



## **CITY OF NORTHLAKE, ILLINOIS**

### **ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2024**

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**CITY OF NORTHLAKE, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT .....	1-4
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	5-7
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	8-9
Statement of Activities .....	10-11
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	12-13
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances .....	15-16
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	17
Proprietary Funds	
Statement of Net Position .....	18
Statement of Revenues, Expenses and Changes in Net Position.....	19
Statement of Cash Flows .....	20-21

**CITY OF NORTHLAKE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

	<u>Page(s)</u>
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)</b>	
Fund Financial Statements (Continued)	
Fiduciary Funds	
Statement of Fiduciary Net Position.....	22
Statement of Changes in Fiduciary Net Position .....	23
Notes to Financial Statements .....	24-65
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund .....	66
Motor Fuel Tax Fund.....	67
Schedule of Changes in the Employer's Total OPEB	
Liability and Related Ratios	
Other Postemployment Benefits .....	68
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	69
Sheriff's Law Enforcement Personnel Fund .....	70
Police Pension Fund .....	71
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement.....	72-73
Sheriff's Law Enforcement Personnel Fund .....	74-75
Police Pension Fund .....	76-77
Schedule of Investment Returns	
Police Pension Fund .....	78
Notes to Required Supplementary Information .....	79
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
<b>MAJOR GOVERNMENTAL FUNDS</b>	
Schedule of Detailed Revenues - Budget and Actual	
General Fund .....	80-81
Schedule of Detailed Expenditures - Budget and Actual	
General Fund .....	82-83

**CITY OF NORTHLAKE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND	
FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
MAJOR GOVERNMENTAL FUNDS (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
Wolf Ridge Condo Fund .....	84
Utility Tax Fund .....	85
21 <sup>st</sup> Century Fund .....	86
2015 Bond Fund .....	87
MAJOR ENTERPRISE FUNDS	
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
Water and Sewer Fund .....	88
NONMAJOR GOVERNMENTAL FUNDS	
Combining Statement of Revenues, Expenditures	
and Changes in Fund Balances.....	89
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
Creekside Apartments Fund .....	90

## **INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the City Council  
City of Northlake, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Northlake, Illinois (the City) as of and for the year ended December 31, 2024, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Northlake, Illinois, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. The financial statements of the Police Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

## **Emphasis of Matter**

The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this guidance resulted in restatement to beginning fund balances and net position due to correction of an error and changes in the reporting entity. See note 13 for more information. Our opinions are not modified with respect to this matter.

## **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; this includes 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*

Management has not presented the Management's Discussion and Analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial 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 combining and individual fund financial statements and schedules have 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 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 24, 2025

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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 Northlake, 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, each major fund and the aggregate remaining fund information of the City of Northlake, Illinois (the City), as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2025. The financial statements of the Police Pension Trust Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Police Pension Trust Fund or that are reported on separately by those auditors who audited the financial statements of the Police Pension Trust Fund.

**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 and significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

### **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 entity'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 24, 2025

**CITY OF NORTHLAKE, ILLINOIS  
SCHEDULE OF FINDING AND RESPONSE  
DECEMBER 31, 2024**

**SIGNIFICANT DEFICIENCY**

**2024-001 Grant Reporting and Revenue Recognition**

*Criteria:* Grant receivable and revenue for reimbursement based grants should be recorded when eligible costs are incurred. Requests for reimbursements should be submitted on a timely basis to assist with timely collection of award balances.

*Condition:* The City is a recipient of numerous grant awards from a variety of agencies. Each grant program provides specific guidance to the City regarding aspect such as the use of funds, period of eligibility, and reporting requirements. Th City does not have a process in place to accurately track activities by program. Audit adjustments were recommended to restate certain balances to reflect receivables which should have been accrued in prior periods, as well as to adjust current period grant receivable and deferred revenues.

*Effect:* A lack of grant reconciliation processes makes it challenging for the City to be certain revenues and receivables are reported in the appropriate period. Additionally, lack of tracking and delays in submission of reimbursement requests makes tracking of grant programs more challenging and may result in missed submission of eligible costs.

*Cause:* The City does not have a process in place to accurately track activities by program and submission of reimbursement requests is not completed in a timely manner.

*Recommendation:* It is recommended that the City prepare schedules to assist in tracking activity for all grants awarded, including information such as costs incurred, revenues received, reimbursement requests submitted, which will allow the City to have a better understanding of the status of each of its significant grant programs. These schedules can be used to reconcile to the City's accounting system to ensure revenue is properly recognized.

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF NET POSITION**

December 31, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 24,313,103	\$ 7,139,336	\$ 31,452,439
Receivables			
Property taxes	6,461,250	-	6,461,250
Sales tax	2,270,112	-	2,270,112
Use tax	96,130	-	96,130
Mortgages	1,191,109	-	1,191,109
Utility taxes	69,230	-	69,230
Accounts	217,792	909,298	1,127,090
Lease	1,862,410	-	1,862,410
Notes	1,219,552	-	1,219,552
Prepaid items	526,274	27,033	553,307
Due from other governments	437,074	-	437,074
Restricted cash	8,661	-	8,661
Net pension asset	112,842	16,371	129,213
Capital assets			
Capital assets not being depreciated	22,714,156	308,833	23,022,989
Capital assets being depreciated, net	30,321,178	18,079,908	48,401,086
 Total assets	 91,820,873	 26,480,779	 118,301,652
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	424,027	-	424,027
Pension items - IMRF and SLEP	974,418	135,124	1,109,542
Pension items - Police Pension	2,581,963	-	2,581,963
 Total deferred outflows of resources	 3,980,408	 135,124	 4,115,532
 Total assets and deferred outflows of resources	 95,801,281	 26,615,903	 122,417,184

(This statement is continued on the following page.)

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF NET POSITION (Continued)**

December 31, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 491,331	\$ 308,279	\$ 799,610
Accrued payroll	197,978	32,477	230,455
Security deposits	76,485	-	76,485
Unearned revenue	312,677	-	312,677
Noncurrent liabilities			
Due within one year	489,130	72,070	561,200
Due in more than one year	24,784,675	996,223	25,780,898
 Total liabilities	 26,352,276	 1,409,049	 27,761,325
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	6,371,653	-	6,371,653
Deferred revenue - lease	1,795,252	-	1,795,252
Pension items - IMRF and SLEP	126,728	18,386	145,114
Pension items - Police Pension	556,379	-	556,379
 Total deferred inflows of resources	 8,850,012	 18,386	 8,868,398
 Total liabilities and deferred inflows of resources	 35,202,288	 1,427,435	 36,629,723
<b>NET POSITION</b>			
Net investment in capital assets	48,781,615	18,200,181	66,981,796
Restricted for			
Streets	4,181,798	-	4,181,798
Public safety	14,190	-	14,190
Net pension asset	112,842	16,371	129,213
Unrestricted	7,508,548	6,971,916	14,480,464
 <b>TOTAL NET POSITION</b>	 \$ 60,598,993	 \$ 25,188,468	 \$ 85,787,461

See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,046,455	\$ 1,800,694	\$ 19,529	\$ -
Office	1,411,905	-	-	-
Public services	5,955,442	2,005,376	760,462	66,718
Public safety	10,547,037	214,975	9,232	-
Community relations	197,523	1,001,413	-	-
Sanitation	835,842	27,059	-	-
Interest and other charges	318,644	-	-	-
Total governmental activities	21,312,848	5,049,517	789,223	66,718
Business-Type Activities				
Water and sewer	6,475,305	6,218,950	-	-
Total business-type activities	6,475,305	6,218,950	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 27,788,153</b>	<b>\$ 11,268,467</b>	<b>\$ 789,223</b>	<b>\$ 66,718</b>



<b>Net (Expense) Revenue and Change in Net Position</b>			
	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
	\$ (226,232)	\$ -	\$ (226,232)
	(1,411,905)	-	(1,411,905)
	(3,122,886)	-	(3,122,886)
	(10,322,830)	-	(10,322,830)
	803,890	-	803,890
	(808,783)	-	(808,783)
	(318,644)	-	(318,644)
	(15,407,390)	-	(15,407,390)
	-	(256,355)	(256,355)
	-	(256,355)	(256,355)
	(15,407,390)	(256,355)	(15,663,745)
General Revenues			
Taxes			
Real estate	6,281,032	-	6,281,032
Road and bridge	258,406	-	258,406
Personal property replacement	383,224	-	383,224
Sales	8,387,490	-	8,387,490
Room	77,154	-	77,154
Utility	1,384,982	-	1,384,982
Intergovernmental			
Grants	1,654,926	-	1,654,926
Income	2,180,494	-	2,180,494
Use	591,747	-	591,747
Investment income	1,503,887	24	1,503,911
Miscellaneous	288,875	-	288,875
Transfers	(5,019,720)	5,019,720	-
Total	17,972,497	5,019,744	22,992,241
CHANGE IN NET POSITION	2,565,107	4,763,389	7,328,496
NET POSITION, JANUARY 1	57,832,703	19,966,768	77,799,471
Restatement for correction of an error	201,183	458,311	659,494
NET POSITION, JANUARY 1 (RESTATED)	58,033,886	20,425,079	78,458,965
NET POSITION, DECEMBER 31	\$ 60,598,993	\$ 25,188,468	\$ 85,787,461

See accompanying notes to financial statements.

## CITY OF NORTHLAKE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2024

		<b>Special Revenue</b>	
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Wolf Ridge Condo</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,354,959	\$ 3,981,442	\$ 181,969
Receivables			
Property taxes	6,461,250	-	-
Intergovernmental	-	200,356	-
Sales tax	2,270,112	-	-
Local use tax	96,130	-	-
Mortgages	-	-	1,191,109
Utility taxes	-	-	-
Accounts	202,290	-	3,428
Lease	1,862,410	-	-
Notes	-	-	-
Prepaid items	506,482	-	-
Due from other governments	6,718	-	-
Restricted cash	8,661	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,769,012</b>	<b>\$ 4,181,798</b>	<b>\$ 1,376,506</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 317,153	\$ -	\$ 1,923
Accrued payroll	197,978	-	-
Security deposits	-	-	1,650
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>515,131</b>	<b>-</b>	<b>3,573</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	20,208	-	1,185,542
Unavailable revenue - leases	1,795,252	-	-
Unavailable revenue - property taxes	6,371,653	-	-
<b>Total deferred inflows of resources</b>	<b>8,187,113</b>	<b>-</b>	<b>1,185,542</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>8,702,244</b>	<b>-</b>	<b>1,189,115</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	506,482	-	-
Restricted			
Streets	-	4,181,798	-
Public safety	14,190	-	-
Assigned			
Capital improvements	-	-	187,391
Other purposes	-	-	-
Unassigned			
Unassigned	5,546,096	-	-
<b>Total fund balances</b>	<b>6,066,768</b>	<b>4,181,798</b>	<b>187,391</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 14,769,012</b>	<b>\$ 4,181,798</b>	<b>\$ 1,376,506</b>

See accompanying notes to financial statements.

