

CITY OF
Crystal Lake Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF CRYSTAL LAKE, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

Prepared by the Finance Department

Jodie Hartman
Director of Finance

CITY OF CRYSTAL LAKE, ILLINOIS
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INTRODUCTORY SECTION

CITY OF
Crystal Lake
ILLINOIS

June 5, 2026

Mayor Haig Haleblian
Members of the City Council
Citizens of the City of Crystal Lake, Illinois

We submit to you the Annual Comprehensive Financial Report of the City of Crystal Lake, Illinois, for the year ended December 31, 2025. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year complete a set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Crystal Lake for the year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City of Crystal Lake. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis to make these representations, management of the City of Crystal Lake has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Crystal Lake's financial statements in conformity with GAAP. The Finance Department takes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position of the City and the results of its operations as measured by the financial activity of its various funds, and includes all the disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

The City of Crystal Lake's financial statements have been audited by Sikich CPA LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Crystal Lake for the year ended December 31, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Crystal Lake's financial statements for the year ended December 31, 2025, are fairly presented in conformity with GAAP. This "clean" opinion is the highest obtainable opinion, a statement of not

conformity with GAAP. This "clean" opinion is the highest obtainable opinion, a statement of not only reliability of the financial information, but also to the high level of professionalism and integrity of the staff. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Crystal Lake's Annual Comprehensive Financial Report presents the Management's Discussion and Analysis (MD&A), basic financial statements and required supplemental information. The MD&A provides an analytical overview of the City's financial activity. Included in the basic financial statements are the government-wide financial statements, fund financial statements and notes to the financial statements. The required supplementary information presents the budgetary comparison schedules and other schedules. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE CITY OF CRYSTAL LAKE

The City of Crystal Lake, incorporated in 1914, is in the southeastern portion of McHenry County, which is the furthest northwestern county in the Chicago metropolitan region. The City of Crystal Lake currently occupies a land area of 19.24 square miles and serves a population of 40,269 according to the 2020 Decennial Census. The City of Crystal Lake is empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Crystal Lake has operated under the Council-Manager form of government since 1957. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments, including the City Attorney. The City Council is elected at-large on a non-partisan basis. Council members serve four-year staggered terms.

This report encompasses all funds of the City of Crystal Lake. The City of Crystal Lake provides a full range of services, including police and fire protection; recreation; construction and maintenance of highways, streets, and infrastructure; maintenance of the public storm drainage system; water, sanitary sewer service and wastewater treatment; and growth management, planning and development control through the activities of the Community Development Department. In addition to these general governmental activities, the City has certain information related to the public library (a discretely presented component unit) and police and fire pension systems (blended component units). Therefore, these activities have been included in the City of Crystal Lake's financial reporting entity.

The annual budget serves as the foundation for the City of Crystal Lake's financial planning and control. All agencies of the City of Crystal Lake are required to submit requests for appropriation to the City Manager. The City Manager and Director of Finance use these requests as the starting point for developing the proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the

proposed budget and to adopt a final budget by no later than the close of the City of Crystal Lake's prior fiscal year. The budget is prepared by fund and department. Expenditures may not legally exceed the total appropriated amounts for each fund. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Crystal Lake operates.

The City of Crystal Lake enjoys a rather stable economic environment. With inflation and geopolitical events having a substantial effect on the national economy, the City has been able to withstand the financial consequences without reducing services. The largest single source of revenue is sales tax, which reflects the current economic trends with the attractions of new restaurants and retail establishments.

Development and property management represent a significant challenge and priority for the City. Utilization of impact fees and sophisticated policies requiring development to fund its own infrastructure costs illustrate the fact that the City has growth management initiatives. The City's impact fees and growth-funded infrastructure requirements have ensured that the City's taxpayers are not burdened by development.

New construction in the residential and commercial sectors continues to add value to the City. Of particular note, the nation's largest homebuilder (Lennar), has completed construction of a 500-unit residential development, Woodlore Estates, on the northeast section of Crystal Lake and has started construction on Woodlore Townes, a multifamily development. The Springs at Three Oaks, a 280-unit luxury apartment complex, was completed in 2022. Enclave, a 99-unit luxury rental project was completed in 2024 and Redwood, a 304 rental ranch townhome community, completed 94 units as part of phase one in early 2025 and is underway with phase two and three, expecting completion in 2026. More owner-occupied housing is currently underway including Woodlore Townes, a 47-unit townhome community, and Woodlore Townes II, a 55-unit townhome community. Water's Edge is also underway with 240 rental apartment units, 20 townhome units, and 42,300 square feet of retail space. A recently approved project is a development by Pulte Homes, which includes 175 owner-occupied single-family homes. Waterside, located on the former Curran property, is constructing 108 owner-occupied townhomes. Bard Estates is currently under construction and proposes 48 owner-occupied townhomes, while the Grant Street development by Projades will add 19 owner-occupied townhomes. Rental housing is also a key component of the community's housing strategy. Parkway Crossings is under construction and will include 220 apartment units, and Clover will provide 121 age-restricted independent living units. Further expanding rental options, the 551 Congress project by Projades, originally approved in 2022 and recently granted a PUD extension, will add 93 apartment units. Sunshine Apartments, located at the corner of Congress Parkway and Station Drive, will contribute 24 market-rate senior apartment units.

Despite substantial competition that has occurred from commercial growth in many of the areas surrounding Crystal Lake and the difficult retail environment for certain players in the very competitive Chicago arena, the retail sector has remained stable and has grown slightly over the past year. The City has continued to maintain strength as a retail base for serving regular commercial needs for the immediate City population and has continued as a regional point for commercial activities.

Route 14 serves as a retail corridor for the City of Crystal Lake, with a variety of tenants occupying space in several shopping centers. In 2025, 338,133 square feet of new commercial space was occupied. The Route 14 corridor provides a variety of large national tenants as well as dining options ranging from fine dining to fast casual.

The downtown sector continues to be a vibrant commercial destination, with its own unique dining, specialty shops, services and entertainment options. The downtown district is home to the Raue Center for the Arts, an 800-seat theatre that provides a unique draw for the downtown area as the largest performing arts theater in McHenry County. The City is enhancing the downtown area by renovating Depot Park which will open June 2026 and create an enhanced gathering space to draw more individuals and events into the area.

Crystal Lake continues to be an attractive place to live and conduct business. The City is fortunate to have two Metra train stations within the corporate limits. In 2025, Crystal Lake welcomed fifty-two new small businesses. The City is also home to several large auto retailers, almost all of which over the past decade have completed substantial renovations or expansions of their dealerships. M'Lady Nissan recently completed their improvements to their dealership which will increase the showroom floor and their ability to service vehicles.

Once again, the City has continued to have a very low property tax rate for municipal services compared to other municipalities in southeastern McHenry County. The continued development of the City's non-residential tax base and the stable retail sector of the community have facilitated this position. The City's retail base helps defray the cost of most General Fund supported services, such as police protection, street maintenance, brush and leaf pickup, and other services. The City has continued to maintain strength as a retail base for serving commercial needs for the immediate City population and has continued as a regional point for commercial activities.

The City of Crystal Lake is well-positioned for growth, both geographically and economically. Located 50 miles northwest of Chicago, Crystal Lake benefits from a continually growing population and workforce. The City's median household income is approximately 34% above the national average and approximately 30% above the State average. Over 42% of residents twenty-five or older have college degrees, compared to the State and National averages of 38% and 36% respectively.

LONG-TERM FINANCIAL PLANNING

Crystal Lake, like all municipalities, must continually evolve to meet the changing needs of its citizens. Because the City is a service provider, its main expenditures are personnel-related. City staff continuously examine municipal services for efficiency, effectiveness, usefulness and sustainability, and develops options and strategies that enable the City to match resources (financial, physical and human) to the desired level of service.

The City is committed to maintaining a low property tax rate. On December 2, 2025, the Crystal Lake City Council adopted a property tax levy ordinance that maintained a zero General Fund levy, which has been in place since 1997. The City's overall levy included a modest overall increase of 2.9%, primarily attributable to increased funding for the Fire Rescue Department and the City's pension obligations. With overall growth to the City's tax base from new construction, the impact to property owners was a rate decrease of 5% for the City's levy. The City takes pride in minimizing the use of property taxes, relying upon other revenue sources for funding both operations and capital expenditures.

The City sponsors single employer defined benefit pension plans for its sworn police officers and for its sworn firefighters. Each year, an independent actuary calculates the amount of the annual contribution. As a matter of policy, the City fully funds each year's annual required contributions as determined by the actuary. As of December 31, 2025, the Police Pension plan's fiduciary net position as a percentage of the total pension liability was 69.79%. As of December 31, 2025, the Fire Pension plan's fiduciary net position as a percentage of the total pension liability was 87.10%. Unfunded amounts are being systematically funded as part of the annual required contribution dictated by State Statute.

The City also provides pension benefits for its non-public safety employees. These benefits are provided through a state-wide plan that is managed by the Illinois Municipal Retirement Fund (IMRF). Additional information on the City's pension arrangements can be found in Note 14 of the financial statements. As of December 31, 2024, the date of the most recent actuarial valuation, the IMRF plan's fiduciary net position as a percentage of the total pension liability was 93.73%.

In 2022, Standard and Poor's upgraded the City to a AAA stable rating and affirmed that rating in March 2025. The City of Crystal Lake's AAA credit rating represents the highest credit rating that can be earned by an organization and has been assigned to very few governments within the State of Illinois. According to S&P, the City of Crystal Lake "embodies many characteristics of a 'AAA' issuer, including a diverse economy that is independently strong and growing…with consistently stable financial operating results with no discernible budgetary pressures… and a sophisticated and knowledgeable management team that has strong planning practices." At the end of the current fiscal period, the City had $47.87 million of debt instruments outstanding. The City also has $7.23 million relating to Special Service Area obligations which are not the financial responsibility of the City. Under current state statute, the City has no legal debt limit on general obligation debt.

FINANCIAL POLICIES

The City of Crystal Lake's Financial Policies provide the basic framework for the fiscal management of the City. The policies provide guidelines for evaluating both current activities and proposals for future programs. Most of the policies represent longstanding principles, traditions and practices that have guided the City in the past and have helped maintain the City's financial stability. The following are detailed in the City of Crystal Lake's Financial Policies:

- Purchasing
- Travel and Training
- Surplus Personal Property Disposal
- Accounts Receivable and Collections

- City Credit Card
- Petty Cash
- Donation Acceptance
- Economic Development Incentives
- Cash Receipts
- Accounting and Financial Reporting
- Accounts Payable and Vendor Disbursements
- Grant Management
- Annual Budget
- Debt Management
- Investments
- Fraud Reporting
- Capital Assets

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Crystal Lake for its Annual Comprehensive Financial Report (ACFR) for the eight months ended December 31, 2024. The City has received this prestigious award every fiscal year since 1990, when the City first submitted for the award. In order to be awarded a Certificate of Achievement, the City *must* publish an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Crystal Lake received the Distinguished Budget presentation award for the Fiscal Year 2026 Budget document for the nineteenth consecutive year. The City also received GFOA's Certificate of Achievement for Excellence in Popular Financial Reporting for Fiscal Years 2024 and 2024B; the City has successfully received this award since the first submittal for fiscal year ended April 30, 2021. As the City has received all three awards for the year 2024, GFOA considers the City of Crystal Lake a Triple Crown organization. It is an honor for the City of Crystal Lake to receive these three awards from the National GFOA.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report, especially Assistant Finance Director Adam Orton and Accounting Manager Stephanie Wrolson. Without the support given by the Mayor and the City Council and their unfailing commitment to maintaining the highest standards of professionalism in the management of the City of Crystal Lake's finances, this report would not be possible. Recognition and acknowledgement of the essential nature of their support and commitment to effective and responsible local government financial operations, which has enabled a report that is believed to meet the requirements of the GFOA Certificate of Achievement Program again this period, is an appropriate conclusion to this year's report.

Eric Helm
City Manager

Jodie Hartman
Director of Finance/Treasurer

CITY OF CRYSTAL LAKE, ILLINOIS

CITY OFFICIALS

As of December 31, 2025

MAYOR

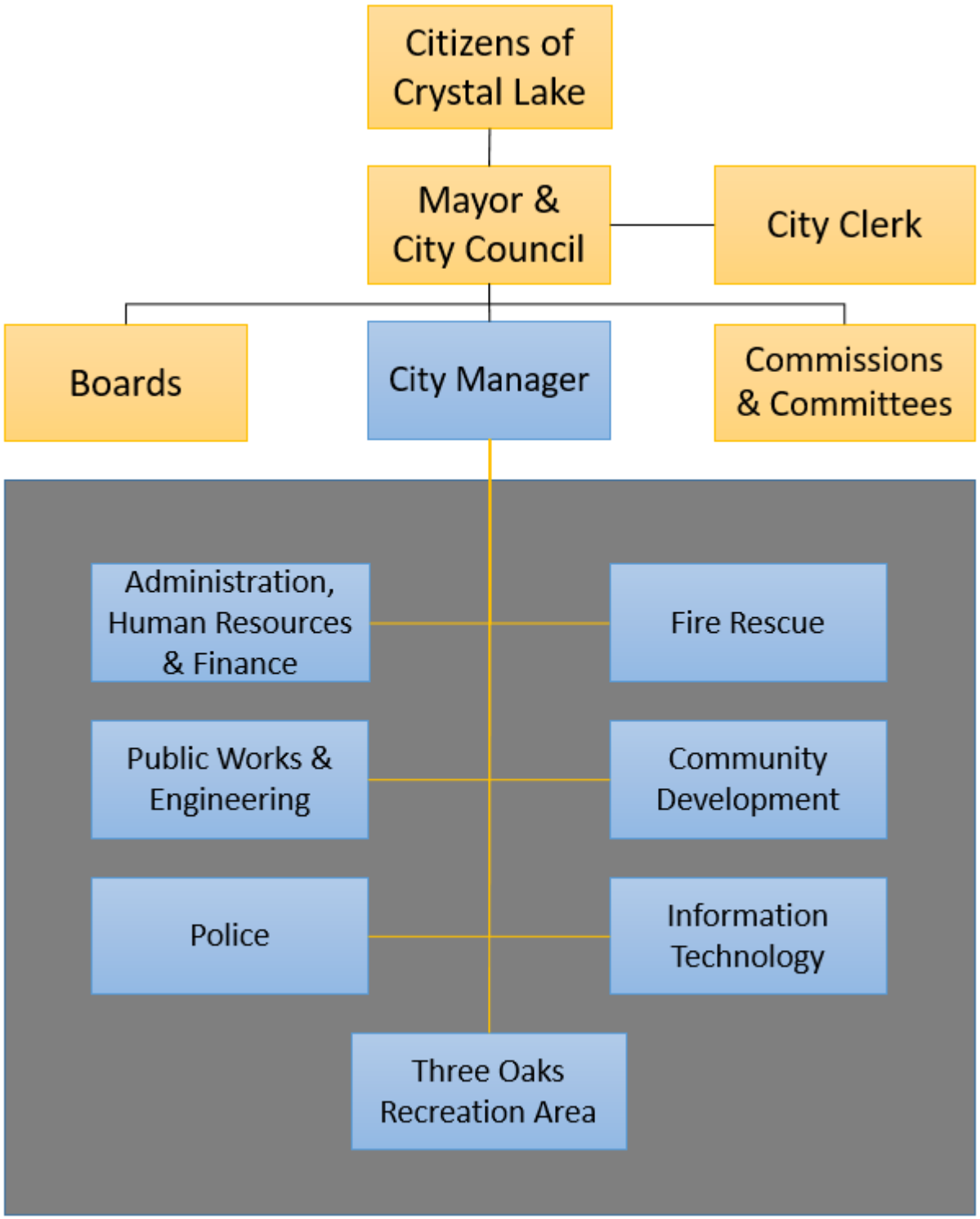
Haig Haleblian

COUNCILMEMBERS

Ellen Brady	Brett Hopkins
Cameron Hubbard	Ian Philpot
Denise Smith	Natasha Teetsov

ADMINISTRATION

Eric Helm	City Manager
Nicholas Hammonds	Assistant City Manager
Kathryn Cowlin	Director of Community Development
Jodie Hartman	Director of Finance/Treasurer
Julie Meyer	Director of Human Resources
Daniel Davis	Director of Information Technology
Michael P. Magnuson	Director of Public Works
Craig Snyder	Chief of Fire Rescue
James Black	Chief of Police


Citizens of Crystal Lake
Mayor & City Council
City Clerk
Boards
City Manager
Commissions & Committees
Administration, Human Resources & Finance
Fire Rescue
Public Works & Engineering
Community Development
Police
Information Technology
Three Oaks Recreation Area

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Crystal Lake
Illinois

For its Annual Comprehensive
Financial Report
For the Eight Months Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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Members of American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Crystal Lake, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Crystal Lake, Illinois (the City), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Crystal Lake, Illinois, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As part of our audit for the December 31, 2025 financial statements, we also audited the adjustment described in Footnote 18 related to the Civic Center Authority government merger that was applied to restate the December 31, 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
June 4, 2026

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor
Members of the City Council
City of Crystal Lake, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Crystal Lake, Illinois (the City), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
June 4, 2026

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

The City of Crystal Lake Management Discussion and Analysis (MD&A) is designed to 1) assist the reader in focusing on significant financial issues, 2) provide an overview of the City's financial activity, 3) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), 4) identify any material deviations from the financial plan (the approved budget), and 5) identify individual fund issues and concerns.

As management of the City of Crystal Lake (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2025. We encourage readers of this document to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i to vi of this report.

Effective January 1, 2025, the City transitioned its fiscal year to a calendar year basis. The City had traditionally operated on a fiscal year that would start on May 1st of each year and end April 30th of the following year. To achieve this transition, the City operated a shortened, 8-month fiscal period which is referred to as Fiscal Period 2024B. This transitional fiscal period (FY 2024B) started on May 1, 2024, and ended on December 31, 2024. The benefits of making this conversion included aligning the City's budget with the annual tax levy request, federal W2 and 1099 reporting, and State of Illinois Motor Fuel Tax audit cycles. A significant benefit is that the calendar fiscal year also allows for the majority of the construction season for many capital projects to fall within a single fiscal year. However, with Fiscal Period 2024B only being inclusive of 8 months, year-over-year comparisons are more challenging and, in some cases, causes larger than normal variances.

FINANCIAL HIGHLIGHTS

CITY FUNDS AS A WHOLE

The statement of net position presents information on all of the City's assets/deferred outflows and liabilities/deferred inflows as of December 31, 2025, with the difference reported as net position.

- **Net position**, excluding the Crystal Lake Public Library, was $320.31 million.
- **Change in net position** due to activity during the year was an increase of $26.6 million.
- **Combined revenues** totaled $98.98 million, an increase of 37.3%.
- **Combined expenses** totaled $72.38 million, an increase of 52.3%.

While the percentage changes seem inflated, most of the increases are due to the adjustment to fiscal year end, with the current year reflecting twelve months activity compared to eight months of activity in the prior year. This transition will be a factor in many of the comparisons contained in this report.

GENERAL FUND

- **Revenues** for the fiscal year totaled $54 million, an increase of $18.29 million.
- **Expenditures** for the fiscal year totaled $34.87 million, an increase of $10.73 million.
- **Fund Balance** as of December 31, 2025 was $26.67 million. The net change in fund balance due to activity during the fiscal year was an increase of $4.57 million.

BUSINESS-TYPE ACTIVITIES (Waterworks and Sewerage Fund)

- **Operating revenues** for the fiscal year totaled $16.55 million, an increase of $5.98 million.
- **Operating expenses** for the fiscal year totaled $14.79 million, an increase of $6.04 million. Depreciation and amortization of capital assets, a non-cash expense totaling $4.40 million, is included in the operating expenses total.

LONG-TERM DEBT

- **Bonded Debt for governmental activities outstanding** as of December 31, 2025 decreased $1 million to $3.48 million during the year.
- **Bonded Debt for business-type activities outstanding** as of December 31, 2025 increased $8.36 million to $25.63 million during the year.
- **Net Pension Liability for Public Safety Pensions** decreased $12 million to $40.91 million. This includes the liabilities for both Police and Firefighters' Pension Funds.
- **Net Pension Liability for IMRF** (non-sworn employees excluding the Crystal Lake Library), as of December 31, 2024, was $4.77 million.

In 2025, the City issued $10 million in general obligation bonds to fund the City's water meter replacement project.

CAPITAL INVESTMENT

- **City-wide assets,** net of depreciation, total $308.24 million at December 31, 2025, an increase of $16.55 million.
- **Governmental capital assets** net of depreciation increased $6.57 million to $204.12 million.
- **Business-type capital assets** net of depreciation increased $9.97 million to $104.11 million, primarily for infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The notes to the financial statements are considered integral to the financial statements. In addition to the basic financial statements and notes, this report also contains required supplementary information, other supplementary information and statistical information.

The City's basic financial statements comprise two components: 1) Government-wide financial statements and 2) Fund financial statements. The combination of government-wide and fund financial statements allows the City to present fairly and with full disclosure, the funds and activities of the City and to demonstrate compliance with finance-related legal and contractual provisions.

Government-wide Financial Statements are intended to provide an aggregated overview of the City's net position and changes in net position. The government-wide financial statements report on the government as a whole using the same basis of accounting and measurement focus as a private-sector business.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate library for which the City is accountable. This component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 7-10 of this report.

Fund financial statements assist in assessing whether the government has raised and spent financial resources in accordance with budget plans and in compliance with finance-related legal requirements. Certain funds, referred to as governmental funds, focus on the short-term flow of *current* financial resources, rather than on the flow of economic resources. Other funds, referred to as proprietary and fiduciary funds, account for the business-type and certain fiduciary activities of the government. These funds follow accounting and reporting principles similar to those of business organizations.

Governmental funds. These funds are a generic classification used to refer to all funds other than proprietary and fiduciary funds. The City has nineteen (19) governmental funds to account for governmental functions. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for those governmental funds considered to be "major" funds.

The City of Crystal Lake has 19 governmental funds, 2 proprietary funds, and 2 fiduciary funds.

Governmental funds account for the inflows and outflows of *current* financial resources. No long-lived assets such as land, buildings, and equipment, nor any long-term liabilities such as bonds payable, are reported on the governmental funds balance sheet. Financial resources must be available to pay current-period obligations. The basic governmental fund financial statements can be found on pages 11-15 of this report.

Proprietary funds. These funds are sometimes referred to as *business-type* funds of local government. Examples of proprietary funds are enterprise funds and internal service funds. The City maintains two proprietary funds: the Waterworks and Sewerage Fund and the Group Insurance Fund. The Waterworks and Sewerage Fund is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 16-20 of this report.

Fiduciary funds. These funds are used to account for resources held for the benefit of parties outside the government. This includes the City's two pension trust funds and custodial Special Service Area Funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the financial statements. These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-83 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits, as well as budgetary comparison schedules for major funds for which an appropriation was approved. Required supplementary information can be found on pages 84-98 of this report.

Other supplementary information. This includes combining and individual fund statements and schedules, which can be found beginning on page 99 of this report.

Statistical information. The statistical section of the annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementation information says about the City's overall financial health. Statistical information can be found beginning on page 150.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The Statement of Net Position is a high-level view of the total assets, deferred outflows, liabilities and deferred inflows of the primary government. The resulting net position is allocated to three categories: Net Investment in Capital Assets, Restricted funds and Unrestricted Funds. Net assets may serve over time as a useful indicator of a government's financial position.

Statement of Net Position
As of December 31, 2025 and December 31, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
Category	**12/31/2025**	**12/312024**	**12/31/2025**	**12/31/2024**	**12/31/2025**	**12/31/2024**
Current & other assets	$ 113,380,375	$ 105,358,576	$ 39,558,804	$ 32,040,934	$ 152,939,179	$ 137,399,510
Capital assets	204,121,795	197,550,457	104,113,744	94,140,003	308,235,539	291,690,460
Total assets	317,502,170	302,909,033	143,672,548	126,180,937	461,174,718	429,089,970
Deferred Outflows	12,528,551	14,217,967	1,980,316	2,616,582	14,508,867	16,834,549
Total assets & deferred outflows	**330,030,721**	**317,127,000**	**145,652,864**	**128,797,519**	**475,683,585**	**445,924,519**
Current liabilities	7,976,094	9,615,092	2,492,054	2,765,481	10,468,148	12,380,573
Long-term liabilities	59,654,573	73,420,215	47,015,219	39,602,386	106,669,792	113,022,601
Total liabilities	67,630,667	83,035,307	49,507,273	42,367,867	117,137,940	125,403,174
Deferred Inflows	35,192,477	24,241,441	3,041,950	3,319,598	38,234,427	27,561,039
Total liabilities & deferred inflows	**102,823,144**	**107,276,748**	**52,549,223**	**45,687,465**	**155,372,367**	**152,964,213**
Net position:						
Net Invest. In Cap. Assets	197,349,150	188,540,150	67,347,058	62,322,849	264,696,208	250,862,999
Restricted	7,107,524	7,766,621	-	-	7,107,524	7,766,621
Unrestricted	22,750,903	13,543,481	25,756,583	20,787,205	48,507,486	34,330,686
Total net position	**$ 227,207,577**	**$ 209,850,252**	**$ 93,103,641**	**$ 83,110,054**	**$ 320,311,218**	**$ 292,960,306**

Total assets increased $32.08 million during the fiscal year, including an increase of $16.55 million in capital assets (net of depreciation) driven by the City's investment in infrastructure, buildings, equipment and land improvements. Current and other assets, primarily cash and investments, increased $15.54 million. The City has an equity investment in Southeast Emergency Communications (SEECOM) for a total of $5.27 million. Created through an intergovernmental agreement, SEECOM is a consolidated emergency communications center which provides dispatch services and is owned in common by the City and two other municipalities.

Deferred outflows of resources decreased $2.33 million over the year. Pension items for IMRF, the Police Pension and the Firefighters Pension decreased a combined $3.14 million which represents differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings. Other Post-Employment Benefits (OPEB) increased $824k. OPEB liability relates to health insurance provided to 1) retired eligible

employees who pay the full premium, and 2) health insurance costs for any public safety employees awarded Public Safety Employee Benefits Act (PSEBA) benefits due to sustained catastrophic injuries while responding to emergencies. Another required deferred outflow represents the cost to retire water wells from service calculated at $887k.

Total liabilities decreased $8.27 million for the year. Current liabilities decreased $1.91 million due to a reduction in unearned revenue as the City spent its remaining allotment of funds from the American Rescue Plan Act (ARPA). Long-term liabilities decreased $6.35 million, including a decrease to net pension liability for public safety pensions (sworn employees) totaling $12 million. Outstanding bonded debt increased $7.36 million. The City issued $10 million in general obligation bonds to fund the water meter replacement program. Also, a component of long-term liabilities, lease obligations decreased $545k. While the City is no longer exclusively leasing vehicles for its fleet, the fleet leasing program continues.

Deferred inflows of resources increased $10.67 million over the fiscal year. Deferred inflows for property taxes accounted for $786k of the increase. IMRF and the police and fire pensions saw a combined increase of $9.52 million. Changes to deferred inflows relating to leases and other postemployment benefits make up the remainder of the change.

As of December 31, 2025, net position for the City was $320.31 million. The largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire those assets still outstanding. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net assets ($7.11 million) represents resources that are subject to external restrictions relative to their use.

The remaining *balance of unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position is $48.51 million at December 31, 2025. GASB requires the City to recognize the net pension liability totaling $45.38 million at December 31, 2025 for its three pension plans and requires the City to recognize net other post-employment benefit obligations totaling $7.64 million. Unrestricted net position increased $14.18 million from the previous fiscal year primarily due to revenues exceeding expenses over the year.

Unrestricted net position increased by $14 million primarily due to revenues exceeding expectations and expenses remaining under budget.

Statement of Activities

The Statement of Activities illustrates the change in net position throughout the fiscal year. A snapshot of the statement is provided below, with greater detail on pages 9-10 of this report.

Statement of Activities
For the Year Ended December 31, 2025 and for the Eight Months Ended December 31, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
Category	**2025**	**2024B**	**2025**	**2024B**	**2025**	**2024B**
Revenues:						
Program revenues:						
Charges for services	$ 10,029,306	$ 8,434,913	$ 17,624,723	$ 11,439,343	$ 27,654,029	$ 19,874,256
Operating grants/contributions	2,149,178	1,315,488	-	-	2,149,178	1,315,488
Capital grants/contributions	51,273	-	600,000	-	651,273	-
General revenues:						
Taxes	32,218,489	24,897,814	2,773,008	1,444,854	34,991,497	26,342,668
Intergovernmental	25,436,697	16,757,420	743,832	3,108,262	26,180,529	19,865,682
Investment earnings	3,184,668	1,984,179	1,001,813	797,866	4,186,481	2,782,045
Other	2,732,262	1,751,171	436,048	135,138	3,168,310	1,886,309
Total revenues	**75,801,873**	**55,140,985**	**23,179,424**	**16,925,463**	**98,981,297**	**72,066,448**
Expenses:						
General Government	5,561,299	6,607,702	-	-	5,561,299	6,607,702
Public Safety	31,384,143	21,450,742	-	-	31,384,143	21,450,742
Highways and Streets	17,218,966	8,415,627	-	-	17,218,966	8,415,627
Culture and Recreation	1,605,806	1,556,194	-	-	1,605,806	1,556,194
Interest on long-term debt	146,973	105,744	-	-	146,973	105,744
Water/Sewer	-	-	16,463,198	9,398,839	16,463,198	9,398,839
Total expenses	**55,917,187**	**38,136,009**	**16,463,198**	**9,398,839**	**72,380,385**	**47,534,848**
Excess (deficiency) of revenues over expenses	19,884,686	17,004,976	6,716,226	7,526,624	26,600,912	24,531,600
Transfers:	(3,277,361)	(1,163,284)	3,277,361	1,163,284	-	-
Change in net position	**16,607,325**	**15,841,692**	**9,993,587**	**8,689,908**	**26,600,912**	**24,531,600**
Beginning net position	209,850,252	194,768,509	83,110,054	74,567,375	292,960,306	269,335,884
Change in accounting principle		(791,005)		(147,229)	-	(938,234)
Error corrections		31,056		-	-	31,056
Adjustment to Beginning Net Position - Government Merger with Civic Center Authority	750,000	-	-	-	750,000	-
Ending net position	**$ 227,207,577**	**$ 209,850,252**	**$ 93,103,641**	**$ 83,110,054**	**$ 320,311,218**	**$ 292,960,306**

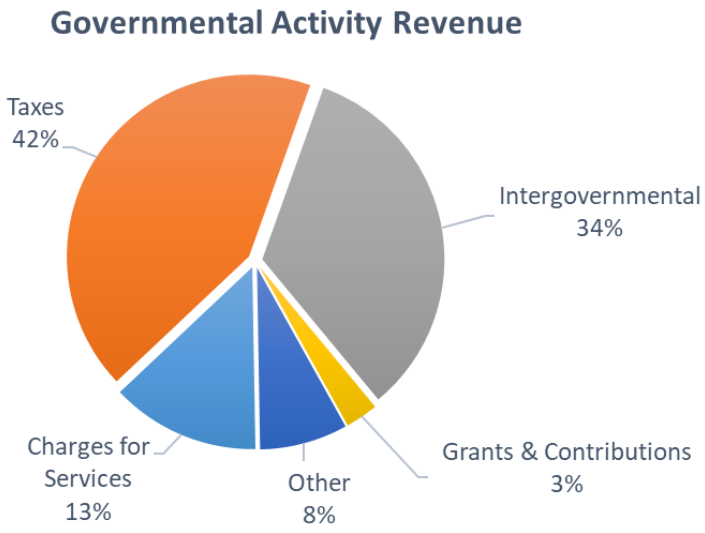
Overall, revenues for the City totaled $98.98 million, an increase of $26.91 million from the prior fiscal year. Expenses city-wide totaled $72.38 million, an increase of $24.84 from the prior fiscal year. The resulting change from the fiscal year activities is an increase in net position of $27.35 million, representing growth of 9.3%. Now that the fiscal year transition has been completed, the City expects future year variances to stabilize at much lower levels. The Adjustment to Beginning Net Position is due to the City's merger with the Civic Center Authority. See Note 18 for more information.

