VILLAGE OF GURNEE

COMMUNITY OF OPPORTUNITY

MULTI-YEAR FINANCIAL FORECAST

FISCAL YEARS 2022 – 2026

Presented on January 25, 2021

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Elected Officials & Staff

Elected Officials

Kristina M. Kovarik – Mayor

Andy Harris – Village Clerk

Jeanne Balmes – Trustee

Greg Garner – Trustee

Thomas Hood – Trustee

Karen Thorstenson – Trustee

Cheryl Ross – Trustee

Quin O'Brien – Trustee

Executive Staff

Patrick Muetz – Village Administrator

Brian Smith – Police Chief

John Kavanagh – Fire Chief

Heather Galan – Acting Public Works Director/Village Engineer

David Ziegler – Director of Community Development/Assistant Village Administrator

Ellen Dean – Economic Development Director

Brian Gosnell – Finance Director

Christine Palmieri – Human Resources Director

Chris Velkover – Information Systems Director

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SECTION I - OVERVIEW

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Section I: Overview

Purpose & Objective

The Village prepares a Multi-Year Financial Forecast (MYFF) to identify current and future financial trends and develop solutions or strategies to guide financial and programmatic policy decisions. The Village does not levy a property tax, relying largely on economically sensitive revenues to fund operations and capital. As such, it is important to analyze the Village's financial condition based on past, current and projected economic conditions. Long-term financial planning is identified in the Village's strategic plan as a priority for the Village. The MYFF is intended to be a constantly changing document that is updated annually. It is not intended to be an absolute prediction of future financial results.

The primary objectives of the MYFF are;

- Ensure financial sustainability to meet service and capital needs
- Identify structural deficits or weaknesses
- Identify resources available for operating and capital expenditures
- Initiate discussion on policy or operational changes prior to the Annual Budget process
- Assist in the development of short and intermediate range goals & objectives for operating departments

COVID-19 Crisis

The COVID-19 crisis started in early calendar year 2020 and is ongoing. The Federal, State and local response to the crisis has had a major impact on consumer behavior and spending habits and thus revenue streams the Village relies on to fund operations. The impact to Village revenue streams has been unprecedented and the timeline of recovery remains uncertain. Throughout the MYFF there is a number of references to impacts caused by the COVID-19 crisis.

Village Response

In March 2020 the Village initiated its Fiscal Contingency Plan which outlines a systematic approach to responding to unanticipated events that have an adverse fiscal impact. Staff outlined steps that could be taken to mitigate the adverse financial impacts categorized by the speed in which they could be implemented, the impact to operations and the ability to deliver services. Several steps were implemented including;

- Monthly reporting to the Village Board and Employees
- Delay or freeze refilling open and vacated positions
- Eliminated Cost of Living Increases due May 1, 2020
- Eliminate Capital transfer from the General Fund to the Capital Improvement Fund
- Utilization of Motor Fuel Tax previously unplanned
- Delayed capital projects

The Village reacted to the crisis quickly, adopting the first amendment to the FY2021 Budget on the same day it was formally approved. Staff continues to update the Village Board monthly on the expected duration, financial impact, and Village response to the crisis. The updates focus on the impact to the “Big Three” revenue generators for the Village Gurnee Mills, Great Wolf Lodge and Six Flags Great America. The reports also include an update on the “Big Four” revenue streams that are most impacted by the crisis Sales Tax, Amusement Tax, Food & Beverage Tax and Hotel Tax and the impact on the General Fund balance. The MYFF takes into account the impact to various revenue streams and forecasts different scenarios as they recover.

Financial Policies

The Village maintains several policies to guide financial decision making and operations of the Finance Division. Financial Policies consist of the following;

- Accounts Receivable Policy
- Debt Policy
- Fiscal Contingency Plan
- Fixed Asset Policy
- Fraud Prevention Policy
- Fund Balance Policy – General Corporate Fund
- Identity Theft Policy
- Investment Policy
- Pension Funding Policy
- Purchasing Policy
- Social Security Number Protection Policy

The Fund Balance Policy is of particular relevance to the MYFF as it sets the parameters for the minimum fund balance and actions to be taken should the balance fall below the minimum. The Village has set the minimum fund balance in the General Fund at 35% of General Fund expenditures, not including transfers. Should the balance fall below 35%, the Village Board will be notified and steps to bring the balance into compliance with the policy will be undertaken. The policy also calls for the assignment of a portion of fund balance to cover annual debt service payments, the Village currently has no General Obligation Bond debt and therefore none is asssigned. The Financial Policies can be found as an appendix to the Annual Budget document.

Strategic Initiatives

In 2015, the Village Board updated the Strategic Plan. Several community focus groups and workshops with the Village Board and Staff were held to assist in the update. As a result of the workshops, the Village developed 5 Key Performance Areas and Critical Initiatives to be achieved over the next 1-5 years.

1. EXCEPTIONAL VILLAGE SERVICES AND STAFF
    a. INITIATIVE #1: Improve communication opportunities with stakeholders.
    b. INITIATIVE #2: Develop a plan for workforce and succession planning.
    c. INITIATIVE #3: Refine performance measures to improve village service delivery.
    d. INITIATIVE #4: Improve Business Processes Village-wide.
    e. INITIATIVE #5: Update the Fire Department's Reporting and Record Keeping Systems.
2. FISCAL SUSTAINABILITY
    a. INITIATIVE #1: Develop a plan for economic development that connects existing businesses with the Village, attracts new businesses and fills vacant store fronts.
    b. INITIATIVE #2: Update the Village financial policies.
    c. INITIATIVE #3: Develop a multi-year financial plan with contingency scenarios.
    d. INITIATIVE #4: Continue to conservatively fund pension liabilities.
3. WELL-MAINTAINED INFRASTRUCTURE
    a. INITIATIVE #1: Redevelopment of East Grand.
    b. INITIATIVE #2: Provide solutions for improved pedestrian and bicyclist movement throughout the community.
    c. INITIATIVE #3: Improve efforts to mitigate flooding and provide storm water management.
    d. INITIATIVE #4: Enhance Multi-Year Capital Plan to identify other key needs and opportunities for funding opportunities.
    e. INITIATIVE #5: Develop a Parkway Program as the standard for Public Works parkway operations.
    f. INITIATIVE #6: Explore opportunities for partnerships to provide enhanced communications via public Wi-Fi/open data/fiber infrastructure.
4. SAFE AND LIVABLE COMMUNITY
    a. INITIATIVE #1: Identify ways to increase public safety presence in retail districts to improve the sense of security.
    b. INITIATIVE #2: Update the Village Comprehensive Land Use and Subdivision plans.
    c. INITIATIVE #3: Research Opportunities for Shared Public Safety Communications Dispatch Services.
    d. INITIATIVE #4: Research opportunities to implement electronic citation technology.
    e. INITIATIVE #5: Research and implement a body worn camera program within the patrol division of the Police Department.
5. HIGH QUALITY LIFESTYLE
    a. INITIATIVE #1: Improve Public Transportation opportunities.
    b. INITIATIVE #2: Attract and Retain Boutique and Small Business Stores/Restaurants.
    c. INITIATIVE #3: Build Welton Plaza.
    d. INITIATIVE #4: Encourage private sector investment and deployment of Gigabit speed Internet Services for Village Residents and Businesses.

Financial Planning & Reporting Process

The Village has implemented a comprehensive approach to financial planning & reporting. The process spans a full year starting in October with the long-range plans that culminate in the Annual Budget. Following approval of the Annual Budget, the Finance Director reports the financial status of the current budget year to the Village Board at the end of every fiscal quarter. Following the close of the fiscal year, the Village is required to have an annual financial audit and publish audited financial statements within 180 days .

The MYFF is the first step in the process and determines available funding for the Multi-Year Capital Plan as well as identifies any structural deficiencies that may require policy or operational changes prior to preparation of the Annual Budget. The graphic below depicts the process and timeline.

Forecast Structure

The MYFF provides 5-years of historical actual information, the current fiscal year estimate and a 5-year projection. The focus of the MYFF is to provide a funding target for the capital plan and identify deficiencies in operating funds, therefore only the major operating and capital funds are included in the forecast. The Village's fund structure is identified in the graphic below. Funds included in the MYFF are in bold.

Governmental Funds

- **General Fund (110)**
- 911 Fund (121)
- **Motor Fuel Tax Fund (122)**
- Impact Fee Fund (123)
- **Asset Forfeiture Fund (124)**
- **Capital Improvements Fund (131)**
- Bond Fund (141)
- SSA#2 Fund (142)

Proprietary Funds

- Golf Course Fund (211)
- **Water & Sewer Operating Fund (221)**
- **Water & Sewer Capital Fund (223)**
- **Fleet Services Fund (233)**

Fiduciary Funds

- Police Pension Fund (307)
- Fire Pension Fund (308)
- Northeast Lake County Consolidated ETSB (411)

For each fund, the MYFF includes a Revenue and Expenditure statement and a projection of changes in fund balance. Major revenue and expenditure forecasts and assumptions are included in the General Fund and Water & Sewer Operating fund sections.

Key Decision Points

Prior Years

During the previous MYFF discussion, the Village Board provided direction on several key decision points including the future use of funds from expiring debt service, a long-term water rate structure and use of financing for the Knowles Road Water Tower and Fire Station #3.

Expiring Debt Service

Series 2011 General Obligation bonds were retired 2 years early on December 15, 2019. The funding for the early retirement came via General Fund Surplus and Bond Fund balance. The funding freed up by this retirement was to be used to partially fund general capital improvements via a transfer from the General Fund starting in FY2021. The initial FY2021 budget included a transfer of $675,000 to the Capital Improvement Fund. Due to the CVOID-19 crisis and impact to major General Fund revenues, a budget amendment eliminating the transfer was passed in April 2020. Given the anticipated lingering impact of the COVID-19 crisis on revenues a future capital transfer is not anticipated in the forecast period.

Long-Term Water Rate Structure

In 2011 the Village commissioned an engineering firm to perform water rate study after years of no increase and looming infrastructure costs. The study found the Village's rate was far below surrounding communities and relied on one-time revenues from development to support the water and sewer operations rather than rates. With a slowdown in development and less opportunity available, the Village put in place a rate structure that over time would begin to provide funding for infrastructure improvements. The rate plan expired in FY2016, and a new long-term plan was recommended that included annual increases of 5% in FY2017, followed by 3% annually on May 1 through FY2021. The result is funding adequate enough to pay the debt service on the Knowles Road Tower and sustain approximately $2m annually for capital replacement. The Village is proposing to hold rates flat for FY2022 to gauge the impact of the COVID-19 crisis on water usage and costs. A future rate plan will consider the Village's need to maintain a rate reflective of inflation and the rising costs of replacing infrastructure. For planning purposes, the MYFF does not include a rate adjustment throughout the forecast period. The impact is included in the Water & Sewer Fund forecast.

Fire Station #3 Financing

In FY2021 the Village began construction of a 3rd Fire Station near the intersection of Manchester Drive and Milwaukee Avenue. The Fire Station is funded through a combination of Capital Improvement Fund reserves, bank Promissory Note and a contribution from the Warren-Waukegan Fire Protection District (WWFPD). Financing was structured so that the initial planning was funded from existing reserves and construction is financed by the issuance of Promissory Notes in conjunction with Gurnee Bank. The first $2 million in debt service will be paid from a contribution from WWFPD, and the remaining will be paid from dedicated Capital Improvement Fund revenues starting in FY2026. The Village also secured a $750 grant from the State of Illinois to fund needed intersection improvements including signalization. Overall the Village was able to secure better pricing, due to the COVID-19 crisis, and have no out of pocket expenses until FY2026. This should allow the Village to recover from the COVID-19 impact prior to making the first debt service payment. The WWFPD contribution and debt service is accounted for in the 131-Capital Improvement Fund.

Knowles Road Water Tower Financing
In FY201 the Village put into service the Knowles Road Water Tower. The tower is funded by a low-interest (1.86%) fixed-rate loan from the Illinois Environmental Protection Agency. The 20-year loan is accounted for in the 221-Water & Sewer Operating Fund. The Village pledged to pay off the loan as quick as possible and has budgeted an additional $250 thousand in principal annually throughout the forecast period. If the additional principal can be maintained, the term would be cut in half.

Threats and Opportunities to Financial Sustainability

Threats

COVID-19 Crisis
In this forecast period the greatest threat to the financial stability of the Village is the COVID-19 crisis. FY2021 is projected to end the year utilizing approximately $3 million of General Fund balance. This would bring the balance in line with levels in FY2010. As the nation emerges from the crisis and vaccines become more wide-spread there is likely going to be lasting effects from the pandemic. One of the greatest unknowns is how long will restrictions or precautions be in place limiting consumer interaction with and within the Gurnee market. Until a vaccine is widely distributed there will likely be limits on capacity and gatherings. How long and to what extent these restrictions last could have a lasting negative impact on Village revenue streams. What lasting impact will the crisis have on how the Village delivers services, retail, housing and consumer habits is a question to be answered in the coming fiscal years.

Many of the Village's major revenue sources rely on consumers gathering and shopping or visiting one of the attractions. Should consumer behavior change in such a way that continues to avoid crowds or large gatherings, that will have a continued negative impact on Village revenue streams.

As the retail industry recovers from the crisis it is likely that many businesses will not return to normal and may close completely. Business closures and vacant retail space not only has a negative impact on retail sales but has a cascading effect on mall owners and other businesses. The number of retail and business closures could have a continued negative impact on revenue streams.

The crisis is responsible for a significant number of job losses which lead to a housing crisis. While during the crisis there was a moratorium placed on evictions and foreclosures, that moratorium will expire at some point. The impact of evictions and foreclosures could remove a significant number of local consumers from the economy negatively impacting local revenue streams.

State of Illinois Fiscal Condition
In FY2019, the State of Illinois (State) formally implemented a 10% reduction in the local share of income tax and a 1.5% administrative fee on home rule sales tax collections. Combined, this results in an approximately $435,000 reduction in the Village's ability to fund capital programs.

The State is facing a pension funding crisis for multiple state worker pension plans that is reaching a critical breaking point. The State passed legislation combining the investment activities of Downstate Police and Fire Pension Funds, however that failed to address the issues with the State run pension funds such as State Employee Retirement System (SERS), Teachers Retirement System or State Universities Retirement System, all of which remain badly underfunded. In FY2021 the State attempted to change the income tax system in Illinois to provide increased funding for pensions and services. The measure failed and it is unclear how the State plans to address underfunding at this time. Many past proposals had an impact on shared funds with municipalities and the State may look to those proposals again reducing resources to the Village.

Internet Sales

Sales tax accounts for approximately 40% of General Fund revenues and the majority of on-going general government capital spending (Fund 131). Sales tax receipts over the last several fiscal years have flattened. Online shopping has shifted consumer habits when it comes to how consumers use brick and mortar retail. Consumers are more willing to window shop at brick and mortar and make a purchase online at a discount retailer. While consumers still visit commercial areas, spending habits revolve more around entertainment and eating options and less around physical goods from stores. The Village recognizes the shifting retail landscape and closely monitors the impact of changing consumer habits and the taxability of goods and services within the Village.

Personnel Costs

Personnel costs including salary and benefits outpace historical growth in major revenues. Over the last 5 fiscal years, major revenues grew an average of 0.99% annually. Over that same time period personnel costs increased an average of 3.4%. With opportunities for new growth limited, and the absence of a property tax, the Village may need to rely on increases in other revenue sources to continue operations long-term at current staffing levels.

Opportunities

911 Consolidation

Following a State mandate to consolidate 911 centers, the Village brought on dispatch partners and consolidated Emergency Telephone Systems Boards with the City of Zion. In FY2020, Lake County formed a task force to further study and make recommendations related to future consolidation on a county-wide scale. The participating agencies agreed to work towards a shared technology platform and operating procedures, with the long-term goal of more consolidation. In the meantime, the Village continues to seek partners to create efficiencies operating the 911 center.

Workforce Turnover

Approximately 20% of current personnel are eligible for retirement in the next five years and many positions remain open or unfilled due to the COVID-19 crisis. This period provides an opportunity for the Village to assess services and service delivery for efficiencies. Through assessing vacant positions, adjustments can be made with minimal staff disruption or impact to employee morale. Personnel turnover accounts for approximately 2.5% savings annually and contributes to surpluses at the end of the year.

Big Three
Great Wolf Lodge opened in June of 2018. Adding this amenity to the Village provided an opportunity for business to co-promote. Great Wolf Lodge works with community partners on mutual marketing opportunities. In FY2020, Great Wolf Lodge began marketing day passes to boost overnight stays. The day passes are priced to incentivize patrons to stay the night and use the other tax revenue generating amenities such as restaurants. Great Wolf Lodge was able to weather the COVID-19 crisis by housing recruits through a contract with the US Navy. While the arrangement didn't generate any tax it certainly helped generate revenue while shutdown due to the crisis.

Gurnee Mills has been actively recruiting business to fill empty spaces and has remained open as much as legally allowed during the COVID-19 crisis. Simon Property Group has been successful in maintaining properties through investment in bankrupt retailers and adjusting rents to keep space filled during the crisis. As the Mall emerges from the crisis, the primary focus will be on maintaining and attracting retailers that meet the changing demands of the consumer and how that impacts Village revenues.

The Village's largest Amusement Taxpayer, Six Flags Great America, was also closed for a period due to the COVID-19 crisis. The Park was able to open the waterpark portion for a period of time and hold a partial Holiday in the Park event. The Park added a drive-thru lights show that extends into January. Season passes were extended into the following operating season for the months closed.

East Grand Corridor
The Village worked with the Urban Land Institute to study a revitalization plan for the East Grand commercial corridor. The plan identified several steps the Village can take to assist in the revitalization. A revitalized corridor could add to the Village's sales tax base. The Village added streetscaping in the last three fiscal years, and will continue to work with merchants to enhance the corridor with events such as the Farmer's Market.

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SECTION II – GENERAL FUND

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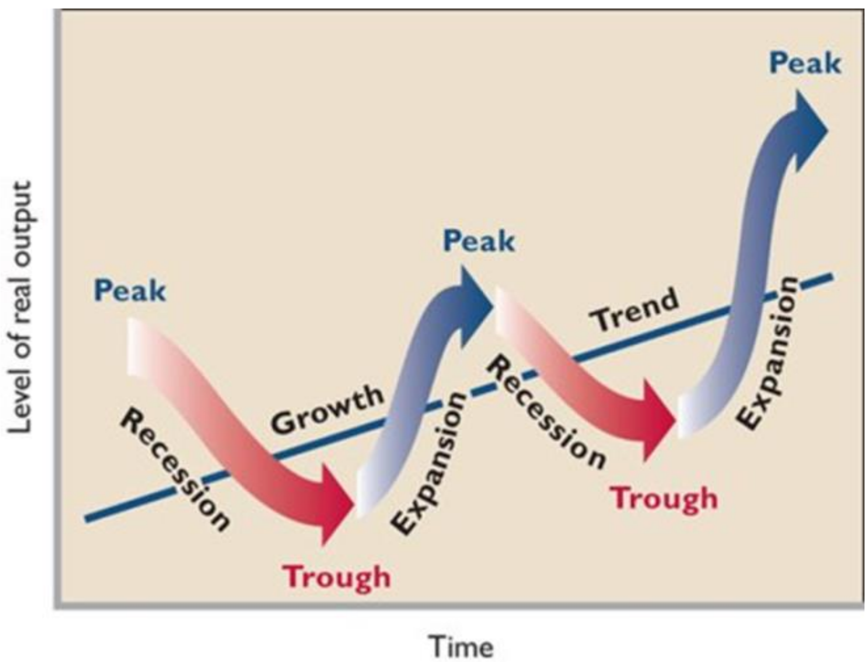
Section II: General Fund (110)

Major Revenue Modeling

Economically sensitive revenue sources, primarily those in the General Fund, are projected using 3 different models; baseline, expansion and contraction. In prior iterations of the MYFF the models have followed the phases of business cycles or economic cycles. Economic cycles are defined by www.investopedia.com as *"The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession). Factors such as gross domestic product (GDP), interest rates, levels of employment and consumer spending can help to determine the current stage of the economic cycle."* The graphic below depicts the fluctuation in the economy over time.



Source: www.harpercollege.edu

Due to the COVID-19 crisis, the models are being modified to take into account various recovery scenarios based on the impact or projected impact on Major Revenues for FY2021.

Big Four Revenues

Due to the COVID-19 crisis and impact on major revenues, the 3 models will show varied recoveries from the crisis for those revenues most impacted Sales Tax, Amusement Tax, Food & Beverage and Hotel Tax. These four revenue ("Big Four") streams account for 58% of General Fund revenues.

Baseline Model

Using FY2020 as a "normal year", the baseline model assumes the Big Four will recover 75% of the FY2021 estimated losses in FY2022, and recover to normal year levels in FY2023. This model assumes there will be some COVID-19 impact into FY2022 (May 2021-April 2022), but should be fully recovered in FY2023 (May 2022-April 2023). The model assumes growth based on historical trend for the remainder of the forecast period.

Expansion Model

Using FY2020 as a "normal year", the Expansion model assumes the Big Four will recover 100% of the FY2021 estimated losses in FY2022. The model assumes growth based on the upper limits of historical growth for the remainder of the forecast period.

Contraction Model

Using FY2020 as a "normal year", the Contraction model assumes the Big Four will recover 50% of the FY2021 estimated losses in FY2022, recover 75% in FY2023 and recover 100% by FY2024. The model assumes growth based on the lower limits of historical growth for the remainder of the forecast period.

Other Major Revenues

Other Major revenues, Local Use Tax, Telecommunications Tax, Income Tax and Building Permits are forecasted based on the estimated FY2021 receipts, and modeled based on long-term trend growth for the Baseline Model, historical upper limit growth for the Expansion Model and historical lower limit growth for the Contraction Model.

Sales Taxes

Sales taxes in the General Fund consists of the 1% municipal rate and 50% of the 1% home rule sales tax. The other 50% of the 1% home rule sales tax is recorded directly in the Capital Improvement Fund (131), as it is dedicated to capital and infrastructure per Village ordinance. Sales tax projections assume no change in the existing business mix and no change in the collection or payment methods currently in place. For purposes of forecasting, a "normal year" of State Shared Sales Tax collections is $12.7 million, and Home Rule Sales Tax is $4.5 million.

FY2021 Estimate

Through the first nine months of the year (May – Jan) receipts averaged 17.2% down from the prior year. The largest drops of 41.9% and 33.5% occurred in July and August for sales in the months of April and May respectively. The last four months averaged 9.4% down. The FY2021 estimate assumes a 15% drop for the remaining months and projected to finish at $10.7 million.

Baseline Model Projection

The Baseline Model assumes a two-year recovery with 75% of the year over year losses recovered in FY2022 and 100% recovered by FY2023. The reaming forecast assumes 1.0% annual growth.

Expansion Model Projection

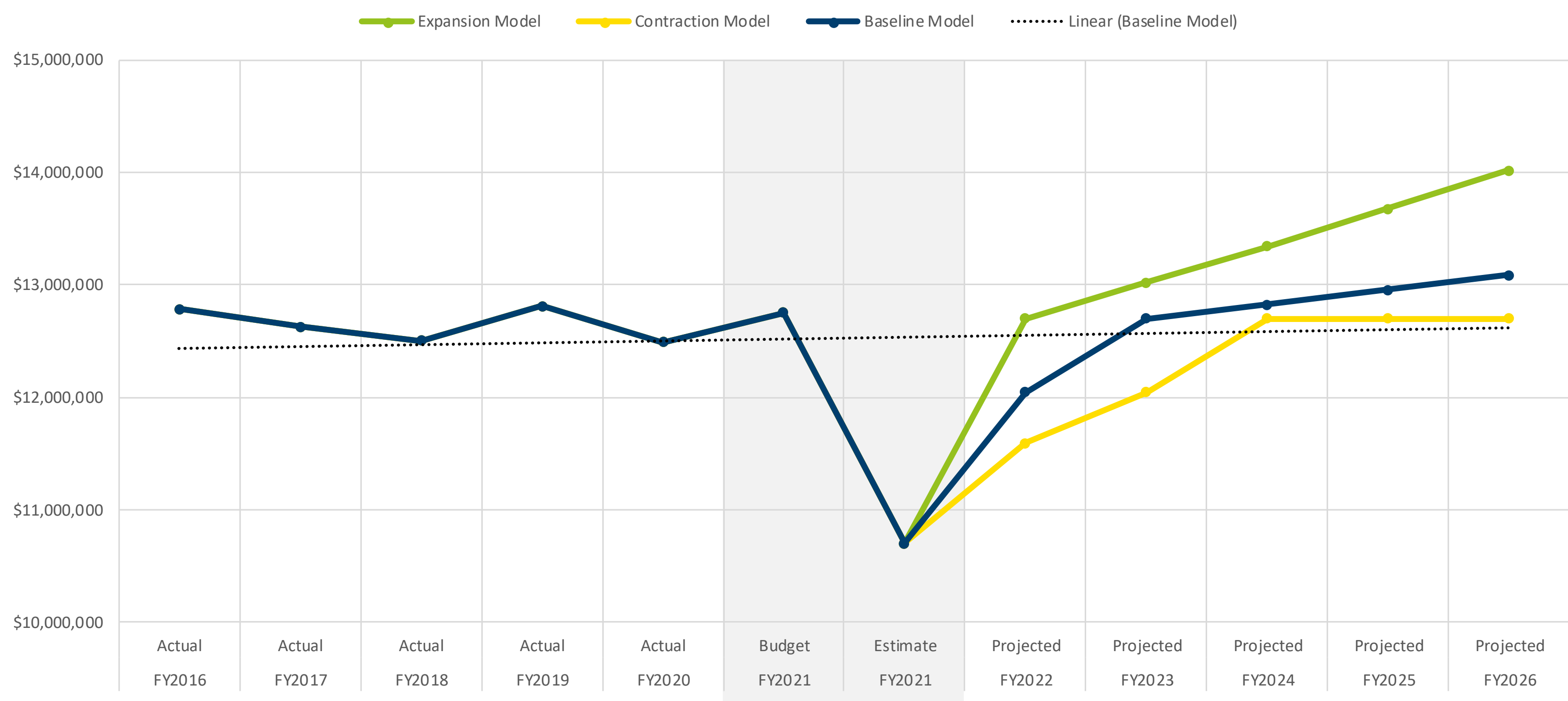
The Expansion Model assumes 100% of the year over year losses will be recovered in FY2022. The remaining forecast period assumes 2.5% annual growth.