<b>Capital Projects</b>		<b>Debt Service</b>		<b>Nonmajor</b>	<b>Total</b>
<b>Utility</b>	<b>21st</b>	<b>2015</b>		<b>Governmental</b>	<b>Governmental</b>
<b>Tax</b>	<b>Century</b>	<b>Bond</b>		<b>Funds</b>	<b>Funds</b>
\$ 7,163,088	\$ 9,060,750	\$ -	\$ 570,895	\$ 24,313,103	
-	-	-	-	6,461,250	
-	230,000	-	-	430,356	
-	-	-	-	2,270,112	
-	-	-	-	96,130	
-	-	-	-	1,191,109	
69,230	-	-	-	69,230	
-	-	-	12,074	217,792	
-	-	-	-	1,862,410	
-	1,219,552	-	-	1,219,552	
-	-	-	19,792	526,274	
-	-	-	-	6,718	
-	-	-	-	8,661	
<u>\$ 7,232,318</u>	<u>\$ 10,510,302</u>	<u>\$ -</u>	<u>\$ 602,761</u>	<u>\$ 38,672,697</u>	
\$ 102,208	\$ 69,363	\$ -	\$ 684	\$ 491,331	
-	-	-	-	197,978	
-	-	-	74,835	76,485	
-	300,256	-	12,421	312,677	
<u>102,208</u>	<u>369,619</u>	<u>-</u>	<u>87,940</u>	<u>1,078,471</u>	
-	1,219,552	-	-	2,425,302	
-	-	-	-	1,795,252	
-	-	-	-	6,371,653	
<u>-</u>	<u>1,219,552</u>	<u>-</u>	<u>-</u>	<u>10,592,207</u>	
<u>102,208</u>	<u>1,589,171</u>	<u>-</u>	<u>87,940</u>	<u>11,670,678</u>	
-	-	-	19,792	526,274	
-	-	-	-	4,181,798	
-	-	-	-	14,190	
7,130,110	-	-	-	7,317,501	
-	8,921,131	-	495,029	9,416,160	
-	-	-	-	5,546,096	
<u>7,130,110</u>	<u>8,921,131</u>	<u>-</u>	<u>514,821</u>	<u>27,002,019</u>	
<u>\$ 7,232,318</u>	<u>\$ 10,510,302</u>	<u>\$ -</u>	<u>\$ 602,761</u>	<u>\$ 38,672,697</u>	

**CITY OF NORTHLAKE, ILLINOIS**

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

December 31, 2024

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 27,002,019</b>
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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	53,035,334
---	------------

Total OPEB liability is shown as a liability on the statement of net position	(6,102,278)
---	-------------

Loss on debt refunding is deferred in the statement of net position and amortized over the life of the debt as a reduction to interest expense in the statement of activities	424,027
---	---------

Unavailable revenue for mortgage principal payments and long-term loans is reported in the governmental funds that does not provide current financial resources is recognized as revenue for the government-wide financial statements	2,425,302
---	-----------

Net pension asset is shown as an asset on the statement of net position Illinois Municipal Retirement Fund	112,842
---	---------

Net pension liability is shown as a liability on the statement of net position Sheriff's Law Enforcement Personnel Fund	(279,329)
Police Pension Fund	(12,212,463)

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position Illinois Municipal Retirement Fund	804,640
Sheriff's Law Enforcement Personnel Fund	43,050
Police Pension Fund	2,025,584

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds General obligation bonds	(3,455,000)
General obligation covenant bonds	(809,000)
Unamortized bond premium	(295,475)
Compensated absences	(2,120,260)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 60,598,993</b>
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See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

	<b>General</b>	<b>Special Revenue Motor Fuel Tax</b>	<b>Wolf Ridge Condo</b>
<b>REVENUES</b>			
Taxes			
Real estate	\$ 6,281,032	\$ -	\$ -
Road and bridge	258,406	-	-
Personal property replacement	383,224	-	-
Sales	8,387,490	-	-
Room	77,154	-	-
Utility	-	-	-
Intergovernmental	2,889,559	722,880	-
Licenses and permits	2,060,141	-	-
Rental income	-	-	19,800
Mortgage principal	-	-	177,629
Mortgage interest	-	-	47,392
Fines and penalties	211,446	-	-
Charges for services	1,291,193	-	-
Investment income	479,747	171,035	4,603
Miscellaneous income	284,826	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	22,604,218	893,915	249,424
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General government	1,408,972	-	-
Office	1,466,679	-	-
Public services	2,287,850	378,367	13,410
Public safety	10,166,191	-	-
Community relations	195,948	-	-
Sanitation	835,842	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest, fiscal charges and other	7,176	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	16,368,658	378,367	13,410
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,235,560	515,548	236,014
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bond issuance	599,000	-	-
Transfers in	682,285	226,169	-
Transfers (out)	(9,333,624)	-	(216,498)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(8,052,339)	226,169	(216,498)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(1,816,779)	741,717	19,516
	<hr/>	<hr/>	<hr/>
FUND BALANCES, JANUARY 1 AS PREVIOUSLY PRESENTED	7,788,754	-	-
	<hr/>	<hr/>	<hr/>
Restatement	94,793	3,440,081	167,875
	<hr/>	<hr/>	<hr/>
FUND BALANCES, JANUARY 1 (RESTATED)	7,883,547	3,440,081	167,875
	<hr/>	<hr/>	<hr/>
FUND BALANCES, DECEMBER 31	\$ 6,066,768	\$ 4,181,798	\$ 187,391
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

Capital Projects			Debt Service		Nonmajor Governmental Funds	Total Governmental Funds	
Utility Tax	21st Century	2015 Bond					
\$	-	\$	-	\$	-	\$	6,281,032
	-		-		-		258,406
	-		-		-		383,224
	-		-		-		8,387,490
	-		-		-		77,154
	1,384,982		-		-		1,384,982
	827,463	1,263,165	-		-		5,703,067
	-	-	-		-		2,060,141
	-	-	-		716,581		736,381
	-	-	-		-		177,629
	-	-	-		-		47,392
	-	-	-		-		211,446
	-	-	-		-		1,291,193
	353,223	484,692	-		10,587		1,503,887
	-	89,289	-		20,136		394,251
<hr/>							
	2,565,668	1,837,146	-		747,304		28,897,675
<hr/>							
	-	1,473,758	-		-		2,882,730
	-	-	-		-		1,466,679
	-	-	-		256,627		2,936,254
	-	-	-		-		10,166,191
	-	-	-		-		195,948
	-	-	-		-		835,842
	4,098,655	-	-		-		4,098,655
	-	-	4,225,000		-		4,225,000
	-	-	295,400		-		302,576
<hr/>							
	4,098,655	1,473,758	4,520,400		256,627		27,109,875
<hr/>							
	(1,532,987)	363,388	(4,520,400)		490,677		1,787,800
<hr/>							
	-	-	-		-		599,000
	4,368,096	1,092,286	4,520,400		-		10,889,236
	(827,463)	-	-		(513,651)		(10,891,236)
<hr/>							
	3,540,633	1,092,286	4,520,400		(513,651)		597,000
<hr/>							
	2,007,646	1,455,674	-		(22,974)		2,384,800
<hr/>							
	5,122,464	7,465,457	-		4,039,361		24,416,036
	-	-	-		(3,501,566)		201,183
<hr/>							
	5,122,464	7,465,457	-		537,795		24,617,219
<hr/>							
\$	7,130,110	\$	8,921,131	\$	-	\$	514,821
						\$	27,002,019

**CITY OF NORTHLAKE, ILLINOIS**

**RECONCILIATION OF 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, 2024

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 2,384,800</b>
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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	4,446,724
---	-----------

Contributions of capital assets are reported only in the statement of activities	(5,017,720)
--	-------------

Some expenses in the statement of net position (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Loss on disposal of capital asset	(294,502)
Depreciation	(2,200,241)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds	
Proceeds from debt issued	(599,000)
Principal payments	4,225,000
Amortization of premium	36,935
Deferred loss on refunding	(53,003)

Revenues for mortgage principal payments and long-term loans in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	(189,379)
--	-----------

Noncurrent accrued compensated absences and similar obligations do not require the use of current assets; therefore, the changes in accrued compensated absences are not reported in the governmental funds	(316,966)
---	-----------

Changes in total other postemployment benefits liability are reported only in the statement of activities	(498,626)
--	-----------

The change in the net pension liability is reported only in the statement of activities	
Illinois Municipal Retirement Fund	920,265
Sheriff's Law Enforcement Personnel Fund	42,475
Police Pension Fund	(319,199)

The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(427,146)
Sheriff's Law Enforcement Personnel Fund	(17,194)
Police Pension Fund	441,884

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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,565,107</b>
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See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

December 31, 2024

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**CURRENT ASSETS**

Cash and cash equivalents	\$ 7,139,336
Accounts receivable	213,723
Unbilled receivables	695,575
Prepaid items	<u>27,033</u>

Total current assets	<u>8,075,667</u>
----------------------	------------------

**NONCURRENT ASSETS**

Capital assets, not being depreciated	308,833
Capital assets, net of accumulated depreciation	18,079,908
Net pension asset	<u>16,371</u>

Total noncurrent assets	<u>18,405,112</u>
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Total assets	<u>26,480,779</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension - IMRF - regular	<u>135,124</u>
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Total deferred outflows of resources	<u>135,124</u>
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Total assets and deferred outflows of resources	<u>26,615,903</u>
---	-------------------

**CURRENT LIABILITIES**

Accounts payable	308,279
Accrued payroll	32,477
Loans payable - current	34,284
Other postemployment benefit liability - current	<u>37,786</u>

Total current liabilities	<u>412,826</u>
---------------------------	----------------

**NONCURRENT LIABILITIES**

Other postemployment benefit liability - net of current portion	841,947
Loans payable - net of current portion	<u>154,276</u>

Total noncurrent liabilities	<u>996,223</u>
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Total liabilities	<u>1,409,049</u>
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**DEFERRED INFLOWS OF RESOURCES**

Pension - IMRF - regular	<u>18,386</u>
--------------------------	---------------

Total deferred inflows of resources	<u>18,386</u>
-------------------------------------	---------------

Total liabilities and deferred inflows of resources	<u>1,427,435</u>
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**NET POSITION**

Net investment in capital assets	18,200,181
Restricted for net pension asset	16,371
Unrestricted	<u>6,971,916</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 25,188,468</u></u>
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See accompanying notes to financial statements.



**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND**

For the Year Ended December 31, 2024

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**OPERATING REVENUES**

Water billings	\$ 5,781,270
Sewer billings	337,067
Other fees	<u>100,613</u>
Total operating revenues	<u>6,218,950</u>

**OPERATING EXPENSES**

Cost of sales and service	
Purchase of water	3,599,807
Salaries	1,104,968
Contractual services	17,578
Commodities	115,081
Utilities	92,252
Benefits	208,349
Repairs and maintenance	159,912
Depreciation	<u>974,412</u>
Total operating expenses	<u>6,272,359</u>

OPERATING INCOME (LOSS) (53,409)

**NON-OPERATING REVENUES (EXPENSES)**

Investment income	24
Loss on disposal of capital assets	<u>(202,946)</u>
Total non-operating revenues (expenses)	<u>(202,922)</u>

**INCOME BEFORE TRANSFERS AND CONTRIBUTIONS** (256,331)

**TRANSFERS**

Transfers in	<u>2,000</u>
Total transfers	<u>2,000</u>

**CONTRIBUTIONS**

Contributions	<u>5,017,720</u>
Total contributions	<u>5,017,720</u>
Total transfers and contributions	<u>5,019,720</u>

CHANGE IN NET POSITION 4,763,389

NET POSITION, JANUARY 1 19,966,768

Restatement for correction of an error	<u>458,311</u>
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NET POSITION, JANUARY 1 (RESTATED) 20,425,079

**NET POSITION, DECEMBER 31** \$ 25,188,468

See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended December 31, 2024

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 6,542,275
Payments to employees	(1,190,183)
Payments to suppliers	<u>(4,736,531)</u>
Net cash from operating activities	<u>615,561</u>

**CASH FLOWS FROM NONCAPITAL AND  
RELATED FINANCING ACTIVITIES**

Interfund	<u>2,000</u>
Net cash from noncapital and related financing activities	<u>2,000</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Capital assets purchased	(49,173)
Payment of principal	<u>(34,283)</u>
Net cash from capital and related financing activities	<u>(83,456)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>22</u>
Net cash from investing activities	<u>22</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 534,127

CASH AND CASH EQUIVALENTS, JANUARY 1 6,605,209

CASH AND CASH EQUIVALENTS, DECEMBER 31 \$ 7,139,336

(This statement is continued on the following page.)

