Elk Grove Village, Illinois

Annual Comprehensive Financial Report
Fiscal Year Ended April 30, 2025

VILLAGE OF ELK GROVE VILLAGE, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2025

Prepared By
Department of Finance

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INTRODUCTORY SECTION

Principal Officials
April 30, 2025

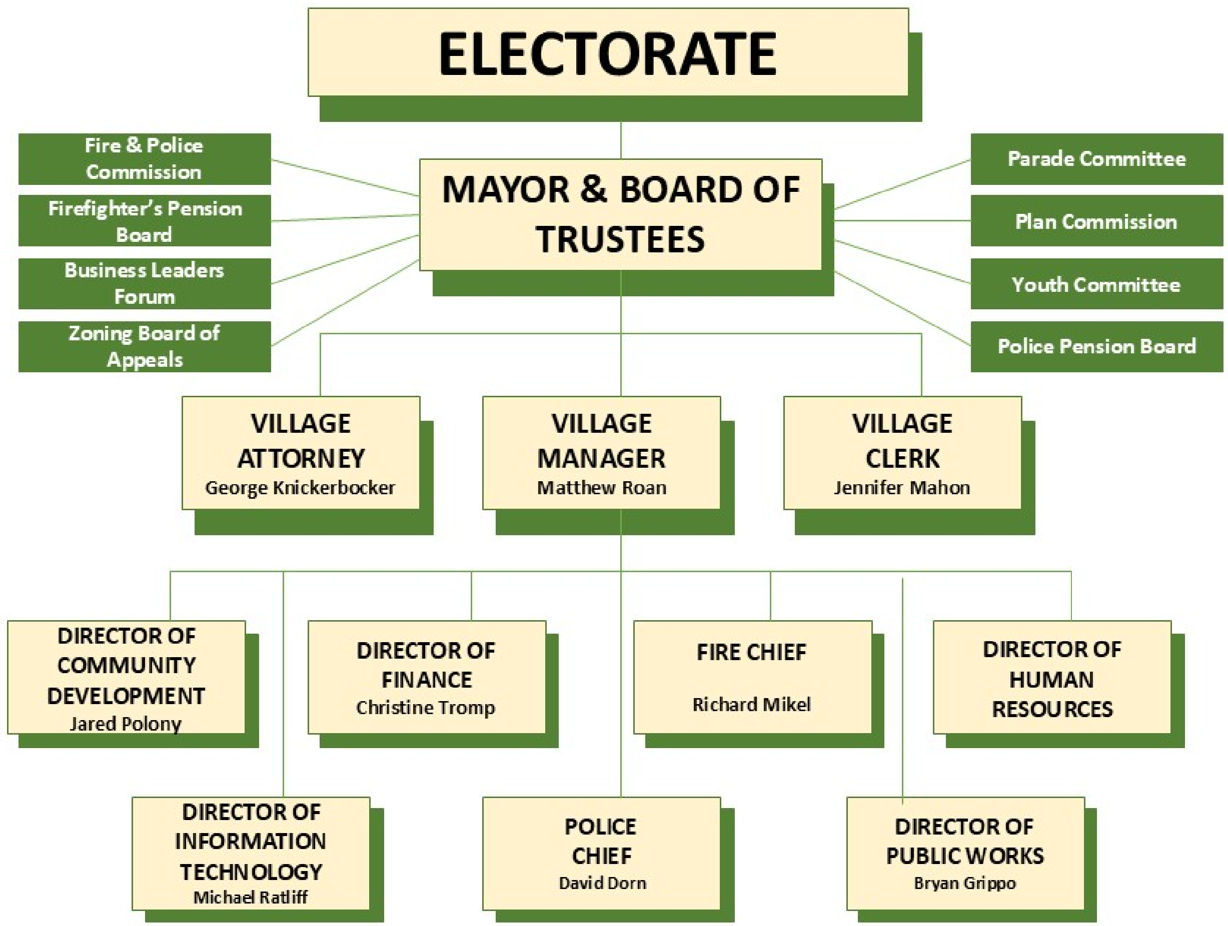
Village Board

Craig B. Johnson, Mayor

Joseph Bush	Tammy K. Miller
Jeffrey C. Franke	Keith Lasken
Kathyrn A. Jarosch	Stephen F. Schmidt

Administration

Village Manager	Matthew J. Roan
Village Clerk	Jennifer Mahon
Village Attorney/Prosecutor	George B. Knickerbocker
Director of Finance/Treasurer	Christine L. Tromp
Police Chief	David Dorn
Fire Chief	Richard J. Mikel
Director of Public Works	Bryan Grippo
Director of Community Development	Jared D. Polony


ELECTORATE
MAYOR & BOARD OF TRUSTEES
Fire & Police Commission
Firefighter's Pension Board
Business Leaders Forum
Zoning Board of Appeals
Parade Committee
Plan Commission
Youth Committee
Police Pension Board
VILLAGE ATTORNEY
George Knickerbocker
VILLAGE MANAGER
Matthew Roan
VILLAGE CLERK
Jennifer Mahon
DIRECTOR OF COMMUNITY DEVELOPMENT
Jared Polony
DIRECTOR OF FINANCE
Christine Tromp
FIRE CHIEF
Richard Mikel
DIRECTOR OF HUMAN RESOURCES
DIRECTOR OF INFORMATION TECHNOLOGY
Michael Ratliff
POLICE CHIEF
David Dorn
DIRECTOR OF PUBLIC WORKS
Bryan Grippo

October 15, 2025

Honorable Mayor,
Board of Trustees,
Village Manager, and
the Citizens of Elk Grove Village, Illinois

The Annual Comprehensive Financial Report of the Village of Elk Grove Village, Illinois, for the fiscal year ended April 30, 2025 is hereby submitted. This report fulfills local and state laws requiring the Village to issue an annual report on its financial position and activity presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Elk Grove Village. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To provide a reasonable basis for making these representations, management has established internal controls to protect the Village's assets from loss, theft or misuse, and to compile sufficient, reliable information for the preparation of the Village's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh the benefits, the Village's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this annual financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and the component unit of the Village.

The Village of Elk Grove Village's financial statements have been audited by the accounting firm of Lauterbach & Amen, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended April 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2025 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This is required to present the financial position of a government and results of operations in a manner similar to that of a business. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

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Profile of the Government

Incorporated in 1956, the Village of Elk Grove is a home-rule community as defined by the Illinois Constitution. The Village operates under the council-manager form of government. This form of government combines the leadership and policy-making skills of elected officials with the professional administrative training of the Village Manager. Under this popular form of government, the elected representatives establish policies steering the Village's purpose, values, mission, and goals. It is the role of the Village Manager to implement those policies in an efficient and effective manner.

Located approximately 22 miles northwest of the City of Chicago, Elk Grove Village has a land area of 11.6 square miles with approximately 137 miles of streets. The Village provides a full range of services to its citizens including police and fire protection, health and social services, water and sewer utilities, planning and zoning, the construction and maintenance of streets and infrastructure, and general administrative services.