Contraction Model Projection

The Contraction Model assumes a three-year recovery with 50% of the year over year losses recovered in FY2022, 75% by FY2023 and 100% recovered by FY2024. The remaining forecast assumes 0.0% annual growth.

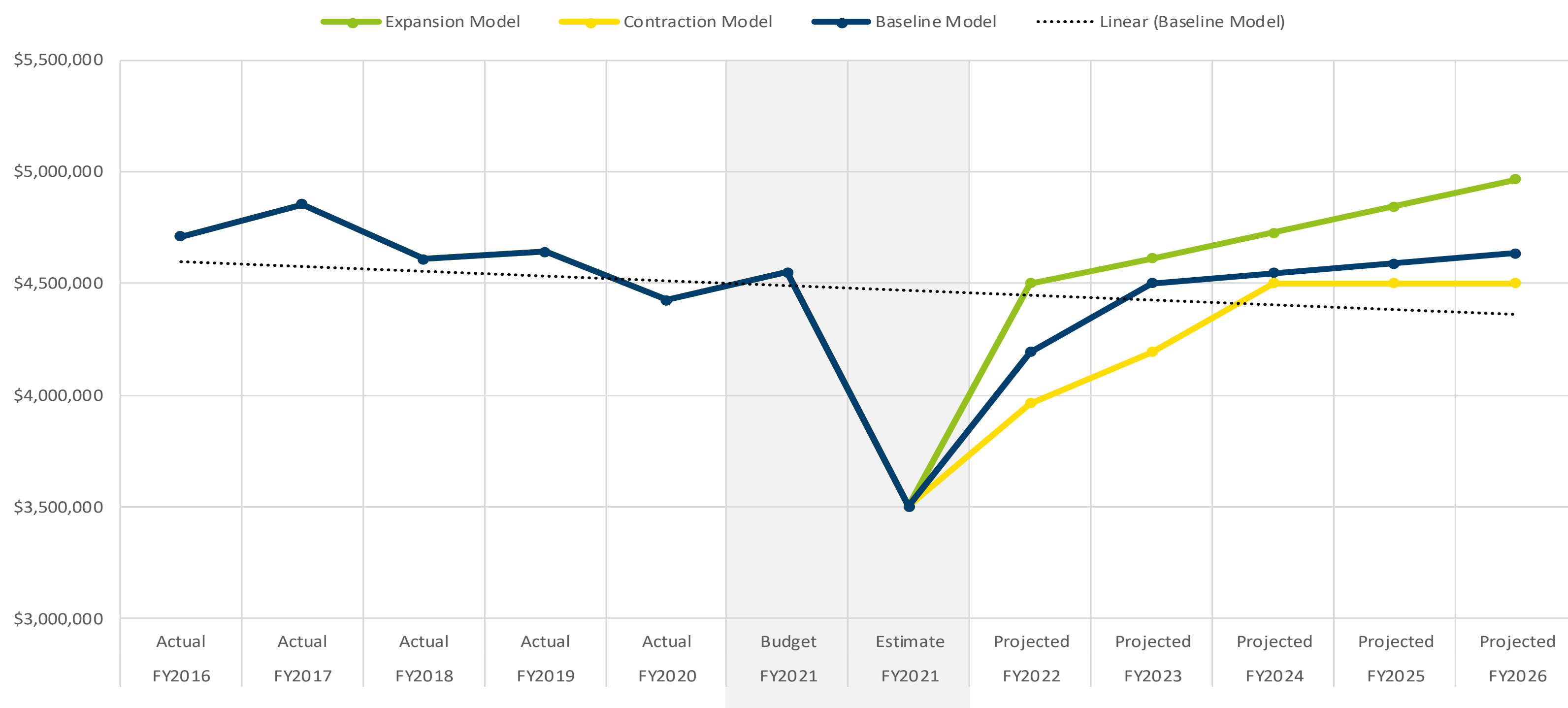
Municipal Sales Tax (State Shared 1%)

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 *Budget*	FY2021 *Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
331301 - SALES TAX												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	-0.69%	-1.23%	-0.97%	2.48%	-2.50%	***2.07%***	***-14.34%***	12.56%	5.45%	1.00%	1.00%	1.00%
Expansion Model	-0.69%	-1.23%	-0.97%	2.48%	-2.50%	***2.07%***	***-14.34%***	18.69%	2.50%	2.50%	2.50%	2.50%
Contraction Model	-0.69%	-1.23%	-0.97%	2.48%	-2.50%	***2.07%***	***-14.34%***	8.37%	3.86%	5.45%	0.00%	0.00%
Revenue												
Baseline Model	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	***$12,750,000***	***$10,700,000***	$12,043,500	$12,700,000	$12,827,000	$12,955,270	$13,084,823
Expansion Model	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	***$12,750,000***	***$10,700,000***	$12,700,000	$13,017,500	$13,342,938	$13,676,511	$14,018,424
Contraction Model	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	***$12,750,000***	***$10,700,000***	$11,595,700	$12,043,600	$12,700,000	$12,700,000	$12,700,000



Home Rule Sales Tax (50% in General Fund)

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Home Rule Sales Tax - 11010100-331303												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	0.10%	3.11%	-5.07%	0.71%	-4.68%	***2.83%***	***-20.90%***	19.82%	7.31%	1.00%	1.00%	1.00%
Expansion Model	0.10%	3.11%	-5.07%	0.71%	-4.68%	***2.83%***	***-20.90%***	28.57%	2.50%	2.50%	2.50%	2.50%
Contraction Model	0.10%	3.11%	-5.07%	0.71%	-4.68%	***2.83%***	***-20.90%***	13.21%	5.83%	7.31%	0.00%	0.00%
Revenue												
Baseline Model	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	***$4,550,000***	***$3,500,000***	$4,193,600	$4,500,000	$4,545,000	$4,590,450	$4,636,355
Expansion Model	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	***$4,550,000***	***$3,500,000***	$4,500,000	$4,612,500	$4,727,813	$4,846,008	$4,967,158
Contraction Model	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	***$4,550,000***	***$3,500,000***	$3,962,400	$4,193,600	$4,500,000	$4,500,000	$4,500,000



Amusement Tax

Amusement Taxes are administered locally and consist of 4.0% of gross receipts for amusements. The Village's largest amusement tax payer is Six Flags Great America. Collections can vary greatly year to year based on new attractions, promotions and weather. In FY2019 the Village increased the Amusement Tax from 3.0% to 4.0%.

In FY2019 the Village and Six Flags negotiated a rebate agreement to fund hardscaping and security improvements to the Park. The 7-year or $4 million rebate is structured so the Village will receive a base amount in each year with Six Flags receiving any additional revenue generated. All revenue models reflect total collections of Amusement Tax, any applicable rebate is accounted for in General Fund expenditures in the 49-Other Financing Uses category.

Amusement Tax projections assume no change in the Rebate Agreement with Six Flags and no change in the existing business mix. For purposes of forecasting, a "normal year" of Amusement Tax collections is $3.6 million.

FY2021 Estimate

Through the first eight months of the year (May – Dec) receipts averaged 82.5% down from the prior year. The largest drops of 90.6% and 87.7% occurred in August and July respectively. The FY2021 estimate assumes a 90% drop for the remaining months and projected to finish at $550 thousand.

Baseline Model Projection

The Baseline Model assumes a two-year recovery with 75% of the year over year losses recovered in FY2022 and 100% recovered by FY2023. The reaming forecast assumes 3.0% annual growth.

Expansion Model Projection

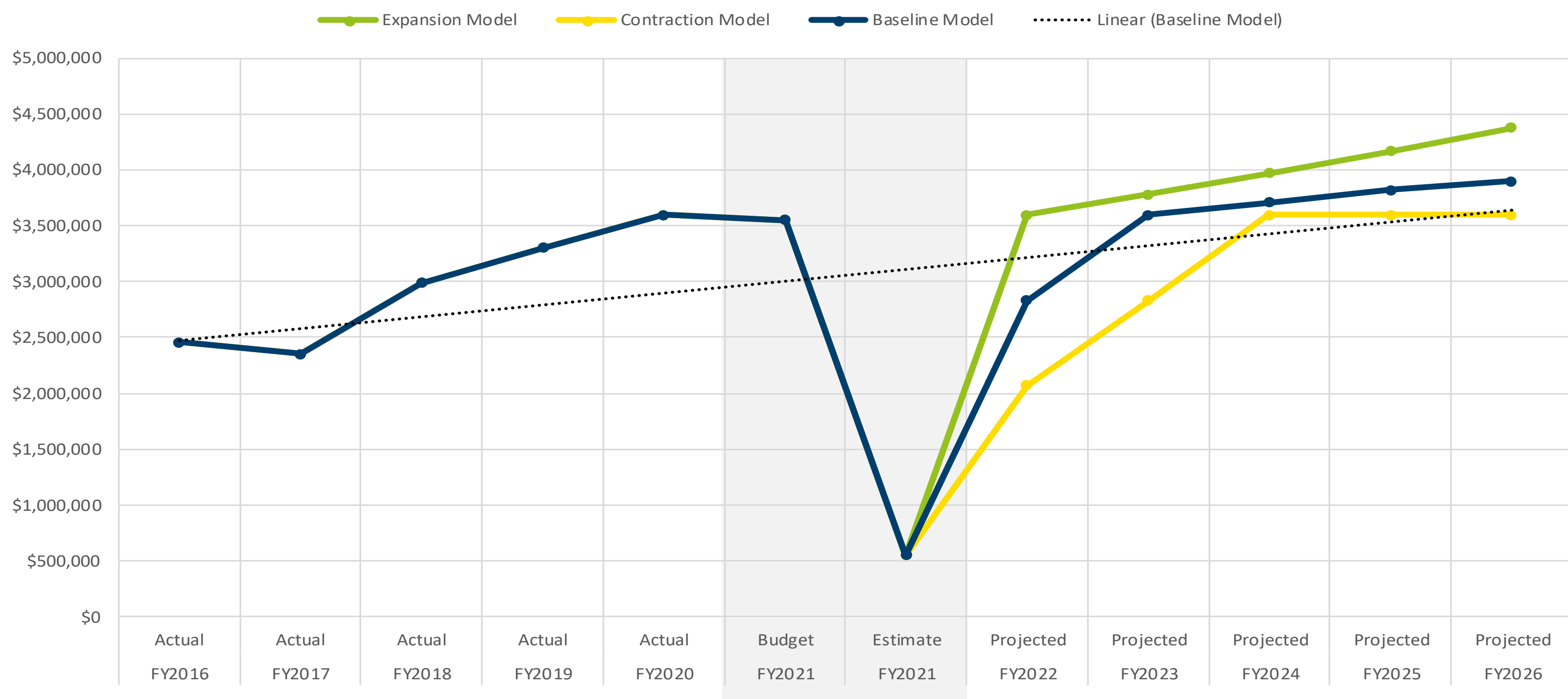
The Expansion Model assumes 100% of the year over year losses will be recovered in FY2022. The remaining forecast period assumes 5.0% annual growth.

Contraction Model Projection

The Contraction Model assumes a three-year recovery with 50% of the year over year losses recovered in FY2022, 75% by FY2023 and 100% recovered by FY2024. The remaining forecast assumes 0.0% annual growth.

Amusement Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Amusement Tax - 11010100-331601												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	6.86%	-4.21%	26.87%	10.53%	8.85%	***-1.24%***	***-84.70%***	415.16%	27.06%	3.00%	3.00%	2.00%
Expansion Model	6.86%	-4.21%	26.87%	10.53%	8.85%	***-1.24%***	***-84.70%***	554.55%	5.00%	5.00%	5.00%	5.00%
Contraction Model	6.86%	-4.21%	26.87%	10.53%	8.85%	***-1.24%***	***-84.70%***	276.78%	36.73%	27.05%	0.00%	0.00%
Revenue												
Baseline Model	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	***$3,550,000***	***$550,000***	$2,833,400	$3,600,000	$3,708,000	$3,819,240	$3,895,625
Expansion Model	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	***$3,550,000***	***$550,000***	$3,600,000	$3,780,000	$3,969,000	$4,167,450	$4,375,823
Contraction Model	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	***$3,550,000***	***$550,000***	$2,072,300	$2,833,500	$3,600,000	$3,600,000	$3,600,000



Food & Beverage Tax

The Food & Beverage tax is locally administered and consists of a 1.0% tax on food and beverages prepared for immediate consumption. The tax was put in place with an effective date of July 1, 2006. The MYFF assumes no change in the amount of the tax and no change in the current business mix. For purposes of forecasting, a "normal year" of Food & Beverage Tax collections is $2.0 million.

FY2021 Estimate

Through the first eight months of the year (May – Dec) receipts averaged 40.9% down from the prior year. The largest drops of 56.9% and 53.3% occurred in April and June respectively. The two most recent months are down 25.2% and 27.2% respectively. The FY2021 estimate assumes a 40% drop for the remaining months and projected to finish at $1.15 million.

Baseline Model Projection

The Baseline Model assumes a two-year recovery with 75% of the year over year losses recovered in FY2022 and 100% recovered by FY2023. The remaining forecast assumes 2.5% annual growth.

Expansion Model Projection

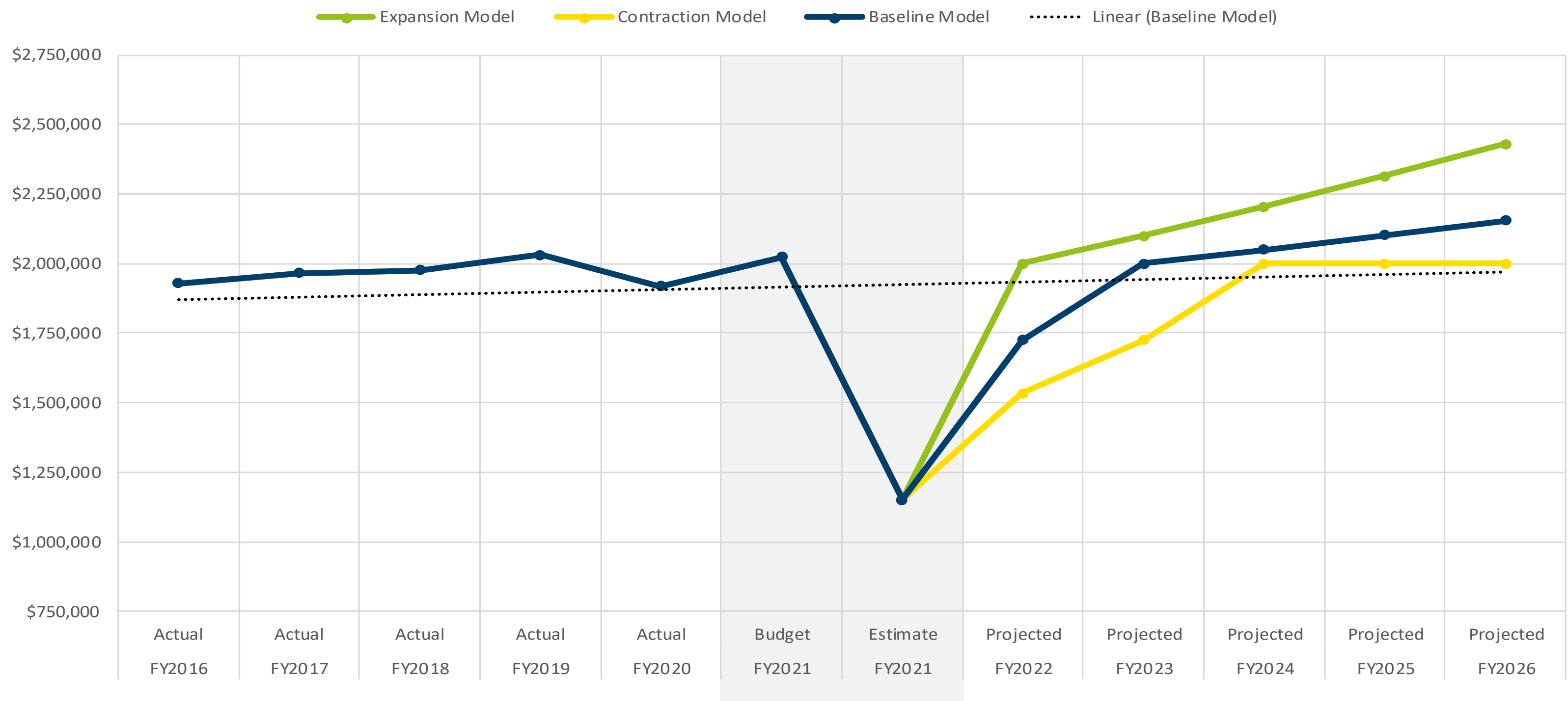
The Expansion Model assumes 100% of the year over year losses will be recovered in FY2022. The remaining forecast period assumes 5.0% annual growth.

Contraction Model Projection

The Contraction Model assumes a three-year recovery with 50% of the year over year losses recovered in FY2022, 75% by FY2023 and 100% recovered by FY2024. The remaining forecast assumes 0.0% annual growth.

Food & Beverage Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Food & Beverage Tax - 11010100-331609												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	9.74%	1.90%	0.57%	2.75%	-5.54%	***5.56%***	***-40.05%***	50.11%	15.85%	2.50%	2.50%	2.50%
Expansion Model	9.74%	1.90%	0.57%	2.75%	-5.54%	***5.56%***	***-40.05%***	73.91%	5.00%	5.00%	5.00%	5.00%
Contraction Model	9.74%	1.90%	0.57%	2.75%	-5.54%	***5.56%***	***-40.05%***	33.41%	12.52%	15.85%	0.00%	0.00%
Revenue												
Baseline Model	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	***$2,025,000***	***$1,150,000***	$1,726,300	$2,000,000	$2,050,000	$2,101,250	$2,153,781
Expansion Model	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	***$2,025,000***	***$1,150,000***	$2,000,000	$2,100,000	$2,205,000	$2,315,250	$2,431,013
Contraction Model	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	***$2,025,000***	***$1,150,000***	$1,534,200	$1,726,300	$2,000,000	$2,000,000	$2,000,000



Hotel Tax

Hotel Tax is locally administered and is 6.0% of the room rate on stays less than 30 consecutive days. KeyLime Cove was opened in 2008 and re-opened in 2018 as Great Wolf Lodge causing a significant spike in hotel tax collections once re-opened, and a significant drop in FY2018 during the remodeling. The forecast for hotel taxes assumes 6.0% rate throughout the forecast period with no change in collection methods and no change in existing business mix, despite the planned opening of WoodSpring Suites a 114 room extended-stay hotel in fall 2021. For purposes of forecasting, a "normal year" of Hotel Tax collections is $2.0 million.

FY2021 Estimate

Through the first eight months of the year (May – Dec) receipts averaged 69.1% down from the prior year. The largest drops of 92.5% and 92.3% occurred in July and August respectively. The three most recent months averaged 48.0% down and the most recent receipts were 71.2% down from the prior year. The FY2021 estimate assumes a 75% drop for the remaining months and projected to finish at $500 thousand.

Baseline Model Projection

The Baseline Model assumes a two-year recovery with 75% of the year over year losses recovered in FY2022 and 100% recovered by FY2023. The reaming forecast assumes 3.0% annual growth.

Expansion Model Projection

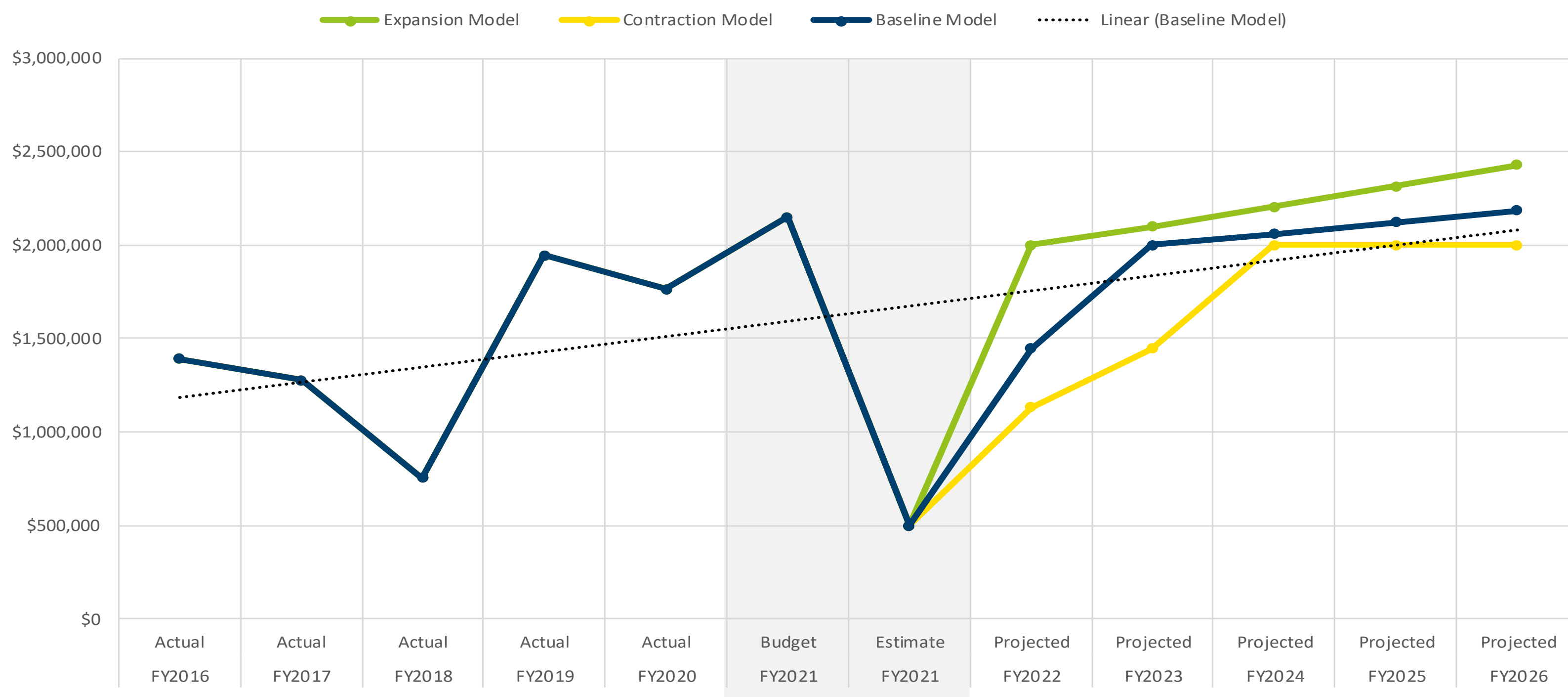
The Expansion Model assumes 100% of the year over year losses will be recovered in FY2022. The remaining forecast period assumes 5.0% annual growth.

Contraction Model Projection

The Contraction Model assumes a three-year recovery with 50% of the year over year losses recovered in FY2022, 75% by FY2023 and 100% recovered by FY2024. The remaining forecast assumes 0.0% annual growth.

Hotel Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Hotel Tax - 11010100-331601												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	1.19%	-8.23%	-40.93%	157.42%	-9.27%	***21.84%***	***-71.67%***	189.70%	38.07%	3.00%	3.00%	3.00%
Expansion Model	1.19%	-8.23%	-40.93%	157.42%	-9.27%	***21.84%***	***-71.67%***	300.00%	5.00%	5.00%	5.00%	5.00%
Contraction Model	1.19%	-8.23%	-40.93%	157.42%	-9.27%	***21.84%***	***-71.67%***	126.48%	27.92%	38.06%	0.00%	0.00%
Revenue												
Baseline Model	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	***$2,150,000***	***$500,000***	$1,448,500	$2,000,000	$2,060,000	$2,121,800	$2,185,454
Expansion Model	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	***$2,150,000***	***$500,000***	$2,000,000	$2,100,000	$2,205,000	$2,315,250	$2,431,013
Contraction Model	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	***$2,150,000***	***$500,000***	$1,132,400	$1,448,600	$2,000,000	$2,000,000	$2,000,000



Telecommunications Tax

Prior to FY2011, the telecommunications tax was a 1.0% charge on the gross charge paid to providers for the originating or receiving telecommunications in Gurnee. The rate was raised to 6.0% effective January 1, 2011. The tax is collected by service providers and remitted to the Village. This tax has seen significant annual decreases since FY2012, as cellular plans and modes of communication have changed to non-taxable formats. Based on a recent seminar attended by industry experts, without legislative changes to the Internet Tax Freedom Act by Congress, the tax is predicted to be essentially eliminated in the next 5-7 years. The forecast assumes no change in legislation pertaining to the taxability of cellular data plans and no change in the rate.

FY2021 Estimate

Through the first eight months of the year (May – Dec) receipts averaged 8.7% down from the prior year. The most recent three months averaged 15.5% down. The FY2021 estimate assumes a 15% drop for the remaining months and projected to finish at $735 thousand.

Baseline Model

The Baseline Model is intended to capture long-term historical rates of change in collections. However, due to known changes with the telecommunications tax as a result of changing consumer behavior, the historical data prior to FY2016 is irrelevant. Over the last 5 fiscal years, collections have averaged a 6.9% decline annually, and that is understated due to a large settlement with a carrier and subsequent one-time receipt in FY2019. It is expected this trend will continue and even accelerate throughout the forecast period. The Baseline Model assumes a 10.0% annual decrease in collections.