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUND**

For the Year Ended December 31, 2024

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**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**TO NET CASH FLOWS FROM OPERATING**  
**ACTIVITIES**

Operating income (loss)	\$ (53,409)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	974,412
Changes in assets and liabilities	
Receivables	323,325
Accounts payable	(539,353)
Accrued payroll	8,981
Prepaid items	(4,199)
Pension items - IMRF	61,972
Net pension asset	(133,513)
Total OPEB liability	<u>(22,655)</u>

<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>\$ 615,561</u></b>
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**NONCASH TRANSACTIONS**

Contributed capital assets	<u>\$ 5,017,720</u>
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<b>TOTAL NONCASH TRANSACTIONS</b>	<b><u>\$ 5,017,720</u></b>
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See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION FUND**

December 31, 2024

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**ASSETS**

Cash and cash equivalents	\$ 31,257
Investments held in Illinois Police Officers' Pension Investment Fund	38,432,108
Prepaid Items	<u>4,025</u>
Total assets	<u>38,467,390</u>

**LIABILITIES**

Accounts payable	<u>1,494</u>
Total liabilities	<u>1,494</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 38,465,896

See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION FUND**

For the Year Ended December 31, 2024

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**ADDITIONS**

Contributions	
Employer	\$ 1,834,399
Plan members	<u>424,247</u>
Total contributions	<u>2,258,646</u>
Investment income	
Net appreciation in fair value of investments	3,170,115
Interest on investments	212,858
Less investment expenses	<u>(21,507)</u>
Total investment income	<u>3,361,466</u>
Total additions	<u>5,620,112</u>

**DEDUCTIONS**

Administration	40,883
Benefit payments	<u>2,089,457</u>
Total deductions	<u>2,130,340</u>

NET INCREASE	3,489,772
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**NET POSITION RESTRICTED  
FOR PENSIONS**

January 1	<u>34,976,124</u>
December 31	<u><u>\$ 38,465,896</u></u>

See accompanying notes to financial statements.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Northlake, 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 1949. The City is a home rule unit of government under the Home Rule Provision of the Illinois State Constitution. The City operates under a Mayor/Aldermen form of government providing the following services: public safety (police), public services (building and street lighting), community relations (community events and senior citizens) and sanitation. As required by GAAP, these financial statements present the City (the primary government) and its component unit. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. A blended component unit, although legally separate, is, in substance, part of the City's operations and so data from this unit is combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the City. The City has no discretely presented component units.

**Police Pension Employees Retirement System**

The City's financial statements include the Police Pension Employee Retirement System (PPERS) as a blended component unit report as a Pension Trust Fund. The City's police employees participate in PPERS. 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 pension beneficiary and two elected active 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. Separate financial statements are available for PPERS.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Fund Accounting**

The City uses funds to report on its financial position, changes in its financial position and its cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

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

Governmental funds are used to account for all or most of a government'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 general government 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 are provided to outside parties (enterprise funds).

Fiduciary funds are used to account for fiduciary activities (e.g., resources held for the benefit of parties outside of the government). Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one fiduciary fund; the Police Pension Fund.

**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 has been eliminated from these statements. Interfund services provided and used are not eliminated on 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not properly included among program revenues but are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental 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 City, except those accounted for in another fund.

The Motor Fuel Tax Fund is a special revenue fund that accounts for the activities related to street maintenance and construction.

The Wolf Ridge Condo Fund is used to account for the activities related to the financing and construction of a 60 unit, five story residential condominium complex, as well as the marketing, rental and sale of the condo units.

The Utility Tax Fund is a capital projects fund that accounts for the utility tax resources utilized in construction work.

The 21<sup>st</sup> Century Fund is a capital projects fund that accounts for grant monies utilized in construction work.

The 2015 Bond Funds is a debt service fund that accounts for the principal and interest payments related to City's issued debt.

The City reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the financial activity of the City's water pumping and distribution system, as well as the City's sewage system.

The City reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund and pension trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable, available and earned). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. The City recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day availability period is used for revenue recognition for all other governmental fund revenues except for sales taxes and telecommunication taxes, which use 90 days. 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 or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations. Incidental revenues/expenses are reported as non-operating.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales owed to and taxes and fines collected and held by the state/county at year end on behalf of the City also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary funds and pension trust funds. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus and Basis of Accounting (Continued)

The City reports unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, 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 unavailable/deferred and unearned revenue is removed from the financial statements and revenue is recognized. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary 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 one year or less when purchased and non-negotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Investments in the pension trust fund 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.

f. Short-Term 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 from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Prepaid Items

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

h. Restricted Assets

Certain resources acquired through forfeitures and seizures are held in police department bank accounts and restricted in nature. Additionally, unobligated motor fuel tax revenues received from the State of Illinois are restricted.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure 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 of \$1,000 or greater. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost on the statement of net position. Contributed assets are recorded at acquisition value at the time received. Public domain (infrastructure) assets including roads, curbs and gutters, drainage systems and lighting systems are capitalized based on historical cost estimates by the City and its outside engineering firm.

Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the assets are not capitalized.

Property, plant and equipment is depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Governmental activities	
Buildings and improvements	35-100
Public domain infrastructure	15-75
Equipment	10-35
Vehicles	5-25
Business-type activities	
Infrastructure	10-60
Equipment	5-10
Vehicles	5-7

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. 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 outflow 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. The City reports deferred outflows for deferred charges on refundings and for pension and OPEB items. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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. The City reports deferred inflows for unavailable revenues from property taxes levied but supporting the subsequent years' budget, unavailable revenues from mortgages receivable, leases, and pension and OPEB items. These deferred inflows are reported on both the government-wide and governmental fund financial statements, except mortgages receivable, which are recognized as revenue on the government-wide financial statements. These amounts are recognized as an inflow of resources in the period that the amounts become available in the period intended to finance.

Pension items represent the changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events recognized over the expected remaining service life of all employees and differences in projected and actual earnings over the measurement period recognized over a five-year period.

k. Compensated Absences

The City accrues a liability for vacation and sick leave benefits as these benefits are earned. At December 31, 2024, the liabilities for these accumulated unpaid benefits are accounted for in the enterprise funds at all levels and in the governmental activities column in the government-wide financial statements. In the governmental fund financial statements, a liability has been accrued for amounts owed to employees who have retired or terminated employment by the end of the fiscal year.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l. Long-Term Obligations**

In the government-wide financial statements and proprietary fund 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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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.

**m. Fund Balances/Net Position**

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in 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. None of the restricted fund balance result from enabling legislation adopted by the City. Committed fund balance, if any, is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions 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 Finance Director by the City Council. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in governmental funds are reported as unassigned.

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 and then unassigned funds.

The City has not adopted a fund balance reserve policy for governmental funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the City. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Interfund Transactions

Transactions for interfund services provided and used 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 are reported as transfers.

o. Use of 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 fund. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, repurchase agreements of government securities, short-term commercial paper rated within the three highest classifications by at least two standard rating services, interest-bearing bonds of any local government within the State of Illinois, The Illinois Funds money market funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and the Illinois Metropolitan Investment Fund (IMET).

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 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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

**2. DEPOSITS AND INVESTMENTS (Continued)**

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

a. City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the City in the City's name. The City held no deposits that were uninsured and uncollateralized as of December 31, 2024.

b. City Investments

Investments with maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on 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 City held no investments subject to fair value measurement at December 31, 2024.

In accordance with its investment policy, the City limits its exposure to interest rate risk by diversifying its investment portfolio. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The City's investment policy does not specifically limit the maximum maturity length of investments.

**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 primarily investing in The Illinois Funds. The Illinois Funds is a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value. However, the City's investment policy does not specifically limit the City to these types of investments. The Illinois Funds are rated AAA.

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 possession of an outside party. To limit its exposure, the City'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 City's agent separate from where the investment was purchased. The Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that a single investment instrument or type makes up a significant portion of the City's portfolio, resulting in concentrated risk. The City's investment policy does not address concentration of credit risk.

**3. RECEIVABLES**

a. Property Taxes

The City's property tax becomes a lien on real property on January 1 of the year it is levied. The 2024 levy was adopted December 2, 2024 and attached as an enforceable lien as of January 1, 2024. The City is a home rule unit and, as such, has no statutory tax rate or legal debt margin limitations. Property taxes are deposited with the County Treasurer who remits to the City its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, on or about March 1 and August 1. The 2024 levy is intended to finance the 2025 fiscal year and, therefore, is reported as unavailable/deferred revenue at December 31, 2024.



**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

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

	Balances January 1	Additions	Transfers	Retirements	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 20,371,084	\$ -	\$ -	\$ -	\$ 20,371,084
Construction in progress	4,954,192	2,701,102	(5,017,720)	294,502	2,343,072
Total capital assets not being depreciated	25,325,276	2,701,102	(5,017,720)	294,502	22,714,156
Capital assets being depreciated					
Buildings and improvements	22,583,343	581,681	-	-	23,165,024
Infrastructure	56,409,832	1,020,300	-	-	57,430,132
Equipment and vehicles	3,981,636	143,641	-	-	4,125,277
Total capital assets being depreciated	82,974,811	1,745,622	-	-	84,720,433
Less accumulated depreciation for					
Buildings and improvements	10,040,951	491,579	-	-	10,532,530
Infrastructure	38,851,812	1,407,021	-	-	40,258,833
Equipment and vehicles	3,306,251	301,641	-	-	3,607,892
Total accumulated depreciation	52,199,014	2,200,241	-	-	54,399,255
Total capital assets being depreciated, net	30,775,797	(454,619)	-	-	30,321,178
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<b>\$ 56,101,073</b>	<b>\$ 2,246,483</b>	<b>\$ (5,017,720)</b>	<b>\$ 294,502</b>	<b>\$ 53,035,334</b>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

**GOVERNMENTAL ACTIVITIES**

General government	\$ 683,703
Public services	1,415,267
Public safety	101,271
<b>TOTAL</b>	<b>\$ 2,200,241</b>

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Balances January 1, Restated	Additions	Transfers	Retirements	Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital assets not being depreciated					
Land	\$ 308,833	\$ -	\$ -	\$ -	\$ 308,833
Total capital assets not being depreciated	308,833	-	-	-	308,833
Capital assets being depreciated					
Infrastructure					
Improvements	14,233,831	-	5,017,720	-	19,251,551
Water distribution	6,823,988	-	-	-	6,823,988
Equipment	476,439	-	-	-	476,439
Vehicles	1,865,816	49,173	-	386,563	1,528,426
Total capital assets being depreciated	23,400,074	49,173	5,017,720	386,563	28,080,404
Less accumulated depreciation for					
Infrastructure					
Improvements	4,083,427	711,850	-	-	4,795,277
Water distribution	3,812,355	113,116	-	-	3,925,471
Equipment	476,439	-	-	-	476,439
Vehicles	837,480	149,446	-	183,617	803,309
Total accumulated depreciation	9,209,701	974,412	-	183,617	10,000,496
Total capital assets being depreciated, net	14,190,373	(925,239)	5,017,720	202,946	18,079,908
<b>BUSINESS-TYPE ACTIVITIES</b>					
CAPITAL ASSETS NET	\$ 14,499,206	\$ (925,239)	\$ 5,017,720	\$ 202,946	\$ 18,388,741

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. 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; illnesses of employees; and natural disasters. The City is self-insured for all risks, except health and workman's compensation. They are accounted for in the General Fund. The following table is a summary of coverage in effect for the fiscal year ended December 31, 2024.

