638,635)	\$ (28,253,720)
Business-type activities	702,548	(226,982)	436,455	(1,721,512)	1,837,951	2,433,460	2,888,191	2,490,226	2,544,240	3,529,502
Total primary government net revenue (expense)	\$ (21,285,878)	\$ (16,858,184)	\$ (21,967,825)	\$ (24,738,162)	\$ (20,820,411)	\$ (18,674,727)	\$ (13,145,288)	\$ (19,938,461)	\$ (21,094,395)	\$ (24,724,218)

Village of Lake Zurich

Change in Net Position
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 10,134,009	\$ 10,413,933	\$ 10,521,260	\$ 10,715,277	\$ 11,006,718	\$ 10,834,425	\$ 11,170,535	\$ 11,446,095	\$ 12,211,210	\$ 13,379,812
Intergovernmental:										
Sales	8,767,277	6,093,965	9,143,132	9,235,646	9,230,561	8,485,802	9,722,198	10,412,530	10,753,592	11,580,433
State income	2,092,124	1,192,340	1,803,091	1,879,984	2,089,504	2,133,279	2,594,046	3,219,676	3,155,895	3,355,481
Other	2,748,646	1,838,240	2,752,753	2,942,335	2,993,025	3,949,827	3,628,885	3,797,601	6,105,673	3,437,352
Special events	108,533	118,252	193,260	140,970	158,575	5,406	99,860	118,415	138,578	121,753
Investment income	76,417	35,346	143,796	353,593	510,432	183,374	(14,708)	388,348	2,047,136	2,358,265
Miscellaneous	241,191	286,270	166,794	269,904	290,598	491,567	756,127	284,533	320,927	386,028
Transfers in (out)	-	-	-	-	-	-	-	-	(3,296,715)	-
Total governmental activities	24,168,197	19,978,346	24,724,086	25,537,709	26,279,413	26,083,680	27,956,943	29,667,198	31,436,296	34,619,124
Business-type activities:										
Investment income	12,191	14,436	41,891	122,645	162,361	55,823	(1,707)	134,317	573,861	627,335
Gain on sale of capital assets	5,044	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	19,995	9,604	6,946	849	17,557	-	10,050
Transfers in (out)	-	-	-	-	-	-	-	-	3,296,715	-
Total business-type activities	17,235	14,436	41,891	142,640	171,965	62,769	(858)	151,874	3,870,576	637,385
Total primary government	<u>\$ 24,185,432</u>	<u>\$ 19,992,782</u>	<u>\$ 24,765,977</u>	<u>\$ 25,680,349</u>	<u>\$ 26,451,378</u>	<u>\$ 26,146,449</u>	<u>\$ 27,956,085</u>	<u>\$ 29,819,072</u>	<u>\$ 35,306,872</u>	<u>\$ 35,256,509</u>
Special Item										
Governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental activities	\$ 2,179,771	\$ 3,347,144	\$ 2,319,806	\$ 2,521,059	\$ 3,621,051	\$ 4,975,493	\$ 11,923,464	\$ 7,238,511	\$ 7,797,661	\$ 6,365,404
Business-type activities	719,783	(212,546)	478,346	(1,578,872)	2,009,916	2,496,229	2,887,333	2,642,100	6,414,816	4,166,887
Total primary government change in net position	<u>\$ 2,899,554</u>	<u>\$ 3,134,598</u>	<u>\$ 2,798,152</u>	<u>\$ 942,187</u>	<u>\$ 5,630,967</u>	<u>\$ 7,471,722</u>	<u>\$ 14,810,797</u>	<u>\$ 9,880,611</u>	<u>\$ 14,212,477</u>	<u>\$ 10,532,291</u>