Expansion Model

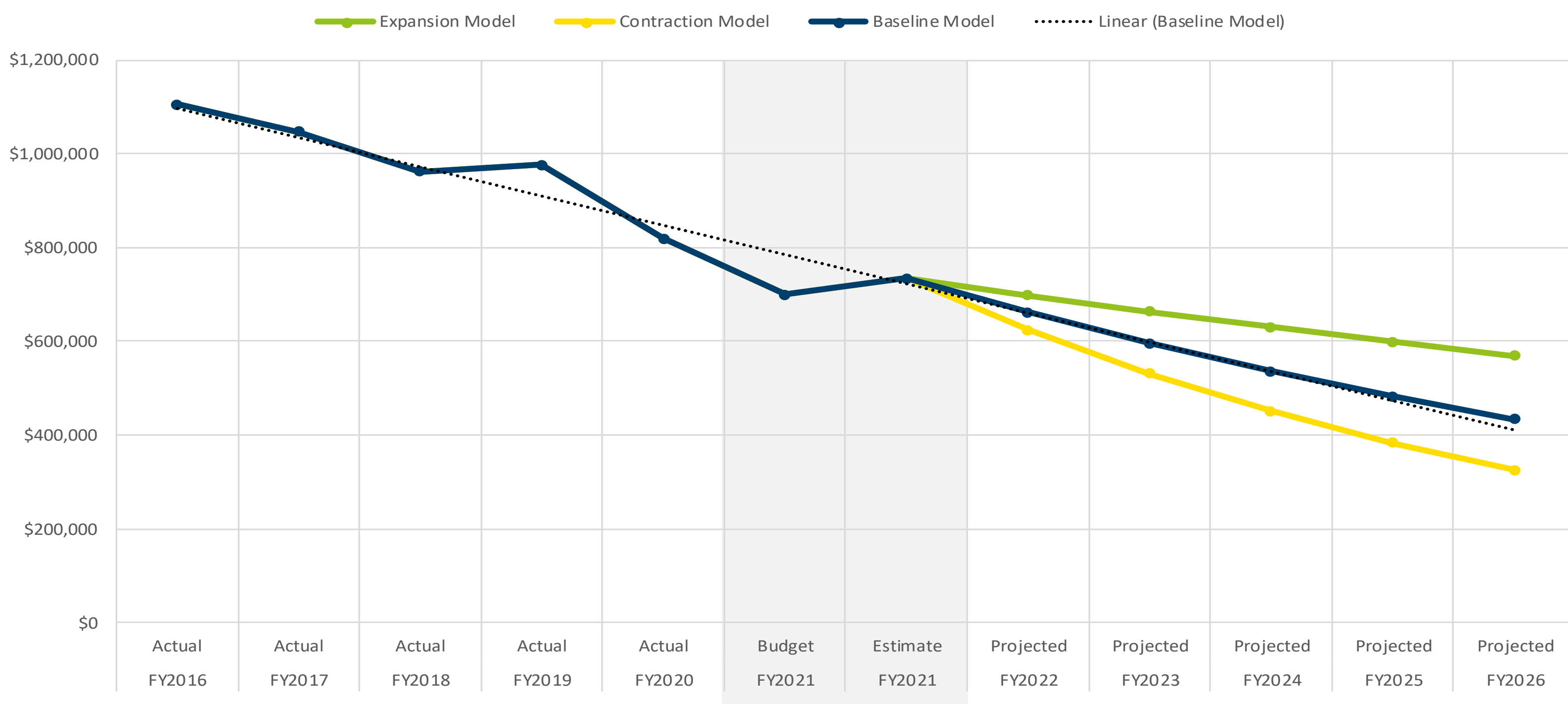
The Expansion Model is intended to capture the upper limit rate of change over the last 5 years. With the decline in collections expected to continue, the Expansion Model assumes the annual decreases will lessen to 5.0% annually over the forecast period.

Contraction Model

The Contraction Model is intended to capture the lower limit rate of change over the last 5 years. For purposes of projecting telecommunications tax, the Contraction Model assumes a 15.0% annual decrease.

Telecommunications Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Telecommunications Tax - 11010100-331801												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	-6.61%	-5.33%	-8.07%	1.42%	-16.07%	***-14.54%***	***-10.27%***	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Expansion Model	-6.61%	-5.33%	-8.07%	1.42%	-16.07%	***-14.54%***	***-10.27%***	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%
Contraction Model	-6.61%	-5.33%	-8.07%	1.42%	-16.07%	***-14.54%***	***-10.27%***	-15.00%	-15.00%	-15.00%	-15.00%	-15.00%
Revenue												
Baseline Model	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	***$700,000***	***$735,000***	$661,500	$595,350	$535,815	$482,234	$434,010
Expansion Model	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	***$700,000***	***$735,000***	$698,250	$663,338	$630,171	$598,662	$568,729
Contraction Model	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	***$700,000***	***$735,000***	$624,750	$531,038	$451,382	$383,675	$326,123



Use Tax

Use taxes are collected on purchases out of state for goods for use in Illinois. Consistent with sales tax, Use Taxes are 6.25% of the selling price. Use taxes are collected by individuals and online retailers. As of 2018, online retailers are required to collect and remit Use Tax to the State of Illinois. This has resulted in significant increases in Use Tax distributions in recent years. Use taxes are collected and administered by the State, with 1.00% of the proceeds being remitted to local governments based on population. The forecast assumes no change in the rate or existing statutes governing Use Tax and no change in the Village population

FY2021 Estimate

With the COVID-19 restrictions online sales have seen an unprecedented increase as consumers avoid in-person shopping as much as possible. Through the first nine months of the year (May – Jan) receipts averaged a 29.0% increase from the prior year. The most recent three months averaged a 30.2% increase. The FY2021 estimate assumes a 20% increase for the remaining months and projected to finish at $1.4 million.

Baseline Model

The Baseline Model captures the long-term historical trend of collections. Between FY2016 and FY2020, collections have increased an average of 13.0% annually, including a drop in FY2018 due to a settlement with a taxpayer at the State level. It is anticipated compliance will continue to increase, but in the immediate forecast years increases will be tempered as consumers shift back to traditional in-person shopping post COVID-19. The Baseline Model projects use tax collections to decrease in FY2022 then increase by 10.0% annually throughout the forecast period.

Expansion Model

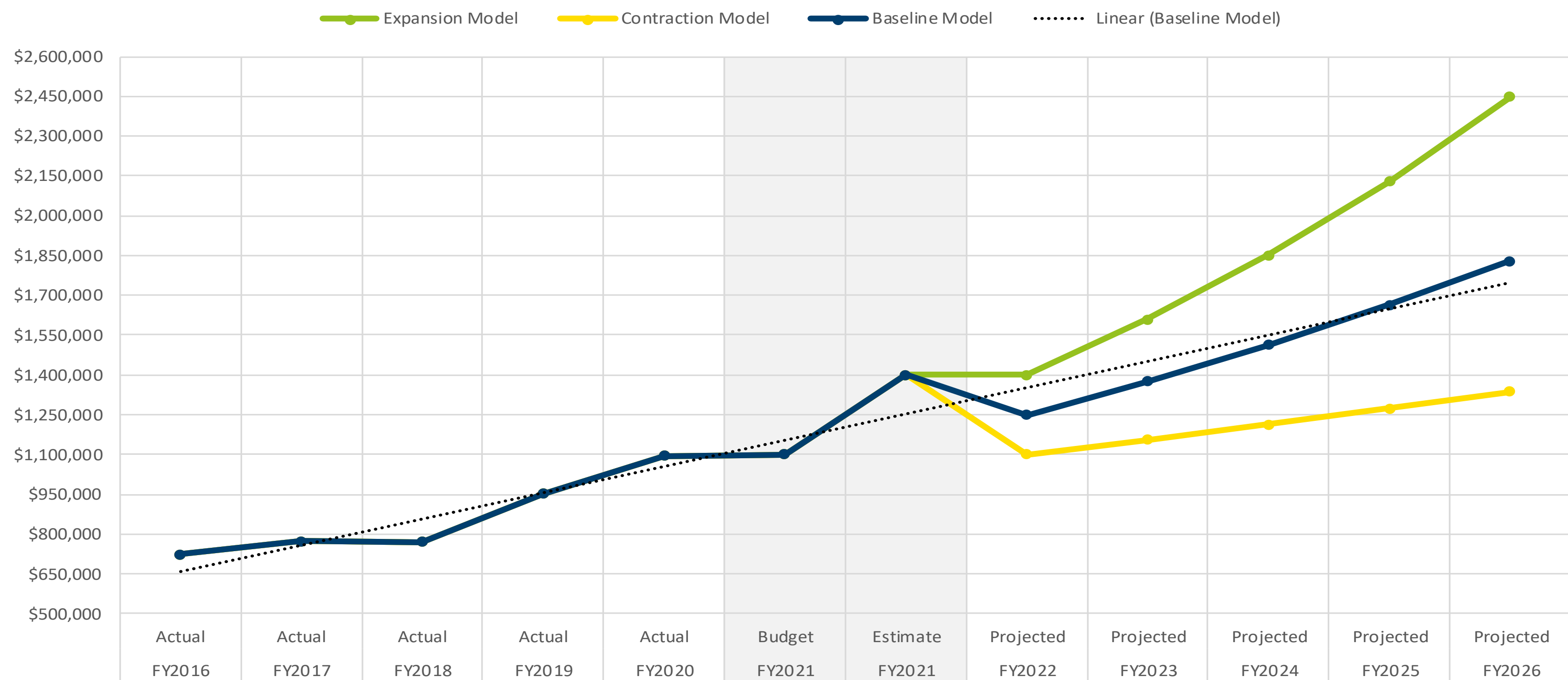
The Expansion Model captures the upper limit rate of change over the last 5 years. Between FY2016 and FY2020, use tax collections reached 20% annually for two years. Given the anticipated increased compliance from online retailers and individuals tempered with a return to in-person shopping, the Expansion Model projects collections to remain flat in FY2022 then increase 15.0% annually throughout the forecast period.

Contraction Model

The Contraction Model captures the lower limit rate of change over the last 5 years tempered with a return to in-person shopping. The Contraction Model projects a drop to pre-COVID levels in FY2022 then an increase of 5.0% for the remainder of the forecast period.

Use Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Use Tax - 11010100-331302												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	19.87%	6.81%	-0.39%	23.96%	14.94%	***0.45%***	***27.84%***	-10.71%	10.00%	10.00%	10.00%	10.00%
Expansion Model	19.87%	6.81%	-0.39%	23.96%	14.94%	***0.45%***	***27.84%***	0.00%	15.00%	15.00%	15.00%	15.00%
Contraction Model	19.87%	6.81%	-0.39%	23.96%	14.94%	***0.45%***	***27.84%***	-21.43%	5.00%	5.00%	5.00%	5.00%
Revenue												
Baseline Model	$722,414	$771,624	$768,614	$952,796	$1,095,105	***$1,100,000***	***$1,400,000***	$1,250,000	$1,375,000	$1,512,500	$1,663,750	$1,830,125
Expansion Model	$722,414	$771,624	$768,614	$952,796	$1,095,105	***$1,100,000***	***$1,400,000***	$1,400,000	$1,610,000	$1,851,500	$2,129,225	$2,448,609
Contraction Model	$722,414	$771,624	$768,614	$952,796	$1,095,105	***$1,100,000***	***$1,400,000***	$1,100,000	$1,155,000	$1,212,750	$1,273,388	$1,337,057



Building Permits

Building permit fees are collected by the Village for a variety of work on existing and new construction. When examining building permits collections, there is a baseline of activity that is less impacted by economic conditions. This activity tends to be residential permits for smaller work such as a deck or fence permits. Larger scale projects that are commercial or new construction seem to fluctuate more with economic conditions. Additionally, one large commercial project could greatly skew collections in any given year. The MYFF assumes no change in the existing fee structure.

FY2021 Estimate

Building permits for both residential and commercial development increased over the summer months. As people skipped vacations and stayed home over the summer, the home improvement market was one of the few retail bright spots. As such, permitting for home renovations increased as well. For the first eight months (May-Dec) months permit revenue increased by 71.7% on average from the prior year. This was partially due to a number of large commercial permits but also residential permits. The FY2021 estimate assumes revenue consistent with the prior year for the remaining months and projected to finish at $700 thousand.

Baseline Model

The Baseline Model captures the average long-term growth pattern of collections. Between FY2016 and FY2020, permit revenue averaged $663 thousand annually. Based on this history and anticipation of a drop in residential permitting, the forecast assumes permits to drop to the historical average in FY2022 then remain flat throughout the forecast period.

Expansion Model

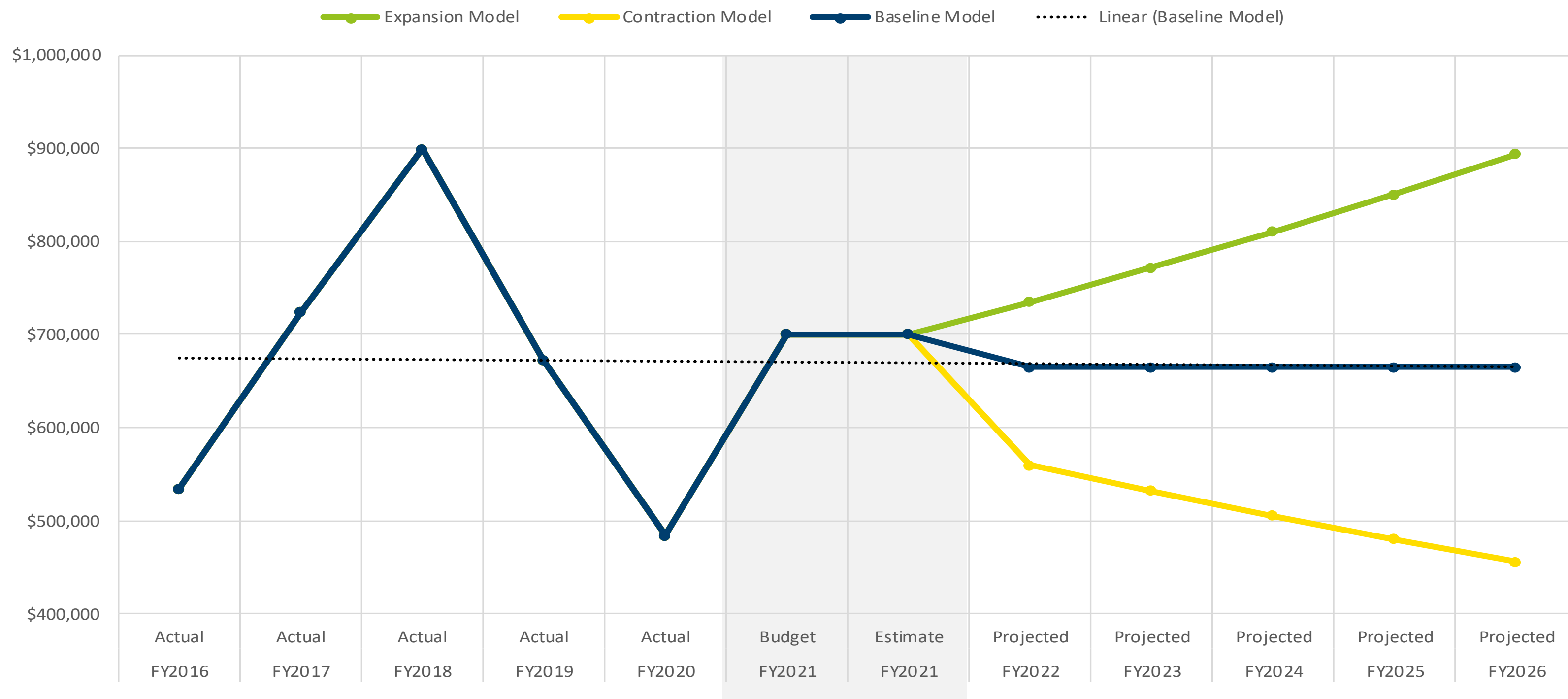
The Expansion Model captures the upper limit rate of change over the last 5 years. Between FY2016 and FY2020, permit revenue reached a maximum of $900 thousand. Given the anticipated increase in commercial economic activity post COVID-19, the expansion model projects collections to increase 5.0% annually throughout the forecast period.

Contraction Model

The Contraction Model captures the lower limit rate of change over the last 5 years tempered with a decrease in residential permitting. The contraction model projects a 20% decrease in FY2022 then decrease by 5% annually for the remainder of the forecast period.

Building Permits

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Building Permits - 11020100-332201												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	7.87%	35.44%	24.21%	-25.25%	-27.96%	***44.51%***	***44.51%***	-5.00%	0.00%	0.00%	0.00%	0.00%
Expansion Model	7.87%	35.44%	24.21%	-25.25%	-27.96%	***44.51%***	***44.51%***	5.00%	5.00%	5.00%	5.00%	5.00%
Contraction Model	7.87%	35.44%	24.21%	-25.25%	-27.96%	***44.51%***	***44.51%***	-20.00%	-5.00%	-5.00%	-5.00%	-5.00%
Revenue												
Baseline Model	$534,735	$724,256	$899,595	$672,429	$484,400	***$700,000***	***$700,000***	$665,000	$665,000	$665,000	$665,000	$665,000
Expansion Model	$534,735	$724,256	$899,595	$672,429	$484,400	***$700,000***	***$700,000***	$735,000	$771,750	$810,338	$850,854	$893,397
Contraction Model	$534,735	$724,256	$899,595	$672,429	$484,400	***$700,000***	***$700,000***	$560,000	$532,000	$505,400	$480,130	$456,124



Income Tax

Income taxes are collected and distributed by the IL Department of Revenue (IDOR). Currently individuals pay 4.95% and corporations pay 8.00%. Municipalities receive approximately 6.06% of all income tax collected from individuals, trusts and estates, and 6.85% of net collections from corporations (35ILCS 5/901 b). Income tax projections assume no change in the funding formula or distribution methodology by IDOR and no change in population.

FY2021 Estimate

The Illinois Municipal League projected Income Tax distributions to decrease by 5% for FY2021, however receipts for the first nine months (May-Jan) increased by 13.4% on average over the prior year. Income Tax receipts lag three months from the actual collection month so receipts are a lagging indicator of economic activity. Additionally the jobs report for December showed an uptick in unemployment claims. The FY2021 estimate assumes 5% decrease for the remaining months and projected to finish at $3.5 million.

Baseline Model Projection

The Baseline Model captures the long-term trend in income tax. The MYFF takes into account a 5 year history of collections. The average annual increase from FY2016 – FY2020 was 0.4%. Based on historical data and the lag in receipts, the baseline model assumes a 5.0% decrease in FY2022 and a 1.0% annual increase throughout the remaining forecast period.

Expansion Model Projection

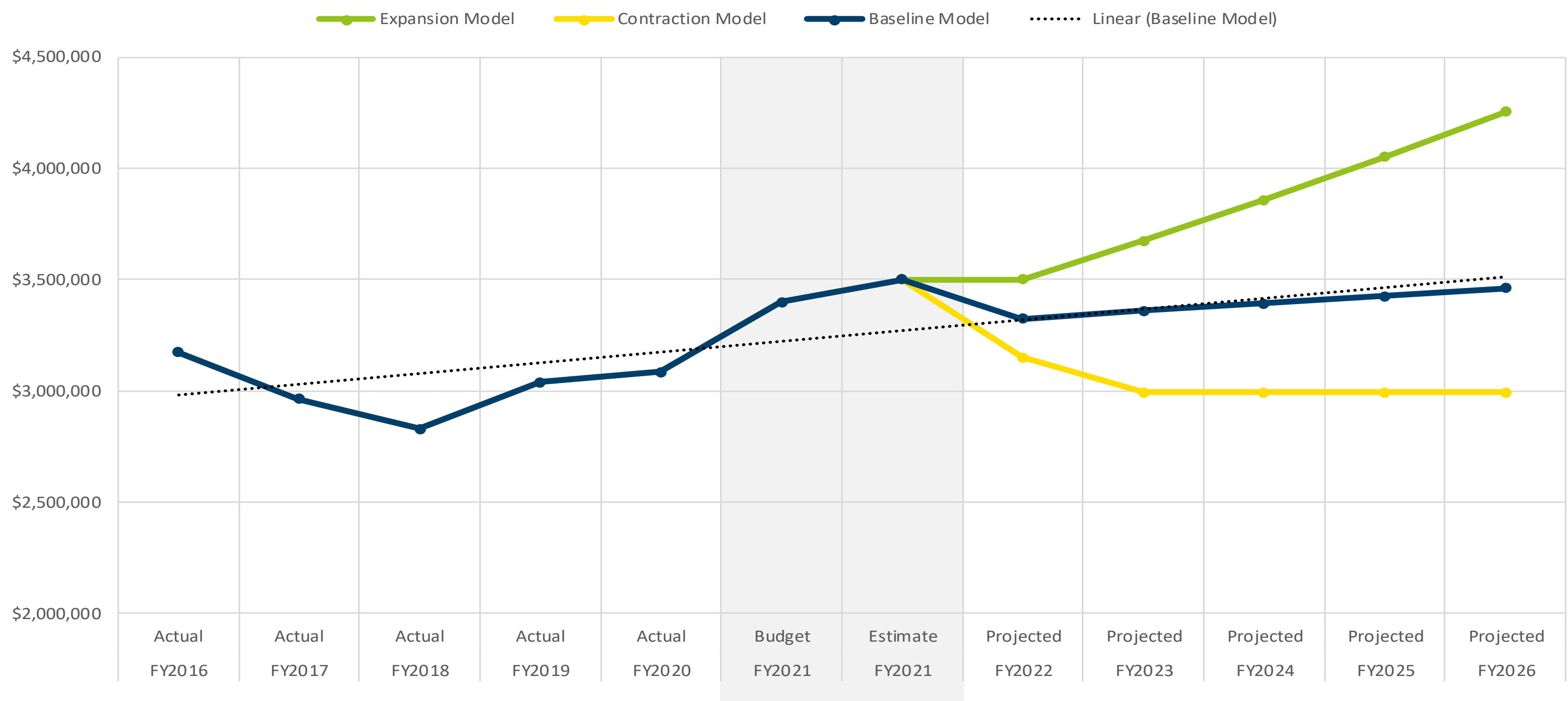
The Expansion Model captures the upper limit trend over the last 5 years. Based on the highest annual increase of 7.4% in FY2019 and lagging impacts of the COVID-19 crisis, the expansion model assumes an increase of 0.0% in FY2022 and 5.0% annually throughout the remaining forecast period.

Contraction Model Projection

The Contraction Model captures the lower limit trend over the past 5 years. Income tax receipts declined in FY2017 and FY2018 by 6.57% and 4.54% respectively. This was partially due to a change in legislation that reduced the municipal share. Based on the historical lower limit, and the lagging impact of COVID-19, the contraction model assumes a 10.0% drop in FY2022, 5.0% drop in FY2023, and the flat thereafter.

Income Tax

110 - General Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Income Tax - 11010100-333501												
% Change vs. Prior Year Actual/Estimate												
Baseline Model	4.38%	-6.57%	-4.54%	7.44%	1.47%	***10.24%***	***13.49%***	-5.00%	1.00%	1.00%	1.00%	1.00%
Expansion Model	4.38%	-6.57%	-4.54%	7.44%	1.47%	***10.24%***	***13.49%***	0.00%	5.00%	5.00%	5.00%	5.00%
Contraction Model	4.38%	-6.57%	-4.54%	7.44%	1.47%	***10.24%***	***13.49%***	-10.00%	-5.00%	0.00%	0.00%	0.00%
Revenue												
Baseline Model	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	***$3,400,000***	***$3,500,000***	$3,325,000	$3,358,250	$3,391,833	$3,425,751	$3,460,008
Expansion Model	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	***$3,400,000***	***$3,500,000***	$3,500,000	$3,675,000	$3,858,750	$4,051,688	$4,254,272
Contraction Model	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	***$3,400,000***	***$3,500,000***	$3,150,000	$2,992,500	$2,992,500	$2,992,500	$2,992,500



Major Revenue Summary

Between FY2016 and FY2020, Major Revenues increased an average of 1.0%. This time period includes the closure of Great Wolf Lodge for FY2018 and an increase in the Amusement and Hotel Taxes in FY2019. Additionally, the first two months of the COVID crisis (March and April 2020) impacted the end of FY2020. Discounting these events, over the long term Major Revenues have historically increased an average of approximately 1.7%.

Baseline Model

The Baseline Model assumes the Big Four bounce back by FY2023. FY2022 reflects 94.9% of FY2020 actual receipts and 91.0% of the FY2021 budget. Major revenues average 1.7% increases following the bounce back from the COVID-19 crisis consistent with historical averages.

Expansion Model

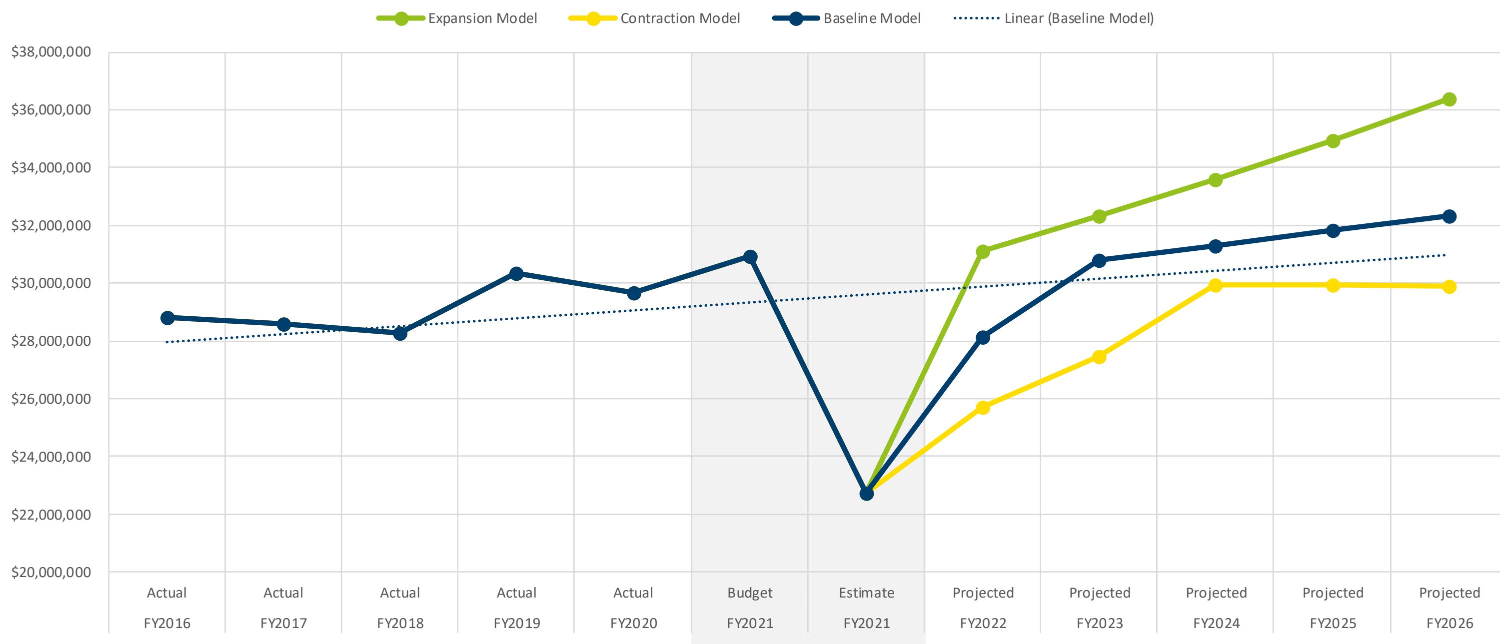
The Expansion Model assumes the Big Four fully bounce back in FY2022. FY2022 reflects 104.9% of FY2020 actual and 100.7% of FY2021 budget. Given the Expansion Model is intended to reflect annual increases at the upper limit of historical averages, FY2022 reflect two years of upper limit growth. Revenue increases average 4.0% following the recovery.