Coverage	Self-Insured Retention/ Deductible	Limits
General liability	\$ 100,000	\$1,000,000/occurrence \$3,000,000/annual aggregate
Public officials liability/ employment practices liability	100,000	\$1,000,000/annual aggregate
Employee benefits liability	100,000	\$1,000,000/occurrence
Law enforcement	100,000	\$1,000,000/occurrence \$3,000,000/annual aggregate
Auto liability	100,000	\$1,000,000/occurrence
Excess liability	-	\$10,000,000/occurrence \$10,000,000/annual aggregate

The estimated amount at year end of claims incurred by not reported is not considered material. Settled claims have not exceeded this coverage in any of the past three fiscal years. The City purchases health insurance for its employees.

The City participates in the Illinois Public Risk Fund (IPRF), a public entity risk pool, currently operating as a common risk management and insurance program for approximately 687 members. The City pays an annual premium to IPRF for workers' compensation coverage. The formation agreement to IPRF provides that IPRF will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,500,000 for each insured event. They are accounted for in the General and Water and Sewer Funds.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT**

**a. General Obligation Bonds and Other Long-Term Debt**

The outstanding debt as of December 31, 2024, consists of the following individual amounts:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$11,735,000 General Obligation Bonds dated February 26, 2015; interest payable June 1 and December 1; variable interest rate ranging from 3.255% to 5.000%; matures serially on December 1 through 2030	2015 Bond Fund	\$ 7,680,000	\$ -	\$ 4,225,000	\$ 3,455,000	\$ -
\$210,000 General Obligation Covenant Bonds 2023 (Direct Placement Deb) dated December 7, 2023; interest payable January 1 and July 1; variable interest rate ranging from 2.800% to 6.030%; matures serially on January 1 through 2034	General Fund	210,000	-	-	210,000	15,000
\$210,000 General Obligation Covenant Bonds 2024, SSA#3 (Direct Placement Deb) dated April 19, 2024; interest payable January 1 and July 1; variable interest rate ranging from 2.800% to 6.000%; matures serially on January 1 through 2035	General Fund	-	210,000	-	210,000	-
\$235,000 General Obligation Covenant Bonds 2024, SSA#4 (Direct Placement Deb) dated April 19, 2024; interest payable January 1 and July 1; variable interest rate ranging from 2.800% to 6.000%; matures serially on January 1 through 2035	General Fund	-	235,000	-	235,000	-
\$154,000 General Obligation Covenant Bonds 2024, SSA#5 (Direct Placement Deb) dated April 19, 2024; interest payable January 1 and July 1; variable interest rate ranging from 2.800% to 6.000%; matures serially on January 1 through 2035	General Fund	-	154,000	-	154,000	-

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**a. General Obligation Bonds and Other Long-Term Debt (Continued)**

	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$933,231 Illinois EPA loan dated February 5, 2010; semi-annual principal payment due April 6 and October 6 through 2030; non-interest bearing; final payment date pending	Water and Sewer	\$ 222,843	\$ -	\$ 34,283	\$ 188,560	\$ 34,284
<b>TOTAL OUTSTANDING DEBT</b>		<b>\$ 8,112,843</b>	<b>\$ 599,000</b>	<b>\$ 4,259,283</b>	<b>\$ 4,452,560</b>	<b>\$ 49,284</b>

**b. Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities		
	General Obligation Debt		
	Principal	Interest	Total
2025	\$ -	\$ 112,550	\$ 112,550
2026	795,000	112,550	907,550
2027	-	88,700	88,700
2028	860,000	88,700	948,700
2029	885,000	60,750	945,750
2030	915,000	30,881	945,881
<b>TOTAL</b>	<b>\$ 3,455,000</b>	<b>\$ 494,131</b>	<b>\$ 3,949,131</b>

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

b. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Governmental Activities		
	General Obligation	Direct Placement	Debt
	Principal	Interest	Total
2025	\$ 15,000	\$ 53,491	\$ 68,491
2026	58,000	45,956	103,956
2027	64,000	42,291	106,291
2028	75,000	38,115	113,115
2029	76,000	33,579	109,579
2030	77,000	28,983	105,983
2031	84,000	24,146	108,146
2032	95,000	18,769	113,769
2033	96,000	13,031	109,031
2034	97,000	7,234	104,234
2035	72,000	2,160	74,160
<b>TOTAL</b>	<b>\$ 809,000</b>	<b>\$ 307,755</b>	<b>\$ 1,116,755</b>

  

Year Ending December 31,	Business-Type Activities		
	IEPA Loan		
	Principal	Interest	Total
2025	\$ 34,284	\$ -	\$ 34,284
2026	34,284	-	34,284
2027	34,283	-	34,283
2028	34,284	-	34,284
2029	34,284	-	34,284
2030	17,141	-	17,141
<b>TOTAL</b>	<b>\$ 188,560</b>	<b>\$ -</b>	<b>\$ 188,560</b>

The debt service requirements to maturity presented above for total outstanding loans present the most recent debt service schedules available.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported on the schedule of long-term liabilities payable:

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 7,680,000	\$ -	\$ 4,225,000	\$ 3,455,000	\$ -
General obligation bonds - direct placement	210,000	599,000	-	809,000	15,000
Unamortized bond premium	332,410	-	36,935	295,475	-
Compensated absences payable	1,803,294	316,966	-	2,120,260	212,026
Net pension liability*, **	807,423	-	807,423	-	-
Net pension liability - Sheriff's Law Enforcement Personnel Fund*	321,804	-	42,475	279,329	-
Net pension liability - Police Pension Fund*	11,893,264	319,199	-	12,212,463	-
Other postemployment benefits*	5,603,652	498,626	-	6,102,278	262,104
TOTAL GOVERNMENTAL ACTIVITIES	\$ 28,651,847	\$ 1,733,791	\$ 5,111,833	\$ 25,273,805	\$ 489,130

The change in compensated absences is reported net in accordance with GASB Statement No. 101.

\*Paid primarily from the General Fund.

\*\*The net pension liability was a net pension asset at December 31, 2024.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**6. LONG-TERM DEBT (Continued)**

c. Changes in Long-Term Liabilities (Continued)

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Illinois EPA loans	\$ 222,843	\$ -	\$ 34,283	\$ 188,560	\$ 34,284
Net pension liability*	117,142	-	117,142	-	-
Other postemployment benefits	902,388	-	22,655	879,733	37,786
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1,242,373	\$ -	\$ 174,080	\$ 1,068,293	\$ 72,070

\*The net pension liability was a net pension asset at December 31, 2024.

d. 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.

e. Debt Issuance

On April 19, 2024, the City issued \$210,000 General Obligation Bonds (SSA No. 3), Series 2024; \$235,000 General Obligation Bonds (SSA No. 4), Series 2024; and issued \$154,000 General Obligation Bonds (SSA No. 5), Series 2024, direct placement debt, for the purpose of paying for the building project and the payment of costs of issuance of the bonds. The bonds bear interest at 2.80% to 6.00% and are payable in installments of \$7,176 to \$30,276 through January 1, 2035. The bonds are considered general obligations payable from property taxes.



**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**7. LESSOR DISCLOSURES**

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity as of December 31, 2024, is as follows:

	Lease Count	Date Range	Payments	Interest	Collections	Lease Receivable	Deferred Inflow
Billboard	5	6/1/2007- 5/31/2027	\$1,875 monthly	0.74%	\$ 112,500	\$ 269,390	\$ 266,446
Billboard	1	6/1/2007- 5/31/2027	\$2,500 monthly	0.74%	30,000	71,837	71,053
Billboard	1	6/1/2007- 5/31/2027	\$3,333 monthly	0.74%	40,000	95,783	94,737
Billboard	1	10/28/2007- 10/31/2026	\$1,875 monthly	0.74%	22,500	40,960	40,513
Billboard	1	4/1/1999- 3/31/2033	\$1,500- \$3,602 monthly	1.35%	38,232	319,413	306,129
Parking lot	1	9/1/2007- 8/31/2027	\$1,000 yearly	0.74%	1,000	2,640	2,611
Parking lot	1	1/1/2008- 12/31/2027	\$200 yearly	0.89%	200	592	583
Parking lot	1	12/1/2023- 2/28/2025	\$5,000 monthly	1.85%	59,220	9,977	9,893
Cell tower	1	9/1/1997- 8/31/2042	\$100-\$2,964 monthly	1.70%	25,072	458,472	433,914
Billboard	3	5/1/2006- 5/31/2026	\$2,520 monthly	0.60%	90,720	127,942	127,188
Billboard	1	11/1/2008- 10/31/2034	\$2,667- \$4,277 monthly	1.41%	44,616	465,404	442,185
<b>TOTAL LEASES</b>						<u>\$ 1,862,410</u>	<u>\$ 1,795,252</u>

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**8. INDIVIDUAL FUND DISCLOSURES**

a. Interfund transfers

Interfund transfers between funds for the year ended December 31, 2024, were as follows:

	Transfers In	Transfers Out
General Fund		
21 <sup>st</sup> Century	\$ -	\$ 264,823
Utility Tax	-	4,320,232
Motor Fuel Tax	-	226,169
2015 Bond	-	4,520,400
Water and Sewer	-	2,000
Wolf Ridge Condo	168,634	-
Nonmajor Governmental	513,651	-
	<u>682,285</u>	<u>9,333,624</u>
Nonmajor Governmental		
General	-	513,651
	<u>-</u>	<u>513,651</u>
Motor Fuel Tax		
General	226,169	-
	<u>226,169</u>	<u>-</u>
Wolf Ridge Condo		
General	-	168,634
Utility Tax	-	47,864
	<u>-</u>	<u>216,498</u>
21 <sup>st</sup> Century		
General	264,823	-
Utility Tax	827,463	-
	<u>1,092,286</u>	<u>-</u>
Utility Tax		
General	4,320,232	-
Wolf Ridge Condo	47,864	-
21 <sup>st</sup> Century	-	827,463
	<u>4,368,096</u>	<u>827,463</u>
2015 Bond		
General	4,520,400	-
	<u>4,520,400</u>	<u>-</u>
Water and Sewer		
General	2,000	-
	<u>2,000</u>	<u>-</u>
<b>TOTAL</b>	<u>\$ 10,891,236</u>	<u>\$ 10,891,236</u>

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

a. Interfund transfers (Continued)

The purpose of significant transfers is as follows:

- All interfund transfers are for reimbursement of expenditures that will not be repaid.

**9. TAX ABATEMENTS**

The City rebates certain taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned. The City made a payment of \$56,843 to rebate property taxes. The agreement began in 2000 and runs for 25 years. This agreement does not have a maximum amount, and instead calls for a rebate of real estate taxes applicable and levied by the City.

**10. CONTINGENT LIABILITIES**

a. Litigation

The City is a defendant in various lawsuits. The City has legal counsel that vigorously defends the City in all claims. Any litigation, and potential civil or municipal claims, which may have financial consequences to the City, are covered by the City's general liability insurance policies and by self-insurance.