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Data Source

Audited Financial Statements

Village of Lake Zurich

Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
General Fund										
Nonspendable	\$ 1,802,987	\$ 1,679,491	\$ 1,705,230	\$ 1,572,766	\$ 1,607,125	\$ 1,593,569	\$ 1,692,255	\$ 1,653,587	\$ 1,654,878	\$ 1,443,659
Restricted	363,308	344,337	411,917	406,251	185,151	284,870	318,483	263,469	254,959	263,676
Assigned	-	-	-	-	-	10,610	11,015	11,380	12,582	13,297
Unrestricted	7,931,993	8,439,557	8,441,987	8,755,112	9,582,847	10,190,688	10,967,447	12,023,069	12,582,206	13,655,307
Total general fund	<u>\$ 10,098,288</u>	<u>\$ 10,463,385</u>	<u>\$ 10,559,134</u>	<u>\$ 10,734,129</u>	<u>\$ 11,375,123</u>	<u>\$ 12,079,737</u>	<u>\$ 12,989,200</u>	<u>\$ 13,951,505</u>	<u>\$ 14,504,625</u>	<u>\$ 15,375,939</u>
All Other Governmental Funds										
Nonspendable	\$ 30,581	\$ 6,597	\$ 14,197	\$ 18,834	\$ 7,323	\$ 7,020	\$ 8,308	\$ 13,113	\$ 13,085	\$ 10,475
Restricted	10,416,530	11,682,618	10,849,049	10,307,500	10,872,377	10,757,921	12,543,275	14,080,043	12,001,551	14,526,676
Assigned	170,808	120,860	1,269,808	2,710,282	2,986,339	4,787,890	7,343,294	9,867,277	14,421,636	15,103,819
Unassigned	(1,494,225)	(1,291,801)	(1,143,367)	(1,133,627)	(963,168)	(868,403)	(906,101)	(927,198)	(1,038,087)	(758,973)
Total all other governmental funds	<u>\$ 9,123,694</u>	<u>\$ 10,518,274</u>	<u>\$ 10,989,687</u>	<u>\$ 11,902,989</u>	<u>\$ 12,902,871</u>	<u>\$ 14,684,428</u>	<u>\$ 18,988,776</u>	<u>\$ 23,033,235</u>	<u>\$ 25,398,185</u>	<u>\$ 28,881,997</u>

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Data Source

Audited Financial Statements

Village of Lake Zurich

General Governmental Revenues by Source
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Taxes	\$ 14,575,401	\$ 13,415,421	\$ 14,897,858	\$ 15,224,671	\$ 15,482,507	\$ 14,955,192	\$ 15,814,744	\$ 16,499,278	\$ 16,998,923	\$ 18,380,785
Licenses and permits	861,876	342,861	783,630	720,053	758,237	676,071	917,300	1,032,763	833,894	836,322
Intergovernmental	15,254,299	11,034,163	15,758,848	15,743,850	16,728,376	17,516,601	19,130,804	20,235,800	23,242,935	21,622,817
Charges for services	1,681,998	1,324,421	1,861,081	2,968,092	3,071,639	2,205,874	3,191,355	4,704,534	3,574,022	4,397,138
Fines and forfeitures	593,134	420,251	1,504,158	601,130	591,896	472,175	397,506	399,579	420,642	416,568
Special events	108,533	118,247	193,667	140,970	158,575	4,745	99,454	118,050	137,376	121,036
Investment income	76,417	35,346	143,796	294,585	446,764	159,291	(18,646)	295,303	1,759,026	1,965,885
Miscellaneous	189,008	343,219	216,458	232,302	372,740	199,298	797,259	308,116	335,476	407,938
Total revenues	\$ 33,340,666	\$ 27,033,929	\$ 35,359,496	\$ 35,925,653	\$ 37,610,734	\$ 36,189,247	\$ 40,329,776	\$ 43,593,423	\$ 47,302,294	\$ 48,148,489

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Note: Includes all governmental funds.