Contraction Model

The Contraction Model assumes the Big Four bounce back by FY2024. FY2022 reflects 86.7% of the FY2020 actual and 83.2% of the FY2021 budget. The Contraction Model is intended to show revenue growth at the lower limit of historical growth and an elongated bounce back from COVID-19 impacts. Revenue levels following the recovery are flat.

Major Revenues Summary

Major General Fund Revenues	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Baseline Model	$28,806,451	$28,585,288	$28,290,039	$30,372,783	$29,676,184	*$30,925,000*	*$22,735,000*	$28,146,800	$30,793,600	$31,295,148	$31,824,744	$32,345,181
% Change vs. Prior Year Actual/Estimate	1.68%	-0.77%	-1.03%	7.36%	-2.29%	*4.21%*	*-23.39%*	23.80%	9.40%	1.63%	1.69%	1.64%
Expansion Model	$28,806,451	$28,585,288	$28,290,039	$30,372,783	$29,676,184	*$30,925,000*	*$22,735,000*	$31,133,250	$32,330,088	$33,600,508	$34,950,898	$36,388,436
% Change vs. Prior Year Actual/Estimate	1.68%	-0.77%	-1.03%	7.36%	-2.29%	*4.21%*	*-23.39%*	36.94%	3.84%	3.93%	4.02%	4.11%
Contraction Model	$28,806,451	$28,585,288	$28,290,039	$30,372,783	$29,676,184	*$30,925,000*	*$22,735,000*	$25,731,750	$27,456,138	$29,962,032	$29,929,692	$29,911,804
% Change vs. Prior Year Actual/Estimate	1.68%	-0.77%	-1.03%	7.36%	-2.29%	*4.21%*	*-23.39%*	13.18%	6.70%	9.13%	-0.11%	-0.06%



Other Revenues

Other non-major revenues are grouped by categories including; Taxes, Licenses & Permits, Intergovernmental Revenue, Charges for Service, Fines & Forfeitures, Investments & Contributions, and Other Sources. Non-major revenues account for approximately 28.6% of General Fund revenues. Between FY2016 and FY2020, non-major revenues increased an average of 5.1% annually. The forecast includes all current contractual increases with all other revenues remaining flat for the remainder of the forecast. The drop in FY2022 of 7.2% is largely due to the CARES grant and SAFER grant funding in the 33-Intergovernmental category. The CARES grant was a one-time federal grant totaling $1.4 million in FY2021 to offset the cost of the COVID-19 crisis. The SAFER grant offsets the cost of full-time firefighters for three years at 75% for the first two years and 35% for the third year FY2023.

110 - General Fund Baseline Model	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	*2021* *Budget*	*FY2021* *Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
All Other Revenues By Category	**$10,488,827**	**$10,256,247**	**$10,502,982**	**$12,112,339**	**$12,667,672**	***$12,389,137***	***$12,455,089***	**$11,564,600**	**$11,630,469**	**$11,813,598**	**$11,924,038**	**$12,036,837**
% Change vs. Prior Year	**5.38%**	**-2.22%**	**2.41%**	**15.32%**	**4.58%**	***-2.20%***	***-1.68%***	**-7.15%**	**0.57%**	**1.57%**	**0.93%**	**0.95%**
31 Taxes	$1,928,605	$1,798,538	$1,473,145	$1,714,075	$1,757,133	***$1,816,221***	***$1,258,152***	$1,485,000	$1,610,000	$1,635,000	$1,635,000	$1,635,000
32 Licenses & Permits	$440,963	$491,664	$449,776	$422,572	$390,849	***$395,300***	***$292,025***	$361,900	$386,900	$386,900	$386,900	$386,900
33 Intergovernmental	$113,896	$171,589	$154,149	$188,965	$714,215	***$693,986***	***$2,081,337***	$404,500	$164,500	$164,500	$164,500	$164,500
34 Charges for Services	$5,546,428	$5,979,661	$6,220,105	$6,914,666	$7,176,041	***$7,092,130***	***$7,138,255***	$7,187,700	$7,293,569	$7,401,698	$7,512,138	$7,624,937
35 Fines & Forfeitures	$1,944,825	$1,642,039	$1,988,198	$2,161,751	$1,773,907	***$1,759,500***	***$1,394,000***	$1,820,500	$1,820,500	$1,820,500	$1,820,500	$1,820,500
36 Invests & Contribs	$118,747	$73,383	$187,245	$633,382	$704,416	***$512,000***	***$236,320***	$210,000	$260,000	$310,000	$310,000	$310,000
39 Other Sources	$395,363	$99,372	$30,365	$76,930	$151,110	***$120,000***	***$55,000***	$95,000	$95,000	$95,000	$95,000	$95,000

Major Expenditures

Major expenditures comprise approximately 75.0% of all General Fund expenditures. Major expenditures are largely personnel related costs with the addition of insurance and debt service. These expenditures are forecast using only one model as costs are more predictable and can be controlled, for the most part, by the Village. As a service organization, personnel costs make up the majority of the Village's operating budget.

Salaries

Full-time salaries account for 47.3% of the FY2021 General Fund budget. The Village has approved contracts with six bargaining units: three Police units, one Fire unit, one Public Works unit and one Administrative unit.

Cost of Living increases due all employees as of May 1, 2020 were forfeited by all groups. While this assisted in offsetting the revenue losses caused by the crisis, certain groups annual increases are tied to local comparable agencies or "Comps". Increases due May 1, 2021 will be reflective of maintaining the position within the Comp groups. In addition, bonuses were cut from FY2021, the Village Board took a 50% cut in pay and the Village Administrator forfeited a contractual increase and benefits.

Since the start of FY2021 the Village has held open positions and not filled vacancies to offset the impact of the COVID-19 crisis. As of publication, there are 12.5 Full Time Equivalent (FTE) open positions with at least 2 more anticipated before the end of the fiscal year. Of those 12.5 FTE's the Village is actively seeking to fill 2.0, a Civil Engineer in Engineering and Systems Administrator in Information Systems. Once those positions are filled, the vacant FTE count will stand at 10.5, which is the basis for the projection starting in FY2022.

The Forecast assumes;

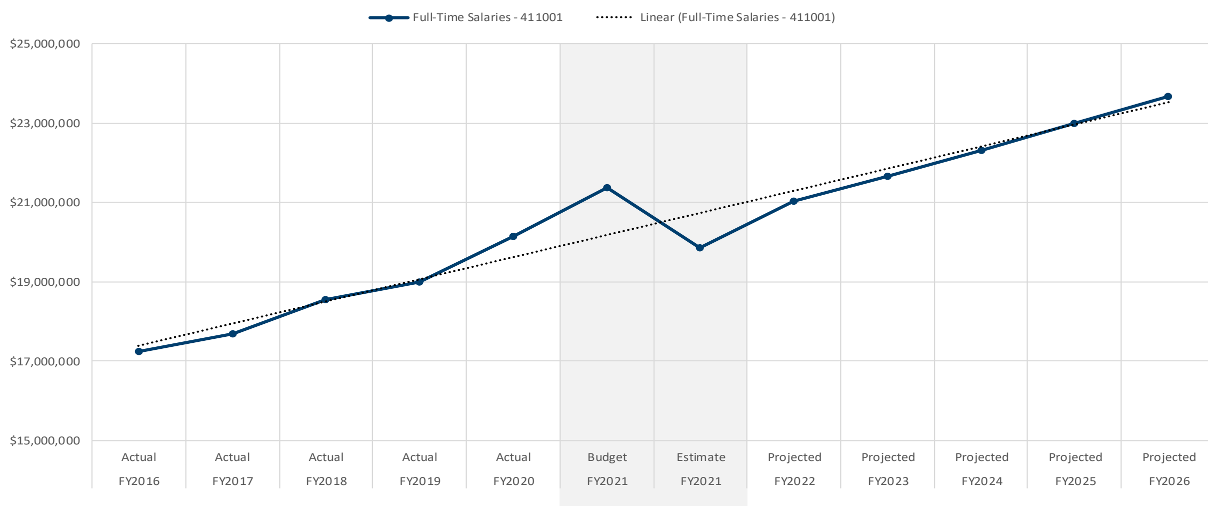
- FY2020 staffing levels less 10.5 FTE's will be maintained in FY2021
- All positions are filled year-round
- No changes in step increases
- The most recent bargaining unit cost of living applied to all units throughout the forecast period

Staff turnover accounts for an approximately 2.0% savings in salaries annually. This savings is a significant source of General Fund surpluses that is primarily transferred to the Capital Improvement Fund at year end to fund the Village's capital improvement program. This is an important conservative budgeting practice to retain as it provides a contingency in the event of an unanticipated interruption in economically sensitive General Fund revenues.

Between FY2016 and FY2020, salaries increased an average of 3.4% annually. This includes the addition of six firefighter/paramedics in the FY2016 budget, three Police Department personnel in FY2017, six communications positions in FY2018, six firefighter/paramedics in FY2020 (partially grant funded for 3 years), and 2 communications positions and systems administrator in the FY2021 budget. Salaries are projected to increase an average of 3.0% annually throughout the forecast period.

Full-Time Salaries

411001	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Full-Time Salaries - 411001												
% Change Versus Prior Year Actual/Estimate												
	1.3%	2.5%	4.9%	2.3%	6.2%	***6.0%***	***-7.1%***	6.0%	3.0%	3.0%	3.0%	3.0%
11010100	9.5%	6.5%	1.1%	4.9%	4.5%	***8.1%***	***-9.6%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	3.3%	-1.8%	12.9%	-2.4%	3.5%	***30.3%***	***-23.8%***	35.3%	3.0%	3.0%	3.0%	3.0%
11020100	-3.8%	-4.6%	21.3%	-8.7%	2.2%	***1.5%***	***-2.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	8.6%	9.9%	5.2%	-10.2%	-2.3%	***6.9%***	***-25.6%***	32.5%	3.0%	3.0%	3.0%	3.0%
11040100	-0.6%	1.3%	4.9%	2.3%	4.4%	***4.5%***	***-4.3%***	4.7%	3.0%	3.0%	3.0%	3.0%
11040200	10.2%	8.7%	28.2%	0.8%	12.9%	***22.6%***	***-18.1%***	7.6%	3.0%	3.0%	3.0%	3.0%
11050100	4.0%	2.4%	-2.2%	5.9%	8.9%	***3.2%***	***-5.2%***	5.2%	3.0%	3.0%	3.0%	3.0%
11075100	-0.6%	4.1%	6.6%	1.6%	1.9%	***2.2%***	***-1.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	-8.6%	1.7%	11.8%	4.6%	4.5%							
22175500	-11.2%	3.6%	7.3%	2.5%	10.9%	***5.7%***	***-10.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
23375200						***6.2%***	***-2.6%***	3.0%	3.0%	3.0%	3.0%	3.0%
Expense	$17,248,637	$17,682,946	$18,555,252	$18,987,036	$20,157,495	***$21,369,310***	***$19,855,000***	$21,041,433	$21,672,676	$22,322,856	$22,992,542	$23,682,318
11010100	$783,152	$833,889	$842,663	$883,995	$923,428	***$997,800***	***$902,000***	$929,060	$956,932	$985,640	$1,015,209	$1,045,665
11010200	$369,883	$363,284	$409,978	$400,335	$414,235	***$539,715***	***$411,000***	$555,906	$572,584	$589,761	$607,454	$625,678
11020100	$684,756	$652,956	$792,286	$723,022	$738,867	***$750,230***	***$733,000***	$754,990	$777,640	$800,969	$824,998	$849,748
11020200	$562,285	$617,695	$649,849	$583,431	$569,834	***$608,960***	***$453,000***	$600,000	$618,000	$636,540	$655,636	$675,305
11040100	$6,532,191	$6,614,841	$6,937,019	$7,096,866	$7,412,172	***$7,745,900***	***$7,414,000***	$7,759,492	$7,992,277	$8,232,045	$8,479,007	$8,733,377
11040200	$926,817	$1,007,231	$1,290,944	$1,301,760	$1,469,237	***$1,800,772***	***$1,474,000***	$1,585,877	$1,633,453	$1,682,456	$1,732,930	$1,784,918
11050100	$5,324,109	$5,452,316	$5,330,859	$5,642,987	$6,144,048	***$6,339,303***	***$6,012,000***	$6,326,428	$6,516,220	$6,711,707	$6,913,058	$7,120,450
11075100	$1,042,790	$1,086,037	$1,157,818	$1,175,852	$1,198,191	***$1,224,113***	***$1,207,000***	$1,243,210	$1,280,506	$1,318,921	$1,358,489	$1,399,244
11075200	$263,361	$267,937	$299,496	$313,363	$327,554	***$0***	***$0***	$0	$0	$0	$0	$0
22175500	$759,291	$786,761	$844,341	$865,424	$959,930	***$1,014,597***	***$910,000***	$937,300	$965,419	$994,382	$1,024,213	$1,054,939
23375200						***$347,920***	***$339,000***	$349,170	$359,645	$370,434	$381,547	$392,994



Property, Liability & Workers Compensation Insurance

The Village participates in the Municipal Insurance Cooperative Agency (MICA) pool for Liability, Property and Workers Compensation insurance. Premiums are based on a 4-year average of actual experience, combined with changes in exposure and payroll, and general market conditions. Pooled insurance allows the Village a low deductible, but higher premium plan that provides less volatility in annual costs. The forecast assumes;

- Continued participation in MICA
- No change in coverages, limits or deductibles
- No change in existing insured property

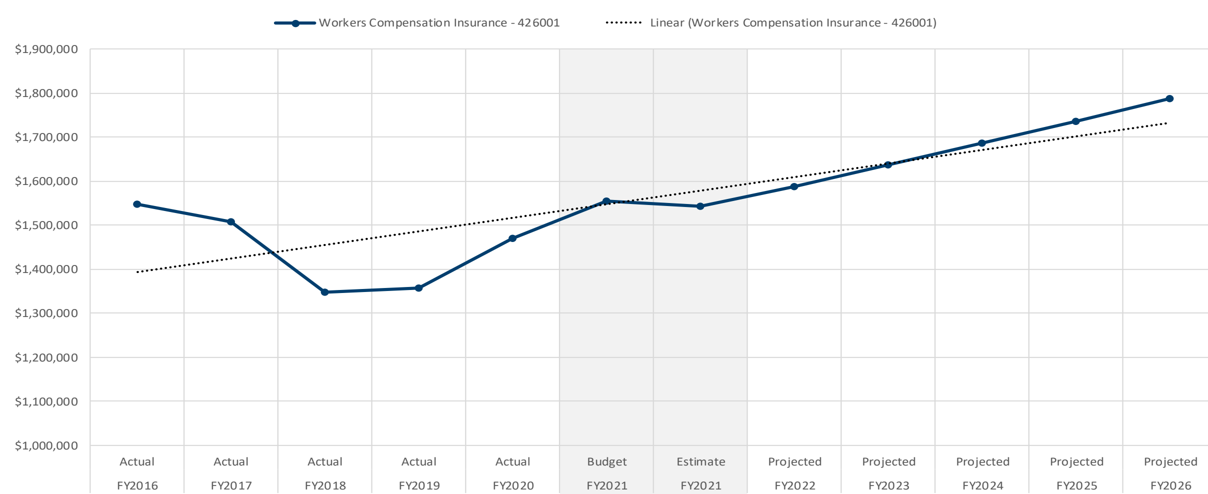
On the workers compensation side the Village had a relatively good premium year in FY2018 and FY2019 due to a poor experience year falling off of the funding formula used by MICA to determine premiums. FY2020 and FY2021 had increases of 8.2% and 4.9% respectively. Workers compensation premiums have increased an average of 1.0% between FY2016 and FY2021, but increased 3.3% if FY2018 is omitted. The forecast projects a 3.0% increase annually throughout the remainder of the forecast period.

On the liability and property side, between FY2016 and FY2021, premiums have increased an average of 0.4% annually with a 2.0% increase in FY2021. The forecast assumes an annual increase of 3.0% throughout the forecast period.

Premiums are charged directly to departmental budgets based on experience within the department. This allocation method makes departments directly accountable for their claims experience.

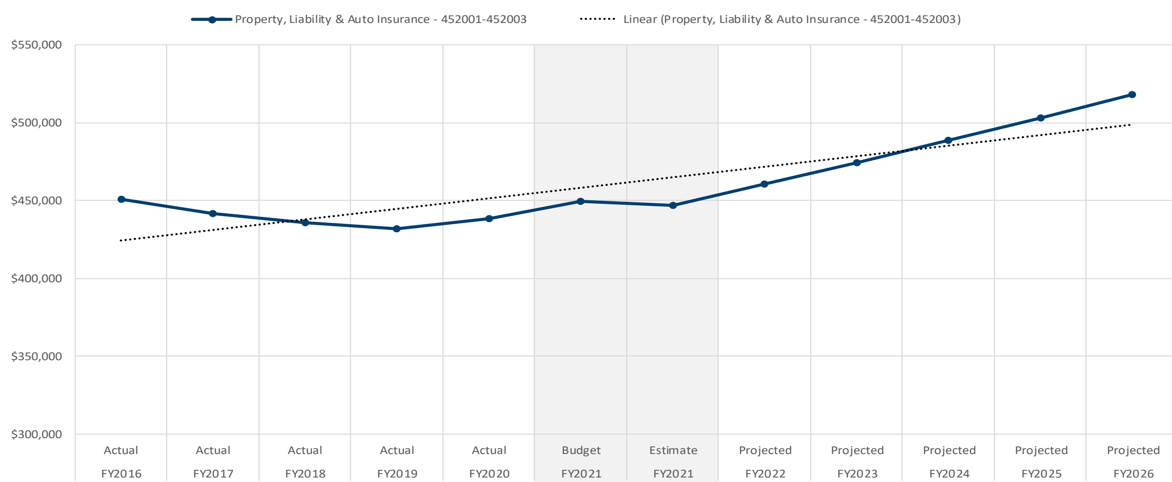
Workers Compensation Insurance

426001	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Workers Compensation Insurance - 426001												
% Change Versus Prior Year Actual/Estimate												
	5.2%	-2.6%	-10.6%	0.8%	8.2%	***5.7%***	***4.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010100	-7.0%	-2.7%	1.6%	-4.8%	-3.8%	***5.6%***	***3.8%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	-7.0%	-6.2%	0.8%	-4.8%	-2.4%	***7.4%***	***4.1%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020100	-7.0%	-1.8%	1.6%	-4.8%	-3.8%	***5.2%***	***3.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	-7.0%	-1.8%	1.6%	-4.8%	-3.8%	***5.2%***	***3.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	6.9%	-0.6%	-3.4%	-0.7%	0.9%	***5.4%***	***2.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040200	-15.4%	-5.5%	1.7%	-4.8%	-3.6%	***5.4%***	***3.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11050100	3.6%	-2.7%	-8.9%	-4.9%	7.0%	***22.8%***	***8.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075100	7.5%	-4.7%	-23.8%	10.8%	27.9%	***19.8%***	***2.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	-7.0%	45.3%	-40.3%	-22.0%	63.3%	***-100.0%***	***0.0%***	0.0%	0.0%	0.0%	0.0%	0.0%
22175500	7.8%	-5.0%	-12.9%	9.4%	12.0%	***6.2%***	***2.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
23375200	0.0%	0.0%	0.0%	0.0%	0.0%	***100.0%***	***9.6%***	3.0%	3.0%	3.0%	3.0%	3.0%
Expense	$1,546,785	$1,507,210	$1,347,163	$1,357,896	$1,469,920	***$1,553,600***	***$1,542,352***	$1,588,623	$1,636,281	$1,685,370	$1,735,931	$1,788,009
11010100	$9,562	$9,300	$9,445	$8,995	$9,090	***$9,500***	***$9,431***	$9,714	$10,005	$10,306	$10,615	$10,933
11010200	$7,441	$6,980	$7,037	$6,702	$6,866	***$7,200***	***$7,148***	$7,362	$7,583	$7,811	$8,045	$8,286
11020100	$14,213	$13,950	$14,173	$13,496	$13,635	***$14,200***	***$14,097***	$14,520	$14,956	$15,404	$15,866	$16,342
11020200	$14,213	$13,950	$14,173	$13,496	$13,635	***$14,200***	***$14,097***	$14,520	$14,956	$15,404	$15,866	$16,342
11040100	$397,574	$395,320	$381,872	$379,293	$385,442	***$399,600***	***$396,707***	$408,608	$420,866	$433,492	$446,497	$459,892
11040200	$13,776	$13,020	$13,247	$12,614	$12,764	***$13,300***	***$13,204***	$13,600	$14,008	$14,428	$14,861	$15,307
11050100	$540,173	$525,550	$479,015	$455,518	$512,407	***$559,300***	***$555,251***	$571,909	$589,066	$606,738	$624,940	$643,688
11075100	$268,448	$255,800	$195,033	$216,020	$249,483	***$258,700***	***$256,827***	$264,532	$272,468	$280,642	$289,061	$297,733
11075200	$12,074	$17,540	$10,478	$8,175	$17,116	***$0***	***$0***	$0	$0	$0	$0	$0
22175500	$269,312	$255,800	$222,689	$243,588	$249,483	***$258,700***	***$256,827***	$264,532	$272,468	$280,642	$289,061	$297,733
23375200	$0	$0	$0	$0	$0	***$18,900***	***$18,763***	$19,326	$19,906	$20,503	$21,118	$21,751



Property, Liability & Auto Insurance

	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Property, Liability & Auto Insurance - 452001-452003												
% Change Versus Prior Year Actual/Estimate												
	3.3%	-2.1%	-1.3%	-0.9%	1.5%	***2.6%***	***2.0%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010100	-6.98%	-8.35%	1.49%	-4.77%	1.44%	***3.94%***	***3.18%***	3.00%	3.00%	3.00%	3.00%	3.00%
11010200	7.45%	-13.37%	-0.29%	-4.77%	9.41%	***11.37%***	***10.57%***	3.00%	3.00%	3.00%	3.00%	3.00%
11020100	-5.88%	0.97%	-0.46%	-1.99%	3.24%	***3.55%***	***2.79%***	3.00%	3.00%	3.00%	3.00%	3.00%
11020200	-5.88%	0.97%	-0.46%	-1.99%	3.24%	***3.55%***	***2.79%***	3.00%	3.00%	3.00%	3.00%	3.00%
11040100	-3.95%	-0.96%	0.27%	-3.76%	1.54%	***2.99%***	***2.80%***	3.00%	3.00%	3.00%	3.00%	3.00%
11040200	-6.98%	-7.35%	1.27%	-4.77%	1.53%	***5.24%***	***4.48%***	3.00%	3.00%	3.00%	3.00%	3.00%
11050100	34.65%	1.36%	-2.30%	-1.37%	2.89%	***1.67%***	***0.93%***	3.00%	3.00%	3.00%	3.00%	3.00%
11075100	4.29%	1.26%	-3.22%	-0.46%	3.24%	***1.18%***	***0.45%***	3.00%	3.00%	3.00%	3.00%	3.00%
11075200	17.60%	3.87%	3.27%	48.53%	-17.35%	***-100.00%***	***0.00%***	0.00%	0.00%	0.00%	0.00%	0.00%
11075300	12.17%	-0.52%	1.83%	1.20%	4.81%	***0.00%***	***-0.72%***	3.00%	3.00%	3.00%	3.00%	3.00%
22175500	6.92%	-9.24%	-5.39%	1.13%	2.07%	***0.88%***	***0.15%***	3.00%	3.00%	3.00%	3.00%	3.00%
23375200	0.00%	0.00%	0.00%	0.00%	0.00%	***100.00%***	***9.94%***	3.00%	3.00%	3.00%	3.00%	3.00%
Expense	**$450,724**	**$441,367**	**$435,596**	**$431,698**	**$438,117**	***$449,300***	***$447,048***	**$460,459**	**$474,273**	**$488,501**	**$503,156**	**$518,251**
11010100	$21,310	$19,530	$19,821	$18,875	$19,146	***$19,900***	***$19,756***	$20,349	$20,959	$21,588	$22,236	$22,903
11010200	$1,397	$1,210	$1,207	$1,149	$1,257	***$1,400***	***$1,390***	$1,432	$1,475	$1,519	$1,564	$1,611
11020100	$8,357	$8,438	$8,400	$8,232	$8,499	***$8,800***	***$8,736***	$8,998	$9,268	$9,546	$9,832	$10,127
11020200	$8,357	$8,438	$8,400	$8,232	$8,499	***$8,800***	***$8,736***	$8,998	$9,268	$9,546	$9,832	$10,127
11040100	$184,577	$182,814	$183,314	$176,426	$179,145	***$184,500***	***$184,164***	$189,689	$195,380	$201,241	$207,278	$213,497
11040200	$12,046	$11,160	$11,302	$10,762	$10,927	***$11,500***	***$11,417***	$11,760	$12,112	$12,476	$12,850	$13,235
11050100	$62,051	$62,896	$61,447	$60,608	$62,362	***$63,400***	***$62,941***	$64,829	$66,774	$68,777	$70,841	$72,966
11075100	$61,339	$62,111	$60,109	$59,833	$61,772	***$62,500***	***$62,048***	$63,909	$65,827	$67,802	$69,836	$71,931
11075200	$9,943	$10,328	$10,666	$15,842	$13,093	***$0***	***$0***	$0	$0	$0	$0	$0
11075300	$6,980	$6,944	$7,071	$7,156	$7,500	***$7,500***	***$7,446***	$7,669	$7,899	$8,136	$8,381	$8,632
22175500	$74,366	$67,498	$63,861	$64,582	$65,918	***$66,500***	***$66,019***	$68,000	$70,040	$72,141	$74,305	$76,534
23375200	$0	$0	$0	$0	$0	***$14,500***	***$14,395***	$14,827	$15,272	$15,730	$16,202	$16,688



Health Insurance

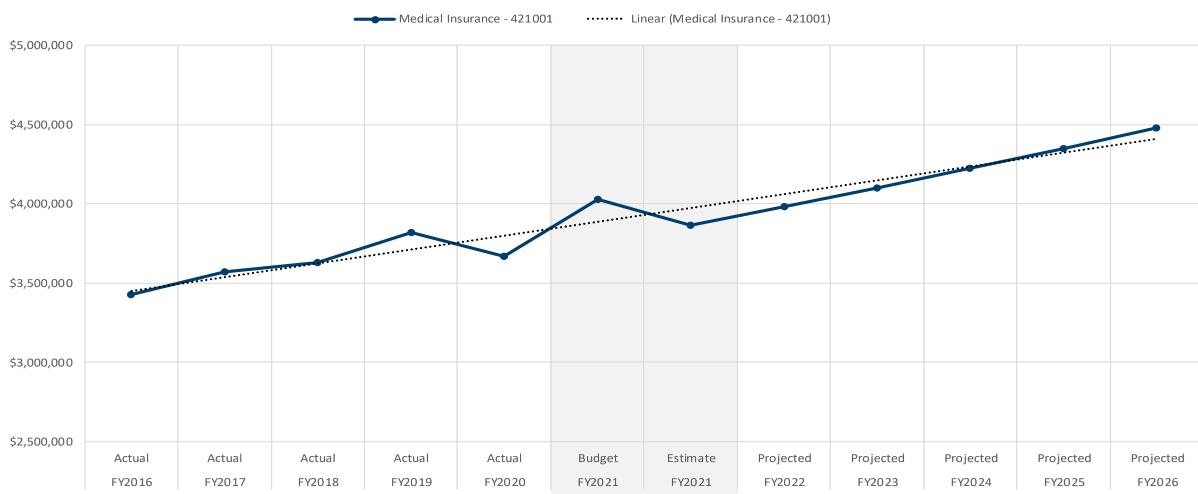
The Village is self-insured for employee medical insurance that covers all employees with the exception of those covered under the Local 150 bargaining agreement. Local 150 employees are covered under a union sponsored plan. The Village plan is administered by Blue Cross/Blue Shield of Illinois and has an excess policy for catastrophic claims. The forecast assumes;

- No Change in employee share of 12.00%
- No change in plan design, benefits
- Continued self-insured setup

Between FY2016 and FY2020, health insurance expenditures increased an average of 2.0% annually. FY2021 expenditures are anticipated to increase 5.4% over the previous year based on the renewal. The forecast assumes an annual increase of 3.00% annually thereafter throughout the forecast period.