Governmental Activities

As is typical for governmental activities of local governments, program revenues cover a small percentage of program expenses, with general revenues covering most expenses. For this fiscal year, governmental program expenses of $55.92 million exceeded program revenues of $12.23 million by $43.69 million; general revenues of $63.57 million are used to make up the difference. With governmental revenues performing better than anticipated while expenses remained low, the City experienced a $16.61 million surplus in governmental activities.

Revenues

The following graph indicates the breakdown of governmental revenue by type for the fiscal year. Diversification by source is an important factor in financial stability. The City does not rely heavily on any one category.



- Charges for services increased $1.59 million for the fiscal year 2025 as compared to the previous fiscal year. This increase was driven primarily by the return to 12 months of revenues from ambulance fees and intergovernmental services provided to the Crystal Lake Fire Protection District and the Village of Lakewood. Revenues totaling $676k from the Three Oaks Recreation Area increased $110k. These revenues were less impacted by the previously shortened fiscal year change due to most of its seasonal operations occurring during the summer months.

- Grant and contribution revenues increased by $885k. This category is comprised mostly of single occurrence grant awards relating to specific projects or programs.

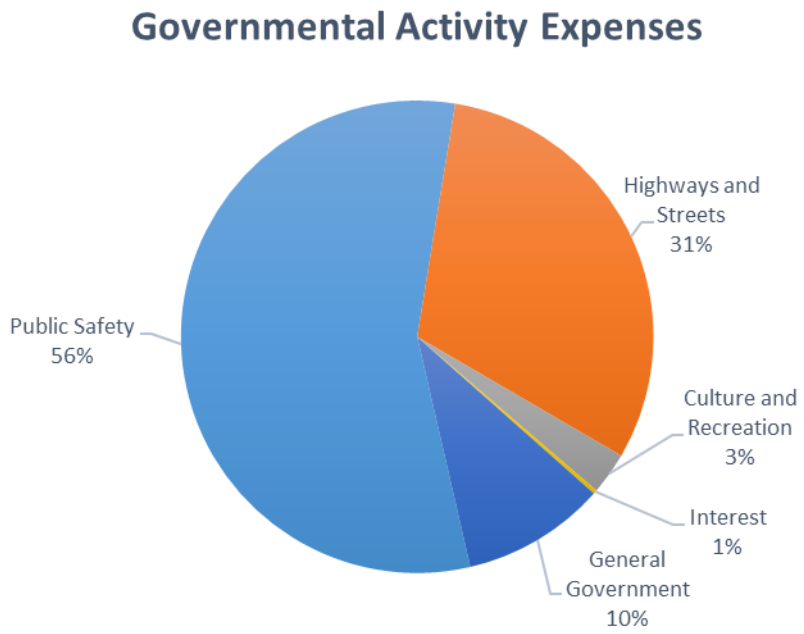
- Intergovernmental revenues increased $8.74 million, due to the return to a full fiscal year in FY 2025. States Sales and Use Taxes were up $5.95 million, and State Income Tax was up $2.69 million. These increases were anticipated. Compared to budget, the FY2025 total for State Sales and Use Taxes exceeded expectations by $1.23 million.

- Investment earnings ended the year at $3.18 million, an increase of $1.20 million. The higher level of investment income reflects market value appreciation of fixed income securities driven by a decline in interest rates.

- Revenue from taxes increased $7.26 million. While receiving 12 months of receipts as compared to only 8 months the previous fiscal period, the Home Rule Sales Tax increased $5.79 million, and the telecommunications Tax increased $176k.

- Other revenues of $2.73 million increased $981k. This category includes recognition of interest of $785k on funds held with the Intergovernmental Risk Management Agency (IRMA). This category also includes capital facility fees, reimbursements from other agencies, and host fees for transfer facilities.

Expenses
Governmental activity expenses represent the costs of operating the City's core services, excluding water and sewer service. The following chart shows the breakdown of governmental expenses by activity.



Public safety expenses, which account for the largest share, increased by $9.93 million to $31.38 million. This is an increase of 46% which was anticipated due to the return to a 12-month fiscal year. Additionally, police and fire pension expenses decreased due to higher than anticipated investment returns. As the change in pension obligation is not a source or use of funds, it is only shown in the high-level Statement of Activities and not the remainder of financial reports within the report.

Expenses in the remaining categories all increased as well, due to the additional 4 months of expenses. Highways and Streets increased by $8.80 million to $17.22 million. As a factor to the fiscal year change, seasonal expenses that typically occur in January and February, such as snow removal overtime and road salt expenses, did not occur in the prior eight-month fiscal period. General Government expenses were down $1.11 million to $5.56 million. This is due to the reclassification of the $3.96 million of Depot Park project expenses from General Government to Highways and Streets. Interest expense on long-term debt for governmental activities increased $41k as debt service continues to be paid down.

Business-type activities

The Waterworks and Sewerage Fund activity resulted in an increase to net position of $9.99 million from the fiscal year's activity. Net position ended the fiscal year with $93.10 million.

Revenues

Charges for services increased $6.19 million from the prior year due to the change in the fiscal year. Also contributing to the increase was a 3% increase to the water and sewer rates that took effect September 1, 2025, and consumption was slightly higher when compared to the previous 12 months in 2024. Connection fees increased $397k to $1.24 million due to issuance of new construction permits as several townhome developments got underway.

To fund capital needs, all utility taxes totaling $2.77 million were deposited in the business-type funds. Investment income for business-type revenues increased $204k up to $1 million due to market value appreciation of fixed income securities driven by a decline in interest rates.

Expenses

Operating expenses of the Waterworks and Sewerage Fund were $6.04 million higher than the previous year, driven in part by increases in electricity rates, commodity prices and chemical costs. Principal payments decreased by $129k to $2.80 million and interest expenses increased $865k to $1.43 million per the debt service payment schedules. Depreciation and amortization expense increased $1.53 million to $4.40 million due to a return to a full year of expenses.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year 2025, the City's governmental funds reported combined ending fund balances of $78.01 million, an increase of $7.05 million from the prior year. The unassigned portion of the ending fund balances totaled $16.23 million and is available to spend at the City's discretion. The remainder of the combined ending fund balance is restricted or assigned to indicate it is not available for spending. Restricted and assigned funds are reserved to pay debt service, retirement, street improvement or other specific costs, or are reserved for prepaid items such as insurance and inventories.

General Fund

At the end of the fiscal year, the General Fund had a fund balance of $26.67 million, with $17.54 million as unassigned. As a measure of the General Fund's capacity to provide sufficient cash flow for day-to-day operations, offset unanticipated downturns to revenues or provide an ability to make emergency purchases, it may be useful to compare unassigned fund balance to operating expenditures. The unassigned fund balance represented 50% of FY2025 General Fund operating expenditures and 45% of FY2026 budgeted General Fund operating expenditures.

The ending fund balance of the General Fund increased by $4.57 million, including transfers of General Fund surplus to the Capital Replacement Fund and Vehicle Replacement Fund in the amounts of $10.1 million and $3.2 million, respectfully. General Fund revenues totaled $54 million, an increase of $18.29 million (51.2%), mainly due to the return to a 12-month fiscal year. Intergovernmental revenue was up $8.75 million, including sales tax which increased by $6.55 million to $17.60 million. Charges for services were up slightly by $120k as the seasonal operations of the Three Oaks Recreation Area were less impacted by the previous shortened fiscal period. Home rule sales tax increased by $5.79 million. The Home Rule sales tax had been increased by 0.5% increase effective July 1, 2024.

General Fund expenditures also increased for a total of $34.87 million, an increase of $10.73 million (44.4%) due to the additional 4 months of expenditures compared to FY2024B. The General Fund also incurs the annual police and fire pension contribution expenditures. As a full year's amount was contributed in FY2024B, the contributions increased by just $414k. General Fund revenues surpassed expenditures by $19.12 million.

General Fund revenues exceeded General Fund expenditures by over $19 million.

Fire Rescue Fund

The Fire Rescue Fund is also a major governmental fund, with an ending fund balance of $16.41 million, an increase of $2.60 million from annual activity. Revenues increased $1.02 million to $15.44 million. Primary revenue sources of the Fire Rescue Fund include charges for services to other agencies, ambulance transport fees, and a property tax. The ambulance transport fee automatically adjusted in FY2025 to match the GEMT rate. Expenditures increased by $4.50 million mainly due to the return to a 12-month fiscal year. The personnel costs included salary increases based on labor contracts and overtime required to maintain minimum staffing levels.

Capital and Equipment Replacement Fund

The ending fund balance in the Capital and Equipment Replacement Fund was $20.87 million, an increase of $1.07 million from the prior year. Revenues for the year of $596k included $306k in taxes from video gaming. Other financing sources included $96k in SBITA and installment contract issuance and $11.88 million from other funds as transfers in for capital purchases.

Expenditures totaled $11.50 million, compared to budgeted expenditures of $22.11 million; several projects were delayed due to regulatory reviews from state and Federal agencies, delays in grant funding, and the reprioritization of certain capital projects. Major projects for the year included the annual street resurfacing program ($656k), Three Oaks Trail Project ($3.10 million), Depot Park improvements ($3.63 million), building improvements ($1.04 million), and road/intersection improvements ($310k). To mitigate tax increases, one-time capital and equipment replacement expenditures are funded using unassigned fund balance and/or bond proceeds.

Other Governmental Funds

The City maintains several other governmental funds. In aggregate, fund balances of other governmental funds decreased $1.18 million from the previous year. Highlights from some of these funds include:

- The Motor Fuel Tax Fund had a fund balance of $4.63 million as of December 31, 2025, an increase of $490k. The entire balance is restricted for purposes of roadway improvements. Expenditures of Motor Fuel Tax dollars require authorization from the Illinois Department of Transportation, as well as the Crystal Lake City Council. Other financing uses (transfers out to the Capital and Equipment Replacement Fund) of $1.26 million provided roadway, intersection and pedestrian path improvements. The Fund Balance decrease represents a planned use of full balance for budgeted roadway improvement projects.

- The IMRF/FICA Fund is used to account for revenues derived from a separate tax levy. Disbursement of these funds are restricted to the payment of employer contributions to Social Security, Medicare and to the Illinois Municipal Retirement Fund. The ending fund balance in the IMRF/FICA Fund is $1.22 million, a decrease of $207k. The City budgets for full staffing levels but vacancies throughout the year result in reduced expenditures.

- The Restricted Police Fund consists of revenues collected by the Police Department for specific infractions such as DUI, drug forfeitures and vehicle impoundments. The restricted accounts are governed by State or Federal statutes. These funds are limited in their potential uses and must be used by the Police Department for purposes directly related to DUI and drug related enforcement and prevention. The ending fund balance in the Restricted Police Fund is $909k, a decrease of $7k.

- The Three Oaks Debt Service Fund accounts for debt service costs associated with a tax increment financing redevelopment project within the Vulcan Lake TIF District. This fund had no revenues during fiscal year 2025, but received other financing sources of $1.12 million as transfers in from the General Fund and from the Vulcan Lakes TIF increment receipts. This funding was used for $1.12 million in debt service payments. The ending fund balance is $0.

- The Water's Edge TIF Project Fund is used to account for funds associated with the tax increment financing district created to assist in the redevelopment of the former Crystal Court Shopping Center. The fund received tax increment revenue in the amount of $120k for fiscal year 2025. The Water's Edge TIF Project Fund is carrying a liability to repay the General Fund for advancing funds to cover planning and engineering expenditures of the TIF Project Fund; the balance of the advance as of December 31, 2025 was $162k.

- The Raue Center Building fund was created in FY2025 and will be used to fund maintenance to the Raue Center for the Performing Arts. The City took possession of the Raue Center Building after a consolidation with the Civic Center Authority. The Raue Center Building Fund has a fund balance of $100k which is the result of a transfer from the General Fund.

Proprietary Funds
Proprietary funds are sometimes referred to as *business-type* funds of a local government. The City maintains two proprietary funds. The Waterworks and Sewerage enterprise fund is used to account for the acquisition, operations and maintenance of Waterworks and Sewerage facilities and services, including capital improvements and debt service obligations. This fund is predominately self-supporting through user charges. The Group Insurance Fund is an internal service fund that accounts for assets associated with funding the City's group health insurance.

Total net position of the Waterworks and Sewerage Fund increased $9.99 million through fiscal year activity to $93.10 million at December 31, 2025. Of the total, $67.35 million represents the City's net investment in capital assets. The remaining $25.76 million of total net position, represents unrestricted net position. Expenses included water main and storm sewer replacements, construction of new deep well #19, phosphorous removal at wastewater treatment plants #2 and #3, generator replacements for lift stations #21 and #23, lift station #14 rehabilitation, lift station #16 reconstruction, water meter replacement program, Three Oaks water level control improvements, and engineering costs for various projects.

The Group Insurance Fund had an ending fund balance of $3 million, all of which is unrestricted. Most revenues ($6.68 million) came from employer and employee contributions. Group health insurance premiums totaling $6.37 million accounted for most of the fund's expenses. Other minor expenses include wellness costs and professional services.

GENERAL FUND BUDGETARY HIGHLIGHTS

As the main operating fund of the City, the General Fund represents a range of revenues and expenditures. Revenues that are not restricted, committed or assigned to other functions are recorded in the General Fund. Operating costs of most major departments are recorded here as well, such as aspects of police protection, street maintenance, economic development, planning, engineering, fleet and facility maintenance and administration.

Actual revenues of $54 million surpassed budget expectations by $6.61 million. Combined with other financing sources, inflows exceeded budget by $6.69 million. Transfers into the General Fund were higher than budgeted due to the actual tax increment received from the Virginia Street TIF.

Expenditures for the General Fund, the City's main operating fund, came in under budget by approximately $1.8 million.

Expenditures ended the year $1.77 million below budget. Other financing uses ended the year $9.63 million above budget, primarily due to a one-time transfer from the General Fund to the Capital and Equipment Replacement Fund. This planned transfer utilized $10.05 million of operating surplus to provide advanced funding for future capital needs.

General Fund Budgetary Highlights
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance $	Variance %
Revenues & Other Financing Sources				
Taxes	$ 20,197,715	$ 21,482,456	$ 1,284,741	6.4%
Licenses and permits	805,500	936,524	131,024	16.3%
Intergovernmental	24,043,455	25,556,211	1,512,756	6.3%
Charges for services	967,970	1,028,397	60,427	6.2%
Fines and forfeits	465,000	447,755	(17,245)	-3.7%
Investment Income	300,000	2,683,524	2,383,524	794.5%
Other revenue	606,600	1,860,993	1,254,393	206.8%
Sub-total revenues	47,386,240	53,995,860	6,609,620	13.9%
Other financing sources	199,130	280,604	81,474	40.9%
Total Revenues and Other Financing Sources	47,585,370	54,276,464	6,691,094	14.1%
Expenditures and Other Financing Uses				
General Government	8,257,584	7,328,144	(929,440)	-11.3%
Public Safety	19,611,060	19,227,235	(383,825)	-2.0%
Highways and Streets	7,858,850	7,228,326	(630,524)	-8.0%
Culture and Recreation	854,145	883,133	28,988	3.4%
Debt service	53,730	203,426	149,696	278.6%
Sub-total expenditures	36,635,369	34,870,264	(1,765,105)	-4.8%
Other financing uses				
Transfers to Other Funds	5,210,870	14,840,977	9,630,107	184.8%
Total Expenditures and Other Financing Uses	41,846,239	49,711,241	7,865,002	18.8%
Change in Fund Balance	$ 5,739,131	$ 4,565,223	$ (1,173,908)	

Major General Fund Revenues

State Sales Tax receipts of $17.60 million surpassed its budgeted amount by $1.87 million. Receipts from sales tax continue to grow as prices rise with inflation. Starting January 2021, the State began classifying online retail purchases into the State Sales Tax distributions by purchase destination rather than as Use Tax and distributed per capita. So in addition to sales of groceries and general merchandise, online purchases are now supporting State Sales Tax revenues. The tax on groceries will shift from an intergovernmental revenue to a local revenue effective January 2026.

Home Rule Sales Tax receipts of $13.40 million exceeded budgeted expectations by $1.17 million. The Home Rule Sales Tax rate was increased by 0.5% effective July 1, 2024. Purchases of groceries are exempt from Home Rule Sales Tax, however staple items and online retail orders are not exempted.

Income Tax receipts ended the fiscal year at $7.26 million. This total exceeded the budgeted amount by $250k.

Use Tax totaled $361k for FY2025. This was less than its budgeted expectation by $637k. Online retail sales that were formerly in Use Tax are now being remitted under the Sales Tax category.

Hotel Tax receipts ended the fiscal year at $529k. The Hotel Tax exceeded its budgeted amount by $169k and brought in $140k more than the prior fiscal year.

Building permits of $765k exceeded budgeted expectations by $115k and are up by $182k as compared to the previous year as several multifamily and apartment development began construction. These include Water's Edge, Redwood Phase 2, Parkway Crossing, and Woodlore townhomes.

Investment earnings of $2.68 million surpassed budget expectations by $2.38 million. The higher level of Investment income reflects market value appreciation of fixed income securities driven by a decline in interest rates. As the City is restricted statutorily on the types of investment vehicles, the City invests idle funds with a professional investment management firm to maximize earning potential while remaining compliant with restrictive investment options allowed by Illinois Statute.

Miscellaneous revenue of $1.86 million exceeded budget expectations by $1.25 million. This category includes an interest earnings credit of $785k arising from assets held in trust at the Intergovernmental Risk Management Agency (IRMA). IRMA is an entity that was created under Illinois state law which allows municipalities to band together to pool risk management needs for general liability and workers' compensation insurance.

Charges for services ended the fiscal year at $1.03 million, which was $60k above budgeted expectations, driven mainly by police services which ended the year $64k over budget. Total revenues from Three Oaks Recreation Area, including beach admission and boat rentals, were $39k above budget expectations, and plan review fees ended the year $2k less than the budgeted amount.

Major General Fund Expenditures

Across all functions, spending within the General Fund ended the fiscal year under budget. This is a combination of savings from a variety of items. Some savings include the following:

- Personnel related expenditures ended the year below budget due to vacated positions, which remain open unless deemed critical to City operations.
- Contractual services expenditures were under budget mainly in professional services as projects were delayed or managed internally.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, totaled $308.24 million (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, and machinery and equipment.

Capital Assets, Net of Depreciation and Amortization
As of December 31, 2025 and December 31, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 25	FYE 24B	FYE 25	FYE 24B	FYE 25	FYE 24B
Land and Improvements	$ 104,408,098	$ 104,097,773	$ 2,209,776	$ 2,209,776	$ 106,617,874	$ 106,307,549
Building and Improvements	24,880,786	21,877,113	15,252,983	16,643,003	40,133,769	38,520,116
Machinery, Equipment, Vehicles & Software	8,183,167	7,648,547	6,246,087	5,297,132	14,429,254	12,945,679
Construction in Progress	4,962,508	4,250,096	15,511,052	9,494,060	20,473,560	13,744,156
Infrastructure	61,687,236	59,676,928	64,893,846	60,496,032	126,581,082	120,172,960
Total	$ 204,121,795	$ 197,550,457	$ 104,113,744	$ 94,140,003	$ 308,235,539	$ 291,690,460

During the fiscal year, the City invested $25.23 million in capital (buildings, equipment and infrastructure). Major capital asset acquisitions made during the fiscal year included:

- Eight new Police vehicles
- One new Fire Rescue vehicle
- Three new Community Development vehicles
- One wheeled loader
- Three heavy duty public works truck
- Four public works pickup trucks
- Raue Center for the Performing Arts building

Over $25 million in capital projects were completed during the fiscal period.

- Three Oaks Recreation Area multiuse path
- Depot Park Public Place Project
- Public Works Fleets garage floor replacement
- Plaza Gates and Main Public Place Project
- City Hall building improvements
- Three Oaks lake level adjustment
- Annual road resurfacing program
- Lift station generator replacements
- Lift station #6 and #14 rehabilitation
- New deep well #19
- Water main replacements
- Phosphorous removal for wastewater treatment plants #2 and #3
- Storm sewer system improvements
- Water and wastewater treatment plant improvements

Additional information on the City's capital assets can be found in Note 5 of this report.

LONG-TERM DEBT

In March 2025, S&P Global Ratings affirmed the City's bond rating upgrade of AAA with a stable outlook. Some factors cited by S&P Global Ratings for the rating affirmation:

- **Maintenance of very strong reserves and liquidity;**
- **Very strong management conditions, with robust planning and policies;**
- **Very low debt profile, with manageable pension costs;**
- **Strong institutional framework as a home-rule community.**

At the end of the current fiscal year, the City had $47.88 million of debt outstanding, including $396k in lease liabilities and $563k in subscription-based information technology arrangements (SBITA) liabilities. The chart below summarizes the City's outstanding long-term debt by debt instrument.

Long-Term Debt Outstanding
As of December 31, 2025 and December 31, 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	FYE 25	FYE 24B	FYE 25	FYE 24B	FYE 25	FYE 24B
General Obligation Bonds	$ 3,478,491	$ 4,483,007	$ 25,626,509	$ 17,266,993	$ 29,105,000	$ 21,750,000
Unamortized Bond Premium	268,844	350,345	910,088	527,068	1,178,932	877,413
IEPA Loans	-	-	16,528,557	17,506,235	16,528,557	17,506,235
Lease Liability	300,414	741,834	95,795	199,307	396,209	941,141
SBITA Liability	260,753	299,322	302,505	-	563,258	299,322
Installment Contract	103,355	119,398	-	-	103,355	119,398
Total	$ 4,411,857	$ 5,993,906	$ 43,463,454	$ 35,499,603	$ 47,875,311	$ 41,493,509

Currently, the City has five general obligation bonds outstanding. As of December 31, 2025, the total outstanding balance general obligation is $29.11 million, of which $3.48 million is attributed to governmental activities and $25.63 million is related to business-type activities.

In 2025, the City issued $10 million in general obligation bonds to fund the water meter replacement program. Additional revenue from the replacement meters is expected to exceed the debt service payments.

For Fiscal Year 2025, the City continues to recognize the City's liability for subscription-based information technology arrangements (SBITA). As of December 31, 2025, the City's SBITA liability was $261k. More information on SBITA liability can be found in Note 6 of this report.

The City's outstanding general obligation balance is $29 million, an increase of $7 million from the previous year.

The City has two loan agreements with the Illinois Environmental Protection Agency. The first began in 2015 and authorized the City to borrow $14.78 million to fund improvements to the City's wastewater treatment plants and has an outstanding payable balance of $9.56 million. The second IEPA loan is providing funding for improvements to the City's water treatment plant #2 and has an outstanding payable balance of $6.97 million. Both loans are paid on a semi-annual basis over 20 years. As of December 31, 2025, the City has a total outstanding loan payable of $16.53 million.

Additional information on the City's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

High inflation, supply chain issues, potential tariffs, and geopolitical conflicts continue to inject uncertainty into the economy. However, the City enjoys a healthy mix of retail diversity which has proven to weather economic downturns well. Management continually monitors revenues sources and cash balances in order to ensure sufficient resources are available to support City services.

Some revenue sources of the City rely on the allocation and distribution of funds from the State of Illinois, such as Income Tax and Use Tax. The State has reduced the municipal share of Income Tax historically and may look to this source again to offset their own fiscal shortages. The State budget contains a structural financial imbalance. Since the pressures of this imbalance will continue into the next budget, it is likely that additional local government diversions may be proposed in future years.

Effective January 1, 2026, the State of Illinois eliminated the 1% tax on groceries. To offset the revenue loss, the City Council approved a 1% local grocery tax that took effect on January 1, 2026. The revenue generated from the grocery tax will be deposited into the Capital Improvement Fund to be used for future capital projects.

In 2021 and 2022, the City contracted with third-party consultants to perform staffing studies for the fire rescue and police departments. The resulting recommended staffing levels called for an addition 12 firefighter/paramedics and 10 police officers. In FY 2024B, the additional positions were authorized, and the City's plan is to incrementally add the additional staff our several years. In FY 2026, all ten of the new police officer positions and nine of the new firefighter/paramedic positions are budgeted to be filled. The City increased its home rule sales tax by 0.5% to 1.25% which took effect starting July 1, 2024, providing an ongoing funding source for the new positions, as well as to supplement the annual road improvement program. This is the first Home Rule sales tax increase since its inception in 2008.

With the aging of the City's water meters, the City has undertaken a program to replace all existing water meters in the City with an Advanced Metering Infrastructure system. This upgraded system will ensure accurate water readings, streamline the meter reading process, and provide customers with the opportunity to better monitor their own water usage. In April 2025, the City issued $10 million in general obligation bonds to finance the project. The additional captured consumption from the new system is expected to generate enough additional revenue to offset the debt service costs. The project is anticipated to be complete in summer 2026.

To keep the fiscal year 2026 budget balanced, the City of Crystal Lake continues to utilize spending control measures that include taking advantage of cooperative purchasing opportunities through joint purchasing agreements, seeking competitive bids, and avoid filling vacated positions unless they are critical to City operations. Whenever possible, grant funding is sought to offset program and project costs.

The fiscal year 2026 budget continues funding General Fund services without the use of a General Fund property tax. General Fund services include Police, Community Development, Streets, Storm Sewers, Fleet and Facilities Maintenance, as well as Legal, City Administration and the Three Oaks Recreation Area. To mitigate tax increases, one-time capital and equipment replacement expenditures are continue to be funded using unassigned fund balance and/or bond proceeds. Bonds are not used to finance operating deficits and fund balances are maintained in accordance with City financial policies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jodie Hartman, Director of Finance, 100 W. Woodstock Street, Crystal Lake, Illinois 60014.