Data Source

Audited Financial Statements

Village of Lake Zurich

General Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
General government	\$ 2,478,464	\$ 1,810,269	\$ 1,782,457	\$ 1,805,792	\$ 1,851,711	\$ 1,735,211	\$ 1,785,443	\$ 1,788,570	\$ 2,009,283	\$ 2,210,878
Public safety	20,087,385	15,540,578	21,304,838	21,412,327	21,959,433	21,748,967	22,717,324	23,939,082	24,461,954	25,439,483
Highways and streets	4,986,161	3,790,189	4,341,341	5,068,175	5,575,873	5,624,641	5,451,826	6,079,871	7,456,053	4,808,808
Culture and recreation	888,270	717,928	1,310,582	1,427,470	1,630,883	843,250	1,151,601	1,476,243	1,585,739	1,817,168
Economic development	1,507,657	1,227,799	2,188,022	1,292,899	1,441,722	1,582,764	1,110,877	1,717,765	4,840,865	1,315,271
Capital outlay	645,296	290,463	300,552	946,789	780,102	282,556	482,789	1,514,811	1,962,077	5,894,616
Debt service:										
Principal	1,460,000	1,701,000	1,320,000	1,535,000	1,625,000	1,715,000	1,360,000	1,400,000	1,440,000	1,500,000
Interest	1,205,295	891,844	915,439	846,844	799,094	745,943	697,083	662,106	633,885	600,083
Total expenditures	<u>\$ 33,258,528</u>	<u>\$ 25,970,070</u>	<u>\$ 33,463,231</u>	<u>\$ 34,335,296</u>	<u>\$ 35,663,818</u>	<u>\$ 34,278,332</u>	<u>\$ 34,756,943</u>	<u>\$ 38,578,448</u>	<u>\$ 44,389,856</u>	<u>\$ 43,586,307</u>

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Note: Includes all governmental funds.

Data Source

Audited Financial Statements

Village of Lake Zurich

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Fiscal Year	April 30, 2016	December 31, 2016*	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
Revenues										
Taxes	\$ 14,575,401	\$ 13,415,421	\$ 14,897,858	\$ 15,224,671	\$ 15,482,507	\$ 14,955,192	\$ 15,814,744	\$ 16,499,278	\$ 16,998,923	\$ 18,380,785
Licenses and permits	861,876	342,861	783,630	720,053	758,237	676,071	917,300	1,032,763	833,894	836,322
Intergovernmental	15,254,299	11,034,163	15,758,848	15,743,850	16,728,376	17,516,601	19,130,804	20,235,800	23,242,935	21,622,817
Charges for services	1,681,998	1,324,421	1,861,081	2,968,092	3,071,639	2,205,874	3,191,355	4,704,534	3,574,022	4,397,138
Fines and forfeitures	593,134	420,251	1,504,158	601,130	591,896	472,175	397,506	399,579	420,642	416,568
Special events	108,533	118,247	193,667	140,970	158,575	4,745	99,454	118,050	137,376	121,036
Investment income	76,417	35,346	143,796	294,585	446,764	159,291	(18,646)	295,303	1,759,026	1,965,885
Miscellaneous	189,008	343,219	216,458	232,302	372,740	199,298	797,259	308,116	335,476	407,938
Total revenues	33,340,666	27,033,929	35,359,496	35,925,653	37,610,734	36,189,247	40,329,776	43,593,423	47,302,294	48,148,489
Expenditures										
General government	2,478,464	1,810,269	1,782,457	1,805,792	1,851,711	1,735,211	1,785,443	1,788,570	2,009,283	2,210,878
Public safety	20,087,385	15,540,578	21,304,838	21,412,327	21,959,433	21,748,967	22,717,324	23,939,082	24,461,954	25,439,483
Highways and streets	4,986,161	3,790,189	4,341,341	5,068,175	5,575,873	5,624,641	5,451,826	6,079,871	7,456,053	4,808,808
Culture and recreation	888,270	717,928	1,310,582	1,427,470	1,630,883	843,250	1,151,601	1,476,243	1,585,739	1,817,168
Economic development	1,507,657	1,227,799	2,188,022	1,292,899	1,441,722	1,582,764	1,110,877	1,717,765	4,840,865	1,315,271
Capital outlay	645,296	290,463	300,552	946,789	780,102	282,556	482,789	1,514,811	1,962,077	5,894,616
Debt service:										
Principal	1,460,000	1,701,000	1,320,000	1,535,000	1,625,000	1,715,000	1,360,000	1,400,000	1,440,000	1,500,000
Interest	1,205,295	891,844	915,439	846,844	799,094	745,943	697,083	662,106	633,885	600,083
Total expenditures	33,258,528	25,970,070	33,463,231	34,335,296	35,663,818	34,278,332	34,756,943	38,578,448	44,389,856	43,586,307
Excess (Deficiency) of Revenues Over Expenditures	82,138	1,063,859	1,896,265	1,590,357	1,946,916	1,910,915	5,572,833	5,014,975	2,912,438	4,562,182
Other Financing Sources (Uses)										
Proceeds from bond issuance, at par	-	7,861,000	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(6,890,182)	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	48,698	35,000	18,533	19,522	43,960	55,642	40,978	41,789	55,632	42,944
Loss on disposal of land held for resale	-	-	(1,047,636)	-	-	-	-	-	-	-
Transfers in	2,751,426	1,876,600	3,757,271	3,674,562	3,883,271	4,349,478	4,727,558	6,350,050	8,763,613	6,228,240
Transfers (out)	(2,751,426)	(2,186,600)	(4,057,271)	(4,196,144)	(4,233,271)	(4,749,478)	(5,127,558)	(6,400,050)	(8,813,613)	(6,478,240)
Total other financing sources (uses)	48,698	695,818	(1,329,103)	(502,060)	(306,040)	(344,358)	(359,022)	(8,211)	5,632	(207,056)
Net change in fund balances	\$ 130,836	\$ 1,759,677	\$ 567,162	\$ 1,088,297	\$ 1,640,876	\$ 1,566,557	\$ 5,213,811	\$ 5,006,764	\$ 2,918,070	\$ 4,355,126
Debt Service as a Percentage of Noncapital Expenditures	8.17%	10.65%	7.04%	7.38%	7.14%	7.67%	6.38%	5.84%	5.24%	5.47%