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 that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**11. 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 Sheriff's Law Enforcement Personnel (SLEP) (also administered by IMRF), an agent multiple-employee retirement system; and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions and

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and may only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org). The Police Pension Plan issues a separate annual financial report that includes required supplementary information. A copy of this annual report can be obtained from the Police Pension Fund at 55 North Avenue, Northlake, Illinois 60164.

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. Plan Descriptions

*Plan Administration*

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The 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.

*Plan Membership*

At December 31, 2023, the latest actuarial valuation date, IMRF and SLEP membership for the City consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	55	3
Inactive employees entitled to but not yet receiving benefits	27	-
Active employees	45	-
<b>TOTAL</b>	<b>127</b>	<b>3</b>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

b. Benefits Provided

Illinois Municipal Retirement Fund

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

Sheriff's Law Enforcement Personnel

SLEP members, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2% of their final earnings rate for the next ten years of credited service, and 1% for each year thereafter. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

c. Contributions

Illinois Municipal Retirement Fund

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 rate for the calendar year ended 2024 was 5.37% of covered payroll.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

c. Contributions (Continued)

Sheriff's Law Enforcement Personnel

Participating members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution rate for the calendar year ended 2024 was 0.00% of covered payroll.

d. Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2023, 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 in the table below.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2023	December 31, 2023
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.25%	2.25%
Salary increases	2.85% to 13.75%	2.85% to 13.75%
Interest rate	7.25%	7.25%
Cost of living adjustments	3.00%	3.00%
Asset valuation method	Fair value	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) 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.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

e. Discount Rate

The discount rate used to measure the total pension liability was 7.25% for both IMRF and SLEP. 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 and SLEP'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 of 7.25% was used to determine the total pension liabilities.

f. Changes in the Net Pension Liability (Asset)

Illinois Municipal Retirement Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2024	\$ 17,344,191	\$ 16,419,626	\$ 924,565
Changes for the period			
Service cost	290,274	-	290,274
Interest	1,244,035	-	1,244,035
Difference between expected and actual experience	21,810	-	21,810
Changes in assumptions	17,530	-	17,530
Employer contributions	-	210,558	(210,558)
Employee contributions	-	149,454	(149,454)
Net investment income	-	1,792,360	(1,792,360)
Benefit payments and refunds	(660,462)	(660,462)	-
Administrative expense	-	-	-
Other (net transfer)	-	475,055	(475,055)
Net changes	913,187	1,966,965	(1,053,778)
BALANCES AT DECEMBER 31, 2024	\$ 18,257,378	\$ 18,386,591	\$ (129,213)

In 2023, there was a change with respect to actuarial assumptions. Certain mortality rates and other demographics were changed.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

f. Changes in the Net Pension Liability (Continued)

Sheriff's Law Enforcement Personnel

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 998,737	\$ 676,933	\$ 321,804
Changes for the period			
Service cost	-	-	-
Interest	69,078	-	69,078
Difference between expected and actual experience	15,308	-	15,308
Changes in assumptions	(1,818)	-	(1,818)
Employer contributions	-	18,603	(18,603)
Employee contributions	-	-	-
Net investment income	-	80,803	(80,803)
Benefit payments and refunds	(91,867)	(91,867)	-
Administrative expense	-	-	-
Other (net transfer)	-	25,637	(25,637)
Net changes	(9,299)	33,176	(42,475)
BALANCES AT DECEMBER 31, 2024	\$ 989,438	\$ 710,109	\$ 279,329

In 2023, there was a change with respect to actuarial assumptions. Certain mortality rates and other demographics were changed.



**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Illinois Municipal Retirement Fund

For the year ended December 31, 2024, the City recognized pension expense of \$(411,343). At December 31, 2024, 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	\$ 37,930	\$ 145,114
Changes in assumption	12,228	-
Net difference between projected and actual earnings on pension plan investments	863,017	-
Employer contributions subsequent to the measurement date	153,317	-
	<hr/>	<hr/>
TOTAL	\$ 1,066,492	\$ 145,114

\$153,317 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2025	\$ 21,014
2026	265,557
2027	600,610
2028	(119,120)
2029	-
Thereafter	-
	<hr/>
TOTAL	\$ 768,061

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Sheriff's Law Enforcement Personnel

For the year ended December 31, 2024, the City recognized pension expense of \$(13,299). At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 43,050	\$ -
Employer contributions subsequent to the measurement date	-	-
<b>TOTAL</b>	<b>\$ 43,050</b>	<b>\$ -</b>

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

<u>Year Ending December 31,</u>	
2025	\$ 2,100
2026	14,606
2027	33,036
2028	(6,692)
2029	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 43,050</b>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

h. Discount Rate Sensitivity

Illinois Municipal Retirement Fund

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%)
Net pension liability (asset)	\$ 2,220,895	\$ (129,213)	\$ (1,931,342)

Sheriff's Law Enforcement Personnel

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City 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	\$ 358,700	\$ 279,329	\$ 209,737

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 contributions 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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

a. Plan Administration (Continued)

The 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.

b. Plan Membership

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

Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>38</u>
 TOTAL	 <u>76</u>

c. Benefits Provided

The following is a summary of the Police Pension Plan as provided for in ILCS.

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.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

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 obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service 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). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> 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 proceeding calendar year.

d. Contributions

Covered 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 Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City is funding at least 100% of the actuarially determined contribution on an informal funding policy basis. For the year ended December 31, 2024, the City's contribution was 41.93% of covered payroll.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

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. Deposits with Financial Institutions

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

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 pledging of collateral for all bank balances held in the fund's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

g. Investments

Investments of the fund 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 as of June 30, 2024. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at [www.ipopif.org](http://www.ipopif.org).

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

h. Fair Value Measurement

The fund 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 fund held no investments subject to fair value measurement at December 31, 2024.

i. Net Asset Value

The Net Asset Value (NAV) of the fund's pooled investment in IPOPIF was \$38,432,108 at December 31, 2024. 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, 2024. The fund 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.

j. Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

k. Discount Rate

The discount rate used to measure the total pension liability was 7%. 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 payment 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.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

1. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 46,869,388	\$ 34,976,124	\$ 11,893,264
Changes for the period			
Service cost	1,077,228	-	1,077,228
Interest	3,207,726	-	3,207,726
Changes of benefit terms	-	-	-
Difference between expected and actual experience	766,910	-	766,910
Changes in assumptions	846,564	-	846,564
Employer contributions	-	1,834,399	(1,834,399)
Employee contributions	-	424,247	(424,247)
Other contributions	-	-	-
Net investment income	-	3,361,466	(3,361,466)
Benefit payments and refunds	(2,089,457)	(2,089,457)	-
Administrative expense	-	(40,883)	40,883
Net changes	3,808,971	3,489,772	319,199
BALANCES AT DECEMBER 31, 2024	\$ 50,678,359	\$ 38,465,896	\$ 12,212,463

In 2024, there were assumption changes made related to mortality rates, retirement rates, termination rates, disability rates, projected pay increases, CPI and inflation rates.



**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

m. Actuarial Assumptions

The total net pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	3.81% to 13.72%
Interest rate	7.00%
Cost of living adjustments	2.25%
Asset valuation method	Fair value

Mortality rates are based on the Pub-2010 tables adjusted for plan status, collar and Illinois public pension data, as appropriate.

n. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 19,648,709	\$ 12,212,463	\$ 6,156,213

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

- o. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2024, the City recognized police pension expense of \$1,711,714. At December 31, 2024, 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	\$ 1,256,329	\$ 448,827
Changes in assumption	704,760	107,552
Net difference between projected and actual earnings on pension plan investments	620,874	-
TOTAL	<u>\$ 2,581,963</u>	<u>\$ 556,379</u>

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:

<u>Year Ending December 31,</u>	
2025	\$ 637,152
2026	1,207,630
2027	(216,852)
2028	129,738
2029	267,916
Thereafter	<u>-</u>
TOTAL	<u><u>\$ 2,025,584</u></u>

**12. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired police officers in accordance with their collective bargaining agreement. The police retiree participants make no contribution to this program for themselves but pay 100% of the cost to cover spouses and dependents. The subsidy ends upon the retiree reaching age 65. IMRF employees are also eligible to remain on the City's health insurance coverage at separation on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. The City's contributions are financed on a pay-as-you-go basis. The City's expense under this program was \$299,890 for the year ended December 31, 2024. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's Governmental Activities (General Fund) and Water and Sewer Fund.

b. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements.

All health care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Eligibility in city sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. For certain disabled public safety employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents until the age of 65. The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All IMRF retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the City.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At December 31, 2024 (most recent information available), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>75</u>
<b>TOTAL</b>	<b><u>89</u></b>

d. Total OPEB Liability

The City's total OPEB liability of \$6,982,011 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2024.

e. Actuarial Assumptions and Other Inputs

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

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	3.00%
Salary increases	4.00%
Discount rate	4.28%
Healthcare cost trend rates	6.50% Initial 4.50% Ultimate
Retirees share of benefit-related costs	100% Regular Plan (IMRF retirees) / 0% until 65 (Police and PSEBA retirees)

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the index rate for tax-exempt general obligation municipal bonds rated AA or better at December 31, 2024. The discount rate at December 31, 2024, was 4.28%.

Mortality is projected to the valuation date using PubS.H-2010 Mortality Table for Safety and PubG.H-2010 Mortality Table for General, with improvement using Scale MP-2020.

The actuarial assumptions used in the December 31, 2024, valuation are based on participation rates of 100% of active Police personnel and 20% of IMRF employees with 25% of all participants electing spousal coverage upon retirement. Males are assumed to be three years older than females. Actual spousal data was used for current retirees.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2024	<u>\$ 6,506,040</u>
Changes for the period	
Service cost	182,208
Interest	254,244
Difference between expected and actual experience	349,850
Changes in benefit terms	-
Changes in assumptions	(10,441)
Benefit payments	(299,890)
Other	<u>-</u>
Net changes	<u>475,971</u>
BALANCES AT DECEMBER 31, 2024	<u>\$ 6,982,011</u>

Changes in assumptions include the discount rate from 4.00% to 4.28%, changes in per capita costs and healthcare trend rates.

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. 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 4.28% 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 (3.28%) or 1 percentage point higher (5.28%) than the current rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB liability	\$ 7,675,492	\$ 6,982,011	\$ 6,369,822

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 6.50% to 4.50% 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 (5.50% to 3.50%) or 1 percentage point higher (7.50% to 5.50%) than the current rate:

	1% Decrease (5.50% to 3.50%)	Current Healthcare Rate (6.50% to 4.50%)	1% Increase (7.50% to 5.50%)
Total OPEB liability	\$ 6,266,014	\$ 6,982,011	\$ 7,813,613

h. OPEB Expense

For the year ended December 31, 2024, the City recognized OPEB expense of \$653,588.