BASIC FINANCIAL STATEMENTS

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities	Business-Type Activities	Total	Component Unit: Crystal Lake Public Library
ASSETS				
Cash and Investments	$ 72,244,250	$ 29,435,865	$ 101,680,115	$ 8,419,467
Receivables (Net, Where Applicable, of Allowances for Uncollectible)				
Property Taxes	16,792,853	-	16,792,853	5,343,939
Accounts Receivable	2,966,167	2,844,623	5,810,790	14,120
Accrued Interest	476,243	119,492	595,735	33,454
Leases	2,506,877	3,316,384	5,823,261	-
Other	108,841	-	108,841	-
Internal Balances	(3,818,007)	3,818,007	-	-
Due from Other Governments	9,182,384	-	9,182,384	-
Due from Primary Government	-	-	-	54,594
Prepaid Items	7,604,106	24,433	7,628,539	49,464
Inventory	51,627	-	51,627	-
Investment in Joint Venture	5,265,034	-	5,265,034	-
Capital Assets Not Being Depreciated	109,370,606	17,720,828	127,091,434	2,472,561
Capital Assets (Net of Accumulated Depreciation)	94,751,189	86,392,916	181,144,105	4,717,437
Total Assets	317,502,170	143,672,548	461,174,718	21,105,036
DEFERRED OUTFLOWS OF RESOURCES				
OPEB Items	2,516,830	178,837	2,695,667	83,773
Pension Items - IMRF	2,049,501	914,812	2,964,313	768,008
Pension Items - Police Pension	3,560,095	-	3,560,095	-
Pension Items - Firefighters' Pension	4,402,125	-	4,402,125	-
Well Asset Retirement Obligation	-	886,667	886,667	-
Total Deferred Outflows of Resources	12,528,551	1,980,316	14,508,867	851,781
Total Assets and Deferred Outflows of Resources	330,030,721	145,652,864	475,683,585	21,956,817

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Governmental Activities	Business-Type Activities	Total	Component Unit: Crystal Lake Public Library
LIABILITIES				
Accounts Payable	$ 5,408,525	$ 2,050,126	$ 7,458,651	$ 201,634
Recapture Fees Payable	75,653	-	75,653	-
Accrued Salaries	1,378,363	158,218	1,536,581	171,150
Accrued Interest Payable	13,153	110,940	124,093	-
Escrows and Refundable Deposits	929,581	172,770	1,102,351	12,663
Due to Component Unit	54,594	-	54,594	-
Unearned Revenue	116,225	-	116,225	-
Long-Term Liabilities				
Due Within One Year	4,710,323	3,212,906	7,923,229	222,272
Due in More than One Year	54,944,250	43,802,313	98,746,563	1,663,472
Total Liabilities	67,630,667	49,507,273	117,137,940	2,271,191
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Property Taxes	16,792,853	-	16,792,853	5,343,939
Deferred Inflows - Leases	2,358,904	2,995,127	5,354,031	-
OPEB Items	658,945	46,823	705,768	21,933
Pension Items - Police Pension	6,461,958	-	6,461,958	-
Pension Items - Firefighters' Pension	8,919,817	-	8,919,817	-
Total Deferred Inflows of Resources	35,192,477	3,041,950	38,234,427	5,365,872
Total Liabilities and Deferred Inflows of Resources	102,823,144	52,549,223	155,372,367	7,637,063
NET POSITION				
Net Investment in Capital Assets	197,349,150	67,347,058	264,696,208	7,189,998
Restricted				
Retirement Purposes	1,218,646	-	1,218,646	653,148
Public Safety	894,426	-	894,426	-
Parking	67,547	-	67,547	-
Highway and Street Maintenance	4,633,713	-	4,633,713	-
Capital Projects	293,192	-	293,192	-
Library	-	-	-	1,893,259
Unrestricted	22,750,903	25,756,583	48,507,486	4,583,349
TOTAL NET POSITION	$ 227,207,577	$ 93,103,641	$ 320,311,218	$ 14,319,754

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 5,561,299	$ 556,849	$ 178,199	$ -
Public Safety	31,384,143	8,007,195	132,571	51,273
Highways and Streets	17,218,966	789,013	1,838,408	-
Culture and Recreation	1,605,806	676,249	-	-
Interest	146,973	-	-	-
Total Governmental Activities	55,917,187	10,029,306	2,149,178	51,273
Business-Type Activities				
Waterworks and Sewerage	16,463,198	17,624,723	-	600,000
Total Business-Type Activities	16,463,198	17,624,723	-	600,000
TOTAL PRIMARY GOVERNMENT	$ 72,380,385	$ 27,654,029	$ 2,149,178	$ 651,273
COMPONENT UNIT				
Crystal Lake Public Library	$ 5,341,922	$ 274,305	$ 60,397	$ -

	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Crystal Lake Public Library
	$ (4,826,251)	$ -	$ (4,826,251)	$ -
	(23,193,104)	-	(23,193,104)	-
	(14,591,545)	-	(14,591,545)	-
	(929,557)	-	(929,557)	-
	(146,973)	-	(146,973)	-
	(43,687,430)	-	(43,687,430)	-
	-	1,761,525	1,761,525	-
	-	1,761,525	1,761,525	-
	(43,687,430)	1,761,525	(41,925,905)	-
	-	-	-	(5,007,220)
General Revenues				
Taxes				
Property	16,681,802	-	16,681,802	5,247,833
Home Rule Sales	13,400,568	-	13,400,568	-
Auto Rental	57,141	-	57,141	-
Franchise Fees	431,295	-	431,295	-
Telecommunications	528,858	-	528,858	-
Hotel Occupation	529,067	-	529,067	-
Other	529,770	2,773,008	3,302,778	-
Intergovernmental				
Personal Property Replacement	212,754	-	212,754	-
State Sales and Use	17,961,658	-	17,961,658	-
State Income Tax	7,262,285	-	7,262,285	-
ARPA	-	743,832	743,832	-
State Cannabis Tax	59,988	-	59,988	-
Investment Income	3,184,668	1,001,813	4,186,481	317,006
Miscellaneous	2,732,262	436,048	3,168,310	74,325
Transfers In (Out)	(3,277,361)	3,277,361	-	-
Total	60,294,755	8,232,062	68,526,817	5,639,164
CHANGE IN NET POSITION	16,607,325	9,993,587	26,600,912	631,944
NET POSITION, JANUARY 1	209,850,252	83,110,054	292,960,306	13,687,810
Adjustment to Beginning Net Position - Government Merger with Civic Center Authority	750,000	-	750,000	-
NET POSITION, JANUARY 1, AS RESTATED	210,600,252	83,110,054	293,710,306	13,687,810
NET POSITION, DECEMBER 31	$ 227,207,577	$ 93,103,641	$ 320,311,218	$ 14,319,754

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General	Fire Rescue Fund	Capital and Equipment Replacement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 14,244,305	$ 15,438,274	$ 22,834,620	$ 17,498,500	$ 70,015,699
Receivables (Net of Allowance Where Applicable)					
Property Taxes	6,565,366	7,685,829	-	2,541,658	16,792,853
Accounts Receivable	556,838	2,243,001	-	103,933	2,903,772
Accrued Interest	436,988	39,146	-	109	476,243
Leases	2,506,877	-	-	-	2,506,877
Other	-	-	-	108,841	108,841
Due from Other Governments	8,956,541	-	46,959	178,884	9,182,384
Due from Other Funds	57,206	-	51,304	147,998	256,508
Advance to Other Funds	1,420,760	-	-	-	1,420,760
Prepaid Items	5,973,883	36,034	25,487	851,922	6,887,326
Inventory	51,627	-	-	-	51,627
TOTAL ASSETS	$ 40,770,391	$ 25,442,284	$ 22,958,370	$ 21,431,845	$ 110,602,890

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2025

	General	Fire Rescue Fund	Capital and Equipment Replacement	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 2,048,973	$ 734,540	$ 2,084,900	$ 528,043	$ 5,396,456
Recapture Fees Payable	-	-	-	75,653	75,653
Accrued Salaries	866,094	512,269	-	-	1,378,363
Escrows and Refundable Deposits	929,581	-	-	-	929,581
Due to Component Unit	54,594	-	-	-	54,594
Due to Other Funds	1,262,371	-	-	2,812,144	4,074,515
Advances from Other funds	-	-	-	1,420,760	1,420,760
Unearned Revenue	14,400	101,825	-	-	116,225
Total Liabilities	5,176,013	1,348,634	2,084,900	4,836,600	13,446,147
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	6,565,366	7,685,829	-	2,541,658	16,792,853
Deferred Inflow - Leases	2,358,904	-	-	-	2,358,904
Total Deferred Inflows of Resources	8,924,270	7,685,829	-	2,541,658	19,151,757
Total Liabilities and Deferred Inflows of Resources	14,100,283	9,034,463	2,084,900	7,378,258	32,597,904
FUND BALANCES					
Nonspendable					
Prepaid Items	5,973,883	36,034	25,487	851,922	6,887,326
Inventory	51,627	-	-	-	51,627
Advances	1,420,760	-	-	-	1,420,760
Restricted					
Retirement Purposes	-	-	-	1,218,646	1,218,646
Public Safety	-	-	-	894,426	894,426
Parking	-	-	-	67,547	67,547
Highway and Street Maintenance	-	-	-	4,633,713	4,633,713
Capital Projects	-	-	-	293,192	293,192
Committed					
Capital Facilities	1,143,778	1,370,312	-	-	2,514,090
Assigned					
Promotion of Tourism	517,685	-	-	-	517,685
Historical Preservation Services	17,978	-	-	-	17,978
Arts Council	3,824	-	-	-	3,824
Capital Projects	-	-	20,847,983	7,073,836	27,921,819
Special Revenue	-	15,001,475	-	326,331	15,327,806
Unassigned					
General Fund	17,540,573	-	-	-	17,540,573
Unassigned (Deficit)	-	-	-	(1,306,026)	(1,306,026)
Total Fund Balances	26,670,108	16,407,821	20,873,470	14,053,587	78,004,986
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 40,770,391	$ 25,442,284	$ 22,958,370	$ 21,431,845	$ 110,602,890

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 78,004,986
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	204,121,795
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	5,265,034
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(3,478,491)
Lease Liability	(300,414)
SBITA Liability	(260,753)
Installment Contract Payable	(103,355)
Compensated Absences Payable	(3,903,441)
Interest Payable	(13,153)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(268,844)
The net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(3,299,180)
The other postemployment benefit liability is shown as a liability on the statement of net position	(7,128,514)
The net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(30,102,252)
The net pension liability for the Firefighters' Pension Fund is shown as a liability on the statement of net position	(10,809,329)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,049,501
Differences between expected and actual experiences and assumption changes for the Other Postemployment Benefit Plan are recognized as deferred outflows and inflows of resources on the statement of net position	1,857,885
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(2,901,863)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(4,517,692)
The net position of the Internal Service Fund is included in the governmental activities in the statement of net position	2,995,657
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 227,207,577

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General	Fire Rescue Fund	Capital and Equipment Replacement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	$ 6,311,766	$ 7,682,616	$ -	$ 2,687,420	$ 16,681,802
Other Taxes	15,170,690	-	306,009	-	15,476,699
Intergovernmental	25,556,211	39,584	178,200	1,923,141	27,697,136
Charges for Services	1,028,397	7,233,205	-	124,504	8,386,106
Licenses and Permits	936,524	-	82,000	-	1,018,524
Fines and Forfeitures	447,755	-	-	176,921	624,676
Investment Income	2,683,524	310,073	-	191,071	3,184,668
Miscellaneous	1,860,993	176,153	29,736	471,980	2,538,862
Total Revenues	53,995,860	15,441,631	595,945	5,575,037	75,608,473
EXPENDITURES					
Current					
General Government	7,328,144	-	-	1,011,485	8,339,629
Public Safety	19,227,235	12,656,208	-	551,518	32,434,961
Highways and Streets	7,228,326	-	-	980,717	8,209,043
Culture and Recreation	883,133	-	-	15,583	898,716
Capital Outlay	-	-	11,434,320	2,682,665	14,116,985
Debt Service					
Principal	183,550	-	66,159	1,429,254	1,678,963
Interest and Fiscal Charges	19,876	-	2,178	209,795	231,849
Total Expenditures	34,870,264	12,656,208	11,502,657	6,881,017	65,910,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,125,596	2,785,423	(10,906,712)	(1,305,980)	9,698,327
OTHER FINANCING SOURCES (USES)					
Transfers In	243,810	-	11,876,308	4,589,741	16,709,859
Transfers (Out)	(14,840,977)	(185,791)	-	(4,960,452)	(19,987,220)
Lease Issuance	-	-	-	239,182	239,182
SBITA Issuance	36,794	-	74,182	-	110,976
Installment Contract Issuance	-	-	21,657	-	21,657
Sale of Capital Assets	-	-	2,632	258,693	261,325
Total Other Financing Sources (Uses)	(14,560,373)	(185,791)	11,974,779	127,164	(2,644,221)
NET CHANGE IN FUND BALANCES	4,565,223	2,599,632	1,068,067	(1,178,816)	7,054,106
FUND BALANCE, JANUARY 1	22,104,885	13,808,189	19,805,403	15,232,403	70,950,880
FUND BALANCES, DECEMBER 31	$ 26,670,108	$ 16,407,821	$ 20,873,470	$ 14,053,587	$ 78,004,986

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 7,054,106
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	11,350,888
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(646,256)
The repayment of principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,678,963
The forgivness of principal on long-term debt is reported in the statement of activities	193,400
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Lease Liability	(239,182)
SBITA Liability	(110,976)
Installment Contract	(21,657)
The change in accrued interest payable is reported as interest expense on the statement of activities	3,375
The change in compensated absences is an increase of expenses on the statement of activities	(253,693)
The change in other postemployment benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	(280,150)
The change in Illinois Municipal Retirement Fund net pension liability and deferred outflows/ inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	22,631
The change in Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	828,792
The change in Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource and is reported on the statement of activities	708,488
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation and amortization	(4,883,294)
Change in investment in joint venture	666,940
Amortization of bond premiums	81,501
The change in net position of Internal Service Funds is reported in governmental activities	453,449
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 16,607,325

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
CURRENT ASSETS		
Cash and Investments	$ 29,435,865	$ 2,228,551
Receivables		
Accounts	2,844,623	62,395
Accrued Interest	119,492	-
Leases	3,316,384	-
Prepaid Items	24,433	716,780
Due from Other Funds	3,898,349	-
Total Current Assets	39,639,146	3,007,726
NONCURRENT ASSETS		
Capital Assets		
Capital Assets Not Being Depreciated	17,720,828	-
Capital Assets Being Depreciated, Net	86,392,916	-
Net Capital Assets	104,113,744	-
Total Noncurrent Assets	104,113,744	-
Total Assets	143,752,890	3,007,726
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Items	178,837	-
Pension Items - IMRF	914,812	-
Well Asset Retirement Obligation	886,667	-
Total Deferred Outflows of Resources	1,980,316	-
Total Assets and Deferred Outflows of Resources	145,733,206	3,007,726

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
CURRENT LIABILITIES		
Accounts Payable	$ 2,050,126	$ 12,069
Accrued Salaries	158,218	-
Accrued Interest Payable	110,940	-
Escrows and Customer Deposits	172,770	-
Unearned Revenue	-	-
Due to Other Funds	80,342	-
General Obligation Bonds Payable	1,579,644	-
IEPA Loan Payable	1,062,514	-
Lease Liability	31,842	-
SBITA Liability	87,353	-
Compensated Absences	416,993	-
Total OPEB Liability	34,560	-
Total Current Liabilities	5,785,302	12,069
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	24,956,953	-
IEPA Loan Payable	15,466,043	-
Lease Liability	63,953	-
SBITA Liability	215,152	-
Well Asset Retirement Obligation	950,000	-
Compensated Absences	205,637	-
IMRF Net Pension Liability	1,472,615	-
Total OPEB Liability	471,960	-
Total Long-Term Liabilities	43,802,313	-
Total Liabilities	49,587,615	12,069
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Leases	2,995,127	-
OPEB Items	46,823	-
Total Deferred Inflows of Resources	3,041,950	-
Total Liabilities and Deferred Inflows of Resources	52,629,565	12,069
NET POSITION		
Net Investment in Capital Assets	67,347,058	-
Unrestricted	25,756,583	2,995,657
TOTAL NET POSITION	$ 93,103,641	$ 2,995,657

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service
OPERATING REVENUES		
Charges for Services	$ 16,114,092	$ 6,675,970
Miscellaneous	436,048	149,932
Total Operating Revenues	16,550,140	6,825,902
OPERATING EXPENSES		
Administration	3,136,594	6,374,890
Water Operations	5,720,702	-
Sewer Operations	1,525,036	-
Depreciation and Amortization	4,400,521	-
Well ARO Amortization	9,500	-
Total Operating Expenses	14,792,353	6,374,890
OPERATING INCOME	1,757,787	451,012
NON-OPERATING REVENUES (EXPENSES)		
Interest Expense	(1,426,741)	-
Gain/(Loss) on Sale/Disposal of Capital Assets	(244,104)	-
Other Tax	2,773,008	-
Investment Income	1,001,813	2,437
Connection Fees	1,241,666	-
Grants	743,832	-
Rental Income	268,965	-
Total Non-Operative Revenues (Expenses)	4,358,439	2,437
NET INCOME BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	6,116,226	453,449
TRANSFERS IN	3,277,361	-
CAPITAL GRANTS AND CONTRIBUTIONS	600,000	-
CHANGE IN NET POSITION	9,993,587	453,449
NET POSITION, JANUARY 1	83,110,054	2,542,208
NET POSITION, DECEMBER 31	$ 93,103,641	$ 2,995,657

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended December 31, 2025

	Business-Type Activities	Govermental Activities
	Waterworks and Sewerage Fund	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 15,934,465	$ 1,236,532
Receipts from Internal Service Transactions	-	5,437,663
Receipts from Miscellaneous Revenues	436,048	149,932
Payments to Suppliers	(5,576,282)	(6,513,984)
Payments to Employees	(4,351,023)	-
Net Cash from Operating Activities	6,443,208	310,143
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund loans	(2,300,021)	-
Interfund transfers	3,277,361	-
Other Tax	2,773,008	-
Connection Charges	1,241,666	-
Rental Income	208,233	-
Net Cash from Noncapital Financing Activities	5,200,247	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Assets Purchased	(13,929,046)	-
Capital Grants Received	600,000	-
Proceeds from Sale of Capital Assets	74,551	-
Proceeds from Bonds	10,000,000	-
Proceeds from IEPA Loans	1,380,212	-
Principal Payments on Long-Term Debt	(2,760,520)	-
Interest Payments on Long-Term Debt	(1,114,967)	-
Net Cash from Capital and Related Financing Activities	(5,749,770)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(1,989,614)	-
Proceeds from Sale and Maturities of Investment Securities	4,365,000	-
Interest Received	813,680	2,437
Net Cash from Investing Activities	3,189,066	2,437
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,082,751	312,580
CASH AND CASH EQUIVALENTS, JANUARY 1	10,917,988	1,915,971
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 20,000,739	$ 2,228,551

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities	Govermental Activities
	Waterworks and Sewerage Fund	Internal Service
CASH AND INVESTMENTS		
Cash and Cash Equivalents	$ 20,000,739	$ 2,228,551
Investments	9,435,126	-
TOTAL CASH AND INVESTMENTS	$ 29,435,865	$ 2,228,551
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	$ 1,757,787	$ 451,012
Adjustments to Reconcile Operating Income		
to Net Cash From Operating Activities		
Depreciation and Amortization	4,400,521	-
Well ARO Amortization	9,500	-
Changes in Assets and Liabilities		
Receivables	(171,051)	(1,775)
Prepaids	260,255	(139,304)
Accounts Payable	108,876	210
Accrued Salaries	18,831	-
Accrued Compensated Absences	57,352	-
Pension Items - IMRF	(10,102)	-
OPEB Items	19,815	-
Customer Deposits	(8,576)	-
NET CASH FROM OPERATING ACTIVITIES	$ 6,443,208	$ 310,143
NONCASH TRANSACTIONS		
Capital Assets Purchased in Accounts Payable	$ 1,459,285	$ -
Assets Aquired through Intangibles	464,838	-
Liabilities Aquired through Intangibles	(464,838)	-
Loss on Disposal of Capital Assets	(352,142)	-
Gain on Principal Forgiven	33,487	-
IEPA Loan Receivable	1,380,212	-
Unrealized Gain/Loss	197,605	-
TOTAL NONCASH TRANSACTIONS	$ 2,718,447	$ -

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

December 31, 2025

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Short-Term Investments	$ 776,146	$ 646,573
Investments, at Fair Value		
Investments Held in the Illinois Police Officers' Pension Investment Fund	69,045,931	-
Investments Held in the Illinois Firefighters' Pension Investment Fund	72,690,547	-
Receivables		
Accounts Receivable	-	18
Prepaid Expenses	6,862	-
Total Assets	142,519,486	646,591
LIABILITIES		
Accounts Payable	3,947	-
Total Liabilities	3,947	-
NET POSITION		
Restricted for Pensions	142,515,539	-
Restricted for Debt Service	-	646,591
TOTAL NET POSITION	$ 142,515,539	$ 646,591

See accompanying notes to financial statements.

CITY OF CRYSTAL LAKE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2025

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions		
Employer	$ 6,311,766	$ -
Employee	1,497,372	-
Property Owner	-	186,057
Total Contributions	7,809,138	186,057
Investment Income		
Net Appreciation in Fair Value of Investments	19,717,480	-
Interest	1,657,758	18,343
Total Investment Income	21,375,238	18,343
Less Investment Expense	(211,735)	-
Net Investment Income	21,163,503	18,343
Total Additions	28,972,641	204,400
DEDUCTIONS		
Pension Benefits	7,848,351	-
Miscellaneous	77,753	-
Debt Service		
Principal	-	100,000
Interest and Fiscal Charges	-	112,504
Total Deductions	7,926,104	212,504
CHANGE IN NET POSITION	21,046,537	(8,104)
NET POSITION		
January 1	121,469,002	654,695
December 31	$ 142,515,539	$ 646,591

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Crystal Lake, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated in 1914. The City is a home-rule community operating under a Council-Manager form of government and provides services that include police, fire, water and sewer utility, street maintenance, community development and general administrative services.

As required by GAAP, these financial statements present the City (the primary government) and its component units. As defined by GAAP and established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS), a fiduciary component unit of the City. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected by pension beneficiaries and two elected police employees constitute the pension board. The City is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the City. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in Firefighters' Pension Employees Retirement System (FPERS), a fiduciary component unit of the City. FPERS functions for the benefit of these employees and is governed by a five-member pension board.

Two members appointed by the City's Mayor, one elected pension beneficiary and two elected fire employees constitute the pension board. The City is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the City. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

Discretely Presented Component Unit

The City's component unit is reported in a separate column to emphasize that it is legally separate from the City.

The Crystal Lake Public Library (Library) is governed by a nine-member Board of Trustees appointed by the Mayor of the City. The Library is financially accountable to the City, as the City's approval is needed for the Library to issue bonded debt. The Library's fiscal year end is the same as the City's. Separate financial statements for the Library are not available.

Other Governmental Entities

Several other governmental entities have operations within the City but are separate legal entities. These entities include School District Nos. 47 and 155, and the Crystal Lake Park District. The City is not financially accountable for these entities nor is there a financial benefit/burden relationship with these entities and, therefore, they are not included in the City's reporting entity. In addition, the City does not believe that it is a component unit of any other entity.

B. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The City utilizes pension trust funds (for its Police and Firefighters' Pension Funds) and custodial funds (for its Special Service Area debt service funds), which are generally used to account for assets that the City holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity other than interfund service transactions has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The service administered by the City and accounted for in the General Fund include general government, public safety and public works.

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

The Capital Equipment and Replacement Fund accounts for revenues for and expenditures related to major capital improvements.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following Internal Service Funds:

The Internal Service Fund accounts for the City's group health insurance provided to other departments of the City on a cost reimbursement basis. These funds are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities.

The City reports pension trust funds as fiduciary component units to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports three Special Service Area debt service funds as custodial funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period.

Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state by others at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports unearned revenue and deferred revenue on its financial statements. Unearned revenue and deferred revenue arises when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue or deferred revenue is removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the City's enterprise fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the financial statements. Interfund loans, if any, are classified as advances to/from other funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method on a first-in/first-out (FIFO) basis. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items using the consumption method.

I. Tangible and Intangible Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of $25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and Improvements	25-50
Machinery, Equipment and Vehicles	3-15
Infrastructure - Streets and Bridges	50-80
Infrastructure - Water and Sewer System	60
Intangible Assets	2-5

Intangible assets represent the Village's right-to-use leased assets and software subscriptions. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets including machinery and equipment and software.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences,* vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

K. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts and accounting gains/losses on refundings are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and accounting gains/losses on refunding. Bond issuance costs are expensed as incurred. Occasionally, long-term debt has principal forgiveness, which is also recognized in government-wide financial statements and proprietary funds, when applicable.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

L. Fund Balance/Net Position

In the fund financial statements, governmental funds report non spendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance/Net Position (Continued)

include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Manager and Finance Director. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. In accordance with the City's fund balance policy, the unassigned General Fund balance will be maintained at a target level of 25% to 50% of annual budgeted expenditures. Balances in excess of 50% may be transferred to the Capital Replacement Fund to support future capital projects.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt to acquire or construct the capital assets as well as any other non-debt capital related liabilities.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Estimates

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

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Funds. The deposits and investments of the Pension Trust Funds are held separately from those of other funds and are controlled by the respective pension boards.

The City is limited to investments allowed by Illinois Compiled Statutes (ILCS). The City's investment policy further restricts what it may invest in to the following types of investment instruments: U.S. Government obligations, U.S. Government agency obligations and U.S. Government instrumentality obligations, which have a high liquid market with readily determinable fair value, interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investment constituting director obligations of any bank that is insured by the FDIC, local government investment pools, either state-administered or through join powers statutes or other intergovernmental agreement legislation and investment-grade obligations (rated A or better) of state, provincial and local government and public authorities, The Illinois Funds and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security, safety and risk avoidance while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity and total return.

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The City shall enter into a collateral agreement with the financial institution; and the agreement shall outline the types of assets that may be utilized as collateral, the amount of collateral required, and the methodology. The amount of collateral provided would not be less than 105% of the fair value of the net amount of public funds secured. Pledged collateral will be held by the City or in safekeeping and evidenced by a written agreement. If collateral is held in safekeeping, it must be held at an independent third-party institution. A collateral agreement will preclude the release of the pledged assets, without an authorized signature from the City, but the agreement will allow for an exchange of collateral of like value. The City will accept any of the following assets as collateral: negotiable obligations of the United States Government and negotiable obligations of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government.

B. City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2025:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	$ 36,791,514	$ 7,028,120	$ 29,763,394	$ -	$ -
U.S. Agency Securities	17,739,331	8,113,080	9,626,251	-	-
Certificates of Deposits	13,401,843	3,672,833	9,729,010	-	-
Municipal Bonds	1,833,985	1,534,675	299,310	-	-
TOTAL	$ 69,766,673	$ 20,348,708	$ 49,417,965	$ -	$ -

The City has the following recurring fair value measurements as of December 31, 2025: The U.S. agency obligations, U.S. Treasury obligations, the municipal obligations and the negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

In accordance with its investment policy, the City limits its exposure to interest rate risk by limiting the weighted average maturity of the portfolio to no more than two years and limits the maximum maturity of any investment to three years from the date of purchase, unless matched to a specific future cash flow need, as a means of managing its exposure to fair value losses arising from increasing interest rates.

2. DEPOSITS AND INVESTMENTS (Continued)

B. City Investments (Continued)

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting investment in commercial paper and corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs).

The U.S. agency obligations are rated Aa1 or not rated and the municipal bonds are rated Aa2 to AAA or not rated by Moody's. The U.S. Treasury securities and negotiable CDs are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy requires that all security transactions, including collateral for repurchase agreements, be held by an independent third-party custodian designated by the City and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy limits the amount the City may invest in any one issuer to 10% of the portfolio.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2025 levy year attach as an enforceable lien on January 1, 2025, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

The 2025 taxes are intended to finance the 2026 fiscal year and are not considered available or earned for current operations and, therefore, are recorded as a receivable and unavailable/deferred revenue as of December 31, 2025.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at December 31, 2025:

GOVERNMENTAL ACTIVITIES	
Sales Tax	$ 4,881,111
Home Rule Sales Tax	3,795,111
Local Use Tax	93,276
Replacement Tax	9,683
Cannabis Tax	51,795
Motor Fuel Tax	163,028
Video Gaming Tax	46,959
Auto rental Tax	11,165
Telecommunications Tax	130,256
TOTAL GOVERNMENTAL ACTIVITIES	$ 9,182,384

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2025, is as follows:

	Balances January 1, Restated*	Increases/ Transfers	Decreases/ Transfers	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	$ 104,097,773	$ 310,325	$ -	$ 104,408,098
Construction in Progress	4,250,096	7,852,425	7,140,013	4,962,508
Total Capital Assets Not Being Depreciated	108,347,869	8,162,750	7,140,013	109,370,606
Capital Assets Being Depreciated				
Buildings and Improvements	41,063,028	3,397,882	-	44,460,910
Machinery, Equipment and Vehicles	19,431,206	2,779,437	926,722	21,283,921
Infrastructure	92,397,803	3,800,674	-	96,198,477
Total Capital Assets Being Depreciated	152,892,037	9,977,993	926,722	161,943,308
Intangible Capital Assets Being Amortized				
Machinery and Equipment	2,223,996	239,182	1,553,499	909,679
Software	529,722	110,976	-	640,698
Total Intangible Assets Being Amortized	2,753,718	350,158	1,553,499	1,550,377
Total Tangible and Intangible Assets Being Depreciation and Amortized	155,645,755	10,328,151	2,480,221	163,493,685

5. CAPITAL ASSETS (Continued)

	Balances January 1, Restated*	Increases/ Transfers	Decreases/ Transfers	Balances December 31
GOVERNMENTAL ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Buildings and Improvements	$ 18,435,915	$ 1,144,209	$ -	$ 19,580,124
Machinery, Equipment and Vehicles	12,937,015	1,479,123	739,884	13,676,254
Infrastructure	32,720,875	1,790,366	-	34,511,241
Total Accumulated Depreciation	64,093,805	4,413,698	739,884	67,767,619
Less Accumulated Amortization for Intangible Capital Assets				
Machinery and Equipment	1,492,135	226,032	1,094,081	624,086
Software	107,227	243,564	-	350,791
Total Accumulated Amortization for Intangible Capital Assets	1,599,362	469,596	1,094,081	974,877
Total Accumulated Depreciation and Amortization	65,693,167	4,883,294	1,833,965	68,742,496
Total Capital Assets and Intangible Capital Assets Being Depreciated and Amortized, Net	89,952,588	5,444,857	646,256	94,751,189
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 198,300,457	$ 13,607,607	$ 7,786,269	$ 204,121,795

*Beginning balances were restated as a result of an government merger. See Note 18 for additional information.

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

GOVERNMENTAL ACTIVITIES	
General and Administrative	$ 699,140
Public Safety	1,605,956
Highways and Streets	1,920,369
Culture and Recreation	657,829
TOTAL DEPRECIATION AND AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 4,883,294

5. CAPITAL ASSETS (Continued)

	Balances January 1	Increases/ Transfers	Decreases/ Transfers	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	$ 2,209,776	$ -	$ -	$ 2,209,776
Construction in Progress	9,494,060	12,882,672	6,865,680	15,511,052
Total Capital Assets Not Being Depreciated	11,703,836	12,882,672	6,865,680	17,720,828
Capital Assets Being Depreciated				
Buildings and Improvements	37,226,061	-	-	37,226,061
Machinery, Equipment and Vehicles	11,032,087	1,599,728	684,562	11,947,253
Infrastructure	125,601,203	6,603,596	-	132,204,799
Total Capital Assets Being Depreciated	173,859,351	8,203,324	684,562	181,378,113
Intangible Capital Assets Being Amortized				
Machinery and Equipment	616,015	55,981	423,616	248,380
Software	-	450,107	-	450,107
Total Intangible Assets Being Amortized	616,015	506,088	423,616	698,487
Total Tangible and Intangible Assets Being Depreciation and Amortized	174,475,366	8,709,412	1,108,178	182,076,600
Less Accumulated Depreciation for				
Buildings and Improvements	20,583,058	1,390,020	-	21,973,078
Machinery, Equipment and Vehicles	5,938,279	618,619	437,359	6,119,539
Infrastructure	65,105,171	2,205,782	-	67,310,953
Total Accumulated Depreciation	91,626,508	4,214,421	437,359	95,403,570
Less Accumulated Amortization for Intangible Capital Assets				
Machinery and Equipment	412,691	52,287	318,677	146,301
Software	-	133,813	-	133,813
Total Accumulated Amortization for Intangible Capital Assets	412,691	186,100	318,677	280,114
Total Accumulated Depreciation and Amortization	92,039,199	4,400,521	756,036	95,683,684
Total Capital Assets and Intangible Capital Assets Being Depreciated and Amortized, Net	82,436,167	4,308,891	352,142	86,392,916
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 94,140,003	$ 17,191,563	$ 7,217,822	$ 104,113,744

The business-type activities depreciation and amortization expense of $4,400,521 was charged to the Waterworks and Sewerage Fund.