* The Village changed its fiscal year end from April 30 to December 31 for the period December 31, 2016.

Data Source

Audited Financial Statements

Village of Lake Zurich

Assessed Value and Actual Value of Taxable Property
Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
2014	\$ 553,285,740	\$ 215,022,246	\$ 768,307,986	\$ 671,745	\$ 768,979,731	\$ 1.143
2015	579,562,017	213,818,454	793,380,471	810,109	794,190,580	1.131
2016	610,424,796	219,836,168	830,260,964	894,933	831,155,897	1.092
2017	630,620,612	230,592,071	861,212,683	739,186	861,951,869	1.079
2018	636,877,562	235,414,565	872,292,127	778,264	873,070,391	1.092
2019	668,639,237	241,331,206	909,970,443	784,307	910,754,750	1.011
2020	664,190,908	239,469,359	903,660,267	774,826	904,435,093	1.043
2021	666,686,492	240,440,404	907,126,896	774,826	907,901,722	1.061
2022	690,193,995	248,419,831	938,613,826	710,726	939,324,552	1.079
2023	739,835,238	253,742,089	993,577,327	714,473	994,291,800	1.099

Data Source

Office of the County Clerk

Village of Lake Zurich

Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years

Tax Levy Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax Rates										
Village of Lake Zurich										
Corporate	\$ 0.251	\$ 0.011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police protection	0.088	0.196	0.191	0.193	0.202	0.193	0.194	0.197	0.211	0.211
Fire protection	0.088	0.196	0.191	0.193	0.202	0.193	0.194	0.197	0.211	0.211
Ambulance	0.020	0.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Illinois municipal retirement	0.026	0.042	0.012	0.006	0.005	0.004	0.005	0.008	0.005	0.005
Debt service	0.211	0.204	0.197	0.192	0.193	0.129	0.133	0.134	0.136	0.135
Special recreation	0.023	0.023	0.022	0.021	0.021	0.020	0.020	0.020	0.019	0.039
Police pension	0.188	0.197	0.215	0.209	0.207	0.211	0.222	0.228	0.228	0.230
Firefighters' pension	0.248	0.241	0.265	0.264	0.263	0.261	0.275	0.274	0.267	0.265
Ptab/ce recapture	-	-	-	-	-	-	-	0	0.002	0.003
Total direct tax rate	1.143	1.131	1.092	1.079	1.092	1.011	1.043	1.061	1.079	1.099
Overlapping Rates										
Lake County	0.682	0.663	0.632	0.622	0.612	0.597	0.598	0.598	0.589	0.586
Lake County Forest Preserve	0.210	0.208	0.193	0.187	0.182	0.180	0.182	0.179	0.173	0.168
Ela Area Library District	0.410	0.398	0.381	0.371	0.318	0.319	0.322	0.329	0.331	0.329
School District #95	5.291	5.191	5.021	4.960	5.021	4.986	5.091	5.206	5.265	5.248
School District #96	4.040	3.870	3.690	3.655	3.717	3.766	3.936	4.032	4.139	4.092
High School District #125	3.049	3.004	2.858	2.862	2.888	2.872	2.983	3.092	3.192	3.203
Community College #532	0.306	0.299	0.285	0.281	0.282	0.282	0.290	0.293	0.296	0.294
Ela Township - Corp. and GA	0.100	0.098	0.095	0.093	0.094	0.094	0.096	0.149	0.145	0.142
Ela Township - road and bridge	0.010	0.010	0.010	0.010	0.052	0.052	0.053	-	-	-
Ela Township - gravel or R.I.	0.045	0.045	0.043	0.042	-	-	-	-	-	-
Barrington Public Library District	0.231	0.225	0.220	0.217	0.218	0.223	0.232	0.240	0.242	0.243
Total direct and overlapping tax rate	<u>\$ 15.518</u>	<u>\$ 15.144</u>	<u>\$ 14.520</u>	<u>\$ 14.380</u>	<u>\$ 14.476</u>	<u>\$ 14.381</u>	<u>\$ 14.825</u>	<u>\$ 15.179</u>	<u>\$ 15.451</u>	<u>\$ 15.405</u>