**CITY OF NORTHLAKE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**13. RESTATEMENTS OF BEGINNING BALANCES**

The City's beginning balances were adjusted due to a change within the reporting entity and an error correction, as follows:

	Reporting Units Affected by Restatements of Beginning Balance		
	Funds		
	General	Motor Fuel	Wolf Ridge
DECEMBER 31, 2023, AS PREVIOUSLY REPORTED	\$ 7,788,754	\$ -	\$ -
Change within reporting entity	-	3,333,691	167,875
Restatement for correction of an error	94,793	106,390	-
DECEMBER 31, 2024, AS RESTATED	\$ 7,883,547	\$ 3,440,081	\$ 167,875

	Reporting Units Affected by Restatements of Beginning Balance			
	Funds		Government-Wide	
	Nonmajor Governmental	Water and Sewer	Governmental Activities	Business- Type Activities
DECEMBER 31, 2023, AS PREVIOUSLY REPORTED	\$ 4,039,361	\$ 19,966,768	\$ 57,832,703	\$ 19,966,768
Change within reporting entity	(3,501,566)	-	-	-
Restatement for correction of an error	-	458,311	201,183	458,311
DECEMBER 31, 2024, AS RESTATED	\$ 537,795	\$ 20,425,079	\$ 58,033,886	\$ 20,425,079

**14. SUBSEQUENT EVENTS**

On June 16, 2025, the City approved an ordinance providing for the issuance of \$323,000 General Obligation Covenant Bonds (SSA No. 6), Series 2025, for the purpose of paying the costs of the Building 22 project and the cost of issuance of the bonds.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Real estate	\$ 6,392,707	\$ 6,281,032	\$ (111,675)
Road and bridge	150,000	258,406	108,406
Personal property replacement	600,000	383,224	(216,776)
Sales	5,000,000	8,387,490	3,387,490
Room	55,000	77,154	22,154
Intergovernmental revenue	3,058,000	2,889,559	(168,441)
Licenses and permits	1,698,400	2,060,141	361,741
Fines and penalties	246,500	211,446	(35,054)
Charges for services	1,139,650	1,291,193	151,543
Investment income	150,000	479,747	329,747
Miscellaneous	303,000	284,826	(18,174)
Total revenues	<u>18,793,257</u>	<u>22,604,218</u>	<u>3,810,961</u>
<b>EXPENDITURES</b>			
Current			
General government	1,587,006	1,408,972	(178,034)
Office	933,175	1,466,679	533,504
Public services	2,548,427	2,287,850	(260,577)
Public safety	10,054,836	10,166,191	111,355
Community relations	151,087	195,948	44,861
Sanitation	750,000	835,842	85,842
Debt service			
Interest	-	7,176	7,176
Total expenditures	<u>16,024,531</u>	<u>16,368,658</u>	<u>344,127</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,768,726</u>	<u>6,235,560</u>	<u>3,466,834</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from bond issuance	-	599,000	599,000
Transfers in	-	682,285	682,285
Transfers (out)	(1,426,000)	(9,333,624)	(7,907,624)
Total other financing sources (uses)	<u>(1,426,000)</u>	<u>(8,052,339)</u>	<u>(6,626,339)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,342,726</u>	<u>(1,816,779)</u>	<u>\$ (3,159,505)</u>
FUND BALANCE, JANUARY 1		7,788,754	
Restatement for correction of an error		<u>94,793</u>	
FUND BALANCE, JANUARY 1 (RESTATED)		<u>7,883,547</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 6,066,768</u>	

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Allotments	\$ 450,000	\$ 570,740	\$ 120,740
Grants	-	152,140	152,140
Investment income	300	171,035	170,735
Total revenues	450,300	893,915	443,615
<b>EXPENDITURES</b>			
Current			
Public services			
Repairs and maintenance	935,000	378,367	(556,633)
Total expenditures	935,000	378,367	(556,633)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(484,700)	515,548	1,000,248
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	226,169	226,169
Total other financing sources (uses)	-	226,169	226,169
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (484,700)</u>	<u>741,717</u>	<u>\$ 1,226,417</u>
<b>FUND BALANCE, JANUARY 1</b>		3,333,691	
Restatement for correction of an error		<u>106,390</u>	
<b>FUND BALANCE, JANUARY 1 (RESTATED)</b>		<u>3,440,081</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 4,181,798</u></u>	

**CITY OF NORTHLAKE, ILLINOIS**

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

Last Seven Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>TOTAL OPEB LIABILITY</b>							
Service cost	\$ 182,208	\$ 176,904	\$ 238,729	\$ 247,245	\$ 180,544	\$ 190,306	\$ 163,155
Interest	254,244	259,996	158,069	137,155	148,320	152,688	136,250
Changes of benefit terms	-	-	-	-	-	180,645	-
Differences between expected and actual experience	349,850	-	(26,856)	-	449,665	-	-
Changes of assumptions	(10,441)	179,986	(1,106,779)	(238,395)	1,900,605	-	(119,498)
Benefit payments, including refunds of member contributions	(299,890)	(286,488)	(225,631)	(228,697)	(163,914)	(180,309)	(123,583)
Other changes	-	-	-	-	73,939	3,425	99,623
Net change in total OPEB liability	475,971	330,398	(962,468)	(82,692)	2,589,159	346,755	155,947
Total OPEB liability - beginning	6,506,040	6,175,642	7,138,110	7,220,802	4,631,643	4,284,888	4,128,941
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 6,982,011</b>	<b>\$ 6,506,040</b>	<b>\$ 6,175,642</b>	<b>\$ 7,138,110</b>	<b>\$ 7,220,802</b>	<b>\$ 4,631,643</b>	<b>\$ 4,284,888</b>
Covered-employee payroll	\$ 8,015,791	\$ 6,537,064	\$ 6,537,064	\$ 5,861,160	\$ 5,861,160	\$ 5,572,894	\$ 5,572,894
Employer's total OPEB liability as a percentage of covered-employee payroll	87.10%	99.53%	94.47%	121.79%	123.20%	83.11%	76.89%

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

In 2024, there were changes in assumptions related to discount rate, per capita costs, and health care trend rates.

In 2023, there were changes in assumptions related to discount rate.

In 2022, there were changes in assumptions related to discount rate and health care trend rate.

In 2021, there were changes in assumptions related to the discount rate.

In 2020, there were changes in assumptions related to the discount rate, health care trend rate and mortality rate.

In 2019, there were changes in assumptions related to the discount rate.

In 2018, there were changes in assumptions related to the discount rate and health care trend rate.

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.

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 153,317	\$ 229,161	\$ 236,065	\$ 256,521	\$ 271,949	\$ 218,050	\$ 241,652	\$ 234,098	\$ 258,599	\$ 255,644
Contributions in relation to the actuarially determined contribution	153,317	229,161	236,066	256,089	300,504	218,050	241,651	243,462	258,599	255,644
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ 432</b>	<b>\$ (28,555)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (9,364)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,855,180	\$ 3,190,275	\$ 2,988,164	\$ 2,888,748	\$ 2,850,622	\$ 2,777,707	\$ 2,612,450	\$ 2,536,272	\$ 2,575,685	\$ 2,516,181
Contributions as a percentage of covered payroll	5.37%	7.18%	7.90%	8.87%	10.54%	7.85%	9.25%	9.60%	10.04%	10.16%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal 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 20 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 assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,011
Contributions in relation to the actuarially determined contribution	11,982	18,603	22,709	25,336	26,935	24,956	26,499	37,772	23,984	9,665
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (11,982)</b>	<b>\$ (18,603)</b>	<b>\$ (22,709)</b>	<b>\$ (25,336)</b>	<b>\$ (26,935)</b>	<b>\$ (24,956)</b>	<b>\$ (26,499)</b>	<b>\$ (37,772)</b>	<b>\$ (23,984)</b>	<b>\$ (8,654)</b>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,618
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	209.29%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal 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 20 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 assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 1,425,722	\$ 1,306,974	\$ 1,464,548	\$ 1,514,046	\$ 1,383,662	\$ 1,527,809	\$ 1,437,056	\$ 1,365,559	\$ 1,084,680	\$ 1,012,148	\$ 1,005,094
Contributions in relation to the actuarially determined contribution	1,834,399	1,644,398	1,733,121	1,615,430	1,574,646	1,650,351	1,339,329	1,314,102	1,105,794	1,038,302	1,014,462
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (408,677)</b>	<b>\$ (337,424)</b>	<b>\$ (268,573)</b>	<b>\$ (101,384)</b>	<b>\$ (190,984)</b>	<b>\$ (122,542)</b>	<b>\$ 97,727</b>	<b>\$ 51,457</b>	<b>\$ (21,114)</b>	<b>\$ (26,154)</b>	<b>\$ (9,368)</b>
Additional voluntary contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,174,840	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	4,374,754	4,299,440	3,880,025	3,703,846	3,674,963	3,937,066	3,813,139	3,741,488	3,872,605	3,500,699	3,353,880
Contributions as a percentage of covered payroll	41.93%	38.25%	44.67%	43.61%	42.85%	41.92%	35.12%	35.12%	28.55%	29.66%	30.25%

Notes to Required Supplementary Information

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Amortization period	18 years
Asset valuation method	Five-year smoothed fair value
Investment rate of return, net of investment expenses	7.00% annually
Projected salary increases	3.56% to 13.47%
Postretirement benefit increases	3.50% compounded annually

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

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

Last Ten Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 290,274	\$ 280,741	\$ 258,595	\$ 282,608	\$ 279,007	\$ 254,821	\$ 278,597	\$ 263,370	\$ 271,092	\$ 282,439
Interest	1,244,035	1,210,036	1,133,504	1,053,306	1,009,503	943,173	893,423	835,498	825,205	751,664
Differences between expected and actual experience	21,810	(371,678)	267,144	550,863	(191,300)	167,165	316,406	21,398	(556,111)	28,432
Changes of assumptions	17,530	-	-	(213,149)	-	426,720	(400,554)	-	-	317,564
Benefit payments, including refunds of member contributions	(660,462)	(649,375)	(580,044)	(530,834)	(458,825)	(452,052)	(373,246)	(337,847)	(460,308)	(327,443)
Net change in total pension liability	913,187	469,724	1,079,199	1,142,794	638,385	1,339,827	714,626	782,419	79,878	1,052,656
Total pension liability - beginning	17,344,191	16,874,467	15,795,268	14,652,474	14,014,089	12,674,262	11,959,636	11,177,217	11,097,339	10,044,683
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 18,257,378</b>	<b>\$ 17,344,191</b>	<b>\$ 16,874,467</b>	<b>\$ 15,795,268</b>	<b>\$ 14,652,474</b>	<b>\$ 14,014,089</b>	<b>\$ 12,674,262</b>	<b>\$ 11,959,636</b>	<b>\$ 11,177,217</b>	<b>\$ 11,097,339</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 210,558	\$ 236,066	\$ 256,089	\$ 300,504	\$ 218,050	\$ 241,651	\$ 243,462	\$ 258,599	\$ 255,644	\$ 255,293
Contributions - member	149,454	139,909	139,798	128,279	126,688	154,417	115,312	115,905	113,751	142,955
Net investment income	1,792,360	(2,216,185)	2,745,995	1,982,058	2,211,567	(596,056)	1,864,512	717,646	53,405	614,223
Benefit payments, including refunds of member contributions	(660,462)	(649,375)	(580,044)	(530,834)	(458,825)	(452,052)	(373,246)	(337,847)	(460,308)	(327,443)
Administrative expense	475,055	(89,091)	(101,191)	164,688	4,598	190,810	(62,843)	29,225	(407,480)	7,528
Net change in plan fiduciary net position	1,966,965	(2,578,676)	2,460,647	2,044,695	2,102,078	(461,230)	1,787,197	783,528	(444,988)	692,556
Plan fiduciary net position - beginning	16,419,626	18,998,302	16,537,655	14,492,960	12,390,882	12,852,112	11,064,915	10,281,387	10,726,375	10,033,819
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 18,386,591</b>	<b>\$ 16,419,626</b>	<b>\$ 18,998,302</b>	<b>\$ 16,537,655</b>	<b>\$ 14,492,960</b>	<b>\$ 12,390,882</b>	<b>\$ 12,852,112</b>	<b>\$ 11,064,915</b>	<b>\$ 10,281,387</b>	<b>\$ 10,726,375</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ (129,213)</b>	<b>\$ 924,565</b>	<b>\$ (2,123,835)</b>	<b>\$ (742,387)</b>	<b>\$ 159,514</b>	<b>\$ 1,623,207</b>	<b>\$ (177,850)</b>	<b>\$ 894,721</b>	<b>\$ 895,830</b>	<b>\$ 370,964</b>

MEASUREMENT DATE DECEMBER 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	100.71%	94.67%	112.59%	104.70%	98.91%	88.42%	101.40%	92.52%	91.99%	96.66%
Covered payroll	\$ 3,190,275	\$ 2,988,164	\$ 2,888,748	\$ 2,850,622	\$ 2,777,707	\$ 2,612,450	\$ 2,536,272	\$ 2,575,685	\$ 2,516,181	\$ 2,469,466
Employer's net pension liability (asset) as a percentage of covered payroll	(4.05%)	30.94%	(73.52%)	(26.04%)	5.74%	62.13%	(7.01%)	34.74%	35.60%	15.02%

Notes to Required Supplementary Information

In 2023, there was a change with respect to actuarial assumptions. Certain mortality rates and other demographics were changed.