The financial reporting entity of the Village of Elk Grove is comprised of all the funds of the primary government (the Village of Elk Grove as legally defined), and its component unit, the Elk Grove Village Public Library.

The Library was determined to be a component unit because, under the reporting entity criteria, the Library is fiscally dependent upon the Village. The Library is reported as a discretely presented component unit. As such, the Library, in its entirety, is reported in a separate column on the basic financial statements. This is to emphasize the fact that the Library is legally separate from the Village and to differentiate the Library's financial position and results of operations from those of the Village.

In addition, under the Governmental Accounting Standards Board (GASB) Statement No. 14, the Suburban Liability Insurance Pool (SLIP) is defined as a public entity risk pool. The Village's participation in SLIP is accounted for accordingly.

The Village Board is required to adopt a final budget no later than the close of the fiscal year. The Village maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. The level of budgetary control, or the level at which expenditures cannot legally exceed the budgeted amount, is established at the department level. Any budget revisions altering the total budget for a department must be approved by the Village Board of Trustees. Encumbrances lapse at year-end and, if approved, are included in the following year's budget.

Local Economy

Located adjacent to O'Hare International Airport, Elk Grove Village is an integral component of the Chicago metropolitan regional economy. A planned community with approximately 33,000 residents, Elk Grove Village is home to the largest consolidated business park in North America with over 62 million square feet of industrial inventory and 100 million square feet of commercial space Village-wide. Elk Grove's business community is diverse, with major employers representing a broad range of industries including technology, manufacturing, retail, health care, warehousing, data centers, and logistics.

Historically, the Business Park has been a destination for manufacturing and has the second highest number of manufacturing businesses in the State of Illinois. The greater Elk Grove Village area accounts for half of Illinois' annual exports.

The Elk Grove Village Business Park is part of the O'Hare Industrial Market. The Village's 62 million square feet of industrial space represents almost half of the entire O'Hare Market. Elk Grove Village has been experiencing an industrial vacancy rate near record lows for 3 years, finishing 2024 with a rate of 1.9%, and hovering around 2% throughout 2025, according to Colliers International. Vacancy rates indicate the amount of business space available for sale for lease in any one market. A low vacancy rate is generally seen as an indicator of a strong local economy because it means most property is occupied and demand for industrial property in the area is strong. A vacancy rate of 5% or less is considered full occupancy in a healthy industrial market.

Elk Grove Village is a proactive and business-friendly community that values its corporate residents and works diligently to support their growth. The Village consistently invests in modernizing its business environment while maintaining the lowest local property tax rate in northwest Cook County and providing the highest quality services to the community. In 2024, taxpayers experienced an approximate 2% reduction in their property tax bills, while the Village made significant progress on critical infrastructure projects - including the resurfacing of nearly 10 miles of streets, the clearing of 6.24 miles of drainage ditches in the Business Park, and the planning of nearly 10 additional miles of street rehabilitation scheduled for 2025.

Elk Grove Village's competitive business advantages include:

- A business friendly environment;
- A fair, predictable, and equitable regulatory environment;
- Proximity to O'Hare International Airport and the City of Chicago;
- Convenient access to Interstates 90, 290, 294, 355, and Illinois Route 390;
- Extensive freight rail service throughout the Business Park with access to all Class 1 rail lines; and
- Access to a diverse and skilled workforce of 2 million working-age adults within a 35-minute drive with expertise in tech, manufacturing, transportation, and consumer goods.

Village staff communicate regularly with state economic development officials, utility companies, workforce development professionals, real estate development professionals, and educational institutions throughout the area to help ensure the continued growth of this important economic base, which employs nearly 60,000 people.

During the course of the 2024 calendar year, the Village permitted over $810 million worth of private sector reinvestment into the community. In 2025, business development in Elk Grove Village is continuing on the same growth path. The Village's business-friendly approach and focus on technology and infrastructure have paid dividends in attracting development and supporting the growth of existing businesses.

In 2024, the Village approved eleven (11) new Cook County Class 6B Property Tax incentives, supporting the rehabilitation of 500,000 square feet of industrial space, over 2 million square feet of new construction, and more than $2.5 billion in reinvestment within the Business Park. The Village also advanced its commitment to workforce development with a $750,000 grant supporting Elk Grove High School's new Culinary Manufacturing Lab, which officially opened in October 2024.

Major projects over the past year include the ongoing transformation of the Arlington Heights and Higgins Road intersection, where Wingspan Development began construction on The Vue-a 10-acre mixed-use development featuring more than 250 Class-A apartments, 16 townhomes, a clubhouse, a pool, and 59,000 square feet of retail space. As part of this redevelopment, a new pedestrian bridge will be constructed over Arlington Heights Road to ensure safe access to Busse Woods.

In the industrial sector, Nu-Way Industries relocated and consolidated operations into a newly renovated 260,000 square foot facility at 2301 Lunt Avenue, bringing 250 full-time employees to Elk Grove Village. This $9 million investment was supported through a redevelopment agreement with the Village.

Prime Data Centers began construction on the first of three planned buildings, a $1 billion dollar investment for its 1 million square foot data center campus at Busse and Oakton, marked by a Topping Off Ceremony held in May 2024. Around the same time, Aligned Data Centers broke ground on the first phase of its state-of-the-art data center campus at Northwest Point, a $285 million investment that will add 560,000 square feet of facility space to the Village's already robust technology infrastructure.

Due to its numerous economic development accomplishments, Elk Grove Village was recognized as the 2024 Municipality of the Year by the Illinois Industrial Real Estate Journal for the second time in three years. A panel of judges from the real estate industry evaluated several municipalities based on the size and scope of significant development projects over the last year, key economic development accomplishments, and how the Village supports the business community. Additionally, Business Facilities magazine named Elk Grove Village one of the Top 10 Industrial Parks in the United States for the third consecutive year.

The Elk Grove Village Business Park continues to thrive despite ever evolving changes to the economic climate. In the first half of 2025, more than $245 million in industrial related construction projects are underway including $201 million in data center new construction and interior build outs, $11.9 million in a new 122,000 square foot industrial single story speculative building, and an additional $32 million in other industrial alterations, renovations, and additions. An additional $432 million in new data center development is under review and is anticipated to be released during the second half of 2025.

In the retail and residential development markets, retail development saw $8.2 million investment in commercial properties including continued work on the two (2) new retail buildings and interior build outs at The Vue at Elk Grove Village. Residential improvements, alterations, and additions throughout the community totaled approximately $7.8 million.

Long-Term Financial Planning

The Village maintains an aggressive economic development strategy to preserve the favorable economic base currently enjoyed by the Village. The Village is proactive and responsive to the needs of its commercial and industrial businesses, and works to enhance communications between industry and government. The Director of Business Development and Marketing promotes the Village as an excellent location for business due to its proximity to O'Hare International Airport, City of Chicago, and access to all forms of transportation. The Village continues to develop a plan for future commercial development.