Data Source

Office of the County Clerk

Village of Lake Zurich

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Echo Incorporated	\$ 8,853,111	1	0.89%	\$ 5,556,952	5	0.72%
Landings Capital Partners, LLC	7,792,543	2	0.78%	6,117,642	3	0.80%
Village Square Retail Center LLC	7,737,063	3	0.78%	7,760,702	1	1.01%
JAS II Holdings LLC	6,105,440	4	0.61%			
Realty Income IL Properties 1 LLC	5,974,954	5	0.60%			
Suso North Lake LP	5,580,334	6	0.56%			
LZ Venture LLC	4,948,197	7	0.50%			
The Greenhill Company LLC	4,828,130	8	0.49%	3,867,700	7	0.50%
Deerpath Courth Holdings LLC	4,684,680	9	0.47%	5,167,427	6	0.67%
Costco Wholesale Corp	4,586,050	10	0.46%	3,858,072	8	0.50%
Deerpath Commons Retail Center				5,744,395	4	0.75%
Individual Taxpayer (North Lake Commons)				6,117,655	2	0.80%
Wal-Mart Properties Inc				3,767,660	9	0.49%
Roundy's Supermarkets, Inc				3,669,689	10	0.48%
	<u>\$ 61,090,502</u>		<u>6.14%</u>	<u>\$ 51,627,894</u>		<u>6.71%</u>

Data Source

Office of the County Clerk and Ela Township Assessor

Village of Lake Zurich

Property Tax Levies and Collections

Last Ten Levy Years

Fiscal Year Ended	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2014	\$ 8,794,144	\$ 8,780,768	99.85%	\$ 8,382	\$ 8,789,150	99.94%
2016	2015	9,016,727	8,967,347	99.45%	-	8,967,347	99.45%
2017	2016	9,124,243	9,013,937	98.79%	1,325	9,015,262	98.81%
2018	2017	9,301,823	9,258,837	99.54%	97	9,258,934	99.54%
2019	2018	9,603,574	9,521,520	99.15%	2,606	9,524,126	99.17%
2020	2019	9,308,231	9,188,713	98.72%	-	9,188,713	98.72%
2021	2020	9,474,147	9,414,644	99.37%	-	9,414,644	99.37%
2022	2021	9,671,391	9,610,525	99.37%	-	9,610,525	99.37%
2023	2022	10,193,977	10,110,602	99.18%	9,043	10,119,645	99.27%
2024	2023	10,976,657	10,692,889	97.41%	-	10,692,889	97.41%

* To be collected in the subsequent fiscal year in accordance with Illinois Law.

