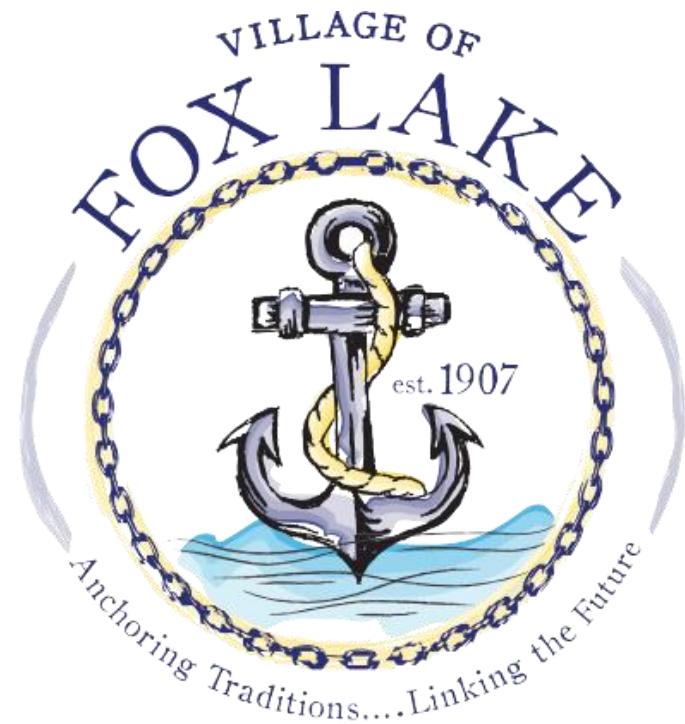


Village of Fox Lake, Illinois

Annual Financial Report

Year End April 30, 2020



Prepared By:
The Finance Department

**VILLAGE OF FOX LAKE, ILLINOIS
FOX LAKE, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Year Ended
April 30, 2020**

Prepared by the Finance Department

Susan Griffin, Interim Finance Director

VILLAGE OF FOX LAKE, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF FOX LAKE, ILLINOIS

APRIL 30, 2020

PRINCIPAL OFFICIALS

VILLAGE BOARD OF TRUSTEES

Donny Schmit, Village President

Jeff Jensen

Bernie Konwent

Nancy Koske

Brian Marr

Danice Moore

Ron Stochl

Amy Driscoll, Village Clerk

ADMINISTRATION

Anne Marrin, Village Administrator

Susan Griffin, Interim Finance Director

Donovan Day, Community Development Director

Ryan Kelly, Northwest Water Reclamation Facility Director

Jimmy Lee, Police Chief

Laura Linehan, Assistant to the Village Administrator

Kealan Noonan, Public Works Director

Howard Teegen, Village Attorney

Soffietti, Johnson, Teegen, Argueta & Bawcum, LTD

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Fox Lake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois (the Village) as of and for the year ended April 30, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois, as of April 30, 2020, 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.

Change in Accounting Principle

The Village adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The Village also adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules and supplemental data 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 and supplemental data 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 January 26, 2021, 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 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.

Sikich LLP

Naperville, Illinois
January 26, 2021

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

The Village of Fox Lake (the “Village”) Management’s Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the Village’s financial activity, (3) identify changes in the Village’s financial position and its ability to address the next and subsequent year challenges, (4) identify any material deviations from the financial plan, and (5) identify individual fund issues or concerns at and for the year ended April 30, 2020. As the Village presents its financial statements in conformity with the Governmental Accounting Standards Board Statement No. 34 reporting requirements, prior year comparative information has been included in the Village’s MD&A.

As with other sections of this financial report, the information contained within this MD&A should be considered as a part of a greater whole. Readers of this report should read and evaluate all sections of this report, including the Notes to the Financial Statements and the other Required Supplemental Information that is provided in addition to the MD&A, in order to form an opinion on the financial position and activities of the Village.