The Village annually updates a five-year Capital Plan to assist in budgetary preparation for large capital projects. For a project to be included in the Capital Plan, it must involve the creation or purchase of a tangible asset with an original cost that exceeds $25,000 and has a useful life of more than one year. Most projects in the Capital Plan include infrastructure enhancements.

Relevant Financial Policies

Village policy provides for a five-month reserve of current year general fund budgeted expenditures. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and obligations of the U.S. Government and its agencies. The Village's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. These funds are invested in government securities and certificates of deposit. Despite the continued economic challenges during the fiscal year, the Village continues to maintain a five-month reserve.

The Village participates in the Suburban Liability Insurance Pool (SLIP). As one of the four founding members, SLIP began its seventh year in calendar year 2025. The purpose of SLIP is to act as a joint self-insurance pool to provide comprehensive insurance coverage. SLIP members participate on three-year terms and provide the option of accepting new members. Notable lines of coverage provided by SLIP include general liability, property, and excess liability. The policy provides $13,000,000 liability coverage in excess of a $2,000,000 retention. Retention is covered by each member in the form of $1,750,000 primary insurance and a $250,000 self-insured retention.

The Village maintains a separate program for workers' compensation for employees and health benefits for both employees and retirees. An integral part of the Village's self-insurance program is an emphasis on loss prevention. A safety committee, comprised of employee representatives from each department, meets to review accident and injury reports involving employees. This committee makes recommendations and suggestions to improve and promote workplace safety.

Standard & Poor's reaffirmed the Village's AA+ rating in July 2021 in anticipation of refinancing the 2012 and 2013 government obligation bonds. The Village has not acquired additional debt since 2021.

Major Initiatives in Fiscal Year 2025

Fiscal Year 2025 was another successful year for infrastructure projects and funding assistance. The Village continued toward the completion of the Elk Grove 2025 Long Range Infrastructure Plan and other notable capital improvement projects. The Village is extremely appreciative of the federal and state grants that were received and the services that they make possible. Village staff continues to pursue grant funding in order to offer the best possible public services at the lowest cost. Significant completed projects include:

- Resurfaced 6.5 miles of residential roadways;
- Replacement of 7.08 miles of deteriorated curbs and 5.24 miles of sidewalks;
- Installation of 3,315 feet of storm sewer pipe to alleviate flooding behind 98 residential properties as part of the Residential Rear Yard Drainage Program;
- Replaced Tonne Road water main from Chase Avenue to Pratt Boulevard;
- Replaced the Biesterfield Basin Outfall pipe along WGN's property line (Approximately 1,800 feet of new storm sewer);
- Completed the construction of the Clearmont Pedestrian Bridge, winning an American Public Works Association (APWA) Project of the Year award.

Some notable Business Leaders Forum (BLF) projects for Fiscal Year 2025 included the:

- Rehabilitation of 2.87 miles of Business Park streets;
- Continuation of the Bennett Road and Gaylord Street Intersection Drainage Improvements; and
- Design Engineering Services for the Nicholas Boulevard Roadway and Watermain Improvement.

The BLF Program is funded with a 3% tax on all telecommunications and $0.03 per therm tax on natural gas use. In addition to this funding, the BLF Program has received over $30 million in federal, state, and county funding for numerous transportation improvements within the Business Park.

For the Future

As Elk Grove Village's leaders are committed to preserving the Village's quality of life, the Village will continue to invest in its future through various long-term programs and policies that will ensure the Village's status as the "Exceptional Community". The Village's long-range capital plan continues to meet these goals while planning for the future.

Long-term capital item improvements include facility improvements, road improvements, streetscape enhancements, bicycle/pedestrian projects, and drainage projects. Notable projects still scheduled to be completed include:

- Culvert replacement on Wellington Avenue and Leicester Road;
- Continuation of the Regulatory Sign Replacement Program;
- Construction of multi-use paths throughout the Village;
- Streetscape and lighting improvements on major roads;
- Construction of the new Arlington Heights Road Pedestrian Bridge;
- Continuation of the Gateway Fountain located at the intersection of Oakton Street and Busse Road;
- Resurfacing of Devon Avenue and Arlington Heights Road Intersection, including ADA ramp improvements at all pedestrian crossings;
- Resurfacing of Devon Avenue and Tonne Road Intersection, including ADA ramp improvements at all pedestrian crossings;
- Resurfacing of Busse Road and Landmeier Road Intersection, including ADA ramp improvements at all pedestrian crossings; and
- Replacement of the water main along Brummel Avenue, from Lively Boulevard to Busse Road.

In addition, the Village continues its plans to modernize and improve other existing infrastructure with projects such as the:

- Continuation of replacing aging water mains throughout the Village;
- Rehabilitation of Village sanitary lift stations;
- Continuation of the Residential Rear Yard Drainage program;
- Rehabilitation of the Village Green;
- Continuation of tree replacement due to damage from disease and storms;
- Maintenance and replacement of vehicles and equipment;
- Continuation of annual resurfacing of public roadways and replacement of curbs, gutters and sidewalks; and
- Continuation of lining sanitary manholes.

Awards and Acknowledgements

Elk Grove Village received a Web Excellence Award for its newly redesigned economic development website, ElkGroveBusiness.org. The Web Excellence Award is a globally recognized honor that celebrates outstanding achievement in digital creativity, user experience, and innovation. Winning this award signals that a website meets the highest standards in design and functionality. ElkGroveBusiness.org serves as a key tool for businesses, offering access to real-time property listings, incentive programs, and essential data to support growth and investment.

Over the past few years, the Village has earned numerous accolades recognizing its unparalleled services and accomplishments. The Village became the first community in Illinois to have earned accreditation for all of its operating departments, including:

- The Public Works Department earned full accreditation status from the American Public Works Association (APWA) in April 2024.
- The Building Division of the Community Development Department became the first in the State of Illinois to receive a Certificate of Accreditation by the International Accreditation Service (IAS) in October 2023.
- The Fire Department achieved a prestigious Class 1 designation from the Insurance Services Office (ISO) and became one of 123 agencies worldwide holding both an ISO Class 1 rating and accreditation status from the Center for Public Safety Excellence (CPSE) demonstrating excellence across all facets of fire service operations.
- The Police Department has been continuously accredited since 1993 and recently earned its tenth re-accreditation from the Commission on Accreditation for Law Enforcement Agencies. In addition to its 10^{th} accreditation, the department received CALEA's Advanced Meritorious Award for its longstanding dedication. This achievement highlights the department's commitment to transparency, community trust, and best practices in public safety.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Annual Comprehensive Financial Report for the fiscal year ended April 30, 2024. This was the forty first consecutive year the Village has received this prestigious award.