Data Source

Office of the County Clerk

Village of Lake Zurich

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

		Governmental Activities				Business-Type Activities					
Fiscal Year Ended		General	General	TIF	Financed	Waterworks		Financed	Total	Total	
		Obligation	Obligation	Revenue	Purchase	and Sewerage	IEPA	Purchase	Primary	Equalized	
		Bonds	TIF Alternate	Revenue	Obligation	Alt Revenue Bonds	Loan	Obligation	Government	Assessed	
			Revenue Bonds	Bonds						Value (EAV)	
30-Apr	2016	\$ 1,885,000	\$ 25,375,000	\$ -	\$ 599,590	\$ 3,390,000	\$ 2,444,244	\$ -	\$ 33,693,834	\$ 768,979,731	
31-Dec	2016	1,885,000	25,545,000	-	551,196	3,990,000	2,302,805	-	34,274,001	794,190,580	
31-Dec	2017	1,450,000	24,660,000	-	378,767	3,500,000	2,115,799	3,411,582	35,516,148	831,155,897	
31-Dec	2018	990,000	23,585,000	-	252,725	2,970,000	1,924,089	3,358,063	33,079,877	861,951,869	
31-Dec	2019	505,000	22,445,000	-	146,878	2,425,000	1,727,557	3,202,216	30,451,651	873,070,391	
31-Dec	2020	-	21,235,000	-	14,560	1,875,000	1,526,081	3,042,112	27,692,753	910,754,750	
31-Dec	2021	-	19,875,000	-	25,377	1,325,000	1,319,536	2,877,634	25,422,547	904,435,093	
31-Dec	2022	-	18,475,000	-	17,300	820,000	1,107,795	2,708,660	23,128,755	907,901,722	
31-Dec	2023	-	17,035,000	-	10,555	320,000	890,728	2,488,212	20,744,495	939,324,552	
31-Dec	2024	-	15,535,000	-	4,798	215,000	668,200	2,220,696	18,643,694	994,291,800	

* See the schedule of Demographic and Economic Information on page 148 for personal income and population data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

[Data Source](#)

Audited Financial Statements

Village of Lake Zurich

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended		Gross General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value
30-Apr	2016	\$ 1,885,000	\$ 841,020	\$ 1,043,980	0.13%
31-Dec	2016	1,885,000	1,326,294	558,706	0.07%
31-Dec	2017	1,450,000	1,336,531	113,469	0.01%
31-Dec	2018	990,000	990,000	-	0.00%
31-Dec	2019	505,000	505,000	-	0.00%
31-Dec	2020	-	-	-	0.00%
31-Dec	2021	-	-	-	0.00%
31-Dec	2022	-	-	-	0.00%
31-Dec	2023	-	-	-	0.00%
31-Dec	2024	-	-	-	0.00%

Data Source

Village records

Village of Lake Zurich

Direct and Overlapping Bonded Debt - Governmental Activities

December 31, 2024

Governmental Unit	Gross Debt	(1) Percentage of Debt Applicable to Government	* Village's Share of Debt
Village of Lake Zurich	\$ 15,566,013 (2)	100.00%	\$ 15,566,013
Lake County	131,535,000	3.17%	4,169,660
Lake County Forest Preserve	149,920,000	3.17%	4,752,464
Ela Area Library District	-	N/A	-
School District #95	69,650,000	49.66%	34,588,190
School District #96	-	N/A	-
High School District #125	39,010,000	1.04%	405,704
Community College #532	71,000,000	3.32%	2,357,200
	461,115,000		46,273,218
Total direct and overlapping debt	\$ 476,681,013		\$ 61,839,231

(1) Determined by the ratio of assessed value of property in the Village subject to taxation by the governmental unit to the total assessed value of property of the governmental unit.

(2) Consists of total bonds payable, unamortized premium, and capital leases for governmental activities.

* Amount of column (2) multiplied by amount in column (1).

Data Source

Lake County Clerk

Village of Lake Zurich

Schedule of Legal Debt Margin Information
December 31, 2024

Equalized Assessed Valuation - 2023	\$ 994,291,800
Legal debt limit, 8.625% of assessed valuation	\$ 85,757,668
Amount of debt applicable to debt limit:	
General obligation bonds	-
Legal Debt Margin	\$ 85,757,668