Health Insurance

421001	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Medical Insurance - 421001												
% Change Versus Prior Year Actual/Estimate												
	3.0%	4.3%	1.5%	5.2%	-3.9%	***9.8%***	***5.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010100	-6.4%	-7.0%	15.8%	21.0%	-15.0%	***9.3%***	***0.2%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	46.1%	11.5%	-31.1%	5.3%	-4.7%	***30.7%***	***9.5%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020100	13.8%	20.0%	-11.0%	-6.8%	3.6%	***8.3%***	***6.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	16.8%	17.2%	-10.4%	-2.0%	-9.0%	***4.0%***	***-22.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	-0.7%	-1.7%	9.8%	4.4%	-7.0%	***8.9%***	***7.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040200	3.6%	-0.7%	38.4%	1.2%	-0.4%	***15.6%***	***6.6%***	3.0%	3.0%	3.0%	3.0%	3.0%
11050100	-2.5%	-0.2%	3.9%	8.7%	-3.9%	***12.1%***	***7.8%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075100	10.2%	20.7%	-15.6%	7.0%	-7.7%	***7.2%***	***7.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	-1.3%	23.6%	-1.4%	5.6%	-4.2%	***-100.0%***	***0.0%***	0.0%	0.0%	0.0%	0.0%	0.0%
22175500	18.6%	14.0%	-21.3%	1.4%	20.1%	***2.5%***	***-3.4%***	3.0%	3.0%	3.0%	3.0%	3.0%
23375200	0.0%	0.0%	0.0%	0.0%	0.0%	***100.0%***	***8.6%***	3.0%	3.0%	3.0%	3.0%	3.0%
Expense	$3,424,017	$3,572,392	$3,626,566	$3,815,875	$3,668,877	***$4,027,867***	***$3,865,300***	$3,981,259	$4,100,697	$4,223,718	$4,350,429	$4,480,942
11010100	$128,125	$119,126	$137,928	$166,841	$141,758	***$154,975***	***$142,000***	$146,260	$150,648	$155,167	$159,822	$164,617
11010200	$85,233	$95,029	$65,485	$68,932	$65,727	***$85,917***	***$72,000***	$74,160	$76,385	$78,676	$81,037	$83,468
11020100	$152,271	$182,739	$162,667	$151,605	$157,102	***$170,097***	***$168,000***	$173,040	$178,231	$183,578	$189,085	$194,758
11020200	$122,366	$143,462	$128,559	$125,948	$114,564	***$119,137***	***$89,000***	$91,670	$94,420	$97,253	$100,170	$103,175
11040100	$1,191,267	$1,171,530	$1,286,056	$1,343,111	$1,249,131	***$1,360,102***	***$1,340,000***	$1,380,200	$1,421,606	$1,464,254	$1,508,182	$1,553,427
11040200	$198,518	$197,111	$272,813	$275,980	$274,882	***$317,900***	***$293,000***	$301,790	$310,844	$320,169	$329,774	$339,667
11050100	$893,579	$891,913	$927,025	$1,007,401	$968,229	***$1,085,352***	***$1,044,000***	$1,075,320	$1,107,580	$1,140,807	$1,175,031	$1,210,282
11075100	$300,143	$362,313	$305,707	$327,099	$301,938	***$323,595***	***$324,000***	$333,720	$343,732	$354,044	$364,665	$375,605
11075200	$74,926	$92,598	$91,325	$96,423	$92,349	***$0***	***$0***	$0	$0	$0	$0	$0
22175500	$277,587	$316,571	$249,001	$252,534	$303,198	***$310,711***	***$293,000***	$301,790	$310,844	$320,169	$329,774	$339,667
23375200	$0	$0	$0	$0	$0	***$100,081***	***$100,300***	$103,309	$106,408	$109,601	$112,889	$116,275



Pensions

Village employees participate in one of three different pension plans per state statute. Police employees are covered under Article 3 pension plans (40 ILCS 5/3). Fire employees are covered under Article 4 pension plans (40 ILCS 5/4). All non-police or fire employees are covered under the Illinois Municipal Retirement Fund (IMRF) (40 ILCS 5/7). To participate in IMRF, new employees must be expected to work over 1,000 hours annually.

Funding for the Police and Fire Pension Funds is determined by an independent actuary and paid annually in December from revenues in the General Fund.

The forecast assumes;

- FY2020 staffing levels less 10.5 FTE's will be maintained in FY2021
- No change in benefits or plan design
- No change in actuarial assumptions used to calculate the Annual Required Contribution
- The most conservative funding assumption model for police and fire pension funds
- No impact from investment consolidation

Police

Since FY2016, police pension required contributions have increased an average of 9.4% annually. The Village contracted with a new actuary to dig deeper into the assumptions and continue to fund conservatively. Based on feedback from the actuary the assumed increase should flatten out barring adding personnel or continued low returns. The forecast assumes a 7.00% increase in FY2023 – FY2026. The increase for FY2022 is known at 6.5%.

Fire

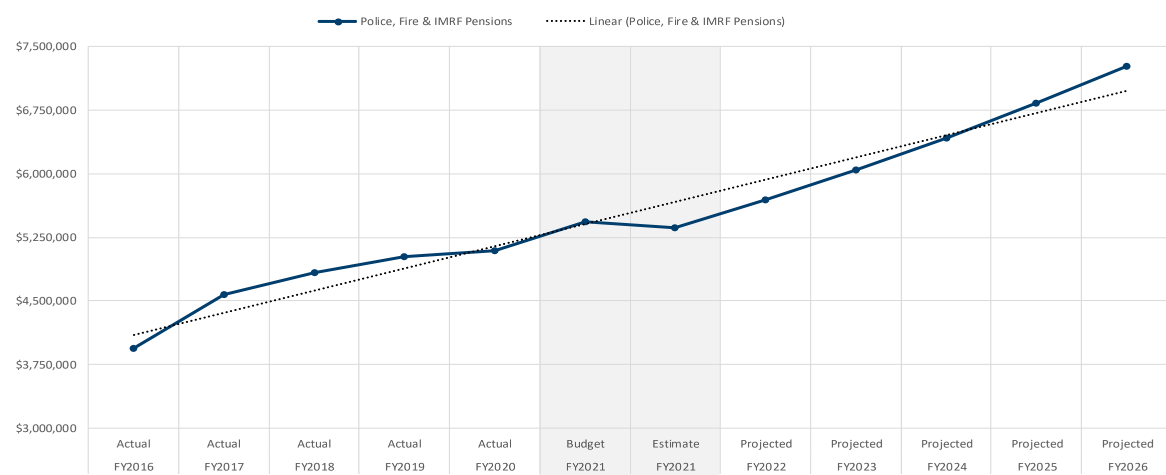
Since FY2016, fire pension required contributions have increased an average of 8.2% annually. The impacts to the Fire pension are similar to the police pension. The assumptions are the same and the FY2022 known change is a decrease of 7.3%.

IMRF

Since FY2016, IMRF costs have increased an average of 2.0% annually. The employer rate for calendar year 2021 decreased 3.26% and is projected to remain flat throughout the forecast period. The forecast assumes costs will increase an average of 3.0% for the forecast period as a result of general salary increases.

Police, Fire & IMRF Pensions

		FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Police, Fire & IMRF Pensions													
% Change Versus Prior Year Actual/Estimate													
		355.1%	16.2%	5.7%	4.0%	1.3%	***6.9%***	***5.3%***	6.2%	6.3%	6.3%	6.3%	6.3%
11010100	IMRF	6.8%	7.5%	0.4%	10.9%	-4.9%	***12.4%***	***3.2%***	3.0%	3.0%	3.0%	3.0%	3.0%
11010200	IMRF	5.1%	3.0%	0.3%	1.1%	-5.2%	***36.7%***	***3.5%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020100	IMRF	-6.1%	-2.3%	18.9%	-8.4%	-5.1%	***6.2%***	***7.7%***	3.0%	3.0%	3.0%	3.0%	3.0%
11020200	IMRF	8.7%	11.6%	1.2%	-9.4%	-9.7%	***11.6%***	***-15.2%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	IMRF	-2.3%	2.6%	-0.9%	4.1%	-11.0%	***15.6%***	***6.9%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040200	IMRF	5.1%	18.4%	34.7%	1.4%	-0.4%	***17.8%***	***8.0%***	3.0%	3.0%	3.0%	3.0%	3.0%
11050100	IMRF	-25.7%	6.4%	-34.0%	18.7%	-3.2%	***9.5%***	***7.3%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075100	IMRF	-1.5%	9.3%	-1.3%	3.4%	-7.3%	***11.2%***	***9.1%***	3.0%	3.0%	3.0%	3.0%	3.0%
11075200	IMRF	41.2%	-30.3%	13.6%	-3.7%	-3.5%	***-100.0%***	***0.0%***	0.0%	0.0%	0.0%	0.0%	0.0%
22175500	IMRF	-5.1%	14.2%	-22.0%	38.8%	-9.8%	***9.9%***	***2.0%***	3.0%	3.0%	3.0%	3.0%	3.0%
23375200	IMRF	0.0%	0.0%	0.0%	0.0%	0.0%	***100.0%***	***12.1%***	3.0%	3.0%	3.0%	3.0%	3.0%
11040100	Police	12.2%	22.3%	9.9%	3.3%	3.0%	***5.5%***	***5.5%***	6.5%	7.0%	7.0%	7.0%	7.0%
11050100	Fire	18.7%	15.5%	2.2%	4.2%	3.2%	***5.2%***	***5.2%***	7.3%	7.0%	7.0%	7.0%	7.0%
Expense		$3,934,589	$4,572,554	$4,831,423	$5,023,544	$5,087,438	***$5,437,877***	***$5,356,433***	$5,685,943	$6,043,113	$6,424,060	$6,830,411	$7,263,907
11010100	IMRF	$95,950	$103,176	$103,615	$114,859	$109,187	***$122,759***	***$112,700***	$116,081	$119,563	$123,150	$126,845	$130,650
11010200	IMRF	$51,719	$53,274	$53,417	$54,027	$51,223	***$70,017***	***$53,000***	$54,590	$56,228	$57,915	$59,652	$61,442
11020100	IMRF	$81,902	$80,056	$95,190	$87,185	$82,725	***$87,851***	***$89,100***	$91,773	$94,526	$97,362	$100,283	$103,291
11020200	IMRF	$69,208	$77,256	$78,212	$70,885	$64,030	***$71,452***	***$54,300***	$55,929	$57,607	$59,335	$61,115	$62,949
11040100	IMRF	$117,554	$120,640	$119,590	$124,494	$110,855	***$128,150***	***$118,500***	$122,055	$125,717	$129,488	$133,373	$137,374
11040200	IMRF	$119,538	$141,579	$190,739	$193,496	$192,762	***$227,109***	***$208,100***	$214,343	$220,773	$227,396	$234,218	$241,245
11050100	IMRF	$33,262	$35,405	$23,369	$27,734	$26,835	***$29,383***	***$28,800***	$29,664	$30,554	$31,471	$32,415	$33,387
11075100	IMRF	$139,875	$152,861	$150,921	$156,108	$144,659	***$160,794***	***$157,800***	$162,534	$167,410	$172,432	$177,605	$182,933
11075200	IMRF	$53,952	$37,620	$42,739	$41,153	$39,707	***$0***	***$0***	$0	$0	$0	$0	$0
22175500	IMRF	$109,700	$125,255	$97,664	$135,512	$122,171	***$134,249***	***$124,600***	$128,338	$132,188	$136,154	$140,238	$144,446
23375200	IMRF	$0	$0	$0	$0	$0	***$41,080***	***$44,500***	$45,835	$47,210	$48,626	$50,085	$51,588
11040100	Police	$1,590,485	$1,945,216	$2,137,886	$2,207,368	$2,273,714	***$2,398,379***	***$2,398,379***	$2,554,119	$2,732,907	$2,924,211	$3,128,906	$3,347,929
11050100	Fire	$1,471,445	$1,700,217	$1,738,081	$1,810,723	$1,869,571	***$1,966,654***	***$1,966,654***	$2,110,682	$2,258,430	$2,416,520	$2,585,676	$2,766,674

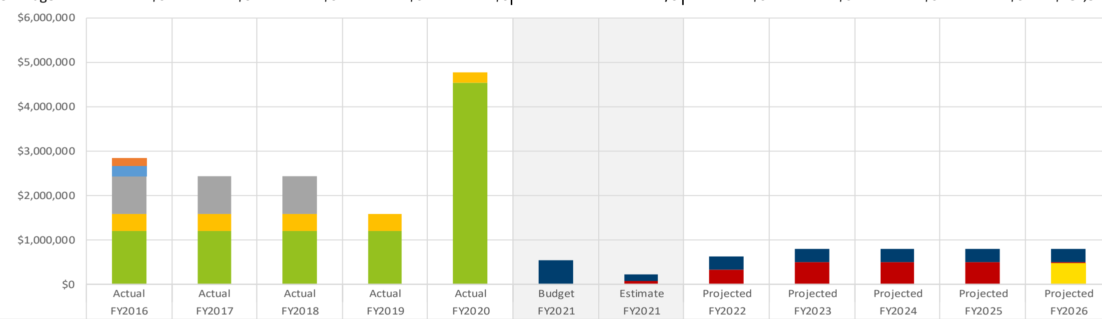


Debt Service

The Village paid off the Series 2011 Bonds early in December of 2019 and the final payment on the Park District bonds was made in FY2020. The Village added a low Interest IEPA loan for the Knowles Road Water Tower in FY 2021, and a promissory note for the construction of Fire Station #3 in FY2021. The chart below reflects required debt service, additional principal payments may be budgeted as funding allows and are not shown. The General Fund forecast assumes;

- $5.90 million debt for the construction of Fire Station #3 starting in FY2021
- First $2 million in Debt service for Fire Station #3 is paid for by a contribution from Warren-Waukegan Fire Protection District
- $5.14 million IEPA loan beginning in FY2021

	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Debt Service												
Expense	**$2,849,015**	**$2,431,585**	**$2,442,616**	**$1,588,138**	**$4,785,813**	***$4,785,813***	***$225,644***	**$641,100**	**$814,100**	**$814,100**	**$814,100**	**$814,100**
110 Series 2012 (60%)	$247,860	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
221 Series 2012 (40%)	$165,240	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
110 Series 2009	$849,075	$845,825	$856,975	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
110 Series 2001 (Park District)	$386,490	$386,910	$386,291	$388,688	$251,813	***$0***	***$0***	$0	$0	$0	$0	$0
110 Series 2011	$1,200,350	$1,198,850	$1,199,350	$1,199,450	$4,534,000	***$0***	***$0***	$0	$0	$0	$0	$0
221 IEPA Anticipated Loan	$0	$0	$0	$0	$0	***$560,000***	***$141,569***	$300,000	$300,000	$300,000	$300,000	$300,000
110 Fire Station #3 WWFPD	$0	$0	$0	$0	$0		***$84,075***	$341,100	$514,100	$514,100	$514,100	$32,525
110 Fire Station #3 Village	$0	$0	$0	$0	$0		***$0***	$0	$0	$0	$0	$481,575



	Actual FY2016	Actual FY2017	Actual FY2018	Actual FY2019	Actual FY2020	Budget FY2021	Estimate FY2021	Projected FY2022	Projected FY2023	Projected FY2024	Projected FY2025	Projected FY2026
221 Series 2012 (40%)	$165,240	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
110 Series 2012 (60%)	$247,860	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
110 Series 2009	$849,075	$845,825	$856,975	$0	$0	$0	$0	$0	$0	$0	$0	$0
110 Series 2001 (Park District)	$386,490	$386,910	$386,291	$388,688	$251,813	$0	$0	$0	$0	$0	$0	$0
110 Series 2011	$1,200,350	$1,198,850	$1,199,350	$1,199,450	$4,534,000	$0	$0	$0	$0	$0	$0	$0
221 IEPA Anticipated Loan	$0	$0	$0	$0	$0	$560,000	$141,569	$300,000	$300,000	$300,000	$300,000	$300,000
110 Fire Station #3 WWFPD	$0	$0	$0	$0	$0	$0	$84,075	$341,100	$514,100	$514,100	$514,100	$32,525
110 Fire Station #3 Village	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$481,575

Other Expenditures

Similar to non-major revenues, non-major General Fund expenditures are grouped by category including; Salaries & Wages, Employee Benefits, Professional & Technical Services, Contractual Services, Other Contracted Services, Supplies, Debt Service and Other Financing Uses. The forecast assumes these expenditures increase by 2.5% annually with the following major exceptions;

- Great Wolf Lodge Recapture Agreement based on projections
- Six Flags rebate based on actual assumptions
- Contractual Services increase at 2.5% annually in the absence of a contractual amount
- Key Decision Points as outlined in Section I
- Known minor items in the Salaries & Wages category are included

Forecast of Revenues, Expenses & Changes in Fund Balance

The following charts show the revenues, expenditures and change in fund balance for the three different revenue models. Historically conservative budgeting practices and staff turnover have led to surpluses of approximately $1 million. Therefore, there is cause for concern in the model once the annual deficit is greater than $1 million.

Baseline Model

110 - General Fund Baseline Model	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	*2021* *Budget*	*FY2021* *Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	**$23,652,873**	**$24,919,357**	**$26,016,881**	**$26,041,417**	**$26,743,169**	***$25,751,143***	***$25,751,143***	**$22,857,823**	**$21,710,663**	**$21,686,847**	**$20,938,014**	**$19,364,332**
Revenues Over/(Under) Expenses	**$1,266,484**	**$1,097,524**	**$24,536**	**$701,752**	**($992,026)**	***$1,030,840***	***($2,893,320)***	**($1,147,160)**	**($23,816)**	**($748,832)**	**($1,573,682)**	**($2,463,134)**
Ending Fund Balance - 4/30	**$24,919,357**	**$26,016,881**	**$26,041,417**	**$26,743,169**	**$25,751,143**	***$26,781,982***	***$22,857,823***	**$21,710,663**	**$21,686,847**	**$20,938,014**	**$19,364,332**	**$16,901,198**
Ending Fund Balance as a % of Expenditures	**66.0%**	**67.1%**	**62.3%**	**61.7%**	**67.6%**	***63.3%***	***55.9%***	**51.1%**	**49.4%**	**46.2%**	**41.3%**	**36.1%**
Revenues	**$39,295,278**	**$38,841,536**	**$38,793,021**	**$42,485,121**	**$42,343,856**	***$43,314,137***	***$35,190,089***	**$39,711,400**	**$42,424,069**	**$43,108,746**	**$43,748,782**	**$44,382,018**
% Change vs. Prior Year	**2.64%**	**-1.15%**	**-0.12%**	**9.52%**	**-0.33%**	***2.29%***	***-16.89%***	**12.85%**	**6.83%**	**1.61%**	**1.48%**	**1.45%**
30 Major Revenues	**$28,806,451**	**$28,585,288**	**$28,290,039**	**$30,372,783**	**$29,676,184**	***$30,925,000***	***$22,735,000***	**$28,146,800**	**$30,793,600**	**$31,295,148**	**$31,824,744**	**$32,345,181**
% Change vs. Prior Year	**1.68%**	**-0.77%**	**-1.03%**	**7.36%**	**-2.29%**	***4.21%***	***-23.39%***	**23.80%**	**9.40%**	**1.63%**	**1.69%**	**1.64%**
110 331301 SALES TAX	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	***$12,750,000***	***$10,700,000***	$12,043,500	$12,700,000	$12,827,000	$12,955,270	$13,084,823
110 331302 LOCAL USE TAX	$722,414	$771,624	$768,614	$952,796	$1,095,105	***$1,100,000***	***$1,400,000***	$1,250,000	$1,375,000	$1,512,500	$1,663,750	$1,830,125
110 331303 HOME RULE SALES TAX	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	***$4,550,000***	***$3,500,000***	$4,193,600	$4,500,000	$4,545,000	$4,590,450	$4,636,355
110 331601 AMUSEMENT TAX	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	***$3,550,000***	***$550,000***	$2,833,400	$3,600,000	$3,708,000	$3,819,240	$3,895,625
110 331607 HOTEL TAX	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	***$2,150,000***	***$500,000***	$1,448,500	$2,000,000	$2,060,000	$2,121,800	$2,185,454
110 331609 FOOD & BEVERAGE TAX	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	***$2,025,000***	***$1,150,000***	$1,726,300	$2,000,000	$2,050,000	$2,101,250	$2,153,781
110 331801 TELECOM MAINTENANCE FEE	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	***$700,000***	***$735,000***	$661,500	$595,350	$535,815	$482,234	$434,010
110 333501 STATE INCOME TAX	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	***$3,400,000***	***$3,500,000***	$3,325,000	$3,358,250	$3,391,833	$3,425,751	$3,460,008
110 332201 GENERAL BUILDING PERMITS	$534,735	$724,256	$899,595	$672,429	$484,400	***$700,000***	***$700,000***	$665,000	$665,000	$665,000	$665,000	$665,000
All Other Revenues By Category	**$10,488,827**	**$10,256,247**	**$10,502,982**	**$12,112,339**	**$12,667,672**	***$12,389,137***	***$12,455,089***	**$11,564,600**	**$11,630,469**	**$11,813,598**	**$11,924,038**	**$12,036,837**
% Change vs. Prior Year	**5.38%**	**-2.22%**	**2.41%**	**15.32%**	**4.58%**	***-2.20%***	***-1.68%***	**-7.15%**	**0.57%**	**1.57%**	**0.93%**	**0.95%**
31 Taxes	$1,928,605	$1,798,538	$1,473,145	$1,714,075	$1,757,133	***$1,816,221***	***$1,258,152***	$1,485,000	$1,610,000	$1,635,000	$1,635,000	$1,635,000
32 Licenses & Permits	$440,963	$491,664	$449,776	$422,572	$390,849	***$395,300***	***$292,025***	$361,900	$386,900	$386,900	$386,900	$386,900
33 Intergovernmental	$113,896	$171,589	$154,149	$188,965	$714,215	***$693,986***	***$2,081,337***	$404,500	$164,500	$164,500	$164,500	$164,500
34 Charges for Services	$5,546,428	$5,979,661	$6,220,105	$6,914,666	$7,176,041	***$7,092,130***	***$7,138,255***	$7,187,700	$7,293,569	$7,401,698	$7,512,138	$7,624,937
35 Fines & Forfeitures	$1,944,825	$1,642,039	$1,988,198	$2,161,751	$1,773,907	***$1,759,500***	***$1,394,000***	$1,820,500	$1,820,500	$1,820,500	$1,820,500	$1,820,500
36 Invests & Contribs	$118,747	$73,383	$187,245	$633,382	$704,416	***$512,000***	***$236,320***	$210,000	$260,000	$310,000	$310,000	$310,000
39 Other Sources	$395,363	$99,372	$30,365	$76,930	$151,110	***$120,000***	***$55,000***	$95,000	$95,000	$95,000	$95,000	$95,000
Major Expenses	**$38,028,794**	**$37,744,011**	**$38,768,485**	**$41,783,370**	**$43,335,882**	***$42,283,297***	***$38,083,409***	**$40,858,560**	**$42,447,885**	**$43,857,578**	**$45,322,464**	**$46,845,152**
% Change vs. Prior Year	**3.42%**	**-0.75%**	**2.71%**	**7.78%**	**3.72%**	***-2.43%***	***-12.12%***	**7.29%**	**3.89%**	**3.32%**	**3.34%**	**3.36%**
40 Major Expenses	**$25,114,494**	**$26,224,585**	**$27,318,445**	**$28,054,408**	**$29,121,148**	***$30,530,716***	***$28,898,729***	**$30,525,291**	**$31,627,642**	**$32,776,124**	**$33,973,037**	**$35,220,812**
% Change vs. Prior Year		**4.42%**	**4.17%**	**2.69%**	**3.80%**	***4.84%***	***-0.76%***	**5.63%**	**3.61%**	**3.63%**	**3.65%**	**3.67%**
110 411001 SALARIES-REGULAR	$16,489,345	$16,896,185	$17,710,912	$18,121,612	$19,197,566	***$20,006,793***	***$18,606,000***	$19,754,963	$20,347,612	$20,958,040	$21,586,782	$22,234,385
110 421001 MEDICAL INSURANCE	$3,146,429	$3,255,822	$3,377,565	$3,563,341	$3,365,679	***$3,617,075***	***$3,472,000***	$3,576,160	$3,683,445	$3,793,948	$3,907,767	$4,025,000
110 423001 IL MUNIC RETIREMENT FUND	$762,959	$801,866	$857,793	$869,941	$821,982	***$897,515***	***$822,300***	$846,969	$872,378	$898,549	$925,506	$953,271
110 423002 POLICE PENSION CONTRIB	$1,590,485	$1,945,216	$2,137,886	$2,207,368	$2,273,714	***$2,398,379***	***$2,398,379***	$2,554,119	$2,732,907	$2,924,211	$3,128,906	$3,347,929
110 423003 FIRE PENSION CONTRIBUTION	$1,471,445	$1,700,217	$1,738,081	$1,810,723	$1,869,571	***$1,966,654***	***$1,966,654***	$2,110,682	$2,258,430	$2,416,520	$2,585,676	$2,766,674
110 426001 WORKERS COMP INSURANCE	$1,277,473	$1,251,410	$1,124,474	$1,114,308	$1,220,437	***$1,276,000***	***$1,266,762***	$1,304,765	$1,343,908	$1,384,225	$1,425,752	$1,468,524
110 452001 LIABILITY INSURANCE	$376,357	$373,869	$371,735	$367,115	$372,199	***$368,300***	***$366,634***	$377,633	$388,962	$400,631	$412,650	$425,029
All Other Expenses by Category	**$12,914,301**	**$11,519,426**	**$11,450,040**	**$13,728,961**	**$14,214,734**	***$11,752,581***	***$9,184,680***	**$10,333,269**	**$10,820,244**	**$11,081,454**	**$11,349,427**	**$11,624,340**
% Change vs. Prior Year		**-10.80%**	**-0.60%**	**19.90%**	**3.54%**	***-17.32%***	***-35.39%***	**12.51%**	**4.71%**	**2.41%**	**2.42%**	**2.42%**
41 Salaries & Wages	$2,202,156	$2,321,362	$2,781,029	$2,770,605	$3,027,933	***$2,810,698***	***$2,604,082***	$2,830,535	$2,905,447	$2,982,461	$3,061,634	$3,143,029
42 Employee Benefits	$1,121,056	$1,153,661	$1,163,484	$1,232,513	$1,345,118	***$1,336,094***	***$1,214,674***	$1,320,641	$1,347,800	$1,375,674	$1,404,282	$1,433,643
43 Prof & Tech Services	$866,465	$920,988	$1,173,008	$1,522,755	$1,371,973	***$1,392,090***	***$991,884***	$1,303,640	$1,333,681	$1,364,422	$1,395,880	$1,428,071
44 Contractual Services	$1,379,273	$1,431,007	$1,537,541	$1,740,961	$1,819,088	***$1,610,663***	***$1,322,309***	$1,569,946	$1,603,868	$1,638,597	$1,674,153	$1,710,556
45 Other Cont. Services	$669,154	$581,405	$728,154	$749,961	$737,790	***$830,274***	***$698,416***	$808,652	$828,369	$848,568	$869,262	$890,463
46 Supplies	$1,298,636	$1,242,727	$1,303,811	$1,372,714	$1,069,488	***$851,252***	***$621,555***	$803,105	$823,183	$843,762	$864,856	$886,478
47 Capital	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
48 Debt Service	$93,096	$93,086	$93,086	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
49 Other Financing Uses	$5,284,465	$3,775,190	$2,669,928	$4,339,452	$4,843,343	***$2,921,510***	***$1,731,760***	$1,696,750	$1,977,896	$2,027,970	$2,079,360	$2,132,102