6. LONG-TERM DEBT

A. Changes in Long-Term Liabilities

During the fiscal year ended December 31, 2025, the following changes occurred in long-term liabilities for governmental activities:

	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
General Obligation Bonds Payable	$ 4,483,007	$ -	$ 1,004,516	$ 3,478,491	$ 1,050,356
Unamortized Bond Premium	350,345	-	81,501	268,844	-
Lease Liability	741,834	239,182	680,602	300,414	182,176
SBITA Liability	299,322	110,976	149,545	260,753	171,307
Installment Contract	119,398	21,657	37,700	103,355	42,866
Compensated Absences**	3,649,748	253,693	-	3,903,441	2,777,251
Net Pension Liability - IMRF*	4,837,729	-	1,538,549	3,299,180	-
Net Pension Liability - Fire*	16,654,456	-	5,845,127	10,809,329	-
Net Pension Liability - Police*	36,258,914	-	6,156,662	30,102,252	-
Total OPEB Liability*	6,025,462	1,103,052	-	7,128,514	486,367
TOTAL	$ 73,420,215	$ 1,728,560	$ 15,494,202	$ 59,654,573	$ 4,710,323

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

During the fiscal year ended December 31, 2025, the following changes occurred in long-term liabilities for business-type activities:

	Balances January 1	Issuances	Retirements/ Refundings	Balances December 31	Current Portion
General Obligation Bonds Payable	$ 17,266,993	$ 9,910,000	$ 1,550,484	$ 25,626,509	$ 1,579,644
IEPA Loans Payable	17,506,235	-	977,678	16,528,557	1,062,514
Unamortized Bond Premium	527,068	402,183	19,163	910,088	-
Lease Liability	199,307	55,981	159,493	95,795	31,842
SBITA Liability	-	408,857	106,352	302,505	87,353
Well Asset Retirement Obligation	950,000	-	-	950,000	-
Compensated Absences**	565,278	57,352	-	622,630	416,993
Net Pension Liability - IMRF	2,159,359	-	686,744	1,472,615	-
Total OPEB Liability	428,146	78,374	-	506,520	34,560
TOTAL	$ 39,602,386	$ 10,912,747	$ 3,499,914	$ 47,015,219	$ 3,212,906

**The amount displayed as additions or reductions represents the net change in the liability for both governmental activities and business-type activities.

6. LONG-TERM DEBT (Continued)

B. General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
$9,235,000 General Obligation Bonds of 2012, annual installments of $245,000 to $850,000 interest at 2.000% to 2.625% payable each June 15 and December 15.	General and Debt Service	$ 383,007	$ -	$ 44,516	$ 338,491	$ 45,356
	Waterworks and Sewerage	1,896,993	-	220,484	1,676,509	224,644
$14,330,000 General Obligation Bonds of 2019, annual installments of $270,000 to $1,860,000 interest at 3% to 5% payable each June 15 and December 15.	General and Debt Service	4,100,000	-	960,000	3,140,000	1,005,000
	Waterworks and Sewerage	4,655,000	-	-	4,655,000	-
$6,740,000 General Obligation, series 2022B, annual installments of $60,000 to $1,260,000, interest at 3.00% to 4.00% payable each June 15 and December 15.	Waterworks and Sewerage	5,480,000	-	810,000	4,670,000	515,000
$6,770,000 General Obligation Refunding Bonds of 2022C, annual installments of $495,000 to $645,000, interest at 2.650% payable each June 15 and December 15.	Waterworks and Sewerage	5,235,000	-	520,000	4,715,000	535,000
$9,910,000 General Obligation Bonds of 2025, annual installments of $305,000 to $725,000, interest at 4.00% to 5.00% payable each June 15 and December 15.	Waterworks and Sewerage	-	9,910,000	-	9,910,000	305,000
TOTAL GENERAL OBLIGATION BONDS		$ 21,750,000	$ 9,910,000	$ 2,555,000	$ 29,105,000	$ 2,630,000

6. LONG-TERM DEBT (Continued)

C. IEPA Loan

The City, through the Illinois Environmental Protection Agency (IEPA), received a low interest loan to fund improvements to two of the City's wastewater treatment plants on a reimbursement basis. Under the terms of the agreement, the City can borrow up to $14,840,101. The City borrowed $14,779,811 and has total outstanding loans payable of $9,559,165 as of December 31, 2025. The loan is to be paid on a semi-annual basis over 20 years, including interest at 1.86%.

The City, through the IEPA, received a low interest loan to fund improvements to a water treatment plant on a reimbursement basis. Under the terms of the agreement, the City can borrow up to $7,409,500. The City borrowed $6,034,483 and has total outstanding loan payable of $6,969,392 as of December 31, 2025. The loan is to be paid on a semi-annual basis over 20 years, including interest at 1.35%.

D. Debt Service Requirements to Maturity

Debt service requirements to maturity for the general obligation bonds is as follows:

Fiscal Year Ending December 31,	Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2026	$ 1,050,356	$ 133,723	$ 1,579,644	$ 910,581
2027	1,091,196	92,559	1,298,804	855,779
2028	1,137,036	49,720	1,132,964	812,056
2029	47,875	5,003	1,167,125	774,801
2030	49,555	3,866	1,210,442	736,299
2031-2035	102,473	3,994	5,957,530	3,056,946
2036-20340	-	-	8,825,000	1,805,680
2041-2045	-	-	4,455,000	456,756
TOTAL	$ 3,478,491	$ 288,865	$ 25,626,509	$ 9,408,898

6. LONG-TERM DEBT (Continued)

D. Debt Service Requirements to Maturity (Continued)

Debt service requirements to maturity for IEPA loans is as follows:

Fiscal Year Ending December 31,	Business-Type Activities IEPA Loans Principal	Interest
2026	$ 1,062,514	$ 275,593
2027	1,080,597	249,322
2028	1,098,995	230,924
2029	1,117,712	212,207
2030	1,136,754	193,165
2031-2035	5,981,188	668,408
2036-2040	3,768,949	203,192
2041-2045	1,281,848	30,454
TOTAL	$ 16,528,557	$ 2,063,265

E. Lease Liability

The City entered into a fleet management lease agreement that covers various individual leases for the right-to-use vehicles and equipment with varying lease terms. The leases have terms of three to five years, and monthly payments ranging from $408 to $2,577 The total intangible right-to-use assets for governmental activities and business type activities acquired under the fleet management agreement is $1,007,486.

The City entered into a lease arrangement in February 2023, for the right-to-use equipment. Payments of $21,437 were due in annual installments, and ended in February 2025. The total intangible right-to-use assets for governmental activities and business type activities acquired under this agreement is $63,082.

The City entered into a lease agreement in June 2023, for the right-to-use equipment. Payments of $23,000 are due in annual installments and end in November 2027. The total intangible right-to-use assets for governmental activities is $87,494.

The annual requirements to amortize to maturity leases outstanding for governmental activities and business type activities as of December 31, 2025, are as follows:

Fiscal Year Ending December 31,	Governmental Activities Leases Principal	Interest	Business-Type Activities Leases Principal	Interest
2026	$ 182,176	$ 18,692	$ 31,842	$ 8,552
2027	100,112	5,591	36,296	4,769
2028	12,267	1,244	15,192	2,013
2029	5,859	43	12,465	509
TOTAL	$ 300,414	$ 25,570	$ 95,795	$ 15,843

6. LONG-TERM DEBT (Continued)

F. SBITA Liability

The City entered into various subscription arrangements for public safety. The subscription arrangements have expirations dates ranging from August 2026 through February 2029. Payments ranging from $16,016 to $46,911 are due in annual installments. The total intangible right-to-use assets for governmental activities under these agreements are $370,769.

The City entered into various subscription arrangements for general government. The subscription arrangements have expirations dates ranging from September 2027 through December 2029. Payments ranging from $25,700 to $58,500 annually. The total intangible right-to-use assets for governmental activities and business type activities under these agreements are $720,036.

The annual requirements to amortize to maturity SBTIAs outstanding for governmental activities and business type activities as of December 31, 2025, are as follows:

Fiscal Year Ending December 31,	Governmental Activities SBITAs		Business-Type Activities SBITAs	
	Principal	Interest	Principal	Interest
2026	$ 171,307	$ 6,315	$ 87,353	$ 7,052
2027	68,266	1,729	69,904	5,001
2028	21,180	475	71,532	3,372
2029	-	-	73,716	1,705
TOTAL	$ 260,753	$ 8,519	$ 302,505	$ 17,130

G. Installment Contract

The City entered into an installment contract in February 2024 for equipment. The City finances the purchase of equipment totaling $119,398 over five years, with payments beginning in February 2024 and ending in February 2028. In 2025, the City entered into an extension agreement for this contract that added an additional $21,657 to the liability.

6. LONG-TERM DEBT (Continued)

G. Installment Contract (Continued)

Debt service requirements to maturity for the installment contract is as follows:

Fiscal Year Ending December 31,	Governmental Activities Installment Contract Principal	Interest
2026	$ 42,866	$ 2,399
2027	30,191	1,379
2028	30,298	1,272
TOTAL	$ 103,355	$ 5,050

H. Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

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

To date the General Assembly has set no limits for home rule municipalities.

I. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding are not a direct responsibility of the City. The City will continue to collect taxes assessed on the SSA bonds and forward to bondholders any payments received. The amounts collected are accounted for in a Custodial Fund until they are remitted to the bondholders.

6. LONG-TERM DEBT (Continued)

I. Noncommitment Debt (Continued)

Special Service Area Bonds (Continued)

The City has the following SSA bond issues outstanding at December 31, 2025:

Special Service Area No. 45 Bonds, Series 2006 - original principal $5,935,000, due in annual installments of $80,000 to $435,000, commencing February 2007 through February 2031; interest at 4.40% to 5.50% payable semiannually on August 1 and February 1. The outstanding principal balance at December 31, 2025, was $5,440,000.

Special Service Area No. 46 Refunding Bonds, Series 2016 - original principal $2,445,000 issued in December 2016, due in annual installments of $30,000 to $245,000, commencing March 2017 through March 2036; interest at 2.75% to 4.40% payable semiannually on September 1 and March 1. The outstanding principal balance at December 31, 2025, was $1,785,000.

J. Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various shallow water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The City estimates the useful lives of the water wells to be 100 years.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for and finances of health insurance premiums paid in the Internal Service Fund.

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

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

7. RISK MANAGEMENT (Continued)

The City also participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial services, unemployment claim administration, extensive risk management/loss control consulting and training programs, and a risk information system and financial reporting services for its members. The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes their deductible portion of each occurrence ($10,000 for the City), and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

8. INDIVIDUAL FUND DISCLOSURES

As of December 31, 2025, advances to/from other funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 1,420,760
TOTAL ADVANCES TO/FROM OTHER FUNDS		$ 1,420,760

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

- $1,420,760 advance from the General Fund to the Nonmajor Governmental Funds is to cover various TIF expenditures. Repayment is not expected within one year.

As of December 31, 2025, due to/from other funds were as follows:

Fund	Receivable	Payable
General	$ 57,206	$ 1,262,371
Capital Equipment and Replacement	51,304	-
Nonmajor Governmental	147,998	2,812,144
Waterworks and Sewerage	3,898,349	80,342
TOTAL DUE TO/FROM OTHER FUNDS	$ 4,154,857	$ 4,154,857

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

- $3,898,349 is due to the Waterworks and Sewerage Fund from the General Fund and Nonmajor Governmental Funds for various chargebacks for taxes and capital expenditures. Repayment is expected within one year.

- The remaining due to/from balances are for capital expenditures and to cover cash deficits in other funds. Repayment is expected within one year.

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the fiscal year ended December 31, 2025, were as follows:

	Transfers In	Transfers Out
General		
Capital Equipment and Replacement	$ -	$ 10,050,000
Nonmajor Governmental	243,810	4,272,437
Waterworks and Sewerage	-	518,540
Total General	243,810	14,840,977
Fire Rescue		
Capital Equipment and Replacement	-	69,129
Nonmajor Governmental	-	116,662
Total Fire Rescue	-	185,791
Capital Equipment and Replacement		
General	10,050,000	-
Fire Rescue	69,129	-
Nonmajor Governmental	1,757,179	-
Total Capital Equipment and Replacement	11,876,308	-
Nonmajor Governmental		
General	4,272,437	243,810
Fire Rescue	116,662	-
Capital Equipment and Replacement	-	1,757,179
Waterworks and Sewerage	-	2,758,821
Nonmajor Governmental	200,642	200,642
Total Nonmajor Governmental	4,589,741	4,960,452
Waterworks and Sewerage		
General	518,540	-
Nonmajor Governmental	2,758,821	-
Total Waterworks and Sewerage	3,277,361	-
TOTAL	$ 19,987,220	$ 19,987,220

The purpose of significant transfers is as follows:

- $11,876,308 transferred to the Capital Equipment and Replacement Fund from the General Fund, Fire Rescue Fund, and Nonmajor Governmental Funds for the purchase of equipment and capital projects. These transfers will not be repaid.

- $4,589,741 transferred to the Nonmajor Governmental Funds from the General Fund, Fire Rescue Fund, and other Nonmajor Governmental Funds for principal and interest payments on general obligation debt, capital purchases, and other operating costs. These transfers will not be repaid.

8. INDIVIDUAL FUND DISCLOSURES (Continued)

- $3,277,361 transferred to the Waterworks and Sewerage Fund from the General Fund and Nonmajor Governmental Funds for capital development and capital projects. These transfers will not be repaid.

The Vulcan Lakes Tax Increment Financing (TIF) District was created to spur comprehensive development around US 14 and Main Street, to include residential, retain and recreational facilities (Three Oaks Recreation Area). Initial funding for land acquisition and engineering services ($2,039,724) was provided using General Fund reserves. Available property tax increment will be used to retire outstanding bonds that were issued for the purposes of constructing the Three Oaks Recreation Area. Remaining increments, if any, are intended to be used to pay back the General Fund. The interfund receivable is reported net of an allowance of the same amount at December 31, 2025.

The Virginia Street Corridor Tax Increment Financing (TIF) District was intended to spur comprehensive revitalization of the Virginia Street Corridor and includes streetscape improvements/beautification and redevelopment of key identified sites. Initial funding ($1,740,096) for the Virginia Street project was provided using Home Rule Sales Tax. In accordance with resolution 2008R-88, future tax increment could be used to provide reimbursement of Home Rule Sales Tax to the General Fund. The interfund receivable is reported net of an allowance of the same amount at December 31, 2025.

The Three Oaks Development Fund reported a deficit fund balance of $1,258,298, and the Waters Edge TIF Project Fund reported a deficit fund balance of $47,619 at December 31, 2025.

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

10. JOINT VENTURE

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

The founding members of SEECOM consist of the City of Crystal Lake, Illinois, the Village of Algonquin, Illinois and the Village of Cary, Illinois.

SEECOM is governed by an Executive Board established with the three voting members consisting of the Village Manager/Village Administrator/City Manager, or their respective staff designees, from the three founding communities. Two nonvoting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These nonvoting Board members represent other user communities. Each member of the Executive Board is entitled to one vote.

Each of SEECOM's three members paid an initial entry fee as determined and agreed to by SEECOM's Executive Board and the three members. Each member also pays a portion of the initial capital cost financed by the issuance of a bond. Each member's portion of the initial capital costs is based on the actual capital cost multiplied by the member's proportionate share of the number of calls for services from the preceding year. Each member pays a percentage of the operating costs of SEECOM, as determined by the total operational cost less contracted services by each member's proportional share of the calls for service handled by SEECOM. Calls for service are one year in arrears.

All property, real and personal, acquired by SEECOM is owned in common by the members under the intergovernmental agreement. Each of the three members under the intergovernmental agreement are liable for the debts and liabilities of SEECOM. The intergovernmental agreement establishing SEECOM is in effect for a period of 15 years from the effective date of December 2002. Thereafter, it is automatically renewed with no affirmative action by the three members for successive five-year periods commencing May 1 until notice of termination is given. Any terminating member shall remain liable for their share of the capital expenditures incurred prior to the effective date of their termination. Upon termination by any member, SEECOM shall reimburse the terminated member for its share of the undepreciated value of SEECOM's capital assets. SEECOM is located at 100 Municipal Complex, Crystal Lake, Illinois 60014. A separate audit report for SEECOM is available through its office.

The City reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the City remitted $1,323,585 to SEECOM during the year ended December 31, 2025. In addition, the City's equity interest in the joint venture's net position of $5,265,034 is recorded within the governmental activities column of the statement of net position.

11. CONSTRUCTION COMMITMENTS

The City has commitments under construction contracts of approximately $3,860,463 outstanding at December 31, 2025.

12. TAX ABATEMENTS

The City has entered into redevelopment and enhanced sales tax incentive agreements with a local business whereby the city has agreed to reimburse the business for actual project costs related to the expansion of their existing facilities within the City. Under terms of the agreement, the City will pay 40% of local sales tax attributable to the business and received by the City for the 12-month period preceding the annual payment date. The maximum cumulative payment under this agreement is the lower of 50% of actual project costs or $600,000. The agreement shall terminate ten years after the effective date of the agreement or the date on which the business has been paid by the City an amount equal to the maximum cumulative payment. The payment information of the agreement is summarized as follows:

Effective Date of Agreement	Maximum Cumulative Payment	Current Period Payments	Cumulative Payments at December 31, 2025
March 1, 2019	$ 600,000	$ 38,764	$ 242,612

13. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan there are no assets accumulated in a trust . The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities.

B. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. All health care benefits are provided through the City's health insurance plan. Eligible, full-time employees who retire and elect to continue their medical insurance must pay the full price of insurance.

Benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching age 65 years, Medicare becomes the primary insurer and the City's plan becomes secondary.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided (Continued)

For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible.

C. Membership

At December 31, 2025, membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	32
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	275
TOTAL	307
Participating employers	1

The membership data above consists of both City and Library participants.

D. Total OPEB Liability

The City and Library's total OPEB liability of $7,872,314 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025, as determined by an actuarial valuation as of January 1, 2025 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	N/A
Inflation	3.00%
Salary Increases	3.50%
Discount Rate	4.43%
Healthcare Cost Trend Rates	5.00% to 6.50% Initial 4.50% Ultimate

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality rates follow the PubG.H-2010(B) mortality table with future mortality improvement using Scale MP-2021.

F. City - Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 6,453,608
Changes for the Period	
Service Cost	212,598
Interest	265,060
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	277,963
Changes in Assumptions*	946,732
Benefit Payments	(520,927)
Other	-
Net Changes	1,181,426
BALANCES AT DECEMBER 31, 2025	$ 7,635,034

*Changes in assumption related to the discount rate, healthcare cost trend rates, and mortality rates.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Library - Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 200,559
Changes for the Period	
Service Cost	6,607
Interest	8,244
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	8,638
Changes in Assumptions*	29,421
Benefit Payments	(16,189)
Other	-
Net Changes	36,721
BALANCES AT DECEMBER 31, 2025	$ 237,280

*Changes in assumption related to the discount rate, healthcare cost trend rates, and mortality rates.

H. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.43% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.43%) or 1 percentage point higher (5.43%) than the current rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
City - Total OPEB Liability	$ 8,239,722	$ 7,635,034	$ 7,092,786
Library - Total OPEB Liability	256,063	237,280	220,420
TOTAL - TOTAL OPEB LIABILITY	$ 8,495,785	$ 7,872,314	$ 7,313,206

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

H. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.50% to 6.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.50%) or 1 percentage point higher (5.50 % to 7.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City - Total OPEB Liability	$ 7,017,151	$ 7,635,034	$ 8,341,967
Library - Total OPEB Liability	218,070	237,280	259,240
TOTAL - TOTAL OPEB LIABILITY	$ 7,235,221	$ 7,872,314	$ 8,601,207

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

For the year ended December 31, 2025, the City recognized OPEB expense of $298,759.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,110,821	$ 23,968
Changes in Assumptions	1,584,846	681,800
TOTAL	$ 2,695,667	$ 705,768

For the year ended December 31, 2025, the Library recognized OPEB expense of $9,284.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 34,521	$ 745
Changes in Assumptions	49,252	21,188
TOTAL	$ 83,773	$ 21,933

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

Fiscal Year Ending December 31,	City	Library	Total
2026	$ 342,021	$ 10,629	$ 352,650
2027	342,021	10,629	352,650
2028	342,021	10,629	352,650
2029	321,111	9,979	331,090
2030	252,075	7,834	259,909
Thereafter	390,650	12,140	402,790
TOTAL	$ 1,989,899	$ 61,840	$ 2,051,739

14. DEFINED BENEFIT PENSION PLANS

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

The table below is a summary for all City pension plans as of and for the year ended December 31, 2025:

	(City portion) IMRF	Police Pension	Fire Pension	Total
Net Pension Liability	$ 4,771,795	$ 30,102,252	$ 10,809,329	$ 45,683,376
Deferred Outflows of Resources	2,964,313	3,560,095	4,402,125	10,926,533
Deferred Inflows of Resources	-	6,461,958	8,919,817	15,381,775
Pension Expense	1,074,917	3,164,985	1,609,501	5,849,403

Illinois Municipal Retirement Fund

A. *Plan Membership*

At December 31, 2024, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries Currently Receiving Benefits	230
Inactive Employees Entitled to but not yet Receiving Benefits	139
Active Employees	159
TOTAL	528

The membership data above consists of both City and Library participants.

B. *Benefits Provided*

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

B. *Benefits Provided* (Continued)

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

C. *Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended December 31, 2025 was 10.95% of covered payroll.

D. *Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2024
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Asset Valuation Method	Fair Value

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

E. *Discount Rate*

The discount rate used to measure the total pension liability was 7.25% at December 31, 2024. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. *Long-Term Expected Rate of Return*

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

G. *Changes in the Net Pension Liability*

City

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 73,831,819	$ 66,834,731	$ 6,997,088
Changes for the Period			
Service Cost	880,641	-	880,641
Interest	5,243,836	-	5,243,836
Difference Between Expected and Actual Experience	32,349	-	32,349
Changes in Assumptions	-	-	-
Employer Contributions	-	917,271	(917,271)
Employee Contributions	-	427,828	(427,828)
Net Investment Income	-	7,395,606	(7,395,606)
Benefit Payments and Refunds	(3,886,723)	(3,886,723)	-
Other (Net Transfer)	-	(358,586)	358,586
Net Changes	2,270,103	4,495,396	(2,225,293)
BALANCES AT DECEMBER 31, 2024	$ 76,101,922	$ 71,330,127	$ 4,771,795

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

G. *Changes in the Net Pension Liability* (Continued)

Library

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 19,128,699	$ 17,315,860	$ 1,812,839
Changes for the Period			
Service Cost	228,161	-	228,161
Interest	1,358,598	-	1,358,598
Difference Between Expected and Actual Experience	8,381	-	8,381
Changes in Assumptions	-	-	-
Employer Contributions	-	237,651	(237,651)
Employee Contributions	-	110,844	(110,844)
Net Investment Income	-	1,916,089	(1,916,089)
Benefit Payments and Refunds	(1,006,991)	(1,006,991)	-
Other (Net Transfer)	-	(92,904)	92,904
Net Changes	588,149	1,164,689	(576,540)
BALANCES AT DECEMBER 31, 2024	$ 19,716,848	$ 18,480,549	$ 1,236,299

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

H. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the fiscal year ended December 31, 2025, the City recognized pension expense of $1,074,917 and the Library recognized pension expense of $278,494.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 314,255	$ -
Changes in Assumption	3,600	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,538,807	-
Employer Contributions After the Measurement Date	1,107,651	-
TOTAL	$ 2,964,313	$ -

$1,107,651 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows on the following page.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

H. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources* (Continued)

At December 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 81,419	$ -
Changes in Assumption	933	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	398,681	-
Employer Contributions After the Measurement Date	286,975	-
TOTAL	$ 768,008	$ -

$286,975 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	City	Library	Total
2026	$ 1,050,044	$ 272,051	$ 1,322,095
2027	2,013,018	521,542	2,534,560
2028	(834,524)	(216,212)	(1,050,736)
2029	(371,876)	(96,348)	(468,224)
2030	-	-	-
Thereafter	-	-	-
TOTAL	$ 1,856,662	$ 481,033	$ 2,337,695

14. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

I. *Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City - Net Pension Liability (Asset)	$ 14,502,117	$ 4,771,795	$ (1,653,652)
Library - Net Pension Liability (Asset)	3,757,277	1,236,299	(428,436)
TOTAL - NET PENSION LIABILITY (ASSET)	$ 18,259,394	$ 6,008,094	$ (2,082,088)

Police Pension Plan

A. *Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. A separate report is not issued for the Police Pension Fund.

The Police Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The Police Pension Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

B. *Plan Membership*

At December 31, 2025, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	60
Inactive Plan Members Entitled to but not yet Receiving Benefits	19
Active Plan Members	71
TOTAL	150

C. *Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

C. *Benefits Provided* (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

D. *Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by 2040. However, the City has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040. For the year ended December 31, 2025, the City's contribution was 51.04% of covered payroll.

E. *Illinois Police Officers' Pension Investment Fund*

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

F. *Investment Policy*

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

G. *Deposits with Financial Institutions*

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. At December 31, 2025, all deposits are covered by federal depository insurance.

H. *Investments*

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

I. *Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2025.

J. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was $69,045,931 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

K. *Investment Rate of Return*

For the fiscal year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments as calculated by the Fund's Treasurer, net of pension plan investment expense, was 18.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

L. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2025, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 21.79%
Investment Rate	7.25%
Cost of Living Adjustments	2.50%
Asset Valuation Method	Fair Value

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

M. *Discount Rate*

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

N. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate for the year ended December 31, 2025.

The table below presents the pension liability of the City, for the fiscal year ended December 31, 2025, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 43,973,439	$ 30,102,252	$ 18,750,318

O. *Changes in the Net Pension Liability*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 95,556,973	$ 59,298,059	$ 36,258,914
Changes for the Period			
Service Cost	1,516,480	-	1,516,480
Interest	6,751,383	-	6,751,383
Difference Between Expected and Actual Experience	697,125	-	697,125
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Employer Contributions	-	3,993,777	(3,993,777)
Employee Contributions	-	775,490	(775,490)
Other Contributions	-	5,139	(5,139)
Net Investment Income	-	10,360,270	(10,360,270)
Benefit Payments and Refunds	(4,868,900)	(4,868,900)	-
Administrative Expense	-	(13,026)	13,026
Net Changes	4,096,088	10,252,750	(6,156,662)
BALANCES AT DECEMBER 31, 2025	$ 99,653,061	$ 69,550,809	$ 30,102,252

14. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

O. *Changes in the Net Pension Liability* (Continued)

The Police Pension Plan was 69.79% funded as of December 31, 2025.

P. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the fiscal year ended December 31, 2025, the City recognized police pension expense of $3,164,985. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 3,158,735	$ 407,379
Changes in Assumption	401,360	112,977
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,941,602
TOTAL	$ 3,560,095	$ 6,461,958

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

Fiscal Year Ending December 31,	
2026	$ (272,681)
2027	(1,091,754)
2028	(1,025,903)
2029	(739,408)
2030	200,083
Thereafter	27,800
TOTAL	$ (2,901,863)

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan

A. *Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The Firefighters' Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

The Firefighters' Pension Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

B. *Plan Membership*

At December 31, 2025, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	35
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	67
TOTAL	108

C. *Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

C. *Benefits Provided* (Continued)

service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

D. *Contributions*

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' Pension Fund (the Fund). If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy using the entry-age normal cost method that will result in funding of 100% of the past service cost by 2040. The City's contribution was 30.58% of covered payroll for the year ended December 31, 2025.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

E. *Illinois Firefighters' Pension Investment Fund*

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

F. *Deposits with Financial Institutions*

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. All deposits at December 31, 2025, are covered by federal depository insurance.

G. *Investments*

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

H. *Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2025.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

I. *Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was $72,690,547 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

J. *Investment Policy*

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

K. *Investment Rate of Return*

For the fiscal year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

L. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2025, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 9.03%
Investment Rate	7.25%
Cost of Living Adjustments	2.50%
Asset Valuation Method	Fair Value

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

L. *Actuarial Assumptions* (Continued)

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

M. *Discount Rate*

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

N. *Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ended December 31, 2025.

The table below presents the net pension liability of the City, at December 31, 2025, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 23,457,149	$ 10,809,329	$ 493,645

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

O. *Changes in the Net Pension Liability*

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 78,825,399	$ 62,170,943	$ 16,654,456
Changes for the Period			
Service Cost	1,801,975	-	1,801,975
Interest	5,606,836	-	5,606,836
Difference Between Expected and Actual Experience	519,300	-	519,300
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Employer Contributions	-	2,317,989	(2,317,989)
Employee Contributions	-	716,743	(716,743)
Net Investment Income	-	10,803,233	(10,803,233)
Benefit Payments and Refunds	(2,979,451)	(2,979,451)	-
Administrative Expense	-	(64,727)	64,727
Net Changes	4,948,660	10,793,787	(5,845,127)
BALANCES AT DECEMBER 31, 2025	$ 83,774,059	$ 72,964,730	$ 10,809,329

The Firefighters' Pension Plan was 87.10% funded as of December 31, 2025.

14. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

P. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the fiscal year ended December 31, 2025, the City recognized firefighters' pension expense of $1,609,501. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 2,207,751	$ 2,199,292
Changes in Assumption	2,194,374	9,900
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,710,625
TOTAL	$ 4,402,125	$ 8,919,817

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2026	$ (993,795)
2027	(1,876,815)
2028	(1,701,540)
2029	(932,614)
2030	567,175
Thereafter	419,897
TOTAL	$ (4,517,692)

15. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

A. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	$ 502,830	$ 273,316	$ 776,146
Investments			
Investments Held in the Illinois Police Officers' Pension Investment Fund	69,045,931	-	69,045,931
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	72,690,547	72,690,547
Prepaid Expenses	3,735	3,127	6,862
Total Assets	69,552,496	72,966,990	142,519,486
LIABILITIES			
Accounts Payable	1,687	2,260	3,947
Total Liabilities	1,687	2,260	3,947
NET POSITION	$ 69,550,809	$ 72,964,730	$ 142,515,539

15. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

B. Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 3,993,777	$ 2,317,989	$ 6,311,766
Employee	780,629	716,743	1,497,372
Total Contributions	4,774,406	3,034,732	7,809,138
Investment Income			
Net Appreciation in Fair Value of Investments	10,085,581	9,631,899	19,717,480
Interest Earned	345,572	1,312,186	1,657,758
Less Investment Expense	(70,883)	(140,852)	(211,735)
Net Investment Income	10,360,270	10,803,233	21,163,503
Total Additions	15,134,676	13,837,965	28,972,641
DEDUCTIONS			
Benefits and Refunds	4,868,900	2,979,451	7,848,351
Administrative	13,026	64,727	77,753
Total Deductions	4,881,926	3,044,178	7,926,104
NET INCREASE	10,252,750	10,793,787	21,046,537
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	59,298,059	62,170,943	121,469,002
December 31	$ 69,550,809	$ 72,964,730	$ 142,515,539

16. LESSOR LEASES

The City has entered into seven separate lease agreements to lease space on cell towers for the placement of cellular communications equipment. Payments ranging from $43,546 to $121,319 are due to the City in annual installment. The lease agreements have expiration dates ranging from December 2030 to April 2050. The lease agreements are noncancelable and maintain interest rates ranging from 2.11% to 2.55%.

The City entered a lease agreement in January 2016 to lease space on a cell tower for the placement of cellular communications equipment. Payments ranging from $282 to $446 are due to the City in monthly installments, through May 2046. The lease agreement is non-cancelable and maintains an interest rate of 2.51%.

The City entered a lease agreement in January 2024 to lease space with an emergency dispatch center. Payments ranging from $3,750 to $6,576 are due to the City in quarterly installments, through April 2044. The lease agreement is non-cancelable and maintains an interest rate of 3.41%.

The City entered a lease agreement in May 2025 to lease out a recreation space. Payments ranging from $35,000 to $77,000 are due to the City in annual installments, through April 2055. The lease agreement is non-cancelable and maintains an interest rate of 4.22%.

During the year ended December 31, 2025, the City recognized lease revenue of $418,737 and interest revenue of $144,726 related to leases.

17. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

The accounting policies of the Library conform to GAAP as applicable to governments. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1. Fund Accounting

Governmental Funds

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

17. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

1. Fund Accounting (Continued)

Governmental Funds (Continued)

spending activities are controlled. The various funds are grouped in the financial statements in this report into three fund types and one broad fund category as follows:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

2. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred.

The modified accrual basis of accounting is followed by the governmental funds on the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes as available if they are collected within 60 days after year end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

B. Deposits and Investments

The Library maintains a cash and investment pool that is available for use by all funds, including the Library's funds and excluding the pension trust fund. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, deposits and investments are separately held by several of the Library's funds.

17. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

The Library is authorized to invest in all investments allowed by ILCS. These include deposits/investments insured by the FDIC, obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds (a money market fund created by the State Legislature under the control of the State Treasurer that maintains a $1 share value).

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

1. Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Library or the Library's agent in the Library's name.

2. Library Investments

As of December 31, 2025, the Library had investments and maturities as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Notes	$ 584,593	$ 584,593	$ -	$ -	$ -
TOTAL	$ 584,593	$ 584,593	$ -	$ -	$ -

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The U.S. Treasury Notes are valued using quoted matrix pricing models (Level 2 inputs).

17. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

2. Library Investments (Continued)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by taking in account the cash flow needs of the Library regarding maturities on investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Library's investment policy does not address credit risk. The Illinois Funds and money market mutual funds are rated AAA by Standard and Poor's, the U.S. Treasury Notes are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. The Illinois Funds and money market mutual funds are not subject to custodial credit risk.

Concentration of the credit risk is the risk that the Library has a high percentage of their investments invested in one investment. The Library's investment policy requires diversification of investments to avoid unreasonable risk but does not contain any specific diversification targets.

The Library's investment policy does not specifically prohibit the use of or the investment in derivatives.

C. Receivables

Property taxes for the 2025 levy year attach as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, and August 1, and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically.

17. COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY (Continued)

C. Receivables (Continued)

The 2025 taxes are intended to finance the 2026 fiscal year and are not considered available or earned for current operations and, therefore, are recorded as a receivable and unavailable/deferred revenue as of December 31, 2025.

D. Capital Assets

The following is a summary of changes in the Library's capital assets during the fiscal year ended December 31, 2025:

	Balances January 1	Additions/ Transfers	Retirements/ Transfers	Balances December 31
Capital Assets Not Being Depreciated				
Land	$ 2,472,561	$ -	$ -	$ 2,472,561
Total Capital Assets Not Being Depreciated	2,472,561	-	-	2,472,561
Capital Assets Being Depreciated				
Building and Improvements	9,629,213	-	-	9,629,213
Machinery, Equipment and Vehicles	385,774	21,297	120,836	286,235
Total Capital Assets Being Depreciated	10,014,987	21,297	120,836	9,915,448
Less Accumulated Depreciation for				
Building and Improvements	4,730,442	236,663	-	4,967,105
Machinery, Equipment and Vehicles	316,293	33,641	119,028	230,906
Total Accumulated Depreciation	5,046,735	270,304	119,028	5,198,011
Total Capital Assets Being Depreciated, Net	4,968,252	(249,007)	1,808	4,717,437
TOTAL CAPITAL ASSETS	$ 7,440,813	$ (249,007)	$ 1,808	$ 7,189,998

E. Long-Term Debt

During the fiscal year ended December 31, 2025, the following changes occurred in liabilities reported in general long-term debt:

	Balances January 1	Issuances	Retirements/ Refundings	Balances December 31	Current Portion
Compensated Absences*	$ 356,535	$ 55,630	$ -	$ 412,165	$ 206,083
Net Pension Liability	1,812,839	-	576,540	1,236,299	-
Total OPEB Liability	200,559	36,721	-	237,280	16,189
TOTAL	$ 2,369,933	$ 92,351	$ 576,540	$ 1,885,744	$ 222,272

*The amount displayed as additions or reductions represents the net change in the liability.

18. CIVIC CENTER AUTHORITY GOVERNMENT MERGER AND ADJUSTMENT

During the fiscal year ended December 31, 2025, the City consolidated the Civic Center Authority (CCA) via a resolution passed on December 16, 2025. The CCA owned one asset, the Raue Center Property, at the time of consolidation. Because there were no prior financial statements and there was no carrying value for the building, the City completed an appraisal of the building and it was estimated that the fair value of the building is $750,000 as of February 24, 2025. In accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, the City has recognized a total of $750,000 for the consolidation of the building capital asset. There were no deferred outflows, liabilities, or deferred inflows included in the consolidation. The assets are reported at fair value rather than carrying value as prior financial statements were not available.

The summary of beginning balance adjustment is as follows:

	Governmental Activities
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 209,850,252
Adjustment to Beginning Net Position - Government Merger with Civic Center Authority	750,000
Total Net Restatement	750,000
BEGINNING NET POSITION, AS RESTATED	$ 210,600,252

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 6,309,638	$ 6,311,766	$ 2,128
Other Taxes	13,888,077	15,170,690	1,282,613
Intergovernmental	24,043,455	25,556,211	1,512,756
Charges for Service	967,970	1,028,397	60,427
Licenses and Permits	805,500	936,524	131,024
Fines and Forfeitures	465,000	447,755	(17,245)
Investment Income	300,000	2,683,524	2,383,524
Miscellaneous	606,600	1,860,993	1,254,393
Total Revenues	47,386,240	53,995,860	6,609,620
EXPENDITURES			
General Government	8,257,584	7,328,144	(929,440)
Public Safety	19,611,060	19,227,235	(383,825)
Highway and Streets	7,858,850	7,228,326	(630,524)
Cultural Recreation	854,145	883,133	28,988
Debt Service			
Principal	44,516	183,550	139,034
Interest and Fees	9,214	19,876	10,662
Total Expenditures	36,635,369	34,870,264	(1,765,105)
EXCESS OF REVENUES OVER EXPENDITURES	10,750,871	19,125,596	8,374,725
OTHER FINANCING SOURCES (USES)			
Transfers In	199,130	243,810	44,680
Transfers (Out)	(5,210,870)	(14,840,977)	(9,630,107)
SBITA Issuance	-	36,794	36,794
Total Other Financing Sources (Uses)	(5,011,740)	(14,560,373)	(9,548,633)
NET CHANGE IN FUND BALANCE	$ 5,739,131	4,565,223	$ (1,173,908)
FUND BALANCE, JANUARY 1		22,104,885	
FUND BALANCE, DECEMBER 31		$ 26,670,108	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE RESCUE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 7,642,097	$ 7,682,616	$ 40,519
Intergovernmental	-	39,584	39,584
Charges for Services	6,262,680	7,233,205	970,525
Investment Income	40,000	310,073	270,073
Miscellaneous	55,000	176,153	121,153
Total Revenues	13,999,777	15,441,631	1,441,854
EXPENDITURES			
Public Safety			
Personnel Services	10,994,906	10,710,522	(284,384)
Contractual Services	1,554,539	1,482,049	(72,490)
Materials and Supplies	410,495	460,683	50,188
Miscellaneous	-	2,954	2,954
Total Expenditures	12,959,940	12,656,208	(303,732)
EXCESS OF REVENUES OVER EXPENDITURES	1,039,837	2,785,423	1,745,586
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(971,608)	(185,791)	785,817
Total Other Financing Sources (Uses)	(971,608)	(185,791)	785,817
NET CHANGE IN FUND BALANCE	$ 68,229	2,599,632	$ 2,531,403
FUND BALANCE, JANUARY 1		13,808,189	
FUND BALANCE, DECEMBER 31		$ 16,407,821	

(See independent auditor's report.)

BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, certain Special Revenue (except SSA 47 Fund), Debt Service, Capital Projects (except the NCLPB Project Fund and Raue Center Building Fund), Enterprise Fund, Internal Service Fund and Pension Trust Funds.

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

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The budget is prepared on a basis consistent with GAAP, except for depreciation is not budgeted in the Waterworks and Sewerage Fund, pension and OPEB expenses.

A public hearing is conducted to obtain taxpayer comments. Prior to January 1, the budget is legally enacted for the General Fund, Special Revenue Funds (exception noted above), Debt Service Fund, Capital Projects Funds (exception noted above), Enterprise Funds, Internal Service and Pension Trust Funds.

Expenditures may not legally exceed the total appropriated amounts for each fund. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, expenditures in excess of the total appropriated amount must be approved by the City Council. During the year, the budget was amended by the City Council. The Library's financial statements have been compared to the working budget, which is less than the appropriation amounts.

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Audit Periods

	April 30,								December 31,	
AUDIT PERIOD ENDED	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
Actuarially Determined Contribution	$ 1,410,404	$ 1,430,059	$ 1,385,397	$ 1,365,266	$ 1,559,628	$ 1,543,084	$ 1,346,193	$ 1,144,495	$ 787,857	$ 1,396,605
Contributions in Relation to the Actuarially Determined Contribution	1,410,404	1,430,059	1,385,397	1,365,266	1,559,628	1,543,084	1,346,193	1,144,495	787,857	1,396,605
CONTRIBUTION DEFICIENCY (EXCESS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 10,753,366	$ 11,069,426	$ 11,160,501	$ 11,377,411	$ 11,337,608	$ 11,696,490	$ 12,029,760	$ 11,956,072	$ 8,159,024	$ 12,758,201
Contributions as a Percentage of Covered Payroll	13.12%	12.92%	12.41%	12.00%	13.76%	13.19%	11.19%	9.57%	9.66%	10.95%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024. As such, the information presented is for the eight months ended December 31, 2024.

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was at five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
AUDIT PERIOD ENDED	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
Actuarially Determined Contribution	$ 1,992,354	$ 2,091,066	$ 2,418,845	$ 2,391,323	$ 2,690,477	$ 2,930,906	$ 3,481,415	$ 3,368,127	$ 3,612,536	$ 3,992,645
Contributions in Relation to the Actuarially Determined Contribution	1,989,776	2,089,940	2,415,148	2,386,343	2,685,733	2,930,906	3,481,415	3,482,254	3,612,536	3,993,777
CONTRIBUTION DEFICIENCY (EXCESS)	$ 2,578	$ 1,126	$ 3,697	$ 4,980	$ 4,744	$ -	$ -	$ (114,127)	$ -	$ (1,132)
Covered Payroll	$ 5,691,409	$ 5,953,131	$ 6,099,597	$ 6,149,431	$ 6,433,892	$ 6,335,246	$ 6,683,400	$ 6,820,983	$ 4,848,387	$ 7,825,295
Contributions as a Percentage of Covered Payroll	34.96%	35.11%	39.60%	38.81%	41.74%	46.26%	52.09%	51.05%	74.51%	51.04%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

Notes to the Required Supplementary Information

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 16 years; the asset valuation method was five-year smoothed market; inflation was 2.25%, individual payroll increases were 3.75%-21.54%, and the interest rate assumption was 7.25% annually.

The lag betweent information in actuarial reports and actual contributions made are the result of tax collection cycles.

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
AUDIT PERIOD ENDED	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
Actuarially Determined Contribution	$ 1,518,852	$ 1,609,399	$ 1,884,348	$ 1,847,033	$ 1,882,261	$ 2,023,967	$ 2,203,496	$ 2,030,416	$ 2,103,947	$ 2,316,993
Contributions in Relation to the Actuarially Determined Contribution	1,690,980	1,608,539	1,881,728	1,843,179	1,878,976	2,023,991	2,285,797	2,286,134	2,285,640	2,317,989
CONTRIBUTION DEFICIENCY (EXCESS)	$ (172,128)	$ 860	$ 2,620	$ 3,854	$ 3,285	$ (24)	$ (82,301)	$ (255,718)	$ (181,693)	$ (996)
Covered Payroll	$ 5,908,574	$ 6,229,293	$ 6,482,045	$ 7,075,908	$ 7,047,861	$ 6,827,656	$ 6,560,707	$ 6,822,798	$ 4,567,628	$ 7,580,447
Contributions as a Percentage of Covered Payroll	28.62%	25.82%	29.03%	26.05%	26.66%	29.64%	34.84%	33.51%	50.04%	30.58%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

Notes to the Required Supplementary Information

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 16 years; the asset valuation method was five-year smoothed market; inflation was 2.25%, individual payroll increases were 3.75%-8.78%, and the interest rate assumption was 7.25% annually.

The lag betweent information in actuarial reports and actual contributions made are the result of tax collection cycles.

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Calendar Years*

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service Cost	$ 1,211,429	$ 1,199,753	$ 1,173,075	$ 1,117,896	$ 1,160,290	$ 1,204,021	$ 1,147,812	$ 1,124,209	$ 1,113,250	$ 1,108,802
Interest	4,343,976	4,539,611	4,819,887	4,947,320	5,275,067	5,544,651	5,856,444	6,068,226	6,372,722	6,602,434
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,001,063)	121,980	126,838	1,257,266	283,884	1,603,138	(174,967)	1,618,129	570,735	40,730
Changes of Assumptions	79,521	(248,700)	(1,994,006)	2,166,714	-	(699,531)	-	-	12,119	-
Benefit Payments, Including Refunds of Member Contributions	(1,903,179)	(1,959,499)	(2,251,265)	(2,546,931)	(2,883,298)	(3,162,117)	(3,485,043)	(4,307,672)	(4,902,597)	(4,893,714)
Net Change in Total Pension Liability	2,730,684	3,653,145	1,874,529	6,942,265	3,835,943	4,490,162	3,344,246	4,502,892	3,166,229	2,858,252
Total Pension Liability - Beginning	58,420,423	61,151,107	64,804,252	66,678,781	73,621,046	77,456,989	81,947,151	85,291,397	89,794,289	92,960,518
TOTAL PENSION LIABILITY - ENDING	$ 61,151,107	$ 64,804,252	$ 66,678,781	$ 73,621,046	$ 77,456,989	$ 81,947,151	$ 85,291,397	$ 89,794,289	$ 92,960,518	$ 95,818,770
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 1,390,362	$ 1,424,559	$ 1,388,105	$ 1,469,484	$ 1,260,041	$ 1,615,854	$ 1,592,450	$ 1,424,027	$ 1,131,163	$ 1,154,922
Contributions - Member	485,951	490,006	507,135	503,413	553,793	528,825	556,887	573,623	535,265	538,672
Net Investment Income	256,105	3,526,328	9,228,845	(3,068,591)	11,122,244	9,737,032	13,281,939	(11,142,027)	8,488,407	9,311,695
Benefit Payments, Including Refunds of Member Contributions	(1,903,179)	(1,959,499)	(2,251,265)	(2,546,931)	(2,883,298)	(3,162,117)	(3,485,043)	(4,307,672)	(4,902,597)	(4,893,714)
Other	(702,990)	335,991	(550,873)	1,044,285	(412,236)	866,615	(181,709)	224,858	832,510	(451,490)
Net Change in Plan Fiduciary Net Position	(473,751)	3,817,385	8,321,947	(2,598,340)	9,640,544	9,586,209	11,764,524	(13,227,191)	6,084,748	5,660,085
Plan Fiduciary Net Position - Beginning	51,234,516	50,760,765	54,578,150	62,900,097	60,301,757	69,942,301	79,528,510	91,293,034	78,065,843	84,150,591
PLAN FIDUCIARY NET POSITION - ENDING	$ 50,760,765	$ 54,578,150	$ 62,900,097	$ 60,301,757	$ 69,942,301	$ 79,528,510	$ 91,293,034	$ 78,065,843	$ 84,150,591	$ 89,810,676
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ 10,390,342	$ 10,226,102	$ 3,778,684	$ 13,319,289	$ 7,514,688	$ 2,418,641	$ (6,001,637)	$ 11,728,446	$ 8,809,927	$ 6,008,094

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	83.01%	84.22%	94.33%	81.91%	90.30%	97.05%	107.04%	86.94%	90.52%	93.73%
Covered Payroll	$ 10,752,994	$ 10,717,757	$ 10,847,310	$ 11,174,779	$ 11,382,497	$ 11,751,668	$ 11,564,632	$ 11,936,530	$ 11,882,891	$ 11,979,330
Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll	96.63%	95.41%	34.84%	119.19%	66.02%	20.58%	(51.90%)	98.26%	74.14%	50.15%

*The City reports IMRF one year behind the fiscal year.

In 2016, changes in assumptions related to the discount rate.

In 2017, changes in assumptions related to salary rates, inflation rates, and mortality rates.

In 2018, changes in assumptions related to the discount rate.

In 2020, changes in assumptions related to salary rates, price inflation, retirement age and mortality rates.

In 2023, changes in assumptions related to mortality rates.

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
MEASUREMENT DATE	**2017**	**2018**	**2019****	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
TOTAL PENSION LIABILITY										
Service Cost	$ 1,384,616	$ 1,480,535	$ 1,514,366	$ 1,428,215	$ 1,536,190	$ 1,537,742	$ 1,427,059	$ 1,502,290	$ 1,015,698	$ 1,516,480
Interest	4,647,595	4,740,074	4,795,473	5,108,983	5,486,253	5,480,564	5,844,925	6,122,048	4,393,974	6,751,383
Changes of Benefit Terms	-	-	-	264,843	-	-	(42,061)	-	-	-
Differences Between Expected and Actual Experience	(90,119)	(3,331,174)	1,017,819	394,864	(91,869)	(1,345,391)	931,558	2,726,586	492,812	697,125
Changes of Assumptions	(2,002,799)	2,903,482	(1,868,828)	1,047,031	-	-	-	-	266,714	-
Benefit Payments, Including Refunds of Member Contributions	(2,564,023)	(2,763,423)	(3,154,254)	(3,254,765)	(3,228,925)	(3,850,144)	(3,968,584)	(4,721,701)	(3,044,050)	(4,868,900)
Net Change in Total Pension Liability	1,375,270	3,029,494	2,304,576	4,989,171	3,701,649	1,822,771	4,192,897	5,629,223	3,125,148	4,096,088
Total Pension Liability - Beginning	65,386,774	66,762,044	69,791,538	72,096,114	77,085,285	80,786,934	82,609,705	86,802,602	92,431,825	95,556,973
TOTAL PENSION LIABILITY - ENDING	$ 66,762,044	$ 69,791,538	$ 72,096,114	$ 77,085,285	$ 80,786,934	$ 82,609,705	$ 86,802,602	$ 92,431,825	$ 95,556,973	$ 99,653,061
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 1,989,776	$ 2,089,940	$ 2,415,148	$ 2,386,343	$ 2,685,733	$ 2,930,906	$ 3,481,415	$ 3,482,254	$ 3,612,536	$ 3,993,777
Contributions - Member	551,461	570,493	633,079	608,715	798,533	1,030,717	1,088,129	1,125,031	483,837	780,629
Net Investment Income	3,391,766	2,829,729	1,623,122	(1,363,475)	11,056,030	(2,788,427)	661,661	4,757,914	4,340,101	10,360,270
Benefit Payments, Including Refunds of Member Contributions	(2,564,023)	(2,763,423)	(3,154,254)	(3,254,765)	(3,228,925)	(3,850,144)	(3,968,584)	(4,721,701)	(3,044,050)	(4,868,900)
Other	(37,390)	(16,115)	(16,137)	(20,134)	(21,369)	(21,360)	(22,925)	(14,894)	(10,334)	(13,026)
Net Change in Plan Fiduciary Net Position	3,331,590	2,710,624	1,500,958	(1,643,316)	11,290,002	(2,698,308)	1,239,696	4,628,604	5,382,090	10,252,750
Plan Fiduciary Net Position - Beginning	33,556,119	36,887,709	39,598,333	41,099,291	39,455,975	50,745,977	48,047,669	49,287,365	53,915,969	59,298,059
PLAN FIDUCIARY NET POSITION - ENDING	$ 36,887,709	$ 39,598,333	$ 41,099,291	$ 39,455,975	$ 50,745,977	$ 48,047,669	$ 49,287,365	$ 53,915,969	$ 59,298,059	$ 69,550,809
EMPLOYER'S NET PENSION LIABILITY	$ 29,874,335	$ 30,193,205	$ 30,996,823	$ 37,629,310	$ 30,040,957	$ 34,562,036	$ 37,515,237	$ 38,515,856	$ 36,258,914	$ 30,102,252

MEASUREMENT DATE	2017	2018	2019**	2020	2021	2022	2023	2024	2024*	2025
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.25%	56.74%	57.01%	51.18%	62.81%	58.16%	56.78%	58.33%	62.06%	69.79%
Covered Payroll	$ 5,691,409	$ 5,953,131	$ 6,099,597	$ 6,149,431	$ 6,433,892	$ 6,335,246	$ 6,683,400	$ 6,820,983	$ 7,272,581	$ 7,825,295
Employer's Net Pension Liability as a Percentage of Covered Payroll	524.90%	507.18%	508.18%	611.92%	466.92%	545.55%	561.32%	564.67%	498.57%	384.68%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

**Changes in assumptions related to the discount rate were made in 2019.

Changes in assumptions related to inflation, salary increases, cost of living adjustments, and mortality rates were made in December 2024.

Tier II Police retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September. The average increase in the CPI-U for September 1992 through September 2022 was 2.52% (on a compounded basis). Changes in Benefit Terms in 2023 related to Tier II benefit increases.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2021.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2020.

In 2020, the results reflect plan benefit changes under PA-101-0610 (SB 1300). These legislative changes reflect modifications to the Tier II plan provisions.

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
MEASUREMENT DATE	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
TOTAL PENSION LIABILITY										
Service Cost	$ 1,597,021	$ 1,663,767	$ 1,518,410	$ 1,593,494	$ 1,806,035	$ 1,768,476	$ 1,742,756	$ 1,642,278	$ 1,059,574	$ 1,801,975
Interest	3,314,039	3,466,784	3,583,943	3,890,887	4,065,873	4,152,925	4,519,254	4,845,209	3,528,560	5,606,836
Changes of Benefit Terms	-	-	-	496,787	-	-	(83,818)	-	-	-
Differences Between Expected and Actual Experience	20,498	(1,976,589)	221,515	(507,207)	(2,198,565)	(1,513,765)	766,930	2,011,375	(186,884)	519,300
Changes of Assumptions	(1,386,277)	(48,865)	419,832	598,398	-	-	-	-	2,363,913	-
Benefit Payments, Including Refunds of Member Contributions	(1,381,293)	(1,495,603)	(1,482,619)	(1,537,360)	(1,575,630)	(1,974,968)	(2,236,078)	(2,760,245)	(1,888,894)	(2,979,451)
Net Change in Total Pension Liability	2,163,988	1,609,494	4,261,081	4,534,999	2,097,713	2,432,668	4,709,044	5,738,617	4,876,269	4,948,660
Total Pension Liability - Beginning	46,401,526	48,565,514	50,175,008	54,436,089	58,971,088	61,068,801	63,501,469	68,210,513	73,949,130	78,825,399
TOTAL PENSION LIABILITY - ENDING	$ 48,565,514	$ 50,175,008	$ 54,436,089	$ 58,971,088	$ 61,068,801	$ 63,501,469	$ 68,210,513	$ 73,949,130	$ 78,825,399	$ 83,774,059
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 1,690,980	$ 1,608,539	$ 1,881,728	$ 1,843,179	$ 1,878,976	$ 2,023,991	$ 2,285,797	$ 2,286,134	$ 2,285,640	$ 2,317,989
Contributions - Member	544,683	584,464	603,777	660,175	666,374	645,544	620,325	646,058	431,851	716,743
Net Investment Income	2,510,351	2,061,996	2,384,267	662,186	11,129,344	(3,204,390)	507,519	5,444,671	5,054,829	10,803,233
Benefit Payments, Including Refunds of Member Contributions	(1,381,293)	(1,495,603)	(1,482,619)	(1,537,360)	(1,575,630)	(1,974,968)	(2,236,078)	(2,760,245)	(1,888,894)	(2,979,451)
Other	(58,025)	(16,840)	(22,532)	(18,449)	(17,831)	(69,328)	(55,129)	(63,559)	(50,891)	(64,727)
Net Change in Plan Fiduciary Net Position	3,306,696	2,742,556	3,364,621	1,609,731	12,081,233	(2,579,151)	1,122,434	5,553,059	5,832,535	10,793,787
Plan Fiduciary Net Position - Beginning	29,137,229	32,443,925	35,186,481	38,551,102	40,160,833	52,242,066	49,662,915	50,785,349	56,338,408	62,170,943
PLAN FIDUCIARY NET POSITION - ENDING	$ 32,443,925	$ 35,186,481	$ 38,551,102	$ 40,160,833	$ 52,242,066	$ 49,662,915	$ 50,785,349	$ 56,338,408	$ 62,170,943	$ 72,964,730
EMPLOYER'S NET PENSION LIABILITY	$ 16,121,589	$ 14,988,527	$ 15,884,987	$ 18,810,255	$ 8,826,735	$ 13,838,554	$ 17,425,164	$ 17,610,722	$ 16,654,456	$ 10,809,329

MEASUREMENT DATE	2017	2018	2019	2020	2021	2022	2023	2024	2024*	2025
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	70.13%	70.82%	68.10%	85.55%	78.21%	74.45%	76.19%	78.87%	87.10%
Covered Payroll	$ 5,908,574	$ 6,229,293	$ 6,482,045	$ 7,075,908	$ 7,047,861	$ 6,827,656	$ 6,560,707	$ 6,822,798	$ 6,851,442	$ 7,580,447
Employer's Net Pension Liability as a Percentage of Covered Payroll	272.85%	240.61%	245.06%	265.84%	125.24%	202.68%	265.60%	258.12%	243.08%	142.59%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

Changes in assumptions related to inflation, salary increases, cost of living adjustments, and mortality rates were made in December 2024.

Tier II Firefighter retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September. The average increase in the CPI-U for September 1992 through September 2022 was 2.52% (on a compounded basis). Changes in Benefit Terms in 2023 related to Tier II benefit increases.

Changes in assumption related to the projected individual pay increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates and disability rates were made in 2020.

In 2020, the results reflect plan benefit changes under PA-101-0610 (SB 1300). These legislative changes reflect modifications to the Tier II plan provisions.

Changes in assumptions related to the discount rate were made in 2019.

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
AUDIT PERIOD ENDED	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
Annual money-weighted rate of return, net of investment expense	9.98%	7.62%	4.20%	(2.96%)	29.29%	(5.53%)	1.00%	9.70%	7.95%	18.00%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Audit Periods

	April 30,								December 31,	
AUDIT PERIOD ENDED	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
Annual money-weighted rate of return, net of investment expense	7.77%	6.26%	7.25%	1.67%	27.24%	(6.23%)	0.70%	10.70%	8.89%	17.70%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Nine Audit Periods

	April 30,							December 31,	
MEASUREMENT DATE	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024***	**2025**
TOTAL OPEB LIABILITY									
Service Cost	$ 120,186	$ 124,957	$ 109,111	$ 150,761	$ 219,673	$ 163,893	$ 159,849	$ 114,678	$ 219,205
Interest	160,856	163,403	159,615	133,554	122,330	230,052	236,984	280,085	273,304
Differences Between Expected and Actual Experience	-	-	(66,180)	-	955,826	-	614,613	-	286,601
Changes of Benefit Terms	-	-	-	-	54,086	-	75,724	-	-
Changes of Assumptions	-	79,519	951,236	151,438	(653,700)	(74,780)	(105,164)	75,019	976,153
Benefit Payments	(224,631)	(209,087)	(201,398)	(229,398)	(298,059)	(316,015)	(434,186)	(304,760)	(537,116)
Net Change in Total OPEB Liability	56,411	158,792	952,384	206,355	400,156	3,150	547,820	165,022	1,218,147
Total OPEB Liability - Beginning	4,164,077	4,220,488	4,379,280	5,331,664	5,538,019	5,938,175	5,941,325	6,489,145	6,654,167
TOTAL OPEB LIABILITY - ENDING	$ 4,220,488	$ 4,379,280	$ 5,331,664	$ 5,538,019	$ 5,938,175	$ 5,941,325	$ 6,489,145	$ 6,654,167	$ 7,872,314
Covered-Employee Payroll	$ 21,087,988	$ 23,410,540	$ 23,397,653	$ 24,788,593	$ 23,594,626	$ 24,419,749	$ 24,698,571	$ 25,563,454	$ 28,328,956
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	20.01%	18.71%	22.79%	22.34%	25.17%	24.33%	26.27%	26.03%	27.79%

*The City changed its fiscal year end from April 30 to December 31 effective December 31, 2024.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumption related to the discount rate, healthcare cost trend rates, and mortality rates were made in December 2025.