To be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The April 30, 2024 report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

A Certificate of Achievement is valid for only one year. I believe the Village's Annual Comprehensive Financial Report for the fiscal year ended April 30, 2025 continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

In closing, I would like to express my sincere gratitude to all members of the Finance Department who directly assisted and contributed to the preparation of the Annual Comprehensive Financial Report. Each member of the department has my sincere appreciation for their contributions made in the preparation of this report.

I also wish to express my appreciation to the Mayor, Board of Trustees, and the Village Manager for their leadership and continued support which made the preparation of this report possible.

Respectfully submitted,

Christine Tromp

Christine Tromp
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Elk Grove Village
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditor's Reports
- Management’s Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITOR'S REPORTS

Lauterbach & Amen
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Naperville, IL 60563
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INDEPENDENT AUDITOR'S REPORT

October 15, 2025

The Honorable Village President
Members of the Board of Trustees
Village of Elk Grove Village, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Elk Grove Village (the Village), Illinois, as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Elk Grove Village, Illinois, as of April 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those 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 Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 generally accepted 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2025, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the overall financial position and results of operations for the fiscal year ended April 30, 2025 for the Village of Elk Grove Village. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report, and the Village's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Village's net position increased by $49.69 million during fiscal year 2025. The governmental activities net position increased by $38.62 million and the business-type activities net position increased by $11.07 million.

- The fund balance of the Village's Governmental Funds increased by $25.49 million during fiscal year 2025.

- At the end of current fiscal year, the unassigned fund balance of the General Fund was $47.17 million or 63.9% of General Fund expenditures.

- Beginning Net Position for governmental activities was restated due to the implementation of GASB 101.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide statements provide information on the finances of the Village as a whole; whereas fund financial statements provide a snapshot look at Village resources that have been segregated for a specific purpose. Together, these statements allow for in-depth, year-to-year comparison of Village financial activities and for comparison with the financial state of other governments. This report also contains supplementary information in addition to the basic financial statements.

Statement of Net Position
The Statement of Net Position presents information on the Village's assets/deferred outflows and liabilities/ deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Village is improving or deteriorating.

Statement of Activities
Comparable to a private sector business, all revenues and expenses are reported regardless of the timing of when cash is received or paid out. Both of the government-wide statements distinguish functions of the Village that are financed primarily by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges for service (business-type activities). The Village's governmental activities include general government, public safety, highways and streets, health services and community services. The business-type activities of the Village include the water and sewer systems. The Village also reports, as a discretely presented component unit, the Village of Elk Grove Village Public Library.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure compliance with finance-related legal requirements and demonstrate fiscal accountability. Fund financial statements provide detailed information about the Village's individual funds rather than the Village as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Fund Financial Statements - Continued

The Village has three types of funds: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on the current inflows and outflows of spendable resources and the balance of spendable resources available at the end of the fiscal year. The governmental funds Balance Sheet provides a reconciliation to the Statement of Net Position while the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provides a reconciliation to the Statement of Activities.

The Village maintains fifteen governmental funds. Information is presented separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance for the General Fund, Debt Service Fund, Capital Projects Fund, Busse/Elmhurst Redevelopment Fund, Higgins Road Redevelopment Fund and Arlington Heights/Higgins Redevelopment Fund. The nine nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The Village adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules have been provided for analytical purposes and to demonstrate compliance with the budget.

Proprietary Funds
The Village maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report equivalent type functions presented as business-type activities in the government-wide statements. The Village uses enterprise funds to account for water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for the acquisition of vehicles and equipment with a minimum cost of $50,000 and an estimated useful life of five or more years. These acquisitions are financed through a cost reimbursement to the Capital Replacement Fund from the appropriate account of the Village function.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. Information for the operation of the water and sewer system is provided separately, as it is considered a major fund of the Village. Information on the internal service fund is also provided in the proprietary fund financial statements.

Fiduciary Funds
Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's programs. The Village maintains two fiduciary funds: Police Pension Fund and Fire Pension Fund.

Note to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including information concerning the Village's progress in funding its obligation to provide pension benefits and other post-employment benefits to its retirees, as well as a budgetary comparison schedule for the General Fund.

The combining and individual fund statements, schedules for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position
The following analysis reviews the net position and expenditures of governmental activities and business-type activities separately. The table below represents a condensed Statement of Net Position. For comparison purposes, the prior fiscal year is provided.

	Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 249,567,818	218,766,206	52,892,581	48,551,566	302,460,399	267,317,772
Capital Assets	200,133,289	195,809,422	71,758,231	68,171,226	271,891,520	263,980,648
Total Assets	449,701,107	414,575,628	124,650,812	116,722,792	574,351,919	531,298,420
Deferred Outflows	16,367,647	27,193,441	2,591,492	3,012,129	18,959,139	30,205,570
Total Assets and Deferred Outflows	466,068,754	441,769,069	127,242,304	119,734,921	593,311,058	561,503,990
Long-Term Debt	209,139,966	226,669,226	23,968,036	27,110,200	233,108,002	253,779,426
Other Liabilities	9,355,246	10,193,637	1,443,510	1,918,783	10,798,756	12,112,420
Total Liabilities	218,495,212	236,862,863	25,411,546	29,028,983	243,906,758	265,891,846
Deferred Inflows	64,115,960	54,672,922	231,507	175,841	64,347,467	54,848,763
Total Liabilities and Deferred Inflows	282,611,172	291,535,785	25,643,053	29,204,824	308,254,225	320,740,609
Net Position						
Net Investment in Capital Assets	131,513,471	122,956,139	50,655,913	44,011,402	182,169,384	166,967,541
Restricted	144,098,595	123,488,003	—	—	144,098,595	123,488,003
Unrestricted (Deficit)	(92,154,484)	(96,210,858)	50,943,338	46,518,695	(41,211,146)	(49,692,163)
Total Net Position	183,457,582	150,233,284	101,599,251	90,530,097	285,056,833	240,763,381

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Statement of Net Position - Continued

The Village's $49.69 million increase in total net position was the result of an increase in governmental activities net position of $38.62 million and business-type activities net position increase of $11.07 million.

The net position of governmental activities was greater than the prior year due to successful leadership decisions that utilized an increase in tax revenues to reinvest in the community. Total revenues for the General Fund at the end of the fiscal year 2025 were $12.32 million more than budgeted. Permit revenues of $9.01 million were $3.26 million higher than prior year due to increased building activity and investment in the Business Park. Sales and use taxes reported $1.47 million more than budget, which was largely driven by a change in Illinois legislation entitled Leveling the Playing Field for Illinois Retail Act. The law increased the amount of previously unreported sales taxes from remote retailers, marketplace facilitators, and food delivery companies that were directed to local municipalities. Personal property replacement tax (PPRT) came in $0.65 million less than budget and income tax reported $0.70 million more than budget. The Illinois Department of Revenue (IDOR) indicated there will be a decline in PPRT allocations. PPRT is volatile due to its sensitivity to economic changes and extreme sensitivity to policy changes determined by the state. The increase in income tax reflected labor trends, as federal unemployment rates declined and per capita income among Illinois residents increased due to higher wages or hiring incentives and inflation.