Expansion Model

110 - General Fund Expansion Model	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget	FY2021 Estimate	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	$23,652,873	$24,919,357	$26,016,881	$26,041,417	$26,743,169	$25,751,143	$25,751,143	$22,857,823	$24,697,113	$26,209,784	$27,766,312	$29,318,784
Revenues Over/(Under) Expenses	$1,266,484	$1,097,524	$24,536	$701,752	($992,026)	$1,030,840	($2,893,320)	$1,839,290	$1,512,671	$1,556,528	$1,552,471	$1,580,121
Ending Fund Balance - 4/30	$24,919,357	$26,016,881	$26,041,417	$26,743,169	$25,751,143	$26,781,982	$22,857,823	$24,697,113	$26,209,784	$27,766,312	$29,318,784	$30,898,905
Ending Fund Balance as a % of Expenditures	66.0%	67.1%	62.3%	61.7%	67.6%	63.3%	55.9%	58.2%	59.8%	61.3%	62.6%	66.0%
Revenues	$39,295,278	$38,841,536	$38,793,021	$42,485,121	$42,343,856	$43,314,137	$35,190,089	$42,697,850	$43,960,556	$45,414,107	$46,874,936	$48,425,273
% Change vs. Prior Year	2.64%	-1.15%	-0.12%	9.52%	-0.33%	2.29%	-16.89%	21.33%	2.96%	3.31%	3.22%	3.31%
30 Major Revenues	$28,806,451	$28,585,288	$28,290,039	$30,372,783	$29,676,184	$30,925,000	$22,735,000	$31,133,250	$32,330,088	$33,600,508	$34,950,898	$36,388,436
% Change vs. Prior Year	1.68%	-0.77%	-1.03%	7.36%	-2.29%	4.21%	-23.39%	36.94%	3.84%	3.93%	4.02%	4.11%
110 331301 SALES TAX	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	$12,750,000	$10,700,000	$12,700,000	$13,017,500	$13,342,938	$13,676,511	$14,018,424
110 331302 LOCAL USE TAX	$722,414	$771,624	$768,614	$952,796	$1,095,105	$1,100,000	$1,400,000	$1,400,000	$1,610,000	$1,851,500	$2,129,225	$2,448,609
110 331303 HOME RULE SALES TAX	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	$4,550,000	$3,500,000	$4,500,000	$4,612,500	$4,727,813	$4,846,008	$4,967,158
110 331601 AMUSEMENT TAX	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	$3,550,000	$550,000	$3,600,000	$3,780,000	$3,969,000	$4,167,450	$4,375,823
110 331607 HOTEL TAX	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	$2,150,000	$500,000	$2,000,000	$2,100,000	$2,205,000	$2,315,250	$2,431,013
110 331609 FOOD & BEVERAGE TAX	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	$2,025,000	$1,150,000	$2,000,000	$2,100,000	$2,205,000	$2,315,250	$2,431,013
110 331801 TELECOM MAINTENANCE FEE	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	$700,000	$735,000	$698,250	$663,338	$630,171	$598,662	$568,729
110 333501 STATE INCOME TAX	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	$3,400,000	$3,500,000	$3,500,000	$3,675,000	$3,858,750	$4,051,688	$4,254,272
110 332201 GENERAL BUILDING PERMITS	$534,735	$724,256	$899,595	$672,429	$484,400	$700,000	$700,000	$735,000	$771,750	$810,338	$850,854	$893,397
All Other Revenues By Category	$10,488,827	$10,256,247	$10,502,982	$12,112,339	$12,667,672	$12,389,137	$12,455,089	$11,564,600	$11,630,469	$11,813,598	$11,924,038	$12,036,837
% Change vs. Prior Year	5.38%	-2.22%	2.41%	15.32%	4.58%	-2.20%	-1.68%	-7.15%	0.57%	1.57%	0.93%	0.95%
31 Taxes	$1,928,605	$1,798,538	$1,473,145	$1,714,075	$1,757,133	$1,816,221	$1,258,152	$1,485,000	$1,610,000	$1,635,000	$1,635,000	$1,635,000
32 Licenses & Permits	$440,963	$491,664	$449,776	$422,572	$390,849	$395,300	$292,025	$361,900	$386,900	$386,900	$386,900	$386,900
33 Intergovernmental	$113,896	$171,589	$154,149	$188,965	$714,215	$693,986	$2,081,337	$404,500	$164,500	$164,500	$164,500	$164,500
34 Charges for Services	$5,546,428	$5,979,661	$6,220,105	$6,914,666	$7,176,041	$7,092,130	$7,138,255	$7,187,700	$7,293,569	$7,401,698	$7,512,138	$7,624,937
35 Fines & Forfeitures	$1,944,825	$1,642,039	$1,988,198	$2,161,751	$1,773,907	$1,759,500	$1,394,000	$1,820,500	$1,820,500	$1,820,500	$1,820,500	$1,820,500
36 Invests & Contribs	$118,747	$73,383	$187,245	$633,382	$704,416	$512,000	$236,320	$210,000	$260,000	$310,000	$310,000	$310,000
39 Other Sources	$395,363	$99,372	$30,365	$76,930	$151,110	$120,000	$55,000	$95,000	$95,000	$95,000	$95,000	$95,000
Major Expenses	$38,028,794	$37,744,011	$38,768,485	$41,783,370	$43,335,882	$42,283,297	$38,083,409	$40,858,560	$42,447,885	$43,857,578	$45,322,464	$46,845,152
% Change vs. Prior Year	3.42%	-0.75%	2.71%	7.78%	3.72%	-2.43%	-12.12%	7.29%	3.89%	3.32%	3.34%	3.36%
40 Major Expenses	$25,114,494	$26,224,585	$27,318,445	$28,054,408	$29,121,148	$30,530,716	$28,898,729	$30,525,291	$31,627,642	$32,776,124	$33,973,037	$35,220,812
% Change vs. Prior Year		4.42%	4.17%	2.69%	3.80%	4.84%	-0.76%	5.63%	3.61%	3.63%	3.65%	3.67%
110 411001 SALARIES-REGULAR	$16,489,345	$16,896,185	$17,710,912	$18,121,612	$19,197,566	$20,006,793	$18,606,000	$19,754,963	$20,347,612	$20,958,040	$21,586,782	$22,234,385
110 421001 MEDICAL INSURANCE	$3,146,429	$3,255,822	$3,377,565	$3,563,341	$3,365,679	$3,617,075	$3,472,000	$3,576,160	$3,683,445	$3,793,948	$3,907,767	$4,025,000
110 423001 IL MUNIC RETIREMENT FUND	$762,959	$801,866	$857,793	$869,941	$821,982	$897,515	$822,300	$846,969	$872,378	$898,549	$925,506	$953,271
110 423002 POLICE PENSION CONTRIB	$1,590,485	$1,945,216	$2,137,886	$2,207,368	$2,273,714	$2,398,379	$2,398,379	$2,554,119	$2,732,907	$2,924,211	$3,128,906	$3,347,929
110 423003 FIRE PENSION CONTRIBUTION	$1,471,445	$1,700,217	$1,738,081	$1,810,723	$1,869,571	$1,966,654	$1,966,654	$2,110,682	$2,258,430	$2,416,520	$2,585,676	$2,766,674
110 426001 WORKERS COMP INSURANCE	$1,277,473	$1,251,410	$1,124,474	$1,114,308	$1,220,437	$1,276,000	$1,266,762	$1,304,765	$1,343,908	$1,384,225	$1,425,752	$1,468,524
110 452001 LIABILITY INSURANCE	$376,357	$373,869	$371,735	$367,115	$372,199	$368,300	$366,634	$377,633	$388,962	$400,631	$412,650	$425,029
All Other Expenses by Category	$12,914,301	$11,519,426	$11,450,040	$13,728,961	$14,214,734	$11,752,581	$9,184,680	$10,333,269	$10,820,244	$11,081,454	$11,349,427	$11,624,340
% Change vs. Prior Year		-10.80%	-0.60%	19.90%	3.54%	-17.32%	-35.39%	12.51%	4.71%	2.41%	2.42%	2.42%
41 Salaries & Wages	$2,202,156	$2,321,362	$2,781,029	$2,770,605	$3,027,933	$2,810,698	$2,604,082	$2,830,535	$2,905,447	$2,982,461	$3,061,634	$3,143,029
42 Employee Benefits	$1,121,056	$1,153,661	$1,163,484	$1,232,513	$1,345,118	$1,336,094	$1,214,674	$1,320,641	$1,347,800	$1,375,674	$1,404,282	$1,433,643
43 Prof & Tech Services	$866,465	$920,988	$1,173,008	$1,522,755	$1,371,973	$1,392,090	$991,884	$1,303,640	$1,333,681	$1,364,422	$1,395,880	$1,428,071
44 Contractual Services	$1,379,273	$1,431,007	$1,537,541	$1,740,961	$1,819,088	$1,610,663	$1,322,309	$1,569,946	$1,603,868	$1,638,597	$1,674,153	$1,710,556
45 Other Cont. Services	$669,154	$581,405	$728,154	$749,961	$737,790	$830,274	$698,416	$808,652	$828,369	$848,568	$869,262	$890,463
46 Supplies	$1,298,636	$1,242,727	$1,303,811	$1,372,714	$1,069,488	$851,252	$621,555	$803,105	$823,183	$843,762	$864,856	$886,478
47 Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
48 Debt Service	$93,096	$93,086	$93,086	$0	$0	$0	$0	$0	$0	$0	$0	$0
49 Other Financing Uses	$5,284,465	$3,775,190	$2,669,928	$4,339,452	$4,843,343	$2,921,510	$1,731,760	$1,696,750	$1,977,896	$2,027,970	$2,079,360	$2,132,102

Contraction Model

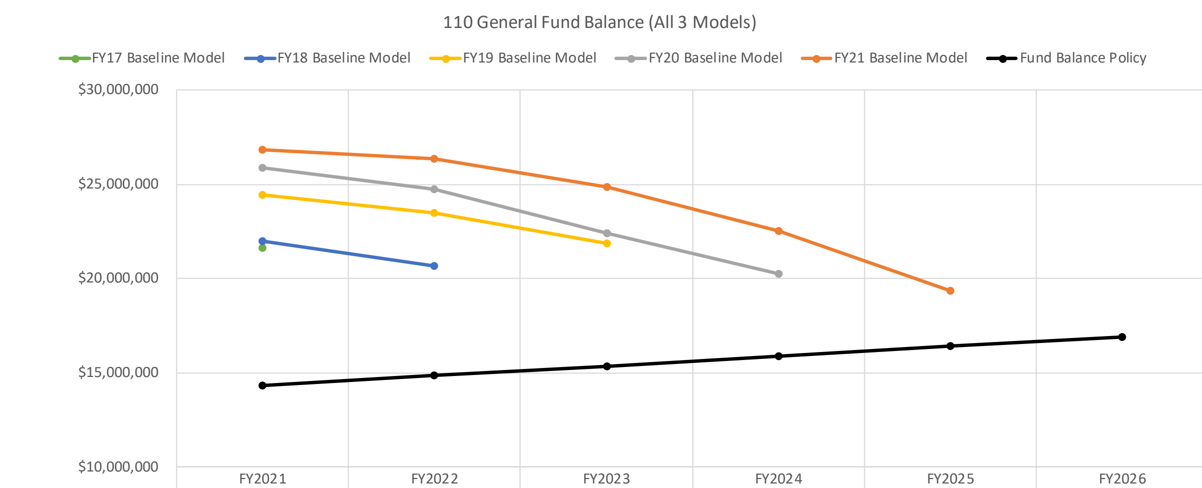
110 - General Fund Contraction Model	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	*2021* *Budget*	*FY2021* *Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	**$23,652,873**	**$24,919,357**	**$26,016,881**	**$26,041,417**	**$26,743,169**	***$25,751,143***	***$25,751,143***	**$22,857,823**	**$19,295,613**	**$15,934,334**	**$13,852,386**	**$10,383,652**
Revenues Over/(Under) Expenses	**$1,266,484**	**$1,097,524**	**$24,536**	**$701,752**	**($992,026)**	***$1,030,840***	***($2,893,320)***	**($3,562,210)**	**($3,361,279)**	**($2,081,948)**	**($3,468,734)**	**($4,896,511)**
Ending Fund Balance - 4/30	**$24,919,357**	**$26,016,881**	**$26,041,417**	**$26,743,169**	**$25,751,143**	***$26,781,982***	***$22,857,823***	**$19,295,613**	**$15,934,334**	**$13,852,386**	**$10,383,652**	**$5,487,141**
Ending Fund Balance as a % of Expenditures	**66.0%**	**67.1%**	**62.3%**	**61.7%**	**67.6%**	***63.3%***	***55.9%***	**45.5%**	**36.3%**	**30.6%**	**22.2%**	**11.7%**
Revenues	**$39,295,278**	**$38,841,536**	**$38,793,021**	**$42,485,121**	**$42,343,856**	***$43,314,137***	***$35,190,089***	**$37,296,350**	**$39,086,606**	**$41,775,630**	**$41,853,730**	**$41,948,641**
% Change vs. Prior Year	**2.64%**	**-1.15%**	**-0.12%**	**9.52%**	**-0.33%**	***2.29%***	***-16.89%***	**5.99%**	**4.80%**	**6.88%**	**0.19%**	**0.23%**
30 Major Revenues	**$28,806,451**	**$28,585,288**	**$28,290,039**	**$30,372,783**	**$29,676,184**	***$30,925,000***	***$22,735,000***	**$25,731,750**	**$27,456,138**	**$29,962,032**	**$29,929,692**	**$29,911,804**
% Change vs. Prior Year	**1.68%**	**-0.77%**	**-1.03%**	**7.36%**	**-2.29%**	***4.21%***	***-23.39%***	**13.18%**	**6.70%**	**9.13%**	**-0.11%**	**-0.06%**
110 331301 SALES TAX	$12,781,971	$12,624,561	$12,501,874	$12,812,119	$12,491,270	***$12,750,000***	***$10,700,000***	$11,595,700	$12,043,600	$12,700,000	$12,700,000	$12,700,000
110 331302 LOCAL USE TAX	$722,414	$771,624	$768,614	$952,796	$1,095,105	***$1,100,000***	***$1,400,000***	$1,100,000	$1,155,000	$1,212,750	$1,273,388	$1,337,057
110 331303 HOME RULE SALES TAX	$4,708,776	$4,855,331	$4,608,966	$4,641,834	$4,424,707	***$4,550,000***	***$3,500,000***	$3,962,400	$4,193,600	$4,500,000	$4,500,000	$4,500,000
110 331601 AMUSEMENT TAX	$2,458,434	$2,355,028	$2,987,767	$3,302,382	$3,594,510	***$3,550,000***	***$550,000***	$2,072,300	$2,833,500	$3,600,000	$3,600,000	$3,600,000
110 331607 HOTEL TAX	$1,393,659	$1,278,938	$755,511	$1,944,856	$1,764,614	***$2,150,000***	***$500,000***	$1,132,400	$1,448,600	$2,000,000	$2,000,000	$2,000,000
110 331609 FOOD & BEVERAGE TAX	$1,928,664	$1,965,227	$1,976,418	$2,030,863	$1,918,376	***$2,025,000***	***$1,150,000***	$1,534,200	$1,726,300	$2,000,000	$2,000,000	$2,000,000
110 331801 TELECOM MAINTENANCE FEE	$1,105,658	$1,046,704	$962,279	$975,977	$819,124	***$700,000***	***$735,000***	$624,750	$531,038	$451,382	$383,675	$326,123
110 333501 STATE INCOME TAX	$3,172,141	$2,963,620	$2,829,015	$3,039,525	$3,084,079	***$3,400,000***	***$3,500,000***	$3,150,000	$2,992,500	$2,992,500	$2,992,500	$2,992,500
110 332201 GENERAL BUILDING PERMITS	$534,735	$724,256	$899,595	$672,429	$484,400	***$700,000***	***$700,000***	$560,000	$532,000	$505,400	$480,130	$456,124
All Other Revenues By Category	**$10,488,827**	**$10,256,247**	**$10,502,982**	**$12,112,339**	**$12,667,672**	***$12,389,137***	***$12,455,089***	**$11,564,600**	**$11,630,469**	**$11,813,598**	**$11,924,038**	**$12,036,837**
% Change vs. Prior Year	**5.38%**	**-2.22%**	**2.41%**	**15.32%**	**4.58%**	***-2.20%***	***-1.68%***	**-7.15%**	**0.57%**	**1.57%**	**0.93%**	**0.95%**
31 Taxes	$1,928,605	$1,798,538	$1,473,145	$1,714,075	$1,757,133	***$1,816,221***	***$1,258,152***	$1,485,000	$1,610,000	$1,635,000	$1,635,000	$1,635,000
32 Licenses & Permits	$440,963	$491,664	$449,776	$422,572	$390,849	***$395,300***	***$292,025***	$361,900	$386,900	$386,900	$386,900	$386,900
33 Intergovernmental	$113,896	$171,589	$154,149	$188,965	$714,215	***$693,986***	***$2,081,337***	$404,500	$164,500	$164,500	$164,500	$164,500
34 Charges for Services	$5,546,428	$5,979,661	$6,220,105	$6,914,666	$7,176,041	***$7,092,130***	***$7,138,255***	$7,187,700	$7,293,569	$7,401,698	$7,512,138	$7,624,937
35 Fines & Forfeitures	$1,944,825	$1,642,039	$1,988,198	$2,161,751	$1,773,907	***$1,759,500***	***$1,394,000***	$1,820,500	$1,820,500	$1,820,500	$1,820,500	$1,820,500
36 Invests & Contribs	$118,747	$73,383	$187,245	$633,382	$704,416	***$512,000***	***$236,320***	$210,000	$260,000	$310,000	$310,000	$310,000
39 Other Sources	$395,363	$99,372	$30,365	$76,930	$151,110	***$120,000***	***$55,000***	$95,000	$95,000	$95,000	$95,000	$95,000
Major Expenses	**$38,028,794**	**$37,744,011**	**$38,768,485**	**$41,783,370**	**$43,335,882**	***$42,283,297***	***$38,083,409***	**$40,858,560**	**$42,447,885**	**$43,857,578**	**$45,322,464**	**$46,845,152**
% Change vs. Prior Year	**3.42%**	**-0.75%**	**2.71%**	**7.78%**	**3.72%**	***-2.43%***	***-12.12%***	**7.29%**	**3.89%**	**3.32%**	**3.34%**	**3.36%**
40 Major Expenses	**$25,114,494**	**$26,224,585**	**$27,318,445**	**$28,054,408**	**$29,121,148**	***$30,530,716***	***$28,898,729***	**$30,525,291**	**$31,627,642**	**$32,776,124**	**$33,973,037**	**$35,220,812**
% Change vs. Prior Year		**4.42%**	**4.17%**	**2.69%**	**3.80%**	***4.84%***	***-0.76%***	**5.63%**	**3.61%**	**3.63%**	**3.65%**	**3.67%**
110 411001 SALARIES-REGULAR	$16,489,345	$16,896,185	$17,710,912	$18,121,612	$19,197,566	***$20,006,793***	***$18,606,000***	$19,754,963	$20,347,612	$20,958,040	$21,586,782	$22,234,385
110 421001 MEDICAL INSURANCE	$3,146,429	$3,255,822	$3,377,565	$3,563,341	$3,365,679	***$3,617,075***	***$3,472,000***	$3,576,160	$3,683,445	$3,793,948	$3,907,767	$4,025,000
110 423001 IL MUNIC RETIREMENT FUND	$762,959	$801,866	$857,793	$869,941	$821,982	***$897,515***	***$822,300***	$846,969	$872,378	$898,549	$925,506	$953,271
110 423002 POLICE PENSION CONTRIB	$1,590,485	$1,945,216	$2,137,886	$2,207,368	$2,273,714	***$2,398,379***	***$2,398,379***	$2,554,119	$2,732,907	$2,924,211	$3,128,906	$3,347,929
110 423003 FIRE PENSION CONTRIBUTION	$1,471,445	$1,700,217	$1,738,081	$1,810,723	$1,869,571	***$1,966,654***	***$1,966,654***	$2,110,682	$2,258,430	$2,416,520	$2,585,676	$2,766,674
110 426001 WORKERS COMP INSURANCE	$1,277,473	$1,251,410	$1,124,474	$1,114,308	$1,220,437	***$1,276,000***	***$1,266,762***	$1,304,765	$1,343,908	$1,384,225	$1,425,752	$1,468,524
110 452001 LIABILITY INSURANCE	$376,357	$373,869	$371,735	$367,115	$372,199	***$368,300***	***$366,634***	$377,633	$388,962	$400,631	$412,650	$425,029
All Other Expenses by Category	**$12,914,301**	**$11,519,426**	**$11,450,040**	**$13,728,961**	**$14,214,734**	***$11,752,581***	***$9,184,680***	**$10,333,269**	**$10,820,244**	**$11,081,454**	**$11,349,427**	**$11,624,340**
% Change vs. Prior Year		**-10.80%**	**-0.60%**	**19.90%**	**3.54%**	***-17.32%***	***-35.39%***	**12.51%**	**4.71%**	**2.41%**	**2.42%**	**2.42%**
41 Salaries & Wages	$2,202,156	$2,321,362	$2,781,029	$2,770,605	$3,027,933	***$2,810,698***	***$2,604,082***	$2,830,535	$2,905,447	$2,982,461	$3,061,634	$3,143,029
42 Employee Benefits	$1,121,056	$1,153,661	$1,163,484	$1,232,513	$1,345,118	***$1,336,094***	***$1,214,674***	$1,320,641	$1,347,800	$1,375,674	$1,404,282	$1,433,643
43 Prof & Tech Services	$866,465	$920,988	$1,173,008	$1,522,755	$1,371,973	***$1,392,090***	***$991,884***	$1,303,640	$1,333,681	$1,364,422	$1,395,880	$1,428,071
44 Contractual Services	$1,379,273	$1,431,007	$1,537,541	$1,740,961	$1,819,088	***$1,610,663***	***$1,322,309***	$1,569,946	$1,603,868	$1,638,597	$1,674,153	$1,710,556
45 Other Cont. Services	$669,154	$581,405	$728,154	$749,961	$737,790	***$830,274***	***$698,416***	$808,652	$828,369	$848,568	$869,262	$890,463
46 Supplies	$1,298,636	$1,242,727	$1,303,811	$1,372,714	$1,069,488	***$851,252***	***$621,555***	$803,105	$823,183	$843,762	$864,856	$886,478
47 Capital	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
48 Debt Service	$93,096	$93,086	$93,086	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
49 Other Financing Uses	$5,284,465	$3,775,190	$2,669,928	$4,339,452	$4,843,343	***$2,921,510***	***$1,731,760***	$1,696,750	$1,977,896	$2,027,970	$2,079,360	$2,132,102

Fund Balance Projections

110 – General Fund

The Village has a history of conservative budgeting due to the reliance on economically sensitive revenues. This approach allows the Village absorb fluctuations in a revenue stream and has provided additional capital funding. Conservative budgeting historically accounts for approximately $1 million in surpluses in a normal year. One of the primary purposes of the MYFF is to estimate a surplus or deficit in the General Fund at the end of the current fiscal year. Portions of surpluses have historically been transferred to the 131 – Capital Improvement Fund to fund future years capital projects. As with any conservative forecast the out years will decline as expenditures outpace revenues and no new growth or change in the tax base is factored in. Not factoring those items in allows the Village to assess the ability to maintain operations and capital funding at a given point in time with the revenue sources and tax base as they are. The analysis gives the Village a scope of what is needed through new growth of the tax base or potentially a revenue or expenditure adjustment. As the out years of the forecast come into focus new growth, changes in the tax base or other changes in revenues and expenditures will “bend the curve up”.