Changes in assumption related to the discount rate were made in December 2024.

Changes in assumption related to the discount rate were made in April 2024. Changes in benefit terms related to PSEBA benefits were made in April 2024.

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

Changes in assumption related to the discount rate, starting per capita costs, health care trend rates were made in 2022. Changes in benefit terms related to updating decrements and PSEBA benefits were made in 2022.

Changes in assumption related to the discount rate were made in 2021.

Changes in assumption related to the projected total payroll increases, inflation rate, mortality rates, morality improvement rates, retirement rates, termination rates, disability rates and the discount rate were made in 2020.

Changes in assumption related to the discount rate were made in 2019.

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 6,309,638	$ 6,311,766	$ 2,128
Other Taxes			
Auto Rental Tax	51,486	57,141	5,655
Franchise Fees - Cable	429,040	431,295	2,255
Home Rule Sales Tax	12,226,859	13,400,568	1,173,709
Hotel Tax	360,249	529,067	168,818
Telecommunications Tax	485,443	528,858	43,415
Cannabis Tax	335,000	223,761	(111,239)
Total Other Taxes	13,888,077	15,170,690	1,282,613
Intergovernmental			
Income Tax	7,011,965	7,262,285	250,320
Local Use Tax	998,415	361,258	(637,157)
Replacement Tax	275,689	212,754	(62,935)
State Sales Tax	15,735,386	17,600,399	1,865,013
Grants	22,000	119,515	97,515
Total Intergovernmental	24,043,455	25,556,211	1,512,756
Charges for Services			
Review Fees	180,000	178,346	(1,654)
Parking	120,000	99,404	(20,596)
Police Revenue	85,000	149,314	64,314
Other Fees	222,000	233,950	11,950
Rental Income	360,970	367,383	6,413
Total Charges for Services	967,970	1,028,397	60,427
Licenses and Permits			
Liquor Licenses	140,000	157,170	17,170
Miscellaneous Licenses and Permits	15,500	14,830	(670)
Building Permits	650,000	764,524	114,524
Total Licenses and Permits	805,500	936,524	131,024
Fines and Forfeitures			
Police Fines	410,000	370,738	(39,262)
Adjudication Fines	55,000	77,017	22,017
Total Fines and Forfeitures	465,000	447,755	(17,245)
Investment Income	300,000	2,683,524	2,383,524
Miscellaneous			
Host Fees	435,000	479,415	44,415
Other	171,600	1,381,578	1,209,978
Total Miscellaneous	606,600	1,860,993	1,254,393
TOTAL REVENUES	$ 47,386,240	$ 53,995,860	$ 6,609,620

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT			
Executive Department			
Personal Services	$ 22,800	$ 20,450	$ (2,350)
Contractual Services	512,485	487,132	(25,353)
Total Executive Department	535,285	507,582	(27,703)
Legal and Judiciary Department			
Contractual Services	763,200	843,230	80,030
Total Legal and Judiciary Department	763,200	843,230	80,030
Administration Department			
Personal Services	1,961,698	1,859,819	(101,879)
Contractual Services	309,059	274,770	(34,289)
Materials and Supplies	87,650	72,162	(15,488)
Total Administration Department	2,358,407	2,206,751	(151,656)
Administration Adjudication Department			
Personal Services	36,087	27,604	(8,483)
Contractual Services	29,400	15,728	(13,672)
Materials and Supplies	100	332	232
Total Administration Adjudication Department	65,587	43,664	(21,923)
Community Development			
Personal Services	1,946,155	1,833,068	(113,087)
Contractual Services	792,277	333,163	(459,114)
Materials and Supplies	19,150	19,656	506
Total Community Development	2,757,582	2,185,887	(571,695)
Information Technology			
Personal Services	221,046	168,368	(52,678)
Contractual Services	877,947	780,151	(97,796)
Materials and Supplies	678,530	592,511	(86,019)
Total Information Technology	1,777,523	1,541,030	(236,493)
Total General Government	8,257,584	7,328,144	(929,440)

(This schedule is continued on the following pages.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY			
Police Department			
Personal Services	$ 11,239,046	$ 10,843,347	$ (395,699)
Contractual Services	1,636,079	1,582,365	(53,714)
Materials and Supplies	351,965	397,297	45,332
Total Police Department	13,227,090	12,823,009	(404,081)
Pension Obligation			
Police Pension Contribution	3,992,645	3,993,777	1,132
Fire Pension Contribution	2,316,993	2,317,989	996
Total Pension Obligation	6,309,638	6,311,766	2,128
Fire and Police Commission			
Contractual Services	74,332	92,460	18,128
Total Fire and Police Commission	74,332	92,460	18,128
Total Public Safety	19,611,060	19,227,235	(383,825)
HIGHWAY AND STREETS			
Engineering Department			
Personal Services	1,195,864	1,149,844	(46,020)
Contractual Services	243,565	186,098	(57,467)
Materials and Supplies	29,267	29,615	348
Total Engineering Department	1,468,696	1,365,557	(103,139)
Street Department			
Personal Services	1,859,586	1,696,987	(162,599)
Contractual Services	2,116,418	2,110,917	(5,501)
Materials and Supplies	433,712	414,528	(19,184)
Total Street Department	4,409,716	4,222,432	(187,284)
Fleet Services			
Personal Services	722,330	593,436	(128,894)
Contractual Services	105,389	87,108	(18,281)
Materials and Supplies	27,621	30,659	3,038
Total Fleet Services	855,340	711,203	(144,137)

(This schedule is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
HIGHWAY AND STREETS (Continued)			
Facility Services			
Personal Services	$ 372,260	$ 351,692	$ (20,568)
Contractual Services	734,614	552,654	(181,960)
Materials and Supplies	18,224	24,788	6,564
Total Facility Services	1,125,098	929,134	(195,964)
Total Highways and Streets	7,858,850	7,228,326	(630,524)
CULTURE AND RECREATION			
Park Operations			
Personal Services	481,283	501,795	20,512
Contractual Services	278,682	291,132	12,450
Materials and Supplies	94,180	90,206	(3,974)
Total Three Oaks Recreation	854,145	883,133	28,988
Total Culture and Recreation	854,145	883,133	28,988
DEBT SERVICE			
Principal	44,516	183,550	139,034
Interest and Fees	9,214	19,876	10,662
Total Debt Service	53,730	203,426	149,696
TOTAL EXPENDITURES	$ 36,635,369	$ 34,870,264	$ (1,765,105)

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL AND EQUIPMENT REPLACEMENT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Other Taxes	$ 406,384	$ 306,009	$ (100,375)
Intergovernmental	2,985,304	178,200	(2,807,104)
Licenses and Permits	75,000	82,000	7,000
Miscellaneous	251,470	29,736	(221,734)
Total Revenues	3,718,158	595,945	(3,122,213)
EXPENDITURES			
Capital Outlay			
Information Technology	578,000	102,501	(475,499)
Police	180,285	114,112	(66,173)
Streets - Non MFT	2,227,000	2,043,703	(183,297)
MFT Road Reconstruction	5,536,384	748,089	(4,788,295)
Community Development	5,244,420	3,662,643	(1,581,777)
Engineering	2,581,500	1,175	(2,580,325)
Fleet and Facility Services	4,102,579	1,540,570	(2,562,009)
Fire Rescue	97,000	69,129	(27,871)
Parks Operations	1,505,550	3,152,398	1,646,848
Administration	60,000	-	(60,000)
Debt Service			
Principal	-	66,159	66,159
Interest and Fiscal Charges	-	2,178	2,178
Total Expenditures	22,112,718	11,502,657	(10,610,061)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,394,560)	(10,906,712)	7,487,848
OTHER FINANCING SOURCES (USES)			
Transfers In	4,978,404	11,876,308	6,897,904
SBITA Issuance	-	74,182	74,182
Installment Contract Issuance	-	21,657	21,657
Sale of Capital Assets	-	2,632	2,632
Total Other Financing Sources (Uses)	4,978,404	11,974,779	6,996,375
NET CHANGE IN FUND BALANCE	$ (13,416,156)	1,068,067	$ 14,484,223
FUND BALANCE, JANUARY 1		19,805,403	
FUND BALANCE, DECEMBER 31		$ 20,873,470	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	$ 6,888,257	$ -	$ 10,610,243	$ 17,498,500
Receivables (Net of Allowance Where Applicable)				
Property Taxes	1,459,017	-	1,082,641	2,541,658
Accounts Receivable	103,933	-	-	103,933
Accrued Interest	109	-	-	109
Other	51,301	-	57,540	108,841
Due from Other Governments	178,884	-	-	178,884
Due from Other Funds	119,598	-	28,400	147,998
Prepaid Items	22,683	109	829,130	851,922
TOTAL ASSETS	$ 8,823,782	$ 109	$ 12,607,954	$ 21,431,845
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 148,205	$ -	$ 379,838	$ 528,043
Recapture Fees Payable	-	-	75,653	75,653
Due to Other Funds	53,214	109	2,758,821	2,812,144
Advances from Other funds	-	-	1,420,760	1,420,760
Total Liabilities	201,419	109	4,635,072	4,836,600
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	1,459,017	-	1,082,641	2,541,658
Total Deferred Inflows of Resources	1,459,017	-	1,082,641	2,541,658
Total Liabilities and Deferred Inflows of Resources	1,660,436	109	5,717,713	7,378,258

(This statement is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
FUND BALANCES				
Nonspendable				
Prepaid Items	$ 22,683	$ 109	$ 829,130	$ 851,922
Restricted				
Retirement Purposes	1,218,646	-	-	1,218,646
Public Safety	894,426	-	-	894,426
Parking	67,547	-	-	67,547
Highway and Street Maintenance	4,633,713	-	-	4,633,713
Capital Projects	-	-	293,192	293,192
Assigned				
Capital Projects	-	-	7,073,836	7,073,836
Special Revenue	326,331	-	-	326,331
Unassigned (Deficit)	-	(109)	(1,305,917)	(1,306,026)
Total Fund Balances	7,163,346	-	6,890,241	14,053,587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 8,823,782	$ 109	$ 12,607,954	$ 21,431,845

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	$ 1,942,465	$ -	$ 744,955	$ 2,687,420
Intergovernmental	1,923,141	-	-	1,923,141
Charges for Services	124,504	-	-	124,504
Fines and Forfeitures	176,921	-	-	176,921
Investment Income	189,036	-	2,035	191,071
Miscellaneous	245,897	-	226,083	471,980
Total Revenues	4,601,964	-	973,073	5,575,037
EXPENDITURES				
Current Operating				
General Government	923,375	218	87,892	1,011,485
Public Safety	551,518	-	-	551,518
Highways and Streets	980,717	-	-	980,717
Culture and Recreation	15,583	-	-	15,583
Capital Outlay	-	-	2,682,665	2,682,665
Debt Service				
Principal	15,082	960,000	454,172	1,429,254
Interest and Fiscal Charges	934	164,000	44,861	209,795
Total Expenditures	2,487,209	1,124,218	3,269,590	6,881,017
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,114,755	(1,124,218)	(2,296,517)	(1,305,980)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,124,218	3,465,523	4,589,741
Transfers (Out)	(1,806,039)	-	(3,154,413)	(4,960,452)
Lease Issuance	-	-	239,182	239,182
Sale of Capital Assets	-	-	258,693	258,693
Total Other Financing Sources (Uses)	(1,806,039)	1,124,218	808,985	127,164
NET CHANGE IN FUND BALANCES	308,716	-	(1,487,532)	(1,178,816)
FUND BALANCES, JANUARY 1	6,854,630	-	8,377,773	15,232,403
FUND BALANCES, DECEMBER 31	$ 7,163,346	$ -	$ 6,890,241	$ 14,053,587

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific restricted taxes or other restricted or committed revenue sources which, by law, are restricted to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

Motor Fuel Tax - To account for the maintenance and various street improvements in the City. Financing is provided by the City's share of motor fuel tax allotments. State statutes require those allotments to be used to maintain streets.

IMRF/FICA - To account for revenues derived from a separate tax levy and disbursement of these funds for contributions to the state-sponsored Illinois Municipal Retirement Fund and to Social Security and Medicare.

Road/Vehicle License - To account for revenues received from the county road and bridge taxes and to account for revenue from vehicle license fees.

School Crossing Guard - To account for expenditures related to school crossing guards.

Restricted Police Fund - To account for revenues derived from narcotic asset seizures and expenses incurred from activities intended to restrict such activities.

Commuter Parking Fund - To account for revenues derived from and expenses incurred to maintain the commuter parking lot.

SSA 47 - To account for the accumulation of resources for, and the payment of, inspection, maintenance and repair costs of storm water facilities in Special Service Area No. 47. Financing is being provided by a property tax levy on property owners in the Special Service Area No. 47.

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2025

	Motor Fuel Tax	IMRF/ FICA	Road/ Vehicle License	School Crossing Guard
ASSETS				
Cash and Investments	$ 4,433,756	$ 1,218,537	$ 157,417	$ 168,800
Receivables (Net of Allowance Where Applicable)				
Property Taxes	-	1,376,644	-	82,373
Accounts Receivable	56,923	-	-	-
Accrued Interest	-	109	-	-
Other	7,051	-	14	32,496
Due from Other Governments	163,028	-	-	-
Due from Other Funds	119,148	-	-	-
Prepaid Items	-	-	-	-
TOTAL ASSETS	$ 4,779,906	$ 2,595,290	$ 157,431	$ 283,669
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 96,780	$ -	$ -	$ 32,396
Due to Other Funds	52,921	-	-	-
Total Liabilities	149,701	-	-	32,396
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	-	1,376,644	-	82,373
Total Deferred Inflows of Resources	-	1,376,644	-	82,373
Total Liabilities and Deferred Inflows of Resources	149,701	1,376,644	-	114,769
FUND BALANCES				
Nonspendable				
Prepaid Items	-	-	-	-
Restricted				
Retirement Purposes	-	1,218,646	-	-
Public Safety	-	-	-	-
Parking	-	-	-	-
Highway and Street Maintenance	4,630,205	-	-	-
Assigned	-	-	157,431	168,900
Total Fund Balances	4,630,205	1,218,646	157,431	168,900
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,779,906	$ 2,595,290	$ 157,431	$ 283,669

Restricted Police	Commuter Parking	SSA 47	Total
$ 890,022	$ 15,647	$ 4,078	$ 6,888,257
-	-	-	1,459,017
-	47,010	-	103,933
-	-	-	109
3,099	8,641	-	51,301
15,856	-	-	178,884
-	450	-	119,598
14,916	7,767	-	22,683
$ 923,893	$ 79,515	$ 4,078	$ 8,823,782
$ 14,551	$ 3,908	$ 570	$ 148,205
-	293	-	53,214
14,551	4,201	570	201,419
-	-	-	1,459,017
-	-	-	1,459,017
14,551	4,201	570	1,660,436
14,916	7,767	-	22,683
-	-	-	1,218,646
894,426	-	-	894,426
-	67,547	-	67,547
-	-	3,508	4,633,713
-	-	-	326,331
909,342	75,314	3,508	7,163,346
$ 923,893	$ 79,515	$ 4,078	$ 8,823,782

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2025

	Motor Fuel Tax	IMRF/ FICA	Road/ Vehicle License	School Crossing Guard
REVENUES				
Property Taxes	$ -	$ 1,350,187	$ 509,829	$ 81,249
Intergovernmental	1,838,408	-	-	-
Charges for Service	-	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Income	186,974	1,567	259	198
Miscellaneous	110,650	-	-	81,232
Total Revenues	2,136,032	1,351,754	510,088	162,679
EXPENDITURES				
Current				
General Government	-	732,422	-	-
Public Safety	-	218,168	-	151,417
Highways and Streets	388,547	592,170	-	-
Culture and Recreation	-	15,583	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	388,547	1,558,343	-	151,417
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,747,485	(206,589)	510,088	11,262
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(1,257,179)	-	(500,000)	-
Total Other Financing Sources (Uses)	(1,257,179)	-	(500,000)	-
NET CHANGE IN FUND BALANCES	490,306	(206,589)	10,088	11,262
FUND BALANCES, JANUARY 1	4,139,899	1,425,235	147,343	157,638
FUND BALANCES, DECEMBER 31	$ 4,630,205	$ 1,218,646	$ 157,431	$ 168,900

Restricted Police	Commuter Parking	SSA 47	Total
$ -	$ -	$ 1,200	$ 1,942,465
84,733	-	-	1,923,141
-	124,504	-	124,504
100,845	76,076	-	176,921
-	33	5	189,036
54,015	-	-	245,897
239,593	200,613	1,205	4,601,964
-	188,958	1,995	923,375
181,933	-	-	551,518
-	-	-	980,717
-	-	-	15,583
15,082	-	-	15,082
934	-	-	934
197,949	188,958	1,995	2,487,209
41,644	11,655	(790)	2,114,755
(48,860)	-	-	(1,806,039)
(48,860)	-	-	(1,806,039)
(7,216)	11,655	(790)	308,716
916,558	63,659	4,298	6,854,630
$ 909,342	$ 75,314	$ 3,508	$ 7,163,346

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	$ 1,811,626	$ 1,838,408	$ 26,782
Investment Income	20,000	186,974	166,974
Miscellaneous	-	110,650	110,650
Total Revenues	1,831,626	2,136,032	304,406
EXPENDITURES			
Highway and Streets			
Contractual Services	50,000	-	(50,000)
Materials and Supplies	600,000	388,547	(211,453)
Total Expenditures	650,000	388,547	(261,453)
EXCESS OF REVENUES OVER EXPENDITURES	1,181,626	1,747,485	565,859
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,631,404)	(1,257,179)	1,374,225
Total Other Financing Sources (Uses)	(2,631,404)	(1,257,179)	1,374,225
NET CHANGE IN FUND BALANCE	$ (1,449,778)	490,306	$ 1,940,084
FUND BALANCE, JANUARY 1		4,139,899	
FUND BALANCE, DECEMBER 31		$ 4,630,205	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF/FICA FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 1,345,933	$ 1,350,187	$ 4,254
Investment Income	1,000	1,567	567
Total Revenues	1,346,933	1,351,754	4,821
EXPENDITURES			
General Government			
Personnel Services	832,520	732,422	(100,098)
Public Safety			
Personnel Services	247,984	218,168	(29,816)
Highways and Streets			
Personnel Services	673,100	592,170	(80,930)
Culture and Recreation			
Personnel Services	17,713	15,583	(2,130)
Total Expenditures	1,771,317	1,558,343	(212,974)
NET CHANGE IN FUND BALANCE	$ (424,384)	(206,589)	$ 217,795
FUND BALANCE, JANUARY 1		1,425,235	
FUND BALANCE, DECEMBER 31		$ 1,218,646	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD/VEHICLE LICENSE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 500,000	$ 509,829	$ 9,829
Investment Income	-	259	259
Total Revenues	500,000	510,088	10,088
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	500,000	510,088	10,088
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	(500,000)	(500,000)	-
NET CHANGE IN FUND BALANCE	$ -	10,088	$ 10,088
FUND BALANCE, JANUARY 1		147,343	
FUND BALANCE, DECEMBER 31		$ 157,431	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL CROSSING GUARD FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 80,687	$ 81,249	$ 562
Investment Income	100	198	98
Miscellaneous	80,687	81,232	545
Total Revenues	161,474	162,679	1,205
EXPENDITURES			
Public Safety			
Contractual Services	161,374	151,417	(9,957)
Total Expenditures	161,374	151,417	(9,957)
NET CHANGE IN FUND BALANCE	$ 100	11,262	$ 11,162
FUND BALANCE, JANUARY 1		157,638	
FUND BALANCE, DECEMBER 31		$ 168,900	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RESTRICTED POLICE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	$ 75,000	$ 84,733	$ 9,733
Fines and Forfeitures	52,360	100,845	48,485
Miscellaneous	-	54,015	54,015
Total Revenues	127,360	239,593	112,233
EXPENDITURES			
Public Safety			
Miscellaneous	248,200	181,933	(66,267)
Debt Service			
Principal	16,016	15,082	(934)
Interest and Fiscal Charges	-	934	934
Total Expenditures	264,216	197,949	(66,267)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(136,856)	41,644	178,500
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	(48,860)	(48,860)
Total Other Financing Sources (Uses)	-	(48,860)	(48,860)
NET CHANGE IN FUND BALANCE	$ (136,856)	(7,216)	$ 129,640
FUND BALANCE, JANUARY 1		916,558	
FUND BALANCE, DECEMBER 31		$ 909,342	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUTER PARKING LOT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Charges for Services	$ 100,000	$ 124,504	$ 24,504
Fines and Forfeitures	70,000	76,076	6,076
Investment Income	-	33	33
Total Revenues	170,000	200,613	30,613
EXPENDITURES			
General Government			
Personnel Services	133,941	133,941	-
Contractual Services	88,042	53,000	(35,042)
Materials and Supplies	2,650	2,017	(633)
Total Expenditures	224,633	188,958	(35,675)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,633)	11,655	66,288
OTHER FINANCING SOURCES (USES)			
Transfers In	20,000	-	(20,000)
Total Other Financing Sources (Uses)	20,000	-	(20,000)
NET CHANGE IN FUND BALANCE	$ (34,633)	11,655	$ 46,288
FUND BALANCE, JANUARY 1		63,659	
FUND BALANCE, DECEMBER 31		$ 75,314	

(See independent auditor's report.)

NONMAJOR DEBT SERVICE FUNDS

Debt Service are used to account for the resources restricted, committed or assigned for the payment of interest and principal on general and special obligation debt other than that payable from the Special Assessment Fund and debt issued for and serviced by the Proprietary Funds.

Three Oaks Debt Service - To account for debt service costs associated with the Three Oaks Recreation Area within the Vulcan Lake TIF.

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
THREE OAKS DEBT SERVICE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	$ -	$ -	$ -
Total Revenues	-	-	-
EXPENDITURES			
General Government			
Contractual Services	1,000	218	(782)
Debt Service			
Principal	960,000	960,000	-
Interest and Fiscal Charges	164,000	164,000	-
Total Expenditures	1,125,000	1,124,218	(782)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,125,000)	(1,124,218)	782
OTHER FINANCING SOURCES (USES)			
Transfers In	1,125,000	1,124,218	(782)
Total Other Financing Sources (Uses)	1,125,000	1,124,218	(782)
NET CHANGE IN FUND BALANCE	$ -	-	$ -
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		$ -	

(See independent auditor's report.)

NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for resources restricted, committed or assigned for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Proprietary Funds.

Main Street TIF Project Fund - To account for the initial planning and engineering design services of the Main Street TIF, including improvements to the Main Street and Crystal Lake Avenue intersection.

Virginia Street Corridor TIF Project Fund - To account for the initial planning and engineering design services of the Virginia Street Corridor TIF, intended to spur a comprehensive revitalization of this area.

Vulcan Lakes TIF Project Fund - To account for the initial planning and engineering design services of the Vulcan Lakes TIF, intended to spur a comprehensive revitalization of this area and will include residential, retail and recreational facilities.

Three Oaks Development - To account for funds from developers set aside for the future development of the Three Oaks Recreation Area.

NCLPB Project Fund - To account for the proceeds of Series 1997 General Obligation Bonds used in the construction and installation of water mains, sewer mains and roadway improvements in the North Crystal Lake Park Beach area.

Waters Edge TIF Project Fund - To account for the initial planning and engineering design services of the Waters Edge TIF.

Vehicle Replacement Fund - To account for operations related to City vehicle replacement.

Raue Center Building Fund - To account for the capital improvement and expenditures related to the Raue Center Building.

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2025

	Main Street TIF Construction	Virginia Street Corridor TIF	Vulcan Lakes TIF District
ASSETS			
Cash and Investments	$ 259,255	$ -	$ -
Receivables (Net of Allowance Where Applicable)			
Property Taxes	393,935	274,482	200,175
Other	23	-	-
Due from Other Funds	-	-	-
Prepaid Items	-	-	-
TOTAL ASSETS	$ 653,213	$ 274,482	$ 200,175
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ -	$ -	$ -
Recapture Fees Payable	-	-	-
Due to Other Funds	-	-	-
Advances from Other Funds	-	-	-
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	393,935	274,482	200,175
Total Deferred Inflows of Resources	393,935	274,482	200,175
Total Liabilities and Deferred Inflows of Resources	393,935	274,482	200,175
FUND BALANCES			
Nonspendable			
Prepaid Items	-	-	-
Restricted			
Capital Projects	259,278	-	-
Assigned			
Capital Projects	-	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	259,278	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 653,213	$ 274,482	$ 200,175

Three Oaks Development	NCLPB Project Fund	Waters Edge TIF Project	Vehicle Replacement	Raue Center Building	Total
$ 2,758,707	$ 52,175	$ 115,428	$ 7,324,678	$ 100,000	$ 10,610,243
-	-	214,049	-	-	1,082,641
114	57,392	11	-	-	57,540
-	-	-	28,400	-	28,400
-	-	-	829,130	-	829,130
$ 2,758,821	$ 109,567	$ 329,488	$ 8,182,208	$ 100,000	$ 12,607,954
$ -	$ -	$ 596	$ 379,242	$ -	$ 379,838
-	75,653	-	-	-	75,653
2,758,821	-	-	-	-	2,758,821
1,258,298	-	162,462	-	-	1,420,760
4,017,119	75,653	163,058	379,242	-	4,635,072
-	-	214,049	-	-	1,082,641
-	-	214,049	-	-	1,082,641
4,017,119	75,653	377,107	379,242	-	5,717,713
-	-	-	829,130	-	829,130
-	33,914	-	-	-	293,192
-	-	-	6,973,836	100,000	7,073,836
(1,258,298)	-	(47,619)	-	-	(1,305,917)
(1,258,298)	33,914	(47,619)	7,802,966	100,000	6,890,241
$ 2,758,821	$ 109,567	$ 329,488	$ 8,182,208	$ 100,000	$ 12,607,954

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2025

	Main Street TIF Project	Virginia Street Corridor TIF Project	Vulcan Lakes TIF Project
REVENUES			
Property Tax	$ 227,715	$ 244,642	$ 152,603
Investment Income	213	40	47
Miscellaneous	-	-	-
Total Revenues	227,928	244,682	152,650
EXPENDITURES			
General Government			
Contractual Services	870	870	870
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	870	870	870
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	227,058	243,812	151,780
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	(243,812)	(151,780)
Lease Issuance	-	-	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	(243,812)	(151,780)
NET CHANGE IN FUND BALANCES	227,058	-	-
FUND BALANCES (DEFICIT), JANUARY 1	32,220	-	-
FUND BALANCES (DEFICIT), DECEMBER 31	$ 259,278	$ -	$ -

Three Oaks Development	NCLPB Project Fund	Waters Edge TIF Project	Vehicle Replacement	Raue Center Building	Total
$ -	$ -	$ 119,995	$ -	$ -	$ 744,955
1,623	-	112	-	-	2,035
226,083	-	-	-	-	226,083
227,706	-	120,107	-	-	973,073
-	73,957	11,325	-	-	87,892
-	-	-	2,682,665	-	2,682,665
-	-	-	454,172	-	454,172
-	-	-	44,861	-	44,861
-	73,957	11,325	3,181,698	-	3,269,590
227,706	(73,957)	108,782	(3,181,698)	-	(2,296,517)
-	-	-	3,365,523	100,000	3,465,523
(2,758,821)	-	-	-	-	(3,154,413)
-	-	-	239,182	-	239,182
-	-	-	258,693	-	258,693
(2,758,821)	-	-	3,863,398	100,000	808,985
(2,531,115)	(73,957)	108,782	681,700	100,000	(1,487,532)
1,272,817	107,871	(156,401)	7,121,266	-	8,377,773
$ (1,258,298)	$ 33,914	$ (47,619)	$ 7,802,966	$ 100,000	$ 6,890,241