This additional revenue improved the Village's net position and allowed the community to refocus on forward-looking goals. An example of this can be seen in the balance of Current and Other Assets, which include properties held for resale with the intent for redevelopment. During fiscal year 2025, the Village purchased properties such as a gas station, several office and warehouse buildings, and a vacant parking lot. In addition to bolstering the Village's current net position, the purchase and eventual resale of these properties will revitalize the area and ensure a more sustainable future for Village businesses and residents.

The net position of business-type activities increased $11.07 million. The transfer from the General Fund of $5.0 million, and capital contributions in the Waterworks and Sewerage Fund added $2.37 million for projects including replacing the Biesterfield basin outfall pipe along WGN's property line (approximately 1,800 feet of new storm sewer), lift station and well rehabilitations, Bennett Road and Gaylord Street intersection drainage improvements, and the Tonne Road water main replacement.

The net position of the total primary government was bolstered by the successful attainment of local and federal grant monies. A Village-wide total of $1.02 million in grant revenue was received during this fiscal year. These grant funds ensured Village projects, which improve safety and ensure sustainability for residents and businesses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Changes in Net Position

The following table summarizes the revenue and expenses of the Village's activities for the current and previous fiscal year.

	Change in Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 14,959,857	11,590,751	22,179,761	21,265,165	37,139,618	32,855,916
Operating Grants/Contributions	1,981,170	2,472,674	—	—	1,981,170	2,472,674
Capital Grants/Contributions	47,077	3,117,105	2,372,187	6,181,157	2,419,264	9,298,262
General Revenues						
Property Taxes	68,352,233	67,572,785	—	—	68,352,233	67,572,785
Sales and Use Taxes	40,053,003	39,000,657	—	—	40,053,003	39,000,657
Utility and Communication Taxes	6,274,478	6,430,352	—	—	6,274,478	6,430,352
Income Taxes	5,702,871	5,371,802	—	—	5,702,871	5,371,802
Other Taxes	8,906,617	9,844,242	—	—	8,906,617	9,844,242
Other General Revenues	12,216,531	10,229,044	2,470,167	2,229,406	14,686,698	12,458,450
Total Revenues	158,493,837	155,629,412	27,022,115	29,675,728	185,515,952	185,305,140
Expenses						
General Government	9,002,058	5,246,557	—	—	9,002,058	5,246,557
Public Safety	51,766,526	52,106,486	—	—	51,766,526	52,106,486
Highways and Streets	41,264,599	19,100,516	—	—	41,264,599	19,100,516
Health Services	667,500	926,953	—	—	667,500	926,953
Community Services	5,208,116	21,165,514	—	—	5,208,116	21,165,514
Interest on Long-Term Debt	4,464,637	4,593,942	—	—	4,464,637	4,593,942
Waterworks and Sewerage	—	—	23,452,961	22,299,189	23,452,961	22,299,189
Total Expenses	112,373,436	103,139,968	23,452,961	22,299,189	135,826,397	125,439,157
Change in Net Position Before Transfers	46,120,401	52,489,444	3,569,154	7,376,539	49,689,555	59,865,983
Transfers	(7,500,000)	(5,000,000)	7,500,000	5,000,000	—	—
Change in Net Position	38,620,401	47,489,444	11,069,154	12,376,539	49,689,555	59,865,983
Net Position - Beginning as Previously Reported	150,233,284	102,743,840	90,530,097	78,153,558	240,763,381	180,897,398
Restatement - Change in Accounting Principle	(5,396,103)	—	—	—	(5,396,103)	—
Net Position - Beginning as Restated	144,837,181	102,743,840	90,530,097	78,153,558	235,367,278	180,897,398
Net Position - Ending	183,457,582	150,233,284	101,599,251	90,530,097	285,056,833	240,763,381

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Total revenues increased by $0.21 million while the cost of all programs increased by $10.39 million. Total revenues from governmental activities totaled $158.49 million, which represents an increase of $2.86 million over the previous year. The increase was primarily attributed to the increase is primarily attributed to permits revenue of $3.26 million, or 56.65% more than prior year, due to several data center expansion construction projects. Capital grants and contributions decreased by $3.07 million, which is primarily due to reimbursements from the Wellington Avenue and Arlington Heights Road Improvement projects falling short of anticipated revenues. In addition, fewer grants were received in the current year. This was offset by an increase of $3.37 in charges for services.

The overall economic growth of existing businesses and the successful addition of new businesses into the Village increased total revenues through sales and use tax, as well as real estate transfer tax. Sales and use tax increased by $1.05 million, or 2.70%. These results were due in part to legislative changes, inflation, and the rising prices of goods and services. Industrial real estate transfer tax revenue increased $0.30 million, which was a 10.84% increase over the prior year due to the sale of 800-890 Devon; the warehouse is anticipated to be converted into a data center.

Total expenses from governmental activities increased by $9.23 million from prior year. The increase is largely due to an increase in highways and streets expenses. Highways and streets expenses increased due to ongoing construction of multi-use paths throughout the Village, the resurfacing of Devon Avenue and Arlington Heights Road intersection, the resurfacing of Devon Ave and Tonne Road intersection, and resurfacing of Busse Road and Landmeier Road intersection, including ADA ramp improvements at all pedestrian crossings.

Governmental Activities

Revenue

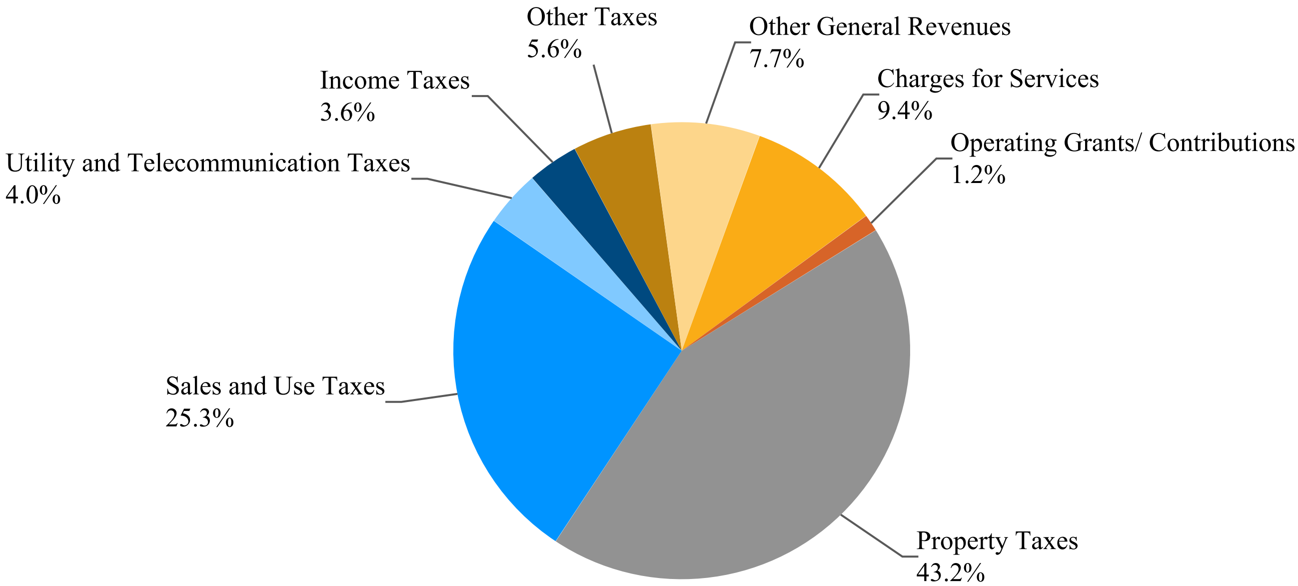
For the fiscal year ended April 30, 2025, revenues from Governmental Activities totaled $158.49 million. This represents an increase of $2.86 million from the prior fiscal year. Property taxes continue to be the Village's largest revenue source with receipts of $68.35 million in fiscal year 2025. This represents an overall increase of $0.78 million in property tax revenue over fiscal year 2024. Property tax revenues support governmental activities, debt service obligations, economic development, and state mandated contributions to the Fire and Police Pension Funds, as well as IMRF and FICA. The 2023 property tax rate for the Village of Elk Grove decreased to $0.793 per $100 of Equalized Assessed Value. The total assessed value of properties within the Village was $2.67 billion, an increase of .05% from the prior year. The 2024 tax reports were not released by Cook County in time for publication.