To illustrate below is a chart of the forecasted Fund Balance for each iteration of the MYFF between FY2017 and FY2021. If we look at the FY2021 projected ending Baseline Model Fund Balance for each iteration we see that the projected balance is typically higher as FY2021 comes into greater focus. For example the FY2017 iteration of the MYFF projected the ending Fund Balance in FY2021 to be $21.6 million, the FY2018 iteration projected $21.9 million, the FY2019 iteration projected $24.4 million, the FY2020 iteration projected $25.9 million, and finally the FY2021 iteration projected $26.8 million. Over the course of five iterations the Village bent the curve up by $5.2 million (FY2017 projection of $21.6 less FY2021 projection of $26.8). Below is a chart that illustrates how the curve is bent up in the most recent iteration of the MYFF due to conservative forecasting assuming no new growth or taxes.



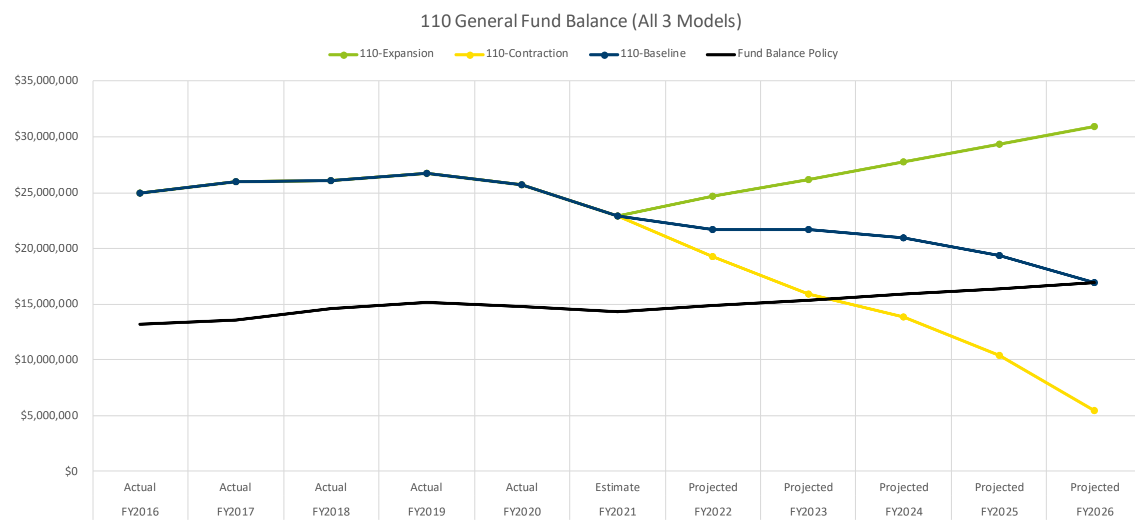
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
FY17 Baseline Model	$21,599,268					
FY18 Baseline Model	$21,959,189	$20,641,131				
FY19 Baseline Model	$24,442,077	$23,453,593	$21,871,866			
FY20 Baseline Model	$25,867,376	$24,751,867	$22,408,609	$20,259,782		
FY21 Baseline Model	$26,834,414	$26,333,491	$24,853,977	$22,528,424	$19,324,343	
Fund Balance Policy	14,300,496	14,856,760	15,350,152	15,862,863	16,395,803	16,887,677

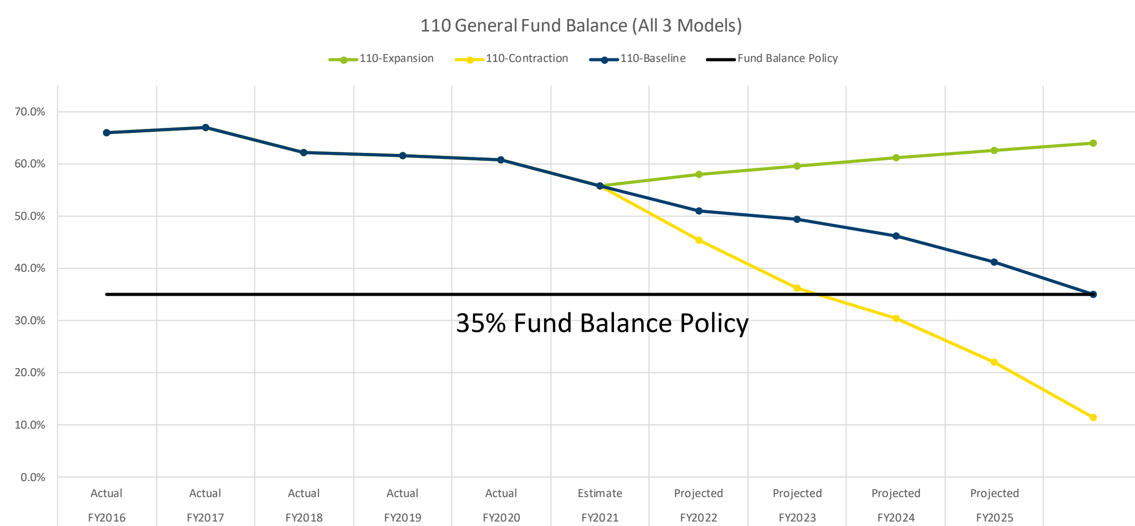
The charts below show projected ending Fund Balance in total dollars and as a percentage of expenditures for each Model through FY2026. The COVID-19 crisis causes a dip in the Estimated FY2021 Fund Balance.

The Baseline Model shows a 2-year bounce back of revenues and remains above the Fund Balance policy amount until FY2026. This is without any new growth, shifts in the tax base, any revenue or expenditure adjustments or conservative budgeting factored in.

The Expansion Model shows the balance increasing throughout the forecast as revenues bounce back immediately in FY2022 and increase at the upper limits of their historical performance where they outpace expenditure growth.

The Contraction Model shows a 3-year bounce back for Major Revenues and annual changes consistent with the lower limit of their historical performance. Clearly if this model comes to fruition the Village would be forced to consider revenue and/or expenditure adjustments to make up for the annual deficits as is the case in FY2021 due to the COVID-19 crisis.





SECTION III – WATER & SEWER FUND

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Section III: Water & Sewer Fund (221 & 223)

Major Revenues

Major revenues in the Water & Sewer Fund consist of the fixed and variable rates for water and sewer service.

Due to the COVID-19 crisis water usage is expected to drop approximately 10% for FY2021. Water revenue and expense is forecasted using a 5-year average. For purposes of the forecast the drop in FY2021 usage is excluded from the average and usage is anticipated to rebound to historical levels in FY2022.

In 2010 the Village hired Baxter & Woodman to perform a rate study and provide recommendations on a future rate model. The study noted;

- The Village historically relied on one-time revenues from growth to fund operations and capital as opposed to water rates.
- The changing economic environment caused by the recession and the Village nearing build-out necessitated a change to the rate structure.
- The rates in 2010 did not reflect the full cost of providing the service.
- Annual Capital funding should be near $2.9 million annually to maintain the Water & Sewer System.

Based on these recommendations the Village implemented bi-monthly billing and a rate structure that included a fixed rate, intended to cover 25.0% of overhead costs, and a variable rate for both water and sewer operations. The Village also adopted a rate increase schedule for the next 5 fiscal years that included smaller annual increases every October 1 and continuing to pass-through any increase or decrease in the CLCJAWA rate effective May 1 every year.

The results of the rate structure allowed the Village to increase the balance in the water and sewer fund from $3.2 million to $5.5 million over the 5-year period. However, the rate increases intended to start funding capital replacement were largely consumed by increasing operating costs and lower water consumption. The Village was able to invest approximately $750 thousand in capital over the time frame, well short of the amount recommended from the study of $2.9 million.

In FY2016, the Village updated its water rate model to include a combined Village and CLCJAWA rate that increased each May 1. The combined rate model and a projected decrease in the CLCJAWA rate due to the expiration of debt service, provided sufficient capital funding starting in FY2021. The approved rate model included;

- Implementing a combined rate for water with annual increases of 5.00% in FY2017 and 3.00% in FY2018 through FY2021 effective on May 1.
- Increasing the Water fixed rate by 3.00% annually on May 1 in FY2017 – FY2021.
- Increasing the Sewer variable and fixed rate by 3.00% annually on May 1 in FY2017 – FY2021.

- Capturing the CLCJAWA decreases anticipated in FY2021 and FY2022 for capital.

The result of the FY2016 rate plan is funding adequate enough to pay the debt service on the Knowles Road Tower and additional principal ($550 thousand) and sustain approximately $2+m annually for capital replacement. While the result is still just short of the target set in the 2010 study, the Village has made significant progress towards a funded annual capital program. The Village is planning to re-visit a longer term rate plan in FY2023 with the focus to maintain the funding and keep up with inflationary increases related to capital costs. ***There is no rate adjustment programmed into the forecast.*** The final planned draw-down for major capital is in FY2022 to finish the Old Grand Avenue water main replacement project.

In FY2018 the Village approved a 20-year IEPA Loan to fund the Knowles Road Water Tower Project. The project increased the Village's storage capacity and add much needed pressure on the west side of the Village. The total project was $5.95 million with $5.14 funded through a low interest IEPA Loan. The initial Village Board direction was to utilize $1.5 million of fund balance and make additional annual payments of $200 thousand. Due to the impact of the COVID-19 crisis on water sales, the Village utilized $801 thousand of fund balance and did not make the planned additional principal payment in FY2021. The additional principal payment is included in the forecast.

Other Revenues

Similar to the General Fund, other revenues are grouped by category. However in the Water & Sewer Fund, other revenues are largely development related and therefore are not increased annually. Other revenues include penalties, and charges for meters and use of hydrants.

Major Expenditures

Major expenditures in the Water & Sewer fund are forecasted similar to those of the General Fund. Major Expenditures in the Water & Sewer Fund include;

- Full-time salaries
- Illinois Municipal Retirement Fund pension
- Health Insurance
- Property, Liability and Workers Compensation insurance

Water & Sewer portions of Major Expenditures are depicted in the graphics in the General Fund Section, and therefore not repeated in this section.

Salaries

Salaries in the Water & Sewer Fund increased an average of 2.6% between FY2016 and FY2020. This is largely due to a staff turnover and a reduction of 0.5 FTE in FY2017. Similar to the General Fund, savings from staff turnover is a significant source of surpluses in the fund. The forecast for full-time salaries assumes;

- FY2020 staffing levels less 2.0 FTE's will be maintained in FY2021
- All positions are filled year-round
- No changes in step increases
- The most recent bargaining unit cost of living applied to all units throughout the forecast period

Pensions – IMRF

Employees in the Water & Sewer Fund participate in the Illinois Municipal Retirement Fund. Between FY2016 and FY2020, IMRF expenses remained relatively flat due to changes in personnel and greater utilization of part-time workers. The forecast assumes an average increase of 3.2% annually throughout the forecast period as the employer rate is projected to remain flat. IMRF projections assume;

- No change in employee levels
- No change in benefits or plan design
- No change in actuarial assumptions used to calculate ARC

Health Insurance

Between FY2016 and FY2020, health insurance costs increased an average of 6.6% annually. The Forecast assumes an increase of 3.0% annually throughout the forecast period. The projections assume;

- Increase in employee share to 12% of premium
- No change in plan design, benefits
- Continued self-insured setup for Local 150 plan

Property, Liability & Workers Compensation Insurance

The Village participates in the Municipal Insurance Cooperative Agency (MICA) pool for Liability, Property and Workers Compensation insurance. Premiums are based on a 4-year average of actual experience, combined with changes in exposure and payroll, and general market conditions. Pooled insurance allows the Village a low deductible, but higher premium plan that provides less volatility in annual costs. The forecast assumes;

- Continued participation in MICA
- No change in coverages, limits or deductibles
- No change in existing insured property

Workers compensation premiums have increased an average of 2.3% between FY2016 and FY2020. The forecast projects a 3.0% annual increase throughout the forecast period.

On the liability and property side, between FY2016 and FY2020, premiums have remained relatively flat. The forecast assumes an annual increase of 3.0% throughout the forecast period.

Premiums are charged directly to departmental budgets based on experience within the department. This allocation method makes departments directly accountable for their claims experience.

Debt Service

The Water & Sewer Fund is responsible for the debt service for the IEPA loan related to the Knowles Road Water Tower. The annual required debt service is approximately $300 thousand. Included in the forecast is an additional $250 thousand in principal payments per Village Board direction. The additional payments will cut the term of the loan in half.

Other Expenditures

Non-major Water & Sewer Fund expenditures are grouped by category including; Salaries & Wages, Employee Benefits, Personnel Expense, Professional Services, Contractual, Insurance, Commodities, utilities, Repairs & Maintenance, Minor Capital and Other Financing Uses. The forecast assumes these expenditures increase by 2.5% annually with the following exceptions;

- Major Capital expenditures includes the purchase of vehicles identified in the Multi-Year Capital Plan.
- Contractual includes the anticipated payments for water tower maintenance per the contract with Utility Services Inc.

Forecast of Revenues, Expenses & Changes in Fund Balance

221 - Water & Sewer Operating Fund 223 - Water & Sewer Capital Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Cash & Investments - 5/1	**$4,269,299**	**$4,850,241**	**$5,633,032**	**$4,934,339**	**$6,349,933**	***$5,074,971***	***$5,074,971***	**$5,298,804**	**$4,493,149**	**$4,306,545**	**$3,927,708**	**$3,371,524**
Revenues Over/(Under) Expenses	**$580,942**	**$782,790**	**($698,693)**	**$1,415,595**	**($1,274,962)**	***($1,823,925)***	***$223,833***	**($805,655)**	**($186,604)**	**($378,837)**	**($556,184)**	**($862,710)**
Ending Cash & Investments - 5/1	**$4,850,241**	**$5,633,032**	**$4,934,339**	**$6,349,933**	**$5,074,971**	***$3,251,046***	***$5,298,804***	**$4,493,149**	**$4,306,545**	**$3,927,708**	**$3,371,524**	**$2,508,814**
Ending Cash & Investments as a % of Expenditures	**62.2%**	**55.2%**	**41.8%**	**64.9%**	**48.5%**	***27.7%***	***60.7%***	**43.1%**	**44.0%**	**39.7%**	**33.4%**	**24.2%**
Revenues - 221 & 223	**$8,373,929**	**$10,996,090**	**$11,115,885**	**$11,198,072**	**$9,182,769**	***$9,898,500***	***$8,947,016***	**$9,607,470**	**$9,593,838**	**$9,518,969**	**$9,525,589**	**$9,486,719**
% Change vs. Prior Year		**31.31%**	**1.09%**	**0.74%**	**-18.00%**	***7.79%***	***-9.61%***	**7.38%**	**-0.14%**	**-0.78%**	**0.07%**	**-0.41%**
30 Major Revenues	**$7,617,545**	**$8,769,560**	**$8,452,647**	**$8,757,276**	**$8,816,488**	***$9,000,000***	***$7,977,000***	**$9,232,470**	**$9,208,838**	**$9,123,969**	**$9,120,589**	**$9,071,719**
% Change vs. Prior Year		**15.12%**	**-3.61%**	**3.60%**	**0.68%**	***2.08%***	***-11.37%***	**15.74%**	**-0.26%**	**-0.92%**	**-0.04%**	**-0.54%**
221 334402 CUSTOMER SALES-SEWER	$1,623,537	$2,385,285	$1,917,170	$2,077,180	$2,173,574	***$2,100,000***	***$1,820,000***	$2,072,735	$2,067,430	$2,048,376	$2,047,618	$2,036,646
221 334801 CUSTOMER SALES-WATER	$5,994,009	$6,384,274	$6,535,477	$6,680,096	$6,642,914	***$6,900,000***	***$6,157,000***	$7,159,734	$7,141,408	$7,075,593	$7,072,971	$7,035,073
All Other Revenues By Category	**$756,384**	**$2,226,531**	**$2,663,238**	**$2,440,796**	**$366,281**	***$898,500***	***$970,016***	**$375,000**	**$385,000**	**$395,000**	**$405,000**	**$415,000**
% Change vs. Prior Year		**194.37%**	**19.61%**	**-8.35%**	**-84.99%**	***145.30%***	***7.96%***	**-61.34%**	**2.67%**	**2.60%**	**2.53%**	**2.47%**
32 Licenses & Permits	$142,186	$266,540	$201,947	$366,774	$49,653	***$110,000***	***$107,500***	$107,500	$107,500	$107,500	$107,500	$107,500
34 Charges for Services	$233,363	$165,013	$179,501	$67,605	$78,856	***$183,500***	***$176,000***	$157,500	$157,500	$157,500	$157,500	$157,500
35 Fines & Forfeitures	$73,218	$88,967	$102,484	$108,634	$100,812	***$100,000***	***$75,000***	$100,000	$100,000	$100,000	$100,000	$100,000
36 Invests & Contribs	$7,617	($1,540)	$2,105	$125,207	$136,770	***$105,000***	***$22,500***	$10,000	$20,000	$30,000	$40,000	$50,000
39 Other Sources	$300,000	$1,707,550	$2,177,200	$1,772,577	$190	***$400,000***	***$589,016***	$0	$0	$0	$0	$0
Expenses	**$7,792,986**	**$10,213,300**	**$11,814,578**	**$9,782,478**	**$10,457,731**	***$11,722,425***	***$8,723,183***	**$10,413,124**	**$9,780,442**	**$9,897,807**	**$10,081,773**	**$10,349,429**
% Change vs. Prior Year		**31.06%**	**15.68%**	**-17.20%**	**6.90%**	***12.09%***	***-25.59%***	**19.37%**	**-6.08%**	**1.20%**	**1.86%**	**2.65%**
40 Major Expenses	**$4,942,947**	**$5,204,454**	**$4,954,275**	**$5,212,711**	**$5,198,076**	***$5,298,857***	***$4,352,015***	**$4,386,112**	**$4,609,200**	**$4,703,285**	**$4,794,202**	**$4,887,117**
% Change vs. Prior Year		**5.29%**	**-4.81%**	**5.22%**	**-0.28%**	***1.94%***	***-17.87%***	**0.78%**	**5.09%**	**2.04%**	**1.93%**	**1.94%**
221 411001 SALARIES-REGULAR	$759,291	$786,761	$844,341	$865,424	$959,930	***$1,014,597***	***$910,000***	$937,300	$965,419	$994,382	$1,024,213	$1,054,939
221 421001 MEDICAL INSURANCE	$277,587	$316,571	$249,001	$252,534	$303,198	***$310,711***	***$293,000***	$301,790	$310,844	$320,169	$329,774	$339,667
221 423001 IL MUNIC RETIREMENT FUND	$109,700	$125,255	$97,664	$135,512	$122,171	***$134,249***	***$124,600***	$128,338	$132,188	$136,154	$140,238	$144,446
221 426001 WORKERS COMP INSURANCE	$269,312	$255,800	$222,689	$243,588	$249,483	***$258,700***	***$256,827***	$264,532	$272,468	$280,642	$289,061	$297,733
221 452001 LIABILITY INSURANCE	$74,366	$67,498	$63,861	$64,582	$65,918	***$66,500***	***$66,019***	$68,000	$70,040	$72,141	$74,305	$76,534
221 441108 WATER PURCHASE CLCJAWA	$3,452,690	$3,652,570	$3,476,720	$3,651,071	$3,497,376	***$2,954,100***	***$2,560,000***	$2,136,152	$2,308,242	$2,349,798	$2,386,610	$2,423,798
221 481015 IEPA SRF LOAN - PRINCIPAL	$0	$0	$0	$0	$0	***$215,000***	***$98,147***	$200,000	$200,000	$200,000	$200,000	$200,000
221 481016 IEPA SRF LOAN - ADD PRINCIPAL	$0	$0	$0	$0	$0	***$250,000***	***$0***	$250,000	$250,000	$250,000	$250,000	$250,000
221 481115 IEPA SRF LOAN - INTEREST	$0	$0	$0	$0	$0	***$95,000***	***$43,422***	$100,000	$100,000	$100,000	$100,000	$100,000
All Other Expenses by Category	**$2,850,040**	**$5,008,845**	**$6,860,303**	**$4,569,766**	**$5,259,656**	***$6,423,568***	***$4,371,168***	**$6,027,013**	**$5,171,242**	**$5,194,522**	**$5,287,571**	**$5,462,312**
% Change vs. Prior Year		**75.75%**	**36.96%**	**-33.39%**	**15.10%**	***22.13%***	***-31.95%***	**37.88%**	**-14.20%**	**0.45%**	**1.79%**	**3.30%**
41 Salaries & Wages	$125,736	$177,076	$149,195	$212,172	$175,992	***$178,640***	***$202,390***	$293,000	$301,790	$310,844	$320,169	$329,774
42 Employee Benefits	$84,143	$88,678	$91,347	$113,507	$138,496	***$115,783***	***$114,195***	$153,410	$163,151	$173,455	$184,350	$195,870
43 Prof & Tech Services	$15,411	$10,272	$9,973	$21,153	$16,246	***$18,300***	***$19,660***	$18,575	$19,039	$19,515	$20,003	$20,503
44 Contractual Services	$718,116	$641,771	$610,614	$477,144	$798,993	***$932,469***	***$913,824***	$675,423	$729,333	$749,777	$704,965	$697,777
45 Other Cont. Services	$36,235	$51,828	$53,017	$73,717	$78,488	***$98,318***	***$56,081***	$100,425	$100,428	$100,432	$100,435	$100,438
46 Supplies	$220,739	$227,747	$303,977	$295,545	$285,356	***$625,573***	***$233,695***	$532,150	$532,150	$532,150	$532,150	$532,150
47 Capital	$858,190	$1,689,773	$2,825,131	$1,146,327	$3,090,405	***$3,271,250***	***$1,648,087***	$3,153,080	$2,058,500	$2,020,000	$2,115,000	$2,252,500
48 Debt Service	$151,470	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
49 Other Financing Uses	$640,000	$2,121,700	$2,817,050	$2,230,200	$675,680	***$1,183,236***	***$1,183,236***	$1,100,950	$1,266,850	$1,288,350	$1,310,500	$1,333,300

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SECTION IV – OTHER FUNDS

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Section IV: Other Funds

Other Funds included in the forecast have either an operating or capital impact. For these funds a simple pro-forma income statement is shown for reference.