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAIN STREET TIF PROJECT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 65,000	$ 227,715	$ 162,715
Investment Income	-	213	213
Total Revenues	65,000	227,928	162,928
EXPENDITURES			
General Governmental			
Contractual Services	870	870	-
Total Expenditures	870	870	-
NET CHANGE IN FUND BALANCE	$ 64,130	227,058	$ 162,928
FUND BALANCE, JANUARY 1		32,220	
FUND BALANCE, DECEMBER 31		$ 259,278	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VIRGINIA STREET CORRIDOR TIF PROJECT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 200,000	$ 244,642	$ 44,642
Investment Income	-	40	40
Total Revenues	200,000	244,682	44,682
EXPENDITURES			
General Governmental			
Contractual Services	870	870	-
Total Expenditures	870	870	-
EXCESS OF REVENUES OVER EXPENDITURES	199,130	243,812	44,682
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(199,130)	(243,812)	(44,682)
Total Other Financing Sources (Uses)	(199,130)	(243,812)	(44,682)
NET CHANGE IN FUND BALANCE	$ -	-	$ -
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		$ -	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VULCAN LAKES TIF PROJECT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 125,000	$ 152,603	$ 27,603
Investment Income	-	47	47
Total Revenues	125,000	152,650	27,650
EXPENDITURES			
General Governmental			
Contractual Services	870	870	-
Total Expenditures	870	870	-
EXCESS OF REVENUES OVER EXPENDITURES	124,130	151,780	27,650
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(124,130)	(151,780)	(27,650)
Total Other Financing Sources (Uses)	(124,130)	(151,780)	(27,650)
NET CHANGE IN FUND BALANCE	$ -	-	$ -
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		$ -	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
THREE OAKS DEVELOPMENT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	$ 300	$ 1,623	1,323
Miscellaneous	-	226,083	226,083
Total Revenues	300	227,706	227,406
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	300	227,706	227,406
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,260,000)	(2,758,821)	(498,821)
Total Other Financing Sources (Uses)	(2,260,000)	(2,758,821)	(498,821)
NET CHANGE IN FUND BALANCE	$ (2,259,700)	(2,531,115)	$ (271,415)
FUND BALANCE, JANUARY 1		1,272,817	
FUND BALANCE (DEFICIT), DECEMBER 31		$ (1,258,298)	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATERS EDGE TIF PROJECT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 75,000	$ 119,995	44,995
Investment Income	-	112	112
Total Revenues	75,000	120,107	45,107
EXPENDITURES			
General Governmental			
Contractual Services	35,870	11,325	(24,545)
Debt Service			
Principal	39,130	-	(39,130)
Total Expenditures	75,000	11,325	(63,675)
NET CHANGE IN FUND BALANCE	$ -	108,782	$ 108,782
FUND BALANCE (DEFICIT), JANUARY 1		(156,401)	
FUND BALANCE (DEFICIT), DECEMBER 31		$ (47,619)	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VEHICLE REPLACEMENT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	$ -	$ -	$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital Outlay	3,962,424	2,682,665	(1,279,759)
Debt Service			
Principal	431,272	454,172	22,900
Interest and Fiscal Charges	38,757	44,861	6,104
Total Expenditures	4,432,453	3,181,698	(1,250,755)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,432,453)	(3,181,698)	1,250,755
OTHER FINANCING SOURCES (USES)			
Transfers In	1,374,608	3,365,523	1,990,915
Lease Issuance	-	239,182	239,182
Sale of Capital Assets	-	258,693	258,693
Total Other Financing Sources (Uses)	1,374,608	3,863,398	2,488,790
NET CHANGE IN FUND BALANCE	$ (3,057,845)	681,700	$ 3,739,545
FUND BALANCE, JANUARY 1		7,121,266	
FUND BALANCE, DECEMBER 31		$ 7,802,966	

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES			
Charges for Sales and Services			
Water Sales	$ 7,471,767	$ 7,991,148	$ 519,381
Sewer Sales	7,156,949	7,643,881	486,932
Penalties	300,000	323,683	23,683
Water Meter Fees	70,000	79,877	9,877
Meter Rental Fees	5,000	18,527	13,527
Water Turn On Fee	10,000	13,001	3,001
Red Tag Fee	35,000	43,975	8,975
Miscellaneous	55,000	436,048	381,048
Total Operating Revenues	15,103,716	16,550,140	1,446,424
OPERATING EXPENSES			
Administration	7,088,772	4,326,581	(2,762,191)
Water Operations	24,956,008	16,218,667	(8,737,341)
Sewer Operations	5,682,125	4,496,422	(1,185,703)
Total Operating Expenses	37,726,905	25,041,670	(12,685,235)
OPERATING INCOME (LOSS)	(22,623,189)	(8,491,530)	14,131,659
NON-OPERATING REVENUES (EXPENSES)			
IEPA Loan Proceeds	500,000	-	(500,000)
Bond Proceeds	10,000,000	10,000,000	-
Principal Payments	(2,612,822)	(2,794,007)	(181,185)
Interest Expense	(1,064,212)	(1,426,741)	(362,529)
Other Tax	2,595,359	2,773,008	177,649
Investment Income	135,000	1,001,813	866,813
Connection Fees	500,000	1,241,666	741,666
Grants	2,272,884	743,832	(1,529,052)
Rental Income	355,214	268,965	(86,249)
Total Non-Operating Revenues (Expenses)	12,681,423	11,808,536	(872,887)
NET INCOME (LOSS) BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	(9,941,766)	3,317,006	13,258,772
TRANSFERS IN (OUT)	4,200,000	3,277,361	(922,639)
CAPITAL GRANTS AND CONTRIBUTIONS	-	600,000	600,000
NET INCOME (LOSS) - BUDGET BASIS	$ (5,741,766)	7,194,367	$ 12,936,133

(This schedule is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
ADJUSTMENTS TO GAAP BASIS			
Capital Assets Capitalized - Water		$ 10,497,965	
Capital Assets Capitalized - Sewer		2,971,386	
Capital Assets Capitalized - Administrative		1,257,053	
Depreciation and Amortization		(4,400,521)	
Bond Proceeds		(10,000,000)	
Principal Payments		2,794,007	
Well ARO Amortization		(9,500)	
Gain/(Loss) on Sale/Disposal of Capital Assets		(244,104)	
Pension Expense		10,102	
OPEB Expense		(19,816)	
Change in Compensated Absences		(57,352)	
Total Adjustments to GAAP Basis		2,799,220	
CHANGE IN NET POSITION		9,993,587	
NET POSITION, JANUARY 1		83,110,054	
NET POSITION, DECEMBER 31		$ 93,103,641	

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
GROUP INSURANCE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES			
Charges for Services			
Employer Contributions	$ 5,431,175	$ 5,437,663	$ 6,488
Employee Contributions	1,298,428	1,238,307	(60,121)
Miscellaneous	25,150	149,932	124,782
Total Operating Revenues	6,754,753	6,825,902	71,149
OPERATING EXPENSES			
Administration	6,754,873	6,374,890	(379,983)
Total Operating Expenses	6,754,873	6,374,890	(379,983)
OPERATING INCOME (LOSS)	(120)	451,012	451,132
NON-OPERATING REVENUES			
Investment Income	1,000	2,437	1,437
Total Non-Operating Revenues	1,000	2,437	1,437
CHANGE IN NET POSITION	$ 880	453,449	$ 452,569
NET POSITION, JANUARY 1		2,542,208	
NET POSITION, DECEMBER 31		$ 2,995,657	

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS

December 31, 2025

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	$ 502,830	$ 273,316	$ 776,146
Investments, at Fair Value			
Investments Held in the Illinois Police Officers' Pension Investment Fund	69,045,931	-	69,045,931
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	72,690,547	72,690,547
Prepaid Expenses	3,735	3,127	6,862
Total Assets	69,552,496	72,966,990	142,519,486
LIABILITIES			
Accounts Payable	1,687	2,260	3,947
Total Liabilities	1,687	2,260	3,947
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 69,550,809	$ 72,964,730	$ 142,515,539

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS

For the Year Ended December 31, 2025

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 3,993,777	$ 2,317,989	$ 6,311,766
Employee	780,629	716,743	1,497,372
Total Contributions	4,774,406	3,034,732	7,809,138
Investment Income			
Net Appreciation in Fair Value of Investments	10,085,581	9,631,899	19,717,480
Interest	345,572	1,312,186	1,657,758
Total Investment Income	10,431,153	10,944,085	21,375,238
Less Investment Expense	(70,883)	(140,852)	(211,735)
Net Investment Income	10,360,270	10,803,233	21,163,503
Total Additions	15,134,676	13,837,965	28,972,641
DEDUCTIONS			
Pension Benefits and Refunds	4,868,900	2,979,451	7,848,351
Administrative Expenses	13,026	64,727	77,753
Total Deductions	4,881,926	3,044,178	7,926,104
NET INCREASE	10,252,750	10,793,787	21,046,537
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	59,298,059	62,170,943	121,469,002
December 31	$ 69,550,809	$ 72,964,730	$ 142,515,539

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET POSITION -
BUDGET AND ACTUAL
POLICE PENSION FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
ADDITIONS			
Contributions			
Employer	$ 3,992,645	$ 3,993,777	$ 1,132
Employee	802,567	780,629	(21,938)
Total Contributions	4,795,212	4,774,406	(20,806)
Investment Income			
Net Appreciation in Fair Value of Investments	-	10,085,581	10,085,581
Interest	1,000,000	345,572	(654,428)
Total Investment Income	1,000,000	10,431,153	9,431,153
Less Investment Expense	(63,450)	(70,883)	(7,433)
Net Investment Income	936,550	10,360,270	9,423,720
Total Additions	5,731,762	15,134,676	9,402,914
DEDUCTIONS			
Pension Benefits and Refunds	4,676,760	4,868,900	192,140
Administrative Expenses	23,000	13,026	(9,974)
Total Deductions	4,699,760	4,881,926	182,166
NET INCREASE	$ 1,032,002	10,252,750	$ 9,220,748
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1		59,298,059	
December 31		$ 69,550,809	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET POSITION -
BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
ADDITIONS			
Contributions			
Employer	$ 2,316,993	$ 2,317,989	$ 996
Employee	777,352	716,743	(60,609)
Total Contributions	3,094,345	3,034,732	(59,613)
Investment Income			
Net Appreciation in Fair Value of Investments	-	9,631,899	9,631,899
Interest	1,100,000	1,312,186	212,186
Total Investment Income	1,100,000	10,944,085	9,844,085
Less Investment Expense	(103,150)	(140,852)	(37,702)
Net Investment Income	996,850	10,803,233	9,806,383
Total Additions	4,091,195	13,837,965	9,746,770
DEDUCTIONS			
Pension Benefits and Refunds	2,914,050	2,979,451	65,401
Administrative Expenses	20,000	64,727	44,727
Total Deductions	2,934,050	3,044,178	110,128
NET INCREASE	$ 1,157,145	10,793,787	$ 9,636,642
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1		62,170,943	
December 31		$ 72,964,730	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS

December 31, 2025

	SSA 44 Tracy Trail	SSA 45 Bryn Mawr	SSA 46 Ryland	Total
ASSETS				
Cash and Investments	$ 15,300	$ 430,121	$ 201,152	$ 646,573
Accounts Receivable	-	-	18	18
Total Assets	15,300	430,121	201,170	646,591
LIABILITIES				
None	-	-	-	-
Total Liabilities	-	-	-	-
NET POSITION RESTRICTED FOR DEBT SERVICE	$ 15,300	$ 430,121	$ 201,170	$ 646,591

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
CUSTODIAL FUNDS

For the Year Ended December 31, 2025

	SSA 44 Tracy Trail	SSA 45 Bryn Mawr	SSA 46 Ryland	Total
ADDITIONS				
Contributions				
Property Owner	$ -	$ -	$ 186,057	$ 186,057
Total Contributions	-	-	186,057	186,057
Investment Income	17	18,147	179	18,343
Total Additions	17	18,147	186,236	204,400
DEDUCTIONS				
Debt Service				
Principal	-	-	100,000	100,000
Interest and Fiscal Charges	-	34,096	78,408	112,504
Total Deductions	-	34,096	178,408	212,504
NET INCREASE (DECREASE)	17	(15,949)	7,828	(8,104)
NET POSITION RESTRICTED FOR DEBT SERVICE				
January 1	15,283	446,070	193,342	654,695
December 31	$ 15,300	$ 430,121	$ 201,170	$ 646,591

(See independent auditor's report.)

DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the basic financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Crystal Lake Public Library:

> The Library operates and maintains the City's public library facilities. The Library's board is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
STATEMENT OF NET POSITION AND BALANCE SHEET

December 31, 2025

	General Operating	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and Investments	$ 5,315,993	$ 1,462,647	$ 1,640,827	$ -	$ 8,419,467
Receivables					
Property Taxes, Net	5,145,939	-	198,000	-	5,343,939
Accounts Receivable	14,120	-	-	-	14,120
Accrued interest	27,570	-	5,884	-	33,454
Due from Primary Government	-	-	54,594	-	54,594
Prepaid Items	49,464	-	-	-	49,464
Capital Assets					
Capital Assets Not Being Depreciated	-	-	-	2,472,561	2,472,561
Capital Assets (Net of Accumulated Depreciation)	-	-	-	4,717,437	4,717,437
Total Assets	10,553,086	1,462,647	1,899,305	7,189,998	21,105,036
DEFERRED OUTFLOWS OF RESOURCES					
OPEB items	-	-	-	83,773	83,773
Pension Items - IMRF	-	-	-	768,008	768,008
Total Deferred Outflows of Resources	-	-	-	851,781	851,781
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,553,086	$ 1,462,647	$ 1,899,305	$ 8,041,779	$ 21,956,817

(This schedule is continued on the following page.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)

December 31, 2025

	General Operating	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 120,306	$ 16,468	$ 64,860	$ -	$ 201,634
Accrued Salaries	171,150	-	-	-	171,150
Escrows and Refundable Deposits	-	-	12,663	-	12,663
Noncurrent Liabilities					
Due Within One Year	-	-	-	222,272	222,272
Due in More than One Year	-	-	-	1,663,472	1,663,472
Total Liabilities	291,456	16,468	77,523	1,885,744	2,271,191
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Tax	5,145,939	-	198,000	-	5,343,939
OPEB Items	-	-	-	21,933	21,933
Total Deferred Inflows of Resources	5,145,939	-	198,000	21,933	5,365,872
Total Liabilities and Deferred Inflows of Resources	5,437,395	16,468	275,523	1,907,677	7,637,063
FUND BALANCES					
Net Investment in Capital Assets	-	-	-	7,189,998	7,189,998
Nonspendable					
Prepaid Items	49,464	-	-	(49,464)	-
Restricted					
Retirement Purposes	-	-	653,148	-	653,148
Library	-	1,446,179	447,080	-	1,893,259
Unrestricted					
Assigned	-	-	523,554	(523,554)	-
Unassigned (Deficit)	5,066,227	-	-	(482,878)	4,583,349
Total Fund Balances	5,115,691	1,446,179	1,623,782	6,134,102	14,319,754
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,553,086	$ 1,462,647	$ 1,899,305	$ 8,041,779	$ 21,956,817

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2025

	General Operating	Special Reserve	Nonmajor Governmental	Adjustments	Statement of Activities
REVENUES					
Property Tax	$ 4,813,652	$ -	$ 434,181	$ -	$ 5,247,833
Intergovernmental	60,397	-	-	-	60,397
Fines and Forfeitures	123,322	-	-	-	123,322
Investment Income	171,589	52,963	92,454	-	317,006
Rental Income	-	-	150,983	-	150,983
Donations	-	-	15,900	-	15,900
Miscellaneous	3,601	-	54,824	-	58,425
Total Revenues	5,172,561	52,963	748,342	-	5,973,866
EXPENDITURES					
Current					
Culture and Recreation	4,302,567	30,613	616,962	391,780	5,341,922
Capital Outlay	85,739	-	-	(85,739)	-
Total Expenditures	4,388,306	30,613	616,962	306,041	5,341,922
NET CHANGE IN FUND BALANCES	784,255	22,350	131,380	(306,041)	631,944
FUND BALANCES, JANUARY 1	4,331,436	1,423,829	1,492,402	6,440,143	13,687,810
FUND BALANCES, DECEMBER 31	$ 5,115,691	$ 1,446,179	$ 1,623,782	$ 6,134,102	$ 14,319,754

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL OPERATING FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 4,811,790	$ 4,813,652	$ 1,862
Intergovernmental	144,598	60,397	(84,201)
Fines and Forfeitures	122,000	123,322	1,322
Investment Income	190,000	171,589	(18,411)
Miscellaneous	19,090	3,601	(15,489)
Total Revenues	5,287,478	5,172,561	(114,917)
EXPENDITURES			
Current			
Culture and Recreation			
Personnel Services	3,599,298	3,184,730	(414,568)
Contracted Services	1,308,850	584,170	(724,680)
Materials and Supplies	704,100	533,667	(170,433)
Capital Outlay	175,230	85,739	(89,491)
Total Expenditures	5,787,478	4,388,306	(1,399,172)
NET CHANGE IN FUND BALANCE	$ (500,000)	784,255	$ 1,284,255
FUND BALANCE, JANUARY 1		4,331,436	
FUND BALANCE, DECEMBER 31		$ 5,115,691	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RESERVE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	$ -	$ 52,963	$ 52,963
Total Revenues	-	52,963	52,963
EXPENDITURES			
Current			
Culture and Recreation			
Contracted Services	250,000	30,613	(219,387)
Total Expenditures	250,000	30,613	(219,387)
NET CHANGE IN FUND BALANCE	$ (250,000)	22,350	$ 272,350
FUND BALANCE, JANUARY 1		1,423,829	
FUND BALANCE, DECEMBER 31		$ 1,446,179	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
COMBINING BALANCE SHEET
NONMAJOR LIBRARY FUNDS

December 31, 2025

	Special Revenue Funds				Capital Project Fund	
	Gift and Memorial	Ames	IMRF	FICA	Public Library Construction and Repair	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and Investments	$ 22,468	$ 419,617	$ 399,800	$ 253,348	$ 545,594	$ 1,640,827
Receivables						
Property Taxes, Net	-	-	99,000	99,000	-	198,000
Accrued Interest	-	5,884	-	-	-	5,884
Due from Primary Government	-	-	-	-	54,594	54,594
Total Assets	22,468	425,501	498,800	352,348	600,188	1,899,305
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 22,468	$ 425,501	$ 498,800	$ 352,348	$ 600,188	$ 1,899,305

	Special Revenue Funds				Capital Project Fund	
	Gift and Memorial	Ames	IMRF	FICA	Public Library Construction and Repair	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 889	$ -	$ -	$ -	$ 63,971	$ 64,860
Escrows and Refundable Deposits	-	-	-	-	12,663	12,663
Total Liabilities	889	-	-	-	76,634	77,523
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Tax	-	-	99,000	99,000	-	198,000
Total Deferred Inflows of Resources	-	-	99,000	99,000	-	198,000
Total Liabilities and Deferred Inflows of Resources	889	-	99,000	99,000	76,634	275,523
FUND BALANCES						
Restricted						
Retirement Purposes	-	-	399,800	253,348	-	653,148
Library	21,579	425,501	-	-	-	447,080
Assigned	-	-	-	-	523,554	523,554
Total Fund Balances	21,579	425,501	399,800	253,348	523,554	1,623,782
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 22,468	$ 425,501	$ 498,800	$ 352,348	$ 600,188	$ 1,899,305

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR LIBRARY FUNDS

For the Year Ended December 31, 2025

	Special Revenue Funds				Capital Project Fund	
	Gift and Memorial	Ames	IMRF	FICA	Public Library Construction and Repair	Total
REVENUES						
Property Tax	$ -	$ -	$ 200,090	$ 234,091	$ -	$ 434,181
Investment Income	874	18,749	32,408	8,291	32,132	92,454
Rental Income	-	-	-	-	150,983	150,983
Donations	15,900	-	-	-	-	15,900
Miscellaneous	-	-	-	-	54,824	54,824
Total Revenues	16,774	18,749	232,498	242,382	237,939	748,342
EXPENDITURES						
Current						
Culture and Recreation						
Personnel	-	-	281,948	204,197	-	486,145
Contractual	12,447	-	-	-	111,564	124,011
Materials and Supplies	3,328	3,478	-	-	-	6,806
Total Expenditures	15,775	3,478	281,948	204,197	111,564	616,962
NET CHANGE IN FUND BALANCES	999	15,271	(49,450)	38,185	126,375	131,380
FUND BALANCES, JANUARY 1	20,580	410,230	449,250	215,163	397,179	1,492,402
FUND BALANCES, DECEMBER 31	$ 21,579	$ 425,501	$ 399,800	$ 253,348	$ 523,554	$ 1,623,782

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GIFT AND MEMORIAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Donations	$ 40,800	$ 15,900	$ (24,900)
Investment Income	-	874	874
Total Revenues	40,800	16,774	(24,026)
EXPENDITURES			
Current			
Culture and Recreation			
Contractual	15,460	12,447	(3,013)
Supplies and Materials	5,422	3,328	(2,094)
Capital Outlay	40,000	-	(40,000)
Total Expenditures	60,882	15,775	(45,107)
NET CHANGE IN FUND BALANCE	$ (20,082)	999	$ 21,081
FUND BALANCE, JANUARY 1		20,580	
FUND BALANCE, DECEMBER 31		$ 21,579	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMES FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment Income	$ -	$ 18,749	$ 18,749
Total Revenues	-	18,749	18,749
EXPENDITURES			
Current			
Culture and Recreation			
Materials and Supplies	15,000	3,478	11,522
Total Expenditures	15,000	3,478	11,522
NET CHANGE IN FUND BALANCE	$ (15,000)	15,271	$ 7,227
FUND BALANCE, JANUARY 1		410,230	
FUND BALANCE, APRIL 30		$ 425,501	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 200,000	$ 200,090	$ 90
Investment Income	-	32,408	32,408
Total Revenues	200,000	232,498	32,498
EXPENDITURES			
Current			
Culture and Recreation			
Personnel Services	331,397	281,948	(49,449)
Total Expenditures	331,397	281,948	(49,449)
NET CHANGE IN FUND BALANCE	$ (131,397)	(49,450)	$ 81,947
FUND BALANCE, JANUARY 1		449,250	
FUND BALANCE, DECEMBER 31		$ 399,800	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FICA FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property Taxes	$ 234,000	$ 234,091	$ 91
Investment Income	-	8,291	8,291
Total Revenues	234,000	242,382	8,382
EXPENDITURES			
Current			
Culture and Recreation			
Personnel Services	234,000	204,197	(29,803)
Total Expenditures	234,000	204,197	(29,803)
NET CHANGE IN FUND BALANCE	$ -	38,185	$ 38,185
FUND BALANCE, JANUARY 1		215,163	
FUND BALANCE, DECEMBER 31		$ 253,348	

(See independent auditor's report.)

CITY OF CRYSTAL LAKE, ILLINOIS

DISCRETELY PRESENTED COMPONENT UNIT - CRYSTAL LAKE PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC LIBRARY CONSTRUCTION AND REPAIR FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Rental Income	$ 143,445	$ 150,983	$ 7,538
Investment Income	-	32,132	32,132
Miscellaneous	-	54,824	54,824
Total Revenues	143,445	237,939	94,494
EXPENDITURES			
Current			
Culture and Recreation			
Contractual Services	143,445	111,564	(31,881)
Total Expenditures	143,445	111,564	(31,881)
NET CHANGE IN FUND BALANCE	$ -	126,375	$ 126,375
FUND BALANCE, JANUARY 1		397,179	
FUND BALANCE, DECEMBER 31		$ 523,554	

(See independent auditor's report.)

STATISTICAL SECTION

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

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	150-159
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	160-163
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	164-168
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	169-170
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	171-173

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

CITY OF CRYSTAL LAKE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	$ 176,078,381	$ 175,911,065	$ 173,931,309	$ 174,038,413
Restricted	7,369,493	8,417,145	8,500,749	9,379,343
Unrestricted (Deficit)	(20,991,234)	(27,233,715)	(26,053,960)	(31,443,463)
TOTAL GOVERNMENTAL ACTIVITIES	$ 162,456,640	$ 157,094,495	$ 156,378,098	$ 151,974,293
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	$ 44,551,283	$ 44,397,118	$ 44,395,007	$ 49,163,769
Unrestricted	6,510,946	7,018,743	8,979,964	8,040,946
TOTAL BUSINESS-TYPE ACTIVITIES	$ 51,062,229	$ 51,415,861	$ 53,374,971	$ 57,204,715
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	$ 220,629,664	$ 220,308,183	$ 218,326,316	$ 223,202,182
Restricted	7,369,493	8,417,145	8,500,749	9,379,343
Unrestricted (Deficit)	(14,480,288)	(20,214,972)	(17,073,996)	(23,402,517)
TOTAL PRIMARY GOVERNMENT	$ 213,518,869	$ 208,510,356	$ 209,753,069	$ 209,179,008

The City implemented GASB Statement No. 68 in 2016.

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2024*	2025
$ 177,510,754	$ 175,285,923	$ 176,875,488	$ 181,837,388	$ 188,351,947	$ 197,349,150
12,269,407	12,059,384	11,849,081	10,649,313	7,954,824	7,107,524
(25,836,721)	(12,047,193)	(3,745,443)	2,281,808	13,543,481	22,750,903
$ 163,943,440	$ 175,298,114	$ 184,979,126	$ 194,768,509	$ 209,850,252	$ 227,207,577
$ 52,160,171	$ 54,063,611	$ 54,686,616	$ 55,271,549	$ 62,311,102	$ 67,347,058
8,306,998	10,756,654	12,460,252	19,295,826	20,798,952	25,756,583
$ 60,467,169	$ 64,820,265	$ 67,146,868	$ 74,567,375	$ 83,110,054	$ 93,103,641
$ 229,670,925	$ 229,349,534	$ 231,562,104	$ 237,108,937	$ 250,663,049	$ 264,696,208
12,269,407	12,059,384	11,849,081	10,649,313	7,954,824	7,107,524
(17,529,723)	(1,290,539)	8,714,809	21,577,634	34,342,433	48,507,486
$ 224,410,609	$ 240,118,379	$ 252,125,994	$ 269,335,884	$ 292,960,306	$ 320,311,218

CITY OF CRYSTAL LAKE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
EXPENSES				
Governmental Activities				
General Government	$ 9,186,944	$ 9,480,281	$ 8,975,593	$ 10,132,372
Public Safety	28,675,754	28,257,439	28,418,257	30,628,583
Highways and Streets	8,803,178	9,075,738	10,526,101	10,577,802
Culture and Recreation	1,202,081	1,240,815	1,316,230	1,295,958
Interest	434,677	395,280	357,479	295,700
Total Governmental Activities Expenses	47,466,743	48,302,634	48,449,553	49,593,660
BUSINESS-TYPE ACTIVITIES				
Waterworks and Sewerage	10,911,625	11,871,081	12,508,300	13,345,604
Total Business-Type Activities Expenses	10,911,625	11,871,081	12,508,300	13,345,604
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 59,214,259	$ 60,320,634	$ 62,101,960	$ 66,276,019
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	$ 1,151,113	$ 1,278,712	$ 1,769,715	$ 1,221,025
Public Safety	4,548,947	4,675,869	4,759,684	4,815,622
Highways and Streets	216,074	227,659	207,974	440,929
Culture and Recreation	626,341	652,572	637,618	399,884
Operating Grants and Contributions				
General Government	-	-	-	-
Public Safety	240,876	169,325	318,273	28,361
Highways and Streets	1,064,996	1,072,190	1,076,674	2,008,677
Capital Grants and Contributions				
Public Safety	-	-	-	-
Highways and Streets	305,691	1,023,140	488,055	120,168
Culture and Recreation	23,132	4,370	4,638	758,751
Total Governmental Activities Program Revenues	8,177,170	9,103,837	9,262,631	9,793,417
Business-Type Activities				
Charges for Services				
Waterworks and Sewerage	11,182,267	11,967,058	13,953,200	14,279,570
Operating Grants and Contributions	-	3,500	-	-
Capital Grants and Contributions	113,616	-	-	69,920
Total Business-Type Activities Program Revenues	11,295,883	11,970,558	13,953,200	14,349,490
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 19,473,053	$ 21,074,395	$ 23,215,831	$ 24,142,907

2021	2022	2023	2024	2024*	2025
$ 8,086,815	$ 7,181,840	$ 9,204,627	$ 8,868,981	$ 6,607,702	$ 5,561,299
26,072,431	26,893,048	30,424,252	30,928,000	21,450,742	31,384,143
9,917,045	9,192,114	11,473,336	11,648,259	8,415,627	17,218,966
1,059,755	1,289,476	1,558,416	1,745,214	1,556,194	1,605,806
134,854	296,979	250,474	202,288	105,744	146,973
52,930,415	45,270,900	44,853,457	52,911,105	38,136,009	55,917,187
13,923,480	13,221,966	15,048,735	14,538,180	9,398,839	16,463,198
13,923,480	13,221,966	15,048,735	14,538,180	9,398,839	16,463,198
$ 59,194,380	$ 58,075,423	$ 67,959,840	$ 67,930,922	$ 47,534,848	$ 72,380,385
$ 1,300,137	$ 1,186,320	$ 1,268,491	$ 1,715,823	$ 530,052	$ 556,849
4,819,013	5,731,210	5,968,139	5,753,213	6,735,183	8,007,195
217,594	234,576	251,923	269,142	603,843	789,013
278,033	530,037	545,769	623,701	565,835	676,249
-	-	-	-	21,800	178,199
2,351,705	172,244	67,724	136,057	57,594	132,571
2,929,526	2,574,252	2,170,297	1,797,521	1,236,094	1,838,408
-	-	595,105	57,734	-	51,273
1,880	-	1,687,500	-	-	-
2,053,878	199,629	318,683	608,083	-	-
13,951,766	10,628,268	12,873,631	10,961,274	9,750,401	12,229,757
15,285,114	15,323,203	15,397,219	16,775,808	11,439,343	17,624,723
-	-	-	-	-	-
609,019	1,165,579	109,003	-	-	600,000
15,894,133	16,488,782	15,506,222	16,775,808	11,439,343	18,224,723
$ 29,845,899	$ 27,117,050	$ 28,379,853	$ 27,737,082	$ 21,189,744	$ 30,454,480

CITY OF CRYSTAL LAKE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
NET (EXPENSE) REVENUE				
Governmental Activities	$ (40,125,464)	$ (39,345,716)	$ (40,331,029)	$ (43,136,998)
Business-Type Activities	384,258	99,477	1,444,900	1,003,886
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ (39,741,206)	$ (39,246,239)	$ (38,886,129)	$ (42,133,112)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	$ 12,368,764	$ 12,499,058	$ 12,985,292	$ 13,034,033
Home Rule Sales	5,078,986	5,159,592	5,403,739	5,296,696
Auto Rental	43,751	40,230	43,839	42,370
Franchise Fees	615,070	728,314	670,865	700,274
Telecommunications	1,155,832	1,076,925	988,663	829,847
Hotel/Other	357,772	408,156	393,659	1,478,225
Intergovernmental				
Personal Property Replacement	160,573	147,318	140,488	153,893
State Sales and Use	12,310,138	12,595,524	13,321,347	13,315,600
State Income Tax	3,841,569	3,707,369	4,215,078	4,008,499
Investment Income	484,987	334,737	1,036,053	1,317,219
Miscellaneous	664,177	920,423	498,526	2,295,775
Transfers	-	-	(82,917)	-
Total Governmental Activities	37,081,619	37,617,646	39,614,632	42,472,431
Business-Type Activities				
Other Tax	-	-	-	1,000,000
Grants - Unrestricted	-	-	-	-
Investment Income	(12,899)	(3,132)	283,436	578,038
Miscellaneous	98,016	257,285	147,859	297,458
Transfers	-	-	82,917	-
Total Business-Type Activities	85,117	254,153	514,212	1,875,496
TOTAL PRIMARY GOVERNMENT	$ 37,166,736	$ 37,871,799	$ 40,128,844	$ 44,347,927
CHANGE IN NET POSITION				
Governmental Activities	$ (3,043,845)	$ (1,728,070)	$ (716,397)	$ (664,567)
Business-Type Activities	469,375	353,630	1,959,112	2,879,382
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ (2,574,470)	$ (1,374,440)	$ 1,242,715	$ 2,214,815

The City implemented GASB Statement No. 68 in 2016.