Sales and use taxes comprise the Village's second largest revenue source. The taxes increased from $39.00 million in fiscal year 2024 to $40.05 million in fiscal year 2025. Overall, general revenues increased by $3.06 million. The increase in revenue is partially attributed to an increase of $0.78 million property taxes received in redevelopment funds, $1.05 million increase in sales and use taxes, $3.26 million increase in permits, $1.58 million, in greater investment earnings, and $1.99 million from other general revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Revenue by Source - Governmental Activities



Expenses

The Village's expenses for governmental activities in fiscal year 2025 totaled $112.37 million. This represents an increase of $9.23 million from $103.14 million in fiscal year 2024.

General government expenses totaled $9.00 million, an increase of $3.76 million over fiscal year 2024.Personnel costs that contributed to this increase include additional staff members throughout the departments. In addition, Emergency relief contributions of $2.67 million for gift cards were made to all Village residents.

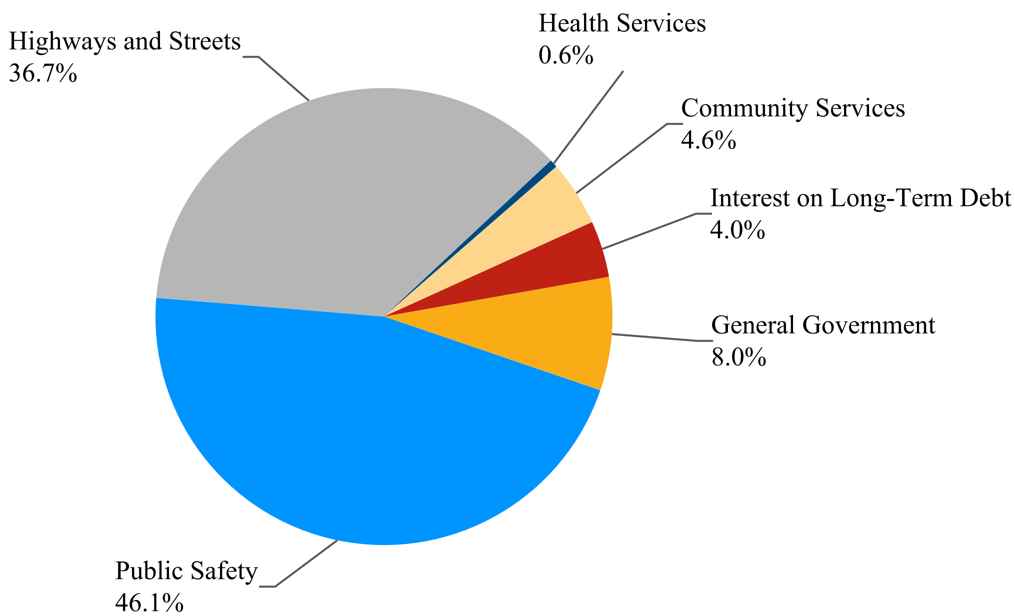
Highway and street expenses (public works and engineering) expenses identified under governmental activities accounted for $41.26 million of total expenses, an increase of $22.16 million from the prior fiscal year partially due to expenditures related to the completion of the Clearmont Pedestrian Bridge, and a newly acquired building for $5.65 million at 1650 Howard that the Village plans to retain for use. In addition, there was a $3.5 million redevelopment agreement with the Vue for the ongoing transformation of the Arlington Heights and Higgins Road intersection.

Public safety (police and fire) accounted for $51.77 million of total expenses, a decrease of $0.34 million from the prior fiscal year. Personnel vacancies were fulfilled prior fiscal year, and the Village continued to work on obtaining and retaining qualified public safety officials during fiscal year 2025.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

Expenses by Source - Governmental Activities



Business-Type Activities

Revenues
Total revenues for business-type activities decreased by $2.65 million in fiscal year 2025. This decrease is attributable to $6.18 million in capital grants/contributions received in FY24 into the Water/Sewer Fund in support of the improvement of water/sewer infrastructure compared to only $2.37 million received in FY25. Prior year (2024) consisted of $1.23 million of donated infrastructure from Innovation Drive in the Tech Park and $3.07 million additional contributions for the Lunt Ave. water main improvements project.

Expenses
Expenses from business-type activities increased by approximately $1.15 million to $23.45 million from $22.30 million in the prior fiscal year partially due to expenditures related to planned capital projects such as the Pump House Parking Lots Pavement, and the Tonne Road Water main Replacement.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

FINANCIAL ANALYSIS OF VILLAGE FUNDS

Governmental Funds
The Village's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. In fiscal year 2012, the Village implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which redefined components of the fund balance. The unassigned fund balance indicates resources available for spending that are not considered restricted, committed or assigned. The unassigned fund balance also reflects the five-month reserve for the General Fund.

As of April 30, 2025, the governmental funds had a combined fund balance of $187.40 million. This reflects a $25.49 million increase from the prior fiscal year balance of $161.91 million. The increase in the governmental funds fund balance is largely attributable to excess of revenues over expenditures in the General Fund, Debt Service Fund, Capital Projects Fund, and the Busse/Elmhurst Redevelopment Fund. The Village Board elected to transfer from the General Fund an additional $5.0 million of the FY25 operating surplus to the Waterworks and Sewerage Fund to provide additional funding for water and sewer capital projects.