* Most Recent EAV Available

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

Village of Lake Zurich

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year End	Sales Tax Revenues*	TIF Debt		Coverage
		Principal	Interest	
30-Apr 2016	\$ 6,790,142	\$ 490,000	\$ 1,057,105	439%
31-Dec 2016	4,691,004	625,000	826,302	323%
31-Dec 2017	7,100,938	885,000	811,427	419%
31-Dec 2018	7,126,460	1,075,000	764,095	387%
31-Dec 2019	7,096,963	1,140,000	733,975	379%
31-Dec 2020	6,500,524	1,210,000	700,004	340%
31-Dec 2021	7,300,323	1,360,000	662,711	361%
31-Dec 2022	7,760,427	1,400,000	628,691	383%
31-Dec 2023	8,085,947	1,440,000	591,978	398%
31-Dec 2024	8,747,200	1,500,000	553,188	426%

*As defined in applicable bond indentures and governing laws. Amount shown represents Municipal Sales Tax received by the Village. Additional revenues have also been pledged, should sales tax ever fail to be sufficient.

Data Source

Village records

Village of Lake Zurich

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year End		(1) Population	(1) Per Capita Personal Income	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
30-Apr	2016	19,993	\$ 41,168	38.8	5,769	5.5%
31-Dec	2016	19,993	42,397	40.0	5,666	5.3%
31-Dec	2017	19,993	46,202	39.6	5,677	4.9%
31-Dec	2018	19,903	44,486	38.9	5,590	4.2%
31-Dec	2019	20,054	45,895	38.9	5,616	4.2%
31-Dec	2020	19,877	48,879	38.8	5,565	4.4%
31-Dec	2021	19,660	49,263	39.0	5,461	3.7%
31-Dec	2022	19,624	53,169	40.8	5,480	4.2%
31-Dec	2023	19,749	59,566	41.2	5,585	4.7%
31-Dec	2024	19,960	63,070	41.3	5,628	4.5%

Data Source

- (1) Based on U.S. Census Bureau for Lake County, Illinois (Estimates in non-census years)
- (2) Annual School Census by Community Unit School District #95
- (3) Illinois Department of Employment Security

Village of Lake Zurich

Principal Employers

Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Dovenmuehle Mortgage, Inc.	1500	1	8%			
Fresenius Kabi USA	1000	2	5%			
Echo Inc	800	3	4%	805	1	4%
Smalley Steel Ring Cp.	540	4	3%	496	4	2%
ACCO Brands Corp	500	5	3%			
General Binding Corp	500	6	3%			
Termax Corporation	400	7	2%	415	5	2%
Fenwal Inc	400	8	2%			
Gere Marie Corporation	150	9	1%			
Tredegear Film Products	134	10	1%			
Peapod				506	3	3%
Lake Zurich Community School Dist #95				790	2	4%
YMCA				279	6	1%
Insight Beverages				150	10	1%
D&W Fine Pack				180	7	1%
Village of Lake Zurich				160	8	1%
All American Exterior Solutions				151	9	1%
	<u>5,924</u>		<u>32%</u>	<u>3,932</u>		<u>20%</u>
Village population			19,960			19,917

Data Source

2024: Lake County Partner records and verification by employers when available.

2015 statistics are from Village Records

This table typically excludes the Village's larger retail establishments, which include food stores (Mariano's and Jewel) and department stores (Home Depot, Costco, Wal-Mart, Target, and Kohl's).

Village of Lake Zurich

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	Year End April 30 2016	Year End December 31 2016	Year End December 31 2017	Year End December 31 2018	Year End December 31 2019	Year End December 31 2020	Year End December 31 2021	Year End December 31 2022	Year End December 31 2023	Year End December 31 2024
General Government										
Administration	4	4	4	4	4	4	4	4	5	5
Finance	5	6	6	6	6	6	6	6	6	6
Technology	1	1	1	1	1	1	1	0	1	1
Community Services										
Building and Zoning	7	6	5	5	5	5	5	5	5	5
Public Works, General Services	17	17	17	17	18	18	18	19	21	21
Public Works, Water and Sewer	13	12	12	12	12	12	12	12	12	12
Police	51	52	52	52	52	52	52	52	52	52
Fire	58	58	58	58	55	55	55	55	57	58
Engineering										
Recreation	2	3	3	3	3	3	3	3	4	4
Total	158	159	158	158	156	156	156	156	163	164