In 2020, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted the inflation rate, salary increases and mortality rates.

In 2018, there was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.25%.

In 2017, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

In 2014, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

(See independent auditor's report.)



**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND**

Last Ten Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,868	\$ 30,638
Interest	69,078	69,589	69,987	69,871	70,006	70,810	72,732	69,754	71,174	60,022
Differences between expected and actual experience	15,308	14,143	13,189	13,696	12,703	11,539	10,320	10,490	(11,732)	66,897
Changes of assumptions	(1,818)	-	-	4,655	-	21,617	(28,249)	(97,014)	54,023	66,192
Benefit payments, including refunds of member contributions	(91,867)	(89,694)	(87,641)	(85,599)	(83,534)	(81,458)	(79,405)	(77,427)	(73,606)	(10,212)
Net change in total pension liability	(9,299)	(5,962)	(4,465)	2,623	(825)	22,508	(24,602)	(94,197)	74,727	213,537
Total pension liability - beginning	998,737	1,004,699	1,009,164	1,006,541	1,007,366	984,858	1,009,460	1,103,657	1,028,930	815,393
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 989,438</b>	<b>\$ 998,737</b>	<b>\$ 1,004,699</b>	<b>\$ 1,009,164</b>	<b>\$ 1,006,541</b>	<b>\$ 1,007,366</b>	<b>\$ 984,858</b>	<b>\$ 1,009,460</b>	<b>\$ 1,103,657</b>	<b>\$ 1,028,930</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 18,603	\$ 22,709	\$ 25,336	\$ 26,935	\$ 24,956	\$ 26,499	\$ 37,772	\$ 23,984	\$ 9,665	\$ 36,961
Contributions - member	-	-	-	-	-	-	-	-	346	13,799
Net investment income	80,803	(137,499)	146,768	112,500	135,285	(56,658)	128,796	44,040	3,283	38,447
Benefit payments, including refunds of member contributions	(91,867)	(89,694)	(87,641)	(85,599)	(83,534)	(81,458)	(79,405)	(77,427)	(73,606)	(10,212)
Administrative expense	25,637	9,370	6,404	17,283	8,413	31,887	(22,279)	8,036	12,987	(526)
Net change in plan fiduciary net position	33,176	(195,114)	90,867	71,119	85,120	(79,730)	64,884	(1,367)	(47,325)	78,469
Plan fiduciary net position - beginning	676,933	872,047	781,180	710,061	624,941	704,671	639,787	641,154	688,479	610,010
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 710,109</b>	<b>\$ 676,933</b>	<b>\$ 872,047</b>	<b>\$ 781,180</b>	<b>\$ 710,061</b>	<b>\$ 624,941</b>	<b>\$ 704,671</b>	<b>\$ 639,787</b>	<b>\$ 641,154</b>	<b>\$ 688,479</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 279,329</b>	<b>\$ 321,804</b>	<b>\$ 132,652</b>	<b>\$ 227,984</b>	<b>\$ 296,480</b>	<b>\$ 382,425</b>	<b>\$ 280,187</b>	<b>\$ 369,673</b>	<b>\$ 462,503</b>	<b>\$ 340,451</b>

MEASUREMENT DATE DECEMBER 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	71.77%	67.78%	86.80%	77.41%	70.54%	62.04%	71.55%	63.38%	58.09%	66.91%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,618	\$ 183,980
Employer's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10,015.22%	185.05%

In 2023, there was a change with respect to actuarial assumptions. Certain mortality rates and other demographics were changed.

In 2020, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted the inflation rate, salary increases and mortality rates.

In 2018, there was a change with respect to actuarial assumptions. The discount rate decreased from 7.50% to 7.25%.

In 2017, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates and retirement age.

In 2014, there was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

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

Last Ten Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 1,077,228	\$ 1,016,349	\$ 968,032	\$ 952,205	\$ 1,015,721	\$ 966,015	\$ 969,513	\$ 979,916	\$ 916,923	\$ 780,817
Interest	3,207,726	3,033,622	2,869,636	2,697,820	2,617,055	2,494,675	2,332,203	2,200,718	2,110,626	1,993,790
Changes of benefit terms	-	167,761	(14,562)	-	-	163,832	-	-	-	-
Differences between expected and actual experience	766,910	252,967	386,394	(801,380)	(525,741)	822,554	440,206	154,412	(1,177,846)	1,597,783
Changes of assumptions	846,564	-	-	-	-	(155,239)	(313,985)	(432,958)	731,120	(917,910)
Benefit payments, including refunds of member contributions	(2,089,457)	(1,877,275)	(1,834,536)	(1,679,093)	(1,580,583)	(1,450,106)	(1,339,819)	(1,321,361)	(1,217,507)	(1,212,186)
Net change in total pension liability	3,808,971	2,593,424	2,374,964	1,169,552	1,526,452	2,841,731	2,088,118	1,580,727	1,363,316	2,242,294
Total pension liability - beginning	46,869,388	44,275,964	41,901,000	40,731,448	39,204,996	36,363,265	34,275,147	32,694,421	2,242,294	-
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 50,678,359</b>	<b>\$ 46,869,388</b>	<b>\$ 44,275,964</b>	<b>\$ 41,901,000</b>	<b>\$ 40,731,448</b>	<b>\$ 39,204,996</b>	<b>\$ 36,363,265</b>	<b>\$ 34,275,148</b>	<b>\$ 3,605,610</b>	<b>\$ 2,242,294</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 1,834,399	\$ 1,644,398	\$ 1,733,121	\$ 1,615,430	\$ 1,574,646	\$ 1,650,351	\$ 4,514,169	\$ 1,314,102	\$ 1,105,794	\$ 1,038,302
Contributions - member	424,247	388,969	387,733	360,594	361,188	365,042	377,882	345,041	348,317	340,957
Net investment income	3,361,466	4,046,520	(4,831,932)	4,408,979	3,416,713	4,149,274	(732,802)	2,147,564	698,657	37,241
Benefit payments, including refunds of member contributions	(2,089,457)	(1,877,275)	(1,834,536)	(1,679,093)	(1,580,583)	(1,450,106)	(1,339,819)	(1,321,361)	(1,217,507)	(1,212,186)
Administrative expense	(40,883)	(48,470)	(68,290)	(55,156)	(68,249)	(68,164)	(38,560)	(59,610)	(50,152)	(78,673)
Net change in plan fiduciary net position	3,489,772	4,154,142	(4,613,904)	4,650,754	3,703,715	4,646,397	2,780,870	2,425,736	885,109	125,641
Plan fiduciary net position - beginning	34,976,124	30,821,982	35,435,886	30,785,132	27,081,417	22,435,020	19,654,150	1,010,750	125,641	-
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 38,465,896</b>	<b>\$ 34,976,124</b>	<b>\$ 30,821,982</b>	<b>\$ 35,435,886</b>	<b>\$ 30,785,132</b>	<b>\$ 27,081,417</b>	<b>\$ 22,435,020</b>	<b>\$ 3,436,486</b>	<b>\$ 1,010,750</b>	<b>\$ 125,641</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,212,463</b>	<b>\$ 11,893,264</b>	<b>\$ 13,453,982</b>	<b>\$ 6,465,114</b>	<b>\$ 9,946,316</b>	<b>\$ 12,123,579</b>	<b>\$ 13,928,245</b>	<b>\$ 30,838,662</b>	<b>\$ 2,594,860</b>	<b>\$ 2,116,653</b>

MEASUREMENT DATE DECEMBER 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position as a percentage of the total pension liability	75.90%	74.62%	69.61%	84.57%	75.58%	69.08%	61.70%	10.03%	28.03%	5.60%
Covered payroll	\$ 4,374,754	\$ 4,299,440	\$ 3,880,025	\$ 3,703,846	\$ 3,674,963	\$ 3,937,066	\$ 3,813,139	\$ 3,872,605	\$ 3,500,699	\$ 3,353,880
Employer's net pension liability as a percentage of covered payroll	279.16%	276.62%	346.75%	174.55%	270.65%	307.93%	365.27%	796.33%	74.12%	63.11%

In 2024, there were assumption changes made related to mortality rates, retirement rates, termination rates, disability rates, projected pay increases, CPI and inflation rates.

In 2019, there were assumption changes made related to mortality rates, retirement rates, termination rates, disability rates, projected pay increases, CPI and inflation rates.

In the 2016 valuation, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund.

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	9.59%	13.66%	(17.71%)	14.25%	12.47%	18.14%	(3.62%)	12.60%	4.43%	0.22%

(See independent auditor's report.)

# CITY OF NORTHLAKE, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

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### BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects and Enterprise funds. Budgetary comparisons are reflected in the City's financial report for all governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

### EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following governmental funds had an excess of actual expenditures over budget for the fiscal year.

Fund	Final Budget	Actual
General	\$ 16,024,531	\$ 16,368,658
2015 Bond	1,020,425	4,520,400
Wolf Ridge Condo	12,908	13,410

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **MAJOR GOVERNMENTAL FUNDS**



**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Real estate	\$ 6,392,707	\$ 6,281,032	\$ (111,675)
Road and bridge	150,000	258,406	108,406
Personal property replacement	600,000	383,224	(216,776)
Sales	5,000,000	8,387,490	3,387,490
Room	55,000	77,154	22,154
Total taxes	12,197,707	15,387,306	3,189,599
Intergovernmental			
Illinois state income tax	1,900,000	2,180,494	280,494
Local use tax	650,000	591,747	(58,253)
State grants	435,000	58,060	(376,940)
Federal grants	8,000	2,870	(5,130)
Other grants	-	1,000	1,000
Reimbursement from other agencies	65,000	55,388	(9,612)
Total intergovernmental	3,058,000	2,889,559	(168,441)
Licenses and permits			
Licenses			
Liquor	50,000	56,683	6,683
Vehicle	53,000	50,291	(2,709)
Pet	900	1,127	227
Chicken coop	100	25	(75)
Contractors	108,000	238,720	130,720
Vending	5,400	4,825	(575)
Gaming	400,000	213,168	(186,832)
Permits			
Filing and zoning fees	200	250	50
Certificates of compliance	41,000	36,910	(4,090)
Building	365,000	814,700	449,700
Electric and plumbing	17,500	10,225	(7,275)
Elevator inspections	5,000	3,180	(1,820)
Franchise fees	595,000	536,367	(58,633)
Billboard	8,000	12,000	4,000
Rental fees	49,300	81,670	32,370
Total licenses and permits	1,698,400	2,060,141	361,741

(This schedule is continued on the following page.)