The General Fund is the main operating fund for the Village and normally the largest of the governmental funds. The General Fund is comprised of the resources and expenditures traditionally associated with municipal government such as general government, public safety, highway and streets and health services. The General Fund fund balance increased by $3.15 million for an ending balance of $52.28 million as of April 30, 2025. Overall, the majority of General Fund expenditures are related to personnel including salaries, health care benefits and pension costs which represent $54.96 million or 74.4%. The General Fund continues to meet the Village's fund balance reserve policy of maintaining a reserve equivalent to five months of budgeted expenditures. Reserve fund draw-down must be approved by the Village Board and is intended to be used only for emergencies, economic disruptions, or planned capital purchases.

The Debt Service Fund represents the accumulated monies for payment on the Village's General Obligation Bonds. Financing is provided by the annual property tax levy and transfer from the General Fund. The fund balance for the Debt Service Fund increased by $1.61 million in fiscal year 2025 and ended the fiscal year with a balance of $4.56 million. This increase is due to a $1.70 million transfer in from the General fund.

The Capital Projects Fund encompasses purchases, maintenance or construction of major capital projects in the Village. Projects are financed by federal and state grants, property taxes, and utility taxes. The fund balance increased by $12.95 million. This increase was primary attributable to a transfer in of $6.50 million transfer in from the Busse/Elmhurst Redevelopment Fund, and a $5.2 million transfer in from the Arlington Heights/Higgins Redevelopment Fund to pay for incidental costs related to the TIF Funds.

The Busse/Elmhurst Redevelopment Fund is used to account for the purchase, maintenance, and redevelopment expenditures within the designated Busse/Elmhurst redevelopment district. Property tax revenue and investment income resulted in total revenues of $45.20 million. Property tax revenue in this fund totaled $42.81 million, which is an increase of $3.28 million, or 8.30%. The increase was driven by increased local real estate values, and Village efforts towards revitalizing this area have been successful. Investment income in the Busse/Elmhurst Redevelopment Fund increased $0.18 million due to interest rates remaining above 4% over the past fiscal year. Expenditures totaled $20.65 million resulting in an increase in fund balance to end the fiscal year with a surplus of $35.58 million. New and ongoing construction infrastructure projects in this redevelopment area such as force main rehabilitation, pump house and well servicing, I-490 tollway corridor, new elevated water tank, new gateway fountain and signs, and dual off street bike paths accounted for $19.31 million of these expenditures.

FINANCIAL ANALYSIS OF VILLAGE FUNDS - Continued

The Higgins Road Redevelopment Fund is used to account for the purchase, maintenance, and redevelopment expenditures within the designated Higgins Road Corridor redevelopment district. Property tax and investment income resulted in total revenues of $5.56 million. Property taxes decreased 14.10%, or $895,524 million, while investment income increased 110.01% or $52,609. Expenditures were $3.92 million, which is an increase of 6.79%, or $0.25 million from the prior fiscal year. The increase in revenues and less expenditures resulted in an ending fund deficit of $10.14 million compared to a deficit of $11.83 million in the prior year.

The Arlington Heights/Higgins Redevelopment Fund is used to account for the purchase, maintenance, and redevelopment expenditures associated with the Arlington Heights Road/Higgins Road redevelopment project area. Property taxes, investment income and miscellaneous revenues resulted in total revenues of $604,060. The Busse TIF transferred $7.0 million to the Arlington Heights/Higgins TIF per Resolution 51-23 authorizing the Village to port tax increment among contiguous redevelopment project areas. Expenditures totaled $5.69 million resulting in a decrease to fund balance to end the fiscal year with a surplus of $14.14 million.

The nonmajor funds had an aggregate fund balance increase of $0.59 million. This increase is largely attributed to red light cameras that were previously suspended due to IDOT construction projects and investment income.

Proprietary Funds
The Waterworks and Sewerage Fund recorded an increase of $11.07 million in net position for fiscal year 2025. Net position of the business-type activities increased because of a transfer from the General Fund of $5.0 million and Capital Contributions of $2.37 million for funding projects including the elevated water tank construction completion, pump house and well rehabilitations, rear yard drainage improvements, and Brantwood Avenue water main improvements. The Waterworks and Sewerage Fund unrestricted net position and net investment in capital assets amounted to $50.94 million and $50.66 million, respectively, for a total net position of $101.60 million.

The Internal Service Fund experienced an increase in net position of 3.73 million due to retirement of outstanding balances of certain General Fund vehicles. The unrestricted net position and net investment in capital assets totaled $9.09 million and $7.85 million, respectively, for a total net position of $16.94 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues	$ 72,648,112	72,648,112	84,973,175	12,325,063
Expenditures	71,908,259	75,875,337	73,865,637	(2,009,700)
Other Financing Sources (Uses)	(1,700,000)	(6,700,000)	(7,959,590)	(1,259,590)
Net Change in Fund Balance	(960,147)	(9,927,225)	3,147,948	13,075,173

GENERAL FUND BUDGETARY HIGHLIGHTS - Continued

Total tax revenues in the General Fund were higher than the projected amounts due to economic improvements coupled with positive legislative changes affecting certain taxes.

- Local and state-shared sales and use tax revenues increased in the amount of $1.47 million over final revenue figures as consumer spending, high inflation rates, and legislative changes increased this revenue more than anticipated.
- The restaurant and hospitality industries have rebounded over the last three years due to more consumer spending, as shown by the food and beverage tax and hotel/motel occupancy taxes exceeding projections by $126,358 and $171,463, respectively.
- Income Tax exceeded projections by $0.70 million. Corporate taxpayers were positively impacted by new legislation, such as Leveling the Playing Field for Illinois Retail Act which imposed state and local retailers' taxes on outside corporations, thereby eliminating incentives to transact with outside companies. Continued business growth in the Village through the Business Park and new developments also contribute to the increase in revenue.
- Real Estate Transfer Tax exceeded budgeted amounts by $1.49 million, primarily in the industrial arena.
- Building permit revenue also increased by $5.81 million over budgeted projections in fiscal year 2025 as building permits were higher due to three new data center buildings that began construction prior fiscal year, along with existing data center building additions.
- Investment income exceeded projections by $1.85 million. Federal interest rates remained above 5% during the first and second quarter of FY25, but slightly dipped below during the third quarter with a range between 4.25% and 4.5% in the month of January 2025. Interest rates remain above 4.25% during the first quarter of 2025.

Total expenditures in the General Fund were lower than the projected amounts by $2.01 million.

- Personal Service expenditures were lower than the budgeted amounts in almost all departments, for a combined decrease of $0.60 million. Vacant positions, particularly in the Police and Fire departments, were successfully fulfilled after competing with a tight job market to retain skilled labor.
- Professional Development expenditures reported a combined $0.14 million less than budget, as remote training remains as an increase in popularity for professional conferences that regained in frequency over the last three years.
- Expenditures for Capital Outlay in the General Fund came in under final budget figures by $0.47 million. Budgeted items, including but limited to, vehicle replacement upfits, data analytics & reporting software, and enterprise permitting license software were not purchased yet during fiscal year 2025.