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2024*	2025
$ (31,319,134)	$ (34,225,189)	$ (40,037,474)	$ (42,431,468)	$ (28,385,608)	$ (43,687,430)
1,970,653	3,266,816	457,487	2,237,628	2,040,504	1,761,525
$ (29,348,481)	$ (30,958,373)	$ (39,579,987)	$ (40,193,840)	$ (26,345,104)	$ (41,925,905)
$ 13,698,616	$ 13,693,963	$ 14,543,492	$ 15,248,645	$ 15,750,945	$ 16,681,802
5,523,531	6,652,098	6,826,463	7,179,057	7,614,329	13,400,568
39,076	59,236	60,825	58,694	46,878	57,141
620,139	643,023	604,830	543,973	304,973	431,295
664,080	589,605	557,117	528,630	353,276	528,858
2,062,893	2,374,264	2,344,342	979,355	827,413	1,058,837
166,446	383,730	526,372	376,351	178,412	212,754
14,035,251	15,405,431	15,819,262	16,687,890	12,009,139	17,961,658
4,670,667	5,835,642	6,506,600	6,592,621	4,569,869	7,262,285
375,853	(1,716,158)	329,908	1,924,376	1,984,179	3,184,668
1,999,312	1,946,219	1,716,455	2,199,979	1,751,171	2,732,262
-	(287,190)	-	(98,720)	(1,163,284)	(3,277,361)
43,855,864	45,579,863	49,835,666	52,220,851	44,227,300	60,234,767
1,000,000	999,998	1,000,000	2,596,683	1,444,854	2,773,008
-	-	-	1,326,955	3,108,262	743,832
154,482	(366,107)	246,960	936,253	797,866	1,001,813
137,319	165,199	638,101	224,268	135,138	436,048
-	287,190	-	98,720	1,163,284	3,277,361
1,291,801	1,086,280	1,885,061	5,182,879	6,649,404	8,232,062
$ 45,147,665	$ 46,666,143	$ 51,720,727	$ 57,403,730	$ 50,876,704	$ 68,466,829
$ 12,536,730	$ 11,354,674	$ 9,798,192	$ 9,789,383	$ 15,841,692	$ 16,547,337
3,262,454	4,353,096	2,342,548	7,420,507	8,689,908	9,993,587
$ 15,799,184	$ 15,707,770	$ 12,140,740	$ 17,209,890	$ 24,531,600	$ 26,540,924

CITY OF CRYSTAL LAKE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
GENERAL FUND				
Nonspendable	$ 2,295,685	$ 2,455,422	$ 2,513,094	$ 3,146,413
Committed	3,128	3,796	37,611	122,612
Unrestricted				
Assigned	2,584,111	1,848,473	2,620,028	3,632,706
Unassigned	9,616,898	11,533,098	14,172,882	15,479,489
TOTAL GENERAL FUND	$ 14,499,822	$ 15,840,789	$ 19,343,615	$ 22,381,220
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 4,923	$ 46,355	$ 47,313	$ 7,868
Restricted	7,910,749	8,883,168	9,060,963	9,379,343
Committed	-	-	253,534	332,702
Unrestricted				
Assigned	7,044,977	6,069,668	5,871,826	6,649,886
Unassigned (Deficit)	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 14,960,649	$ 14,999,191	$ 15,233,636	$ 16,369,799

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2024*	2025
$ 3,282,256	$ 4,210,068	$ 4,521,627	$ 5,314,416	$ 5,391,107	$ 7,446,270
338,750	424,350	583,848	865,295	1,013,375	1,143,778
4,687,516	347,797	368,929	2,108,555	2,174,184	539,487
13,447,755	14,768,666	15,422,765	15,399,501	13,526,219	17,540,573
$ 21,756,277	$ 19,750,881	$ 20,897,169	$ 23,687,767	$ 22,104,885	$ 26,670,108
$ 219,758	$ 304,461	$ 383,467	$ 432,596	$ 1,075,851	$ 913,443
12,269,407	12,059,384	11,849,081	10,649,313	7,954,824	7,107,524
543,117	632,363	798,362	1,082,161	1,236,584	1,370,312
9,763,042	21,769,082	26,190,667	27,484,691	38,735,137	43,249,625
(23,919)	(95,214)	(181,191)	(186,773)	(156,401)	(1,306,026)
$ 22,771,405	$ 34,670,076	$ 39,040,386	$ 39,461,988	$ 48,845,995	$ 51,334,878

CITY OF CYRSTAL LAKE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2017	2018	2019	2020
REVENUES				
Property Taxes	$ 12,368,764	$ 12,499,057	$ 12,985,292	$ 13,034,033
Other Taxes	7,251,411	7,317,786	7,500,765	8,347,412
Intergovernmental	17,740,346	18,841,214	18,972,402	19,559,437
Charges for Services	5,259,621	5,264,409	5,567,308	5,239,878
Licenses and Permits	626,878	659,908	887,689	899,643
Fines and Forfeitures	687,186	520,692	465,779	462,293
Developer Donations	-	-	-	410,527
Investment Income	484,987	334,734	1,036,053	1,317,219
Miscellaneous	943,772	1,350,750	1,611,094	2,629,098
Total Revenues	45,362,965	46,788,550	49,026,382	51,899,540
EXPENDITURES				
General Government	8,176,893	8,312,721	8,212,507	9,121,535
Public Health and Safety	23,956,258	24,143,224	25,231,400	25,551,179
Public Works	7,122,954	5,426,131	5,761,105	5,948,684
Culture and Recreation	736,944	723,546	743,393	661,596
Capital Outlay	4,559,275	4,877,081	3,491,356	6,150,077
Debt Service				
Principal	1,426,983	1,447,120	1,496,632	9,975,381
Interest and Fiscal Charges	475,339	479,218	411,984	228,933
Total Expenditures	46,454,646	45,409,041	45,348,377	57,637,385
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,091,681)	1,379,509	3,678,005	(5,737,845)
OTHER FINANCING SOURCES (USES)				
Transfers In	7,315,265	6,702,316	3,098,328	6,609,374
Transfers (Out)	(7,315,265)	(6,702,316)	(3,098,328)	(6,609,374)
Bonds Issued	-	-	-	7,954,054
Premium (Discount) on Bonds Issued	-	-	-	787,327
Payment to Refunded Bond Escrow	-	-	-	-
Lease Issuance	-	-	59,266	813,338
SBITA Issuance	-	-	-	-
Installment Contract Issuance	-	-	-	-
Sale of Capital Assets	-	-	-	52,807
Total Other Financing Sources (Uses)	-	-	59,266	9,607,526
NET CHANGE IN FUND BALANCES	$ (1,091,681)	$ 1,379,509	$ 3,737,271	$ 3,869,681
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.42%	4.27%	4.20%	18.72%

Note: The increase in debt service as a percentage of noncapital expenditures in 2020 is due to the 2019 refunding bond issues.

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Source

Audited Financial Statements

2021	2022	2023	2024	2024*	2025
$ 13,698,616	$ 13,693,963	$ 14,543,492	$ 15,248,645	$ 15,750,945	$ 16,681,802
8,909,719	10,318,226	10,393,577	9,289,709	9,146,869	15,476,699
24,193,553	24,417,463	25,113,422	26,316,906	18,104,043	27,697,136
4,761,355	5,833,269	5,994,755	6,185,781	7,242,410	8,386,106
1,158,614	1,034,141	1,059,180	1,502,481	807,285	1,018,524
301,362	368,879	528,493	595,639	354,083	624,676
553,878	199,629	-	-	-	-
375,853	(1,716,158)	329,908	1,924,376	1,984,179	3,184,668
2,200,268	2,395,649	3,058,970	2,194,091	1,675,006	2,538,862
56,153,218	56,545,061	61,021,797	63,257,628	55,064,820	75,608,473
8,313,267	7,419,264	7,540,492	8,164,071	5,365,205	8,339,629
25,839,379	26,974,821	28,930,616	29,450,821	22,563,198	32,434,961
6,188,853	6,475,910	7,064,744	7,198,141	4,921,141	8,209,043
510,466	776,629	926,822	914,706	700,213	898,716
9,778,291	3,485,976	9,160,231	13,160,786	12,300,871	14,116,985
1,051,080	1,384,794	1,499,329	1,481,851	1,318,693	1,678,963
550,858	395,496	359,007	311,223	260,045	231,849
52,232,194	46,912,890	55,481,241	60,681,599	47,429,366	65,910,146
3,921,024	9,632,171	5,540,556	2,576,029	7,635,454	9,698,327
9,969,342	14,512,565	12,506,632	14,729,482	19,081,975	16,709,859
(10,382,457)	(14,512,565)	(12,506,632)	(14,828,202)	(20,245,259)	(19,987,220)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,483,808	125,043	157,233	491,512	245,697	239,182
-	-	-	-	359,326	110,976
-	-	-	-	119,398	21,657
195,719	136,061	-	62,188	87,722	261,325
2,266,412	261,104	157,233	454,980	(351,141)	(2,644,221)
$ 6,187,436	$ 9,893,275	$ 5,697,789	$ 3,031,009	$ 7,284,313	$ 7,054,106
3.56%	3.88%	3.72%	3.52%	4.14%	3.50%

CITY OF CRYSTAL LAKE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Mineral Property	Rail Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percentage of Assessed Value
2016	$ 1,526,396	$ 740,647,736	$ 228,349,107	$ 61,366,135	$ 844,076	$ 1,608,116	$ 1,034,341,566	1.1485	$ 3,103,024,698	33.33%
2017	1,622,445	786,070,587	235,117,515	64,679,519	844,076	1,639,399	1,089,973,541	1.1452	3,269,920,623	33.33%
2018	1,761,344	830,734,889	246,047,143	66,264,371	1,465,540	1,760,154	1,148,033,441	1.0873	3,444,100,323	33.33%
2019	1,886,251	863,066,368	262,375,574	69,136,637	1,525,433	1,920,523	1,199,910,786	1.0879	3,599,732,358	33.33%
2020	1,818,208	903,785,948	265,462,865	70,787,741	1,560,639	2,001,775	1,245,417,176	1.0481	3,736,251,528	33.33%
2021	1,996,645	936,467,067	275,263,871	73,138,016	1,606,507	2,177,547	1,290,649,653	1.0743	3,871,948,959	33.33%
2022	2,144,058	1,013,312,568	296,394,616	76,805,530	1,670,033	2,387,892	1,392,714,697	1.0382	4,178,144,091	33.33%
2023	2,339,725	1,103,721,571	317,920,939	80,953,603	1,770,279	2,580,804	1,509,286,921	0.9868	4,527,860,763	33.33%
2024	2,919,314	1,253,103,992	347,136,556	88,537,396	1,882,268	2,448,166	1,696,027,692	0.9093	5,088,083,076	33.33%
2025	3,167,347	1,370,219,460	365,295,300	96,184,549	4,703,504	2,461,643	1,842,031,803	0.8615	5,526,095,409	33.33%

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

Data Source

McHenry County Clerk

CITY OF CRYSTAL LAKE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating										
Municipal Retirement	0.0755	0.0796	0.0868	0.0914	0.0849	0.0958	0.1313	0.1372	0.1461	0.1540
Police Pension	0.2178	0.2354	0.2394	0.2500	0.2697	0.2353	0.2242	0.2083	0.2219	0.2022
School Cross Guard	0.0045	0.0048	0.0050	0.0052	0.0043	0.0044	0.0046	0.0048	0.0050	0.0053
Fire Protection	0.4215	0.4529	0.5041	0.5276	0.5383	0.5501	0.5710	0.5761	0.5992	0.6315
Firemen Pension	0.1422	0.1366	0.1514	0.1641	0.1771	0.1625	0.1569	0.1609	0.1729	0.1556
Total City of Crystal Lake	0.8615	0.9093	0.9868	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485
Crystal Lake Public Library	0.2930	0.3093	0.3374	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345
McHenry County	0.4987	0.5231	0.6649	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539
District 47	3.2523	3.4282	3.6730	3.7431	3.8048	3.8548	3.8851	3.9469	4.0463	4.1616
District 155	2.1349	2.2462	2.4096	2.4353	2.1383	2.1636	2.5236	2.5646	2.6953	2.7749
Debt Service										
District 47	-	-	-	0.0065	-	-	-	-	0.2143	0.2119
District 155	0.0281	0.0304	0.0341	0.0421	0.3371	0.3485	0.0466	0.0485	0.0066	0.0537
Total Tax Rate										
City of Crystal Lake	0.8615	0.9093	0.9868	1.0382	1.0743	1.0481	1.0879	1.0873	1.1452	1.1485
Crystal Lake Public Library	0.2930	0.3093	0.3374	0.3550	0.3674	0.3755	0.3897	0.3997	0.4210	0.4345
McHenry County	0.4987	0.5231	0.6649	0.6982	0.7365	0.7621	0.7868	0.8317	0.9019	1.0539
District 47	3.2523	3.4282	3.6730	3.7496	3.8048	3.8548	3.8851	3.9469	4.2607	4.3735
District 155	2.1630	2.2766	2.4437	2.4774	2.4754	2.5121	2.5702	2.6130	2.7019	2.8286
Other										
College District 528 MCC	0.2446	0.2597	0.2821	0.3060	0.3297	0.3433	0.3564	0.3655	0.3847	0.4066
McHenry County Conservation	0.1769	0.1876	0.2030	0.2125	0.2219	0.2236	0.2286	0.2380	0.2449	0.2588
Crystal Lake Park District	0.4051	0.4224	0.4500	0.4629	0.4703	0.4813	0.4886	0.5003	0.5178	0.5310
Township (Algonquin)	0.0408	0.0439	0.0489	0.0524	0.0543	0.0558	0.0573	0.0603	0.0638	0.0712
Road and Bridge (Algonquin)	0.1012	0.1059	0.1177	0.1201	0.1231	0.1265	0.1323	0.1417	0.1527	0.1705

Data Source

McHenry County Clerk.

CITY OF CRYSTAL LAKE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		2025			2016		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percent of Total District Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percent of Total District Taxable Assessed Value**
Chern Skyridge LLC	Residential	$ 14,478,055	1	0.96%			
Continental 544 Fund LLC	Residential	12,360,280	2	0.82%			
PMAT Crystal, LLC	Commercial	10,660,676	3	0.71%			
KPR US LLC	Industrial	8,759,938	4	0.58%			
Cunat Exc III Darlington	Residential	7,601,010	5	0.50%			
Chern Randall Baric Randall	Residential	7,355,454	6	0.49%			
Centro Bradley Crystal Lake	Commercial	6,552,150	7	0.43%			
Stag Industrial Holdings	Industrial	6,303,372	8	0.42%			
Crystal Lake LP	Commercial	5,685,578	9	0.38%	$ 3,253,410	10	0.31%
95 East LLC	Residential	4,555,197	10	0.30%			
Skyridge Partners II, LLC	Residential				8,119,697	1	0.79%
Crystal Point LLC	Commercial				7,108,357	2	0.69%
Bradley Oper. Ltd. Partnership	Commercial				6,037,186	3	0.58%
Cobalt Industrail	Industrial				5,360,450	4	0.52%
ARCH Crystal Lake	Residential				4,966,561	5	0.48%
Tyco Healthcare Group	Manufacturing				4,591,772	6	0.44%
Walmart Real Est Business	Commercial				4,169,193	7	0.40%
Watermark Crystal Lake	Residential				3,578,425	8	0.35%
Northern IL Medical Center	Healthcare				3,498,295	9	0.34%
		$ 84,311,710		6.05%	$ 50,683,346		4.90%

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Data Source

McHenry County Treasurer

CITY OF CRYSTAL LAKE, ILLINOIS

PROPERTY TAX EXTENSIONS AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Extended for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Extension		Amount	Percentage of Extension
2017	$ 11,879,677	$ 11,864,090	99.87	$ -	$ 11,864,090	99.87
2018	11,879,703	11,873,307	99.95	-	11,873,307	99.95
2019	12,482,104	12,464,739	99.86	-	12,464,739	99.86
2020	12,482,131	12,456,521	99.79	-	12,456,521	99.79
2021	13,053,697	13,030,707	99.82	-	13,030,707	99.82
2022	13,053,672	13,028,661	99.81	-	13,028,661	99.81
2023	13,865,914	13,847,890	99.87	-	13,847,890	99.87
2024	14,459,457	14,441,441	99.88	-	14,441,441	99.88
2024*	14,893,700	14,807,230	99.42	-	14,807,230	99.42
2025	15,421,405	15,425,817	100.03	-	15,425,817	100.03

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Note: Above schedule excludes taxes levied and collected on special service areas. There is a two year difference between the levy year and the fiscal year for which the taxes are levied.

Data Source

McHenry County Clerk

CITY OF CRYSTAL LAKE, ILLINOIS

RATIOS OF OUTSTANDING DEBT - BY TYPE

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities	
Fiscal Year Ended December 31,	**General Obligation Bonds**	**Unamortized Bond Premium**	**Installment Contract**	**Lease Liability**	**SBITA Liability**	**General Obligation Bonds**	**Notes Payable**
2017	$ 13,453,551	$ 30,379	$ -	$ -	$ -	$ 20,364,550	$ 10,426,422
2018	11,988,542	12,491	-	-	-	18,270,226	15,537,661
2019	10,473,372	(6,047)	-	54,611	-	16,108,783	15,235,751
2020	9,339,638	794,276	-	780,680	-	20,301,671	14,389,153
2021	7,716,268	708,630	-	2,817,479	-	17,598,732	13,525,659
2022	6,967,332	623,693	-	2,293,855	-	15,712,668	16,266,699
2023	6,151,361	530,758	-	1,176,190	-	21,398,639	18,407,107
2024	5,327,518	436,973	-	986,480	-	19,367,482	18,251,057
2024*	4,483,007	350,345	119,398	741,834	299,322	17,266,993	17,506,235
2025	3,478,491	268,844	103,355	300,414	260,753	25,626,509	16,528,557

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Business-Type Activities					
Unamortized Bond Premium	Lease Liability	SBITA Liability	Total Primary Government	Percentage of Personal Income	Per Capita
$ 822,722	$ -	$ -	$ 45,097,624	3.17%	$ 1,107
741,277	-	-	46,550,197	3.36%	1,143
658,204	59,664	-	42,584,338	3.07%	1,045
1,187,033	160,682	-	46,953,133	3.39%	1,152
1,107,355	501,116	-	43,975,239	2.67%	1,092
994,313	415,156	-	43,273,716	2.70%	1,075
700,101	321,998	-	48,686,154	2.91%	1,209
569,011	215,466	-	45,153,987	2.50%	1,121
527,068	199,307	-	41,493,509	2.23%	1,030
910,088	95,795	302,505	47,875,311	2.56%	1,189

CITY OF CRYSTAL LAKE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended December 31,	General Obligation Debt	Unamortized Bond Premium	Less Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2017	$ 32,965,000	$ 853,101	$ 535,819	$ 33,282,282	3.47%	$ 816.88
2018	29,505,000	753,768	470,617	29,788,151	2.88%	731.12
2019	26,582,155	652,157	380,381	26,853,931	2.34%	659.11
2020	29,641,309	1,981,309	263,268	31,359,350	2.61%	769.69
2021	25,315,000	1,815,985	328,566	26,802,419	2.23%	665.58
2022	22,680,000	1,618,006	328,811	23,969,195	1.86%	595.23
2023	27,550,000	1,230,859	329,055	28,451,804	2.04%	706.54
2024	24,695,000	1,005,984	-	25,700,984	1.70%	638.23
2024*	21,750,000	877,413	-	22,627,413	1.33%	561.91
2025	29,105,000	1,178,932	-	30,283,932	1.64%	752.04

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Notes: Population data can be found at page 169 - demographic and economic statistics.

Property value data can be found at pages 160 - assessed value and actual value of taxable property.

CITY OF CRYSTAL LAKE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT,
UNAMORTIZED BOND PREMIUM AND CAPITAL LEASES

December 31, 2025

Governmental Unit	Debt	Applicable to the City Percent	Applicable to the City Amount
Bonded Debt	$ 3,478,491		
Unamortized Bond Premium	268,844		
Installment Contract	103,355		
Lease Liability	300,414		
SBITA Liability	260,753		
Total City of Crystal Lake	4,411,857	100%	$ 4,411,857
Overlapping:			
School District Number 155	22,510,000	41.34%	9,306,675
School District Number 46	22,110,000	18.96%	4,191,479
Elgin Community College Number 509	164,275,000	0.002%	3,970
School District Number 200	60,355,700	0.95%	574,449
School District Number 300	176,815,000	0.01%	13,664
McHenry County Conservation District	25,985,000	13.51%	3,510,927
Lake in the Hills Sanitary District	2,320,000	6.48%	150,424
Crystal Lake Park District	11,754,065	75.57%	8,882,135
Cary Park District	12,840,395	0.12%	15,162
Huntley Park District	14,945,000	0.57%	84,629
Total others	513,910,160		26,733,514
Total overlapping debt	$ 518,322,017		$ 31,145,371

CITY OF CRYSTAL LAKE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

December 31, 2025

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

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

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

CITY OF CRYSTAL LAKE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended December 31,	Estimated Population (1)	Personal Income	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	
2017	40,743	$ 1,420,912,125	$ 34,875	13,896	3.2%	
2018	40,743	1,386,932,463	34,041	13,695	3.5%	
2019	40,743	1,468,214,748	36,036	13,357	2.8%	
2020	40,743	1,710,187,425	41,975	13,138	16.1%	(5)
2021	40,269	1,645,028,919	40,851	12,639	5.0%	
2022	40,269	1,601,981,358	39,782	12,787	2.5%	
2023	40,269	1,671,445,383	41,507	12,647	3.6%	
2024	40,269	1,808,521,059	44,911	12,545	3.5%	
2024*	40,269	1,860,387,531	46,199	12,188	3.7%	
2025	40,269	1,871,380,968	46,472	12,036	3.7%	

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Sources

(1) U.S. Census Bureau
(2) U.S. Census Bureau
(3) Elementary and High School - obtained from School Districts
(4) IL Department of Employment Security - Local Area Unemployment Statistics
(5) Change in Unemployment rate is attributable to closures as a result of COVID-19 and the Govenor's Stay-at-Home Orders.

CITY OF CRYSTAL LAKE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year

Employer	Employees	Rank	% of Total City Population
CL Elementary School District 47	1,528	1	3.79%
Mercyhealth	732	2	1.82%
Crystal Lake School District 155	725	3	1.80%
McHenry County College	500	4	1.24%
Knaack Manufacturing	500	5	1.24%
Aptar Group	475	6	1.18%
Crystal Lake Park District	419	7	1.04%
City of Crystal Lake	351	8	0.87%
Walmart	350	9	0.87%
General Kinematics	300	10	0.74%
Clayens	230	11	0.57%
Technipaq	160	12	0.40%
	6,270		15.57%

Information is not readily available for previous years.

Data Sources

Crystal Lake Website, Demographic Data and Statistics, Labor Statistics

CITY OF CRYSTAL LAKE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

	2025	2024*	2024	2023	2022	2021	2020	2019	2018	2017
GENERAL GOVERNMENT	31.50	30.50	30.50	30.05	30.05	29.95	37.25	37.75	38.75	38.75
PUBLIC SAFETY										
Police	88.50	88.70	78.70	78.70	77.70	77.70	77.75	77.75	77.75	78.75
Fire	81.00	80.00	68.00	67.50	67.50	67.50	67.50	67.50	67.50	67.50
HIGHWAYS AND STREETS										
Administration	4.50	4.50	4.50	5.75	4.75	3.25	4.25	4.25	4.25	5.25
Engineering	8.00	8.00	8.00	7.00	7.00	7.00	0.00	0.00	0.00	0.00
Fleet and Facilities	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50
Maintenance	15.00	15.00	15.00	15.00	15.00	15.00	17.00	17.00	18.00	18.00
WATERWORKS AND SEWERAGE	29.00	29.00	29.00	29.00	29.00	30.00	28.00	28.00	28.00	30.00
TOTAL	265.50	262.70	240.70	240.00	238.00	237.40	238.75	239.25	241.25	244.75

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Notes: Full-time equivalent employment is a unit of measure that indicates the workload of an employee. An FTE of 1.0 is equivalent to a full-time worker, while an FTE of 0.75 or 0.5 signals three-quarter or half of a full work load. In Fiscal Year 2021, Engineering moved from the Community Development Department (General Government) to the Public Works Department.

Data Source

City of Crystal Lake records

CITY OF CRYSTAL LAKE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

	2025	2024*	2024	2023	2022	2021	2020	2019	2018	2017
Police										
Physical arrests	822	643	899	891	642	611	769	854	838	905
Parking violations	3,352	2,100	3,754	3,090	2,278	2,019	3,228	2,339	3,310	3,742
Traffic violations	4,190	3,101	4,456	9,434	3,379	3,697	8,788	9,937	10,910	11,869
Fire										
Number of calls answered	7,862	5,182	7,487	7,642	6,704	6,283	6,799	6,345	6,228	5,894
Inspections	1,152	761	967	1,277	743	588	853	957	981	650
Highways and Streets										
Street resurfacing (lane miles)	8.5	8.9	10.7	10.9	12.3	10.8	10.0	6.9	6.9	8.3
Water										
New connections	115	81	205	103	99	123	76	19	8	12
Water main breaks	27	8	26	15	25	22	21	28	19	24
Average daily consumption (millions of gallons)	3.98	3.70	3.63	4.20	4.10	3.87	4.01	3.85	3.85	3.90
Wastewater										
Average daily sewage treatment (millions of gallons)	3.74	3.68	3.84	4.19	3.84	4.77	5.00	4.80	4.80	4.80
Library										
Circulation										
Physical materials	470,318	326,343	481,611	489,613	444,589	115,152	N/A	N/A	N/A	N/A
e-materials	125,072	76,362	104,088	90,121	85,340	94,193	N/A	N/A	N/A	N/A
Reference Questions	67,134	44,050	61,815	62,697	46,152	13,592	N/A	N/A	N/A	N/A
Cardholders	19,583	18,951	17,685	17,685	18,680	21,109	N/A	N/A	N/A	N/A
Programs										
Number	1,097	681	1,015	1,012	921	1,020	N/A	N/A	N/A	N/A
Attendance	47,563	33,190	47,615	51,325	38,162	88,730	N/A	N/A	N/A	N/A

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

N/A - data not available

Data Source

City and Library records

CITY OF CRYSTAL LAKE, ILLINOIS

CAPITAL ASSETS STATISTICS

Last Ten Fiscal Years

	2025	2024*	2024	2023	2022	2021	2020	2019	2018	2017
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	23	22	22	22	22	19	19	19	23
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Streets (miles)	177	177	177	176	176	176	176	176	176	160
Streetlights	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417
Traffic signals	35	35	35	33	33	33	33	33	33	33
Culture and Recreation										
Parks acreage	450	450	450	450	450	450	450	450	450	450
Water										
Water mains (miles)	242	240	240	240	240	240	236	230	230	230
Fire hydrants	3,274	3,263	3,263	3,206	3,234	3,181	3,122	3,122	3,122	3,114
Maximum daily capacity (million of gallons)	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54	8.54
Sewer										
Sanitary sewers (miles)	160	165	165	165	165	165	161	166	166	166
Storm sewers (miles)	127	122	122	122	122	122	115	114	60	60
Maximum daily treatment (millions of gallons)	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50

*The City changed its fiscal year from April 30 to December 31 effective December 31, 2024.

Data Source

City records

CONTINUING DISCLOSURE

Certificate of Coverage

Name and Address of Agency	Name and Address of Member
IRMA 999 Oakmont Plaza Drive, Suite 310 Westmont, IL 60559 (708) 562-0300	City of Crystal Lake 100 W. Woodstock St. Crystal Lake, IL 60014

Scope of Coverage

This certificate is issued as a matter of information only and confers no rights upon the recipient. This certificate does not amend, extend or alter the coverages provided to the member named above. IRMA is a joint municipal risk pool established by contracting units of local government pursuant to Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act, 5 ILCS 220/ et. seq. This is to certify that the member named above is in good standing with the pool and coverages listed below are provided by IRMA to the member named above for the Coverage Term indicated. This coverage is subject to all terms and conditions of the IRMA Bylaws and all terms, provisions and exclusions of the Coverage Documents, and any applicable contract(s) of commercial insurance.

Scope of Coverage	Coverage Document	Coverage Dates	Limits Each Occurrence	
General Liability ☒ Commercial general liability (occurrence based) ☐ Liquor Liability ☒ General Aggregate	2026IRMA-GL	11/1/2025-11/1/2026	Bodily Injury and Property Damage Combined Personal Injury	$1,000,000 minimum $1,000,000 $1,000,000
Auto Liability ☒ Any auto ☐ Owned ☐ Non-Owned ☐ Hired	2026IRMA-AUTO	11/1/2025-11/1/2026	Bodily Injury and Property Damage Combined	$1,000,000 minimum
Workers' Compensation	SP 4067427	11/1/2025-11/1/2026		Statutory
Employer's Liability	SP 4067427	11/1/2025-11/1/2026		$2,500,000
First Party Property	2026IRMA-PROP	11/1/2025-11/1/2026		$250,000,000
Other				

Description of Operations/Locations/Vehicles/Special Items

Evidence of 2026 IRMA Coverage.

Certificate Holder	Date Issued:
	Authorized Representative, Margo Ely