**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES (Continued)</b>			
Fines and penalties			
Circuit court	\$ 100,000	\$ 35,744	\$ (64,256)
Police	115,500	122,204	6,704
False alarms	12,000	17,200	5,200
Towing	18,500	35,700	17,200
Fingerprinting	500	598	98
Total fines and penalties	246,500	211,446	(35,054)
Charges for services			
Garbage fees	393,000	447,875	54,875
Police reports	2,500	2,390	(110)
Health inspection fees	8,000	13,700	5,700
Community events and affairs	65,000	57,916	(7,084)
Senior citizens fees	25,000	21,556	(3,444)
Lease agreements	375,000	448,803	73,803
Theatre revenue	150	-	(150)
Parking fees	135,000	169,210	34,210
School liaison	136,000	129,743	(6,257)
Total charges for services	1,139,650	1,291,193	151,543
Investment income	150,000	479,747	329,747
Miscellaneous			
Donations	100	-	(100)
Surplus equipment sales	20,000	8,375	(11,625)
Reimbursements			
Workers' compensation	10,000	6,169	(3,831)
Damages	15,000	5,215	(9,785)
Insurance premiums	210,000	200,098	(9,902)
Liens filed	3,000	3,050	50
Training	1,500	-	(1,500)
Miscellaneous	43,400	61,919	18,519
Total miscellaneous	303,000	284,826	(18,174)
<b>TOTAL REVENUES</b>	<b>\$ 18,793,257</b>	<b>\$ 22,604,218</b>	<b>\$ 3,810,961</b>

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>GENERAL GOVERNMENT</b>			
Executive department	\$ 96,000	\$ 96,761	\$ 761
Audit	90,000	70,175	(19,825)
IMRF	240,000	176,676	(63,324)
Legal	250,662	173,009	(77,653)
Insurance	841,000	847,108	6,108
Social Security	9,644	9,775	131
Unemployment	11,000	10,785	(215)
Economic development commission	45,700	22,143	(23,557)
Refunds	3,000	2,540	(460)
Total general government	1,587,006	1,408,972	(178,034)
<b>OFFICE</b>			
Administrative department	384,025	420,341	36,316
Finance department	549,150	1,046,338	497,188
Total office	933,175	1,466,679	533,504
<b>PUBLIC SERVICES</b>			
Department of public services	2,378,427	2,126,753	(251,674)
Street lighting department	170,000	161,097	(8,903)
Total public services	2,548,427	2,287,850	(260,577)
<b>PUBLIC SAFETY</b>			
Police	8,191,500	8,305,356	113,856
Police board commission	27,888	26,436	(1,452)
Pension funding	1,835,448	1,834,399	(1,049)
Total public safety	10,054,836	10,166,191	111,355
<b>COMMUNITY RELATIONS</b>			
Community events and affairs	48,422	56,400	7,978
Senior citizens commission	67,765	70,664	2,899
Youth commission	15,400	11,865	(3,535)
City center	19,500	57,019	37,519
Total community relations	151,087	195,948	44,861

(This schedule is continued on the following page.)

**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>SANITATION</b>			
Garbage disposal	\$ 750,000	\$ 835,842	\$ 85,842
Total sanitation	750,000	835,842	85,842
<b>DEBT SERVICE</b>			
Interest	-	7,176	7,176
Total debt service	-	7,176	7,176
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,024,531</b>	<b>\$ 16,368,658</b>	<b>\$ 344,127</b>

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WOLF RIDGE CONDO FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Rental income	\$ 19,800	\$ 19,800	\$ -
Mortgage principal	-	177,629	177,629
Mortgage interest	-	47,392	47,392
Investment income	100	4,603	4,503
Total revenues	19,900	249,424	229,524
<b>EXPENDITURES</b>			
Current			
Public services			
Contractual services	12,908	13,410	502
Total expenditures	12,908	13,410	502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,992	236,014	229,022
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(216,498)	(216,498)
Total other financing sources (uses)	-	(216,498)	(216,498)
NET CHANGE IN FUND BALANCE	\$ 6,992	19,516	\$ 12,524
FUND BALANCE, JANUARY 1		167,875	
FUND BALANCE, DECEMBER 31		\$ 187,391	

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
UTILITY TAX FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Utility taxes	\$ 1,400,000	\$ 1,384,982	\$ (15,018)
Intergovernmental	5,000,000	827,463	(4,172,537)
Grants	60,000	-	(60,000)
Investment income	100,000	353,223	253,223
Total revenues	6,560,000	2,565,668	(3,994,332)
<b>EXPENDITURES</b>			
Capital outlay	8,524,500	4,098,655	(4,425,845)
Total expenditures	8,524,500	4,098,655	(4,425,845)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,964,500)	(1,532,987)	431,513
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	4,368,096	4,368,096
Transfers (out)	-	(827,463)	(827,463)
Total other financing sources (uses)	-	3,540,633	3,540,633
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,964,500)</u>	2,007,646	<u>\$ 3,972,146</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>5,122,464</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 7,130,110</u>	

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
21ST CENTURY FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 4,500,000	\$ 1,263,165	\$ (3,236,835)
Investment income	75,000	484,692	409,692
Contributions	413,032	89,289	(323,743)
Total revenues	4,988,032	1,837,146	(3,150,886)
<b>EXPENDITURES</b>			
Current			
General government			
Administrative costs	9,145,000	1,473,758	(7,671,242)
Total expenditures	9,145,000	1,473,758	(7,671,242)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(4,156,968)	363,388	4,520,356
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,092,286	1,092,286
Total other financing sources (uses)	-	1,092,286	1,092,286
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,156,968)</u>	1,455,674	<u>\$ 5,612,642</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>7,465,457</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 8,921,131</u>	

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2015 BOND FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current			
Debt service			
Principal	725,000	4,225,000	3,500,000
Interest	295,425	295,400	(25)
Total expenditures	1,020,425	4,520,400	3,499,975
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,020,425)</b>	<b>(4,520,400)</b>	<b>(3,499,975)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	4,520,400	4,520,400
Total other financing sources (uses)	-	4,520,400	4,520,400
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (1,020,425)</u></b>	<b>-</b>	<b><u>\$ 1,020,425</u></b>
<b>FUND BALANCE, JANUARY 1</b>		<b>-</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b><u>\$ -</u></b>	

(See independent auditor's report.)



## **MAJOR ENTERPRISE FUNDS**

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WATER AND SEWER FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>OPERATING REVENUES</b>			
Water billings	\$ 6,000,000	\$ 5,781,270	\$ (218,730)
Sewer billings	350,000	337,067	(12,933)
Other fees	94,500	100,613	6,113
Total operating revenues	<u>6,444,500</u>	<u>6,218,950</u>	<u>(225,550)</u>
<b>OPERATING EXPENSES</b>			
Cost of sales and service			
Purchase of water	3,500,000	3,599,807	99,807
Salaries	1,049,150	1,104,968	55,818
Contractual services	16,000	17,578	1,578
Commodities	294,450	164,254	(130,196)
Utilities	23,000	92,252	69,252
Benefits	276,420	114,157	(162,263)
Repairs and maintenance	201,000	159,912	(41,088)
Total operating expenses	<u>5,360,020</u>	<u>5,252,928</u>	<u>(107,092)</u>
OPERATING INCOME (LOSS)	<u>1,084,480</u>	<u>966,022</u>	<u>(118,458)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	15	24	9
Loss on disposal of capital assets	-	(202,946)	(202,946)
Interest and fiscal charges	(34,284)	-	34,284
Total non-operating revenues (expenses)	<u>(34,269)</u>	<u>(202,922)</u>	<u>(168,653)</u>
<b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>1,050,211</u>	<u>763,100</u>	<u>(287,111)</u>
<b>TRANSFERS</b>			
Transfers in	-	2,000	2,000
Total transfers	<u>-</u>	<u>2,000</u>	<u>2,000</u>
<b>CONTRIBUTIONS</b>			
Contributions	-	5,017,720	5,017,720
Total contributions	<u>-</u>	<u>5,017,720</u>	<u>5,017,720</u>
Total transfers and contributions	<u>-</u>	<u>5,019,720</u>	<u>5,019,720</u>
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	<u>\$ 1,050,211</u>	<u>5,782,820</u>	<u>\$ 4,732,609</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Pension and OPEB adjustment		(94,192)	
Capital assets capitalized		49,173	
Depreciation		(974,412)	
Total adjustments to GAAP basis		<u>(1,019,431)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		<u>4,763,389</u>	
<b>FUND BALANCE, JANUARY 1</b>		19,966,768	
Restatement for correction of an error		458,311	
<b>NET POSITION, JANUARY 1 (RESTATED)</b>		<u>20,425,079</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 25,188,468</u>	

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF NORTHLAKE, ILLINOIS**

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

For the Year Ended December 31, 2024

	Formerly Nonmajor Motor Fuel Tax	Capital Creekside Apartments	Formerly Nonmajor Projects Wolf Ridge Condo	Formerly Nonmajor 2015 Bond	Total
<b>REVENUES</b>					
Intergovernmental					
Allotments	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-	-
Rental income	-	716,581	-	-	716,581
Mortgage principal	-	-	-	-	-
Mortgage interest	-	-	-	-	-
Investment income	-	10,587	-	-	10,587
Miscellaneous income	-	20,136	-	-	20,136
Total revenues	-	747,304	-	-	747,304
<b>EXPENDITURES</b>					
Current					
Public services					
Contractual services	-	256,627	-	-	256,627
Repairs and maintenance	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	256,627	-	-	256,627
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	490,677	-	-	490,677
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	(513,651)	-	-	(513,651)
Total other financing sources (uses)	-	(513,651)	-	-	(513,651)
NET CHANGE IN FUND BALANCES	-	(22,974)	-	-	(22,974)
FUND BALANCES, JANUARY 1, AS PREVIOUSLY PRESENTED	3,333,691	537,795	167,875	-	4,039,361
Change within financial reporting entity (nonmajor to major funds)	(3,333,691)	-	(167,875)	-	(3,501,566)
FUND BALANCES, JANUARY 1, AS ADJUSTED	-	537,795	-	-	537,795
FUND BALANCES, DECEMBER 31	\$ -	\$ 514,821	\$ -	\$ -	\$ 514,821

(See independent auditor's report.)

**CITY OF NORTHLAKE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CREEKSIDE APARTMENTS FUND**

For the Year Ended December 31, 2024

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Rental income	\$ 600,000	\$ 716,581	\$ 116,581
Investment income	30,000	10,587	(19,413)
Miscellaneous income	8,500	20,136	11,636
Total revenues	638,500	747,304	108,804
<b>EXPENDITURES</b>			
Current			
Public services			
Contractual services	243,700	256,627	12,927
Debt service			
Principal	509,963	-	(509,963)
Total expenditures	753,663	256,627	(497,036)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,163)	490,677	605,840
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(513,651)	(513,651)
Total other financing sources (uses)	-	(513,651)	(513,651)
NET CHANGE IN FUND BALANCE	<u>\$ (115,163)</u>	<u>(22,974)</u>	<u>\$ 92,189</u>
FUND BALANCE, JANUARY 1		<u>537,795</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 514,821</u>	

(See independent auditor's report.)