In fiscal year 2025, the Village approved the following expenditure budget amendments to the General Fund during the year:

- An increase of $5,000,000 to amend the fiscal year 2025 Budget for a transfer to the Waterworks Sewerage Fund in order to maintain a healthy operating budget.
- An increase of $300,000 to amend the fiscal year 2025 Budget for costs associated with the Police Department upfit of three new Ford Interceptors.
- An increase of $80,000 to amend the fiscal year 2025 Budget for costs associated with the purchase and outfit of two Escapes for Community Development and Public Works Fleet.
- An increase of $250,000 to amend the fiscal year 2025 Budget for costs associated with the Elk Grove Cares funding to match the grant monies.

CAPITAL ASSETS

The following schedule reflects the Village's capital asset balances as of April 30, 2025.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 18,598,275	12,948,275	—	—	18,598,275	12,948,275
Construction in Progress	20,125,573	14,031,355	7,470,815	11,916,290	27,596,388	25,947,645
Buildings and Improvements	90,406,787	93,486,626	7,856,000	731,814	98,262,787	94,218,440
Machinery and Equipment	1,449,386	1,447,093	1,683,866	2,029,675	3,133,252	3,476,768
Vehicles	5,986,041	5,782,612	1,511,664	714,236	7,497,705	6,496,848
Infrastructure	63,567,227	66,384,127	53,235,886	52,759,337	116,803,113	119,143,464
Subscription Assets	—	1,729,334	—	19,874	—	1,749,208
Totals	200,133,289	195,809,422	71,758,231	68,171,226	271,891,520	263,980,648

Major Capital Asset Events During Fiscal Year 2025

- Resurfaced 6.5 miles of residential roadways;
- Replacement of 7.08 miles of deteriorated curbs and 5.24 miles of sidewalks;
- Installation of 3,315 feet of storm sewer pipe to alleviate flooding behind 98 residential properties as part of the Residential Rear Yard Drainage Program;
- Replaced the Tonne Road water main from Chase Avenue to Pratt Boulevard;
- Replaced the Biesterfield Basin Outfall pipe along WGN's property line (Approximately 1,800 feet of new storm sewer);
- Continuation of the Bennett Road and Gaylord Street Intersection Drainage Improvements;
- Completed the construction of the Clearmont Pedestrian Bridge, winning an American Public Works Association (APWA) Project of the Year award;
- Rehabilitation of 2.87 miles of Business Park streets; and
- Design Engineering Services for the Nicholas Boulevard Roadway and Water Main Improvement.

See Note 3 in the notes to the financial statements for additional information on the capital asset activity of the Village.

LONG-TERM DEBT

The table below summarizes the Village's bonded and similar indebtedness.

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 62,485,500	66,524,750	21,534,500	24,625,250	84,020,000	91,150,000
Redevelopment Note	18,149,617	18,550,355	—	—	18,149,617	18,550,355
Subscriptions Payable	—	1,386,245	—	—	—	1,386,245
Net Pension Liabilities/(Assets)						
IMRF	1,993,939	2,171,736	346,506	355,784	2,340,445	2,527,520
Police Pension	45,118,243	54,558,982	—	—	45,118,243	54,558,982
Firefighters' Pension	53,661,768	58,943,741	—	—	53,661,768	58,943,741
Total OPEB Liability - RBP	13,977,263	16,941,781	345,270	445,153	14,322,533	17,386,934
	195,386,330	219,077,590	22,226,276	25,426,187	217,612,606	244,503,777

As an Illinois home-rule municipality, the Village is not subject to any debt limitation. The Village was reaffirmed a rating of AA+ as of July 2021 from Standard & Poor's (S&P) based on a stable financial outlook for the Village. In making the decision to rate Elk Grove Village, S&P noted that the Village has extremely competent management, strong budgetary performance, very strong economy, strong budgetary flexibility and liquidity. The stable outlook reflects the Village's structurally balanced financial operations and anticipation it will maintain very strong budgetary flexibility and liquidity. S&P also factors in unfunded pension liabilities of both the State of Illinois and local pensions when issuing bond ratings. See Note 3 in the notes to the financial statements for additional information on the long-term debt activity of the Village.

The Net Pension Liability/(Asset) reflects the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The Village has paid the full amount of the actuarially required contributions. During fiscal year 2025, the Village contributed $1.60 million more than the combined Annual Pension Cost for the two pension funds to address long-term unfunded liabilities as provided through the implementation of an Electric Use Tax.

ECONOMIC FACTORS

Elk Grove Village continues to maintain its strong economic health, despite economic pressures throughout local, national and global economies. The fiscally responsible decisions made during the fiscal year have attributed to the strong financial position the Village is in today. Additionally, the Village's Business Friendly attitude and focus on technology and infrastructure have paid dividends in attracting development and supporting the growth of existing businesses.

ECONOMIC FACTORS - Continued

The Village is located adjacent to O'Hare International Airport and is home to the largest consolidated business park in North America (6.0 square miles) with over 62 million square feet of industrial inventory and 100 million square feet of commercial space Village-wide. Colliers Research published an Industrial Market Statistics report for the first quarter of 2025, and Elk Grove Village is listed in the report as having an industrial vacancy rate of 1.90%. A vacancy rate of under 5% is considered essentially full; the current rate continues to represent a trend of historic lows.

Business development activities have not slowed down during 2025. Major projects over the past year include the ongoing transformation of the Arlington Heights and Higgins Road intersection, where Wingspan Development began construction on The Vue-a 10-acre mixed-use development featuring more than 250 Class-A apartments, 16 townhomes, a clubhouse, a pool, and 59,000 square feet of retail space. As part of this redevelopment, a new pedestrian bridge will be constructed over Arlington Height Road to ensure safe access to Busse Woods. The business park expansion in the past year include more than $245 million in industrial related construction projects that are underway including $201 million in data center new construction and interior buildouts, $11.9 million in a new 122,000 square foot industrial single story speculative building, and an additional $32 million in other industrial alterations, renovations, and additions. An additional $432 million in new data center development is under review and is anticipated to be released during the second half of 2025.

Furthermore, the Village's unemployment rate of 3.8% continues to stand below the State's average of 5.0% as of the end of 2024. The Village's top employers include Alexian Brothers Medical Center with 2,800 employees, Tigerflex Corporation with 1,120, and BC International Group, Inc. with 753.

In 2023, Business Facilities Magazine ranked Elk Grove Village as the number one location in the United States for companies seeking to locate within industrial parks for the second year in a row. The Village was ranked as the third most affordable community for homebuyers in the country in a study conducted by Storage Café in 2022. Elk Grove Village was also recognized in 2024 as Municipality of the Year by the Illinois Industrial Real Estate Journal for a second time in the last three years.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to:

Village of Elk Grove Village
Christine Tromp, Director of Finance
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