Data Source

Village records

Village of Lake Zurich

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Year End April 30 2016	Year End April 30 2016	Year End April 30 2017	Year End December 31 2018
Public Works				
Forestry				
Number of parkway trees planted	21	218	307	276
Number of parkway trees trimmed	1,148	320	656	377
Fleet services				
Number of vehicles maintained	81	82	82	82
Preventative maintenance	753	501	738	704
Public Safety				
Fire				
Number of fire calls	1,633	590	1,373	1,388
Number of EMS calls	2,204	1,511	2,602	2,788
Number of training hours	8,566	6,546	14,341	14,563
Police				
Part I crime	276	94	327	264
Calls for service	8,757	5,409	7,104	7,313
State tickets issued	2,318	1,442	1,858	2,373
Compliance tickets issued	42	18	68	37
Parking tickets issued	856	581	576	565
Red light citations	3,548	3,118	4,451	3,545
Community Development				
Number of building permits issued	829	1,274	1,541	1,435
Number of building inspections	2,128	2,644	3,188	3,030
Highways and Streets				
Sidewalk replaced (square feet)	23,114	37,885	22,000	50,900
Annual resurfacing program (\$)	1,442,109	1,316,758	860,442	1,246,860
Crack sealing (lbs. installed)	55,000	43,668	39,823	53,000
Curb replaced (ln. ft.)	4,366	8,555	2,265	12,100
Water and Sewer				
Water main breaks	30	25	31	39
Hydrants flushed	1,797	-	1,504	1,505
Water meters read	81,000	53,432	81,000	84,000
Water meter service requests	997	730	1,105	587
Total distribution pumpage (1,000 gallons)	593MG	443MG	570MG	549MG
Average daily consumption (1,000 gallons)	1.3MG	1.3MG	1.3MG	1.3MG
Sanitary sewer televising (feet)	3,182	3,152	54,523	1,084
Sanitary sewer repairs	3	10	1	-

N/A - Not available

Data Source

Village records

Year End December 31 2019	Year End December 31 2020	Year End December 31 2021	Year End December 31 2022	Year End December 31 2023	Year End December 31 2024
-	266	242	417	383	579
750	300	352	324	562	71
81	81	84	83	82	83
694	705	693	688	674	535
1,422	1,095	1,251	1,487	1,471	1,530
2,655	2,528	2,918	3,246	3,315	3,535
13,216	12,867	14,499	16,517	19,237	22,767
260	587	NA	NA	646	678
8,453	7,325	7,403	9,715	9,822	10,674
2,360	1,848	2,115	2,504	2,566	2,762
58	48	47	52	55	46
520	292	385	464	612	934
3,433	2,937	2,137	2,459	2,372	2,051
1,466	1,506	1,627	1,536	1,378	1,423
3,958	3,694	4,583	5,301	4,055	3,933
40,588	37,775	35,600	32,525	42,796	26,450
1,581,334	1,384,210	1,594,360	1,713,206	2,366,479	1,873,788
53,097	41,538	33,870	38,167	17,013	41,666
6,924	6,406	6,508	9,412	10,893	8,828
26	28	40	35	37	23
1,505	1,520	1,520	1,550	1,555	1,557
82,344	82,344	82,344	84,192	82,872	82,116
447	296	320	359	394	553
550MG	548MG	560MG	580MG	585MG	570MG
1.3MG	1.4MG	1.3MG	1.3MG	1.4MG	1.3MG
2,330	23,836	2,521	0	0	12258
0	5	0	0	0	0

Village of Lake Zurich

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Year End April 30 2016	Year End December 31 2016	Year End December 31 2017	Year End December 31 2018	Year End December 31 2019	Year End December 31 2020	Year End December 31 2021	Year End December 31 2022	Year End December 31 2023	Year End December 31 2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Firing range	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	21	21	21	21	21	22	21
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets (lane miles)	161.6	161.6	156.2	127.2	178.5	178.5	178.5	178.5	178.5	180.0
Sidewalks (miles)	101	102	98	98	102	102	100	105	105	105
Streetlights	215	220	220	224	226	255	255	255	255	255
Water and Sewer										
Water mains (miles)	112	112	112	112	111	114	114	116	116	116
Fire hydrants	1,790	1,790	1,504	1,505	1,509	1,520	1,520	1,550	1,555	1,557
Sanitary sewers (miles)	93	93	93	93	93	94	94	95	95	89

N/A - Not available

Data Source

Village records