Motor Fuel Tax Fund (122)

The Motor Fuel Tax Fund accounts for revenues and expenditures related to restricted motor fuel tax proceeds. Proceeds are collected by the State and a portion is distributed to municipalities based on population. The Village utilizes MFT funds for its road resurfacing program. The forecast includes;

- Flat MFT revenue growth throughout the forecast period
- Funding from the REBUILD IL State capital program
- Utilization of funds annually until FY2025, then every other year

Forecast of Revenues, Expenses & Changes in Fund Balance

122 - Motor Fuel Tax Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Budget	FY2021 Estimate	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	$842,576	$241,093	$142,143	$127,019	$965,458	$511,924	$511,924	$909,036	$803,838	$1,996,826	$1,322,326	$2,147,826
Revenues Over/(Under) Expenses	($601,483)	($98,949)	($15,125)	$838,440	($453,534)	$66,008	$397,111	($105,197)	$1,192,988	($674,500)	$825,500	($674,500)
Ending Fund Balance - 4/30	$241,093	$142,143	$127,019	$965,458	$511,924	$577,932	$909,036	$803,838	$1,996,826	$1,322,326	$2,147,826	$1,473,326
Revenues	$829,842	$826,051	$832,354	$838,440	$1,203,486	$1,066,008	$1,765,296	$1,512,988	$1,512,988	$825,500	$825,500	$825,500
% Change vs. Prior Year		-0.46%	0.76%	0.73%	43.54%	-11.42%	65.60%	0.00%	0.00%	-45.44%	0.00%	0.00%
Revenues By Category	$829,842	$826,051	$832,354	$838,440	$1,203,486	$1,066,008	$1,765,296	$1,512,988	$1,512,988	$825,500	$825,500	$825,500
% Change vs. Prior Year		-0.46%	0.76%	0.73%	43.54%	-11.42%	65.60%	0.00%	0.00%	-45.44%	0.00%	0.00%
30 Major Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
31 Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
32 Licenses & Permits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
33 Intergovernmental	$828,704	$817,822	$821,067	$817,250	$1,171,154	$1,041,008	$1,764,796	$1,512,488	$1,512,488	$825,000	$825,000	$825,000
34 Charges for Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
35 Fines & Forfeitures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
36 Invests & Contribs	$1,138	$8,229	$11,286	$21,190	$32,332	$25,000	$500	$500	$500	$500	$500	$500
39 Other Sources	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expenses	$1,431,325	$925,000	$847,478	$0	$1,657,020	$1,000,000	$1,368,185	$1,618,185	$320,000	$1,500,000	$0	$1,500,000
% Change vs. Prior Year		-35.37%	-8.38%	-100.00%	0.00%	-39.65%	36.82%	0.00%	-80.22%	368.75%	-100.00%	0.00%
Expenses by category	$1,431,325	$925,000	$847,478	$0	$1,657,020	$1,000,000	$1,368,185	$1,618,185	$320,000	$1,500,000	$0	$1,500,000
% Change vs. Prior Year		-35.37%	-8.38%	-100.00%	0.00%	-39.65%	36.82%	0.00%	-80.22%	368.75%	-100.00%	0.00%
41 Salaries & Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
42 Employee Benefits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
43 Prof & Tech Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44 Contractual Services	$1,431,325	$925,000	$847,478	$0	$1,657,020	$1,000,000	$1,368,185	$1,618,185	$320,000	$1,500,000	$0	$1,500,000
45 Other Cont. Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
46 Supplies	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
47 Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
48 Debt Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
49 Other Financing Uses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Police Department Restricted Revenue Fund (124)

The Police Department Restricted Revenue Fund was established to account for monies acquired through the outcome of drug-related criminal cases. Federal and State law requires that these monies be expended locally in law enforcement efforts. The Village may utilize these funds for capital purchases related to those efforts. During the recovery of the COVID-19 crisis, this Fund can act as a relief valve for the Capital Improvement Fund by shifting eligible Police related capital expenditures to this Fund and drawing down the balance or spending recently acquired funds. The forecast includes;

- Estimated seizure amounts based on pending cases
- $248 thousand in Police related capital expenditures in FY2022

Forecast of Revenues, Expenses & Changes in Fund Balance

124 - PD Restricted Revenue	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Budget	FY2021 Estimate	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	$69,276	$74,318	$95,554	$95,203	$99,080	$161,551	$161,551	$191,899	$209,399	$474,399	$589,399	$604,399
Revenues Over/(Under) Expenses	$5,042	$21,236	($351)	$3,877	$62,471	($41,000)	$30,348	$17,500	$265,000	$115,000	$15,000	$15,000
Ending Fund Balance - 4/30	$74,318	$95,554	$95,203	$99,080	$161,551	$120,551	$191,899	$209,399	$474,399	$589,399	$604,399	$619,399
Revenues	$5,042	$21,236	($351)	$3,877	$62,471	$6,000	$30,348	$265,000	$265,000	$115,000	$15,000	$15,000
% Change vs. Prior Year		321.23%	-101.65%	-1205.23%	1511.41%	-90.40%	405.80%	0.00%	0.00%	-56.60%	-86.96%	0.00%
Revenues By Category	$5,042	$21,236	($351)	$3,877	$62,471	$6,000	$30,348	$265,000	$265,000	$115,000	$15,000	$15,000
% Change vs. Prior Year		321.23%	-101.65%	-1205.23%	1511.41%	-90.40%	405.80%	0.00%	0.00%	-56.60%	-86.96%	0.00%
30 Major Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
31 Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
32 Licenses & Permits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
33 Intergovernmental	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
34 Charges for Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
35 Fines & Forfeitures	$4,999	$21,191	($400)	$3,542	$61,565	$5,000	$30,248	$265,000	$265,000	$115,000	$15,000	$15,000
36 Invests & Contribs	$42	$45	$49	$335	$907	$1,000	$100	$0	$0	$0	$0	$0
39 Other Sources	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expenses	$0	$0	$0	$0	$0	$47,000	$0	$247,500	$0	$0	$0	$0
% Change vs. Prior Year		0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
Expenses by category	$0	$0	$0	$0	$0	$47,000	$0	$247,500	$0	$0	$0	$0
% Change vs. Prior Year		0.00%	0.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
41 Salaries & Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
42 Employee Benefits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
43 Prof & Tech Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44 Contractual Services	$0	$0	$0	$0	$0	$0	$0	$14,000	$0	$0	$0	$0
45 Other Cont. Services	$0	$0	$0	$0	$0	$0	$0	$7,500	$0	$0	$0	$0
46 Supplies	$0	$0	$0	$0	$0	$0	$0	$10,500	$0	$0	$0	$0
47 Capital	$0	$0	$0	$0	$0	$47,000	$0	$215,500	$0	$0	$0	$0
48 Debt Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
49 Other Financing Uses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Capital Improvement Fund (131)

The Capital Improvement fund accounts for activity related to General Government (non-Water & Sewer) capital and infrastructure. This includes transportation system and storm sewer infrastructure as well as vehicles and equipment and buildings. Effective January 1, 2015 the Village instituted an additional 0.50% home rule sales tax dedicated to capital. This tax is the main funding source along with transfers from General Fund surpluses and the Impact Fee Fund. The Home Rule Sales Tax is projected using the Baseline Model. The forecast includes;

- Transfer of $150,000 annually from the Impact Fee Fund for storm water management
- Assumes no General Fund surplus transfer throughout the forecast period due to the COVID-19 crisis
- Debt service of $515 thousand annually for Fire Station #3, initially paid from contributions from Warren-Waukegan Fire Protection District
- Maintain a fund balance of approximately $1.5 million

Forecast of Revenues, Expenses & Changes in Fund Balance

131 - Capital Improvement Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	$4,684,358	$3,488,439	$2,673,955	$1,430,331	$2,276,173	*$3,066,744*	*$3,066,744*	$3,321,761	$4,378,111	$3,044,611	$2,162,611	$1,837,561
Revenues Over/(Under) Expenses	($1,195,919)	($814,484)	($1,243,624)	$845,842	$790,571	*($1,111,496)*	*$255,018*	$1,056,350	($1,333,500)	($882,000)	($325,050)	($191,646)
Total Ending Fund Balance - 4/30	$3,488,439	$2,673,955	$1,430,331	$2,276,173	$3,066,744	*$1,955,248*	*$3,321,761*	$4,378,111	$3,044,611	$2,162,611	$1,837,561	$1,645,916
Reserved for Fire Station #3 Debt Service							*($1,000,000)*	($1,655,000)	($1,140,000)	($625,000)	($110,000)	$0
Ending Unreserved Fund Balance							*$2,321,761*	$2,723,111	$1,904,611	$1,537,611	$1,727,561	$1,645,916
Ending Fund Blance as a % of Expenditures	50.0%	35.4%	23.4%	39.6%	58.2%	*17.1%*	*27.9%*	36.9%	31.6%	27.3%	33.7%	32.7%
Revenues	$5,774,437	$6,742,044	$4,861,308	$6,600,194	$6,057,796	*$10,355,000*	*$8,591,164*	$8,441,100	$4,702,500	$4,752,500	$4,797,950	$4,843,855
% Change vs. Prior Year	0.00%	16.76%	-27.90%	35.77%	-8.22%	*70.94%*	*0.00%*	-1.75%	-44.29%	1.06%	0.96%	0.96%
Revenues By Category	$5,774,437	$6,742,044	$4,861,308	$6,600,194	$6,057,796	*$10,355,000*	*$8,591,164*	$8,441,100	$4,702,500	$4,752,500	$4,797,950	$4,843,855
% Change vs. Prior Year	0.00%	16.76%	-27.90%	35.77%	-8.22%	*70.94%*	*0.00%*	-1.75%	-44.29%	1.06%	0.96%	0.96%
30 Major Revenues	$4,725,680	$4,843,962	$4,601,816	$4,628,536	$4,426,587	*$4,550,000*	*$3,500,000*	$4,193,600	$4,500,000	$4,545,000	$4,590,450	$4,636,355
31 Taxes	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
32 Licenses & Permits	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
33 Intergovernmental	$140,000	$386,364	$0	$0	$45,182	*$930,000*	*$45,182*	$772,500	$22,500	$22,500	$22,500	$22,500
34 Charges for Services	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
35 Fines & Forfeitures	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
36 Invests & Contribs	$243,064	$499,770	$7,865	$21,500	$19,969	*$1,025,000*	*$1,004,000*	$1,005,000	$10,000	$15,000	$15,000	$15,000
39 Other Sources	$665,693	$1,011,948	$251,627	$1,950,158	$1,566,058	*$3,850,000*	*$4,041,982*	$2,470,000	$170,000	$170,000	$170,000	$170,000
Expenses	$6,970,356	$7,556,528	$6,104,932	$5,754,351	$5,267,226	*$11,466,496*	*$8,336,147*	$7,384,750	$6,036,000	$5,634,500	$5,123,000	$5,035,500
% Change vs. Prior Year	0.00%	8.41%	-19.21%	-5.74%	-8.47%	*117.70%*	*0.00%*	-11.41%	-18.26%	-6.65%	-9.08%	-1.71%
Expenses by Category	$6,970,356	$7,556,528	$6,104,932	$5,754,351	$5,267,226	*$11,466,496*	*$8,336,147*	$7,384,750	$6,036,000	$5,634,500	$5,123,000	$5,035,500
% Change vs. Prior Year	0.00%	8.41%	-19.21%	-5.74%	-8.47%	*117.70%*	*0.00%*	-11.41%	-18.26%	-6.65%	-9.08%	-1.71%
41 Salaries & Wages	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
42 Employee Benefits	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
43 Prof & Tech Services	$495,448	$443,210	$548,137	$145,483	$168,275	*$185,000*	*$185,000*	$225,000	$200,000	$200,000	$200,000	$200,000
44 Contractual Services	$4,509,254	$3,507,221	$3,337,619	$3,335,131	$1,975,827	*$2,865,000*	*$2,501,000*	$1,925,000	$2,650,000	$2,650,000	$3,150,000	$2,650,000
45 Other Cont. Services	$8,331	$81	$2,770	$8,686	$0	*$0*	*$0*	$0	$0	$0	$0	$0
46 Supplies	$0	$0	$0	$0	$0	*$0*	*$0*	$0	$0	$0	$0	$0
47 Capital	$1,957,323	$3,606,016	$2,216,406	$2,265,051	$3,123,124	*$7,349,825*	*$4,583,476*	$4,509,250	$2,071,000	$1,669,500	$658,000	$1,070,500
48 Debt Service	$0	$0	$0	$0	$0	*$0*	*$0*	$345,000	$515,000	$515,000	$515,000	$515,000
49 Other Financing Uses	$0	$0	$0	$0	$0	*$1,066,671*	*$1,066,671*	$380,500	$600,000	$600,000	$600,000	$600,000

Fleet Services Fund (233)

With the adoption of the FY2021 Budget, the Village established the Fleet Services Fund. The purpose is to operate the garage and replacement of the fleet as a self-sustaining enterprise fund. It is funded through chargebacks to departments in the General Fund for operations, transfers from the Capital Improvement Fund for general government vehicles and equipment, and the Water & Sewer Fund for utility related vehicles and equipment.   The forecast includes;

- Capital purchases estimated in the Multi-Year Capital Plan
- Major expenditures consistent with the General Fund and Water & Sewer Fund

Forecast of Revenues, Expenses & Changes in Fund Balance

233 - Fleet Services Fund	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	*FY2021 Budget*	*FY2021 Estimate*	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected
Beginning Fund Balance - 5/1	**$0**	**$0**	**$0**	**$0**	**$0**	***$0***	***$0***	**$419,148**	**$419,148**	**$419,148**	**$419,148**	**$419,148**
Revenues Over/(Under) Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	***$0***	***$419,148***	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Ending Fund Balance - 4/30	**$0**	**$0**	**$0**	**$0**	**$0**	***$0***	***$419,148***	**$419,148**	**$419,148**	**$419,148**	**$419,148**	**$419,148**
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	***$2,309,516***	***$2,309,516***	**$1,758,130**	**$2,155,663**	**$2,189,601**	**$2,224,455**	**$2,260,358**
% Change vs. Prior Year		**0.00%**	**0.00%**	**0.00%**	**0.00%**	***0.00%***	***0.00%***	**0.00%**	**22.61%**	**1.57%**	**1.59%**	**1.61%**
Revenues By Category	**$0**	**$0**	**$0**	**$0**	**$0**	***$2,309,516***	***$2,309,516***	**$1,758,130**	**$2,155,663**	**$2,189,601**	**$2,224,455**	**$2,260,358**
% Change vs. Prior Year		**0.00%**	**0.00%**	**0.00%**	**0.00%**	***0.00%***	***0.00%***	**0.00%**	**22.61%**	**1.57%**	**1.59%**	**1.61%**
30 Major Revenues	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
31 Taxes	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
32 Licenses & Permits	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
33 Intergovernmental	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
34 Charges for Services	$0	$0	$0	$0	$0	***$15,000***	***$15,000***	$15,000	$15,000	$15,000	$15,000	$15,000
35 Fines & Forfeitures	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
36 Invests & Contribs	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
39 Other Sources	$0	$0	$0	$0	$0	***$2,294,516***	***$2,294,516***	$1,743,130	$2,140,663	$2,174,601	$2,209,455	$2,245,358
Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	***$2,309,516***	***$1,890,368***	**$1,758,130**	**$2,155,663**	**$2,189,601**	**$2,224,455**	**$2,260,358**
% Change vs. Prior Year		**0.00%**	**0.00%**	**0.00%**	**0.00%**	***0.00%***	***-18.15%***	**-7.00%**	**22.61%**	**1.57%**	**1.59%**	**1.61%**
40 Major Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	***$522,481***	***$516,958***	**$532,467**	**$548,441**	**$564,894**	**$581,841**	**$599,296**
% Change vs. Prior Year		**0.00%**	**0.00%**	**0.00%**	**0.00%**	***0.00%***	***-1.06%***	**3.00%**	**3.00%**	**3.00%**	**3.00%**	**3.00%**
233 411001 SALARIES-REGULAR	$0	$0	$0	$0	$0	***$347,920***	***$339,000***	$349,170	$359,645	$370,434	$381,547	$392,994
233 421001 MEDICAL INSURANCE	$0	$0	$0	$0	$0	***$100,081***	***$100,300***	$103,309	$106,408	$109,601	$112,889	$116,275
233 423001 IL MUNIC RETIREMENT FUND	$0	$0	$0	$0	$0	***$41,080***	***$44,500***	$45,835	$47,210	$48,626	$50,085	$51,588
233 426001 WORKERS COMP INSURANCE	$0	$0	$0	$0	$0	***$18,900***	***$18,763***	$19,326	$19,906	$20,503	$21,118	$21,751
233 452001 LIABILITY INSURANCE	$0	$0	$0	$0	$0	***$14,500***	***$14,395***	$14,827	$15,272	$15,730	$16,202	$16,688
233 452002 AUTO INSURANCE												
233 452003 PROPERTY INSURANCE												
Expenses by category	**$0**	**$0**	**$0**	**$0**	**$0**	***$1,787,035***	***$1,373,410***	**$1,225,663**	**$1,607,222**	**$1,624,707**	**$1,642,614**	**$1,661,062**
% Change vs. Prior Year		**0.00%**	**0.00%**	**0.00%**	**0.00%**	***0.00%***	***-23.15%***	**0.00%**	**31.13%**	**1.09%**	**1.10%**	**1.12%**
41 Salaries & Wages	$0	$0	$0	$0	$0	***$30,200***	***$27,300***	$9,830	$10,125	$10,429	$10,742	$11,064
42 Employee Benefits	$0	$0	$0	$0	$0	***$32,794***	***$24,836***	$25,130	$25,497	$25,869	$26,235	$26,701
43 Prof & Tech Services	$0	$0	$0	$0	$0	***$280***	***$280***	$0	$0	$0	$0	$0
44 Contractual Services	$0	$0	$0	$0	$0	***$186,130***	***$186,130***	$186,130	$190,783	$195,553	$200,442	$205,453
45 Other Cont. Services	$0	$0	$0	$0	$0	***$7,655***	***$10,949***	$3,473	$3,577	$3,685	$3,795	$3,909
46 Supplies	$0	$0	$0	$0	$0	***$465,600***	***$465,600***	$465,600	$477,240	$489,171	$501,400	$513,935
47 Capital	$0	$0	$0	$0	$0	***$1,064,376***	***$658,315***	$535,500	$900,000	$900,000	$900,000	$900,000
48 Debt Service	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0
49 Other Financing Uses	$0	$0	$0	$0	$0	***$0***	***$0***	$0	$0	$0	$0	$0

SECTION V – CAPITAL FUNDING

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Section V: Capital Funding & Fund Balances

Funding for the Village's Multi-Year Capital Plan comes from revenue sources in seven funds; 911 Fund, Motor Fuel Tax Fund, Police Department Restricted Revenue Fund, Capital Improvement Fund, Golf Course Fund, Water & Sewer Capital Fund and the Fleet Services Fund. The capital funding summary below is the amount available in each fund for capital. The Multi-Year Capital Plan allocates available funding to specific projects or intent. The current Multi-Year Capital Plan allocates resources through FY2026. The MYFF confirms the resources allocated continue to be available over that time period.

Capital Funding by Fund	FY2021 Estimate	*FY2022 Proposed*	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	5-Year Total
Funding by Fund	**$10,949,063**	***$13,129,015***	**$9,615,500**	**$9,529,500**	**$7,734,500**	**$9,360,025**	**$49,368,540**
% Change vs. Prior Year	**-10.92%**	***19.91%***	**-26.76%**	**-0.89%**	**-18.84%**	**21.02%**	
121 - 911 Fund	$5,000	***$602,500***	$751,000	$75,000	$46,500	$272,025	$1,747,025
122 - Motor Fuel Tax Fund	$1,368,185	***$1,618,185***	$320,000	$1,500,000	$0	$1,500,000	$4,938,185
124 - PD Restricted Revenue Fund	$0	***$215,500***	$0	$0	$0	$0	$215,500
131 - Capital Improvement Fund	$7,269,476	***$7,004,250***	$5,511,000	$5,034,500	$4,598,000	$4,435,500	$26,583,250
211 - Golf Course Fund	$0	***$0***	$75,000	$0	$75,000	$0	$150,000
223 - Water & Sewer Capital Improvement Fund	$1,648,087	***$3,153,080***	$2,058,500	$2,020,000	$2,115,000	$2,252,500	$11,599,080
233 - Fleet Services Fund	$658,315	***$535,500***	$900,000	$900,000	$900,000	$900,000	$4,135,500

FY2021 Ending Fund Balance Impact

Fund	Audited Fund Balance May 1, 2020	*Estimated Surplus/(Defecit) FY2021*	Projected Fund Balance May 1, 2021	Proposed Revenues FY20222	Proposed Expenditures FY2022	*Proposed Surplus/(Defecit) FY2022*	Projected Fund Balance 4/30/2022
110 - General Fund - Baseline	$25,751,143	***($2,893,320)***	$22,857,823	$39,711,400	$40,858,560	***($1,147,160)***	$21,710,663
110 - General Fund - Expansion	$25,751,143	***($2,893,320)***	$22,857,823	$42,697,850	$40,858,560	***$1,839,290***	$24,697,113
110 - General Fund - Contraction	$25,751,143	***($2,893,320)***	$22,857,823	$37,296,350	$40,858,560	***($3,562,210)***	$19,295,613
122 - Motor Fuel Tax Fund	$511,924	***$397,111***	$909,035	$1,512,988	$1,618,185	***($105,197)***	$803,838
124 - PD Restricted Revenue Fund	$161,552	***$30,348***	$191,900	$265,000	$247,500	***$17,500***	$209,400
131 - Capital Improvement Fund	$3,066,745	***$255,018***	$3,321,763	$8,441,100	$7,384,750	***$1,056,350***	$4,378,113
221/223 - Water & Sewer Fund	$5,074,971	***$223,833***	$5,298,804	$9,607,470	$10,413,124	***($805,655)***	$4,493,149
233 - Fleet Services Fund	$0	***$419,148***	$419,148	$1,758,130	$1,758,130	***$0***	$419,148

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SECTION VI – CONCLUSIONS & RECOMMENDATIONS

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Section VI: Conclusions & Recommendations

Conclusions

COVID-19 Crisis

The impact of the COVID-19 crisis has put the Village in an unprecedented situation. FY2021 is estimated to use $3 million in General Fund balance after cutting expenditures by approximately $5 million and receiving an unanticipated grant of $1.4 million. The Village was able to make adjustments quickly to minimize the impact, but lingering effects of the crisis is expected to pressure revenues for at least two fiscal years. As the recovery takes place the Village is in a good position with personnel and fund balance levels to weather the impact over the next couple fiscal years. Impacts greater than the level currently forecasted or extending beyond that timeframe will likely require the Village to make adjustments to service levels or revenue streams. As a home-rule municipality the Village has many options to increase revenues should it be needed. Staff will continue to closely monitor revenue streams and report monthly on the impact of the crisis for the foreseeable future.

Personnel Costs

Over the long term, personnel costs outpace revenue growth. Opportunities for new growth are limited as the Village becomes built-out. Absent revenue enhancements or new growth, the Village must balance the deficit through expenditure reductions or revenue increases. The Baseline Model shows the Village in a structural deficit in excess of historical surpluses in FY2026 based on the assumptions noted. The good news is the Village has time to make strategic and managed adjustments. As a service organization, the vast majority of expenditures are personnel related. It is important the Village identify the proper staffing level based on long-term service needs and not short-term spikes in activity or project related work. Opportunities to reduce staffing levels through the addition of technology, collaborating with other governments, privatizing non-customer centric functions, internal consolidation and process efficiency should be considered prior to filling vacant positions.

New Growth

As expenditure increases outpace revenues new growth is important to maintain services. Opportunities for new growth are limited as the Village becomes built-out. The Village must continue to pursue opportunities for new growth aggressively. The ability and need to offer economic incentives should be weighed against the long-term impact of new growth and deployed aggressively if the situation warrants. New growth is the best way to “bend the cost curve” without increasing taxes adding additional revenue streams or cutting back services.

Recommendations

While the Village is in a good position to weather the impact of the COVID-19 crisis, there are areas that can enhance the financial sustainability of the Village.

Diversifying Revenue Sources

As the base for traditional sales tax changes and likely erodes, the Village will need to shift to other taxes to fill the void, such as amusement, hotel and resort. The Village increased amusement and hotel tax to 4% and 6% respectively in FY2019. New growth can offset the need to increase revenues, but one outcome of the COVID-19 crisis is the Village's overreliance on consumer driven revenue streams. The Village has a diverse set of consumer driven revenues, but they are all still driven by consumer spending. The Village should manage reserves, capital planning and operational planning with the understanding that funding sources can be greatly impacted by a quick, drastic change in consumer spending such as happened with the COVID-19 crisis.

Diversifying Fund Setup
Adding funds for volatile expenditures such as risk management or health insurance can help add a layer of redundancy to protect General Fund balances. In the event of a recession or other revenue interruption, the fund balance in these funds that built up over time can be tapped to relieve the pressure on the General Fund.

Privatization
Adding private contractors allows the Village to react swiftly to reduce expenditures in a recession. A contractor's hours or work can be reduced or eliminated quickly versus the process to reduce employee count. Work can be brought back in-house and internal projects delayed in the short term. This ensures the Village can make a long-term commitment to its workforce even in the face of a recession.

Segregating One-Time Revenues
The Village often receives one- time revenues from new growth such as connection fees or proceeds from the sale of assets. These revenues should be segregated to capital functions and not relied on for operations.

Full-Cost Recovery
The Village annually reviews fees and charges for service. Future considerations should be to ensure we are recovering the full cost of delivering the service. The Village should implement processes to be able to track costs of delivering an individual service.

GURNEE
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SECTION VII – APPENDIX

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GURNEE
COMMUNITY OF OPPORTUNITY

Section VII: Appendix

Fund Balance Policy

Adopted: November 2, 1998

Last Revised: August 20, 2018

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Statement of Purpose

The purpose of this policy is to establish procedures governing the Fund Balance. The Village's original Fund Balance policy was adopted on November 2, 1998. The policy was amended on March 7, 2011 to be compliant with Governmental Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Scope

Sufficient fund balance helps provide the Village of Gurnee with operational stability, helps the Village meet needs caused by unforeseen events, and helps stakeholders identify the Village's credit worthiness. This policy defines the minimum amount of unassigned fund balance for the Village.

Definitions

Fund Balance: the difference between assets and liabilities in a Governmental Fund.

Non-Spendable Fund Balance: the portion of a Governmental Fund's net assets that are not available to be spent. Examples of non-spendable funds include prepaid assets or endowment principal.

Restricted Fund Balance: the portion of a Governmental Fund's fund balance that is subject to external enforceable legal purpose restrictions as to what the fund balance can be spent on.

Committed Fund Balance: the portion of a Governmental Fund's fund balance that is limited with self-imposed constraints or limitations that have been placed at the highest level of decision making authority.

Assigned Fund Balance: the portion of a Governmental Fund's fund balance to denote management's intended use of resources.

Unassigned Fund Balance: available expendable financial resources in a governmental fund that are not the object of tentative management plan (i.e., assigned). Positive unassigned fund balance can only be reported in the general fund.

Note: In non-governmental funds (e.g., golf), management may decide to assign funds for a specific purpose. This may be done as an internal budgeting procedure rather than as a formal accounting entry.

Policy

It is the policy of the Village of Gurnee to maintain unassigned fund balance in the General Fund to fund operations for a period of at least four months (“Cash Flow Commitment”). The goal is to have a Cash Flow commitment in the General Fund that is adjusted annually with the adoption of the annual budget and is calculated as 35% of General Fund expenditures (not including transfers to fund capital projects and debt service).

It is also the policy of the Village of Gurnee to assign a portion of Fund Balance in the amount of debt service payments for general obligations, alternate revenue source, and governmental debt for the following year. These funds may be assigned in either the General Fund or the Debt Service Fund (“Debt Service Assignment”).

Unassigned fund balance will be reviewed annually during the budget process.

Should the unassigned fund balance for the General Fund balance drop below 35%, the Village board will be notified. Reductions will be resolved by either implementing a new, recurring revenue source or reducing expenditures.

Balances in excess of the recommended Cash Flow Commitment may be transferred to the Capital Improvements Fund to support future capital projects, or any other fund as approved by the Village BoaRoad

The levels of other required restrictions, commitments and assignments will fluctuate depending on activity.

This policy may be amended from time to time as determined by the Board of Trustees.

The Village will spend the most restricted dollars before less restricted, in the following order:

- Restricted,
- Committed,
- Assigned,
- Unassigned.

The Village Administrator and Director of Finance will recommend to the Village Trustees if a portion of fund balance should be assigned for any other purpose than Debt Service as described in Section B of this Policy. Assignment for Debt Service as described in Section B may be done by approval of the Finance Director and Village Administrator.