FINANCIAL HIGHLIGHTS

- The Village received an unmodified opinion from the independent audit firm, Sikich, LLP.
- The Village’s overall net position improved from FY19 to FY20. The revenues exceeded expenses by \$4,522,903 resulting in a net position as of April 30, 2020 of \$110,196,553. This is 4.3% higher than last year’s net position of \$105,673,650.
- Net Pension Liability (IMRF and Police Pension) is reported on the Statement of Net Position and the change in the net pension liability for the year is reported on the Statement of Activities. IMRF Net Pension Liability decreased as of 12/31/2019 by \$1,393,207. Police Pension Net Pension Liability increased as of 4/30/2020 by \$1,769,351 predominately due to the unrealized loss on the assets as the market took a significant decline due to the uncertainty surrounding the COVID pandemic.
- At the end of the current fiscal year, the General Fund *unrestricted* fund balance was \$10,238,481 up by \$526,304 over the prior year *unrestricted* amount of \$9,712,177. This change is due to the reduction in the restricted amount for Northwest Region Water Reclamation Facility improvement reserve. The amount committed by the Village’s reserve policy represents 44% of the budgeted FY21 operating expenditures.
- The General Fund balance increased by \$2,461 to \$11,138,887 as of April 30, 2020.

USING THE FINANCIAL SECTION OF THIS ANNUAL FINANCIAL REPORT

The Village’s financial statements present two kinds of statements, each with a different snapshot of the Village’s finances. The financial statements’ focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the Village’s accountability.

Government-Wide Financial Statements

The Village’s annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village’s overall financial condition. Financial reporting at this level uses accounting similar to full accrual accounting such as in the private sector. Interfund activity is eliminated, the cost of assets with a long service life is spread out over future years, so that capital expenditures are amortized through depreciation when the benefits are realized, and long-term debt is reported.

The first government-wide statement is the statement of net position that presents information about all of the Village’s assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over a multiyear period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village. Additionally, one would need to evaluate nonfinancial factors, such as the condition of the Village’s infrastructure, the satisfaction of the constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

The second government-wide statement is the statement of activities, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The Village of Fox Lake's governmental activities include general government, public safety, public works, parks and recreation and economic development. The business-type activities include Water and Sewer, Wastewater Reclamation, 911 Dispatch Services, and Commuter Parking. The Police Pension Plan fiduciary activity is not available to fund Village programs, and, therefore, is not included in the government-wide statements but is presented in this document at the end of the fund financial statements.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Unlike the government-wide financial statements, governmental fund financial information focuses on the near-term flow of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliation, on the page following each statement, to facilitate the comparison between governmental funds and governmental activities.

The Village of Fox Lake has five individual governmental funds: General Fund, Motor Fuel Tax Fund, South Business Development District Fund, Central Business Development District Fund and Tax Increment Financing Fund. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances (deficit) for the General Fund. Major funds are defined as those governmental or enterprise funds whose total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined totals for governmental and enterprise funds. The data for the funds other than the General Fund is combined into a single column labeled "nonmajor governmental funds." *Individual fund data for these nonmajor governmental funds is presented in the "Combining and Individual Fund Financial Statements and Schedules" section later in this report.*

Proprietary Funds

There are two categories of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Village has five enterprise funds, the Water and Sewer Fund, Northwest Region Water Reclamation Fund, 911 Dispatch Fund, Tall Oaks Fund and Commuter Parking Fund. *Financial activity of the Village's enterprise funds is shown in more detail than the government-wide financial statements and can be found beginning on page 11 of this report.*

Fiduciary Funds

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

The Police Pension is the Village's only fiduciary fund. The fiduciary funds are not reflected in the government-wide financial statements because its resources are not available to support the Village's programs, but are used to account for resources held for the benefit of the eligible police officers. The accounting used for fiduciary funds is similar to that used for proprietary funds. *The Police Pension fund financial statements can be found beginning on page 15 of this report.*

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and the fund financial statements. *The notes begin on page 17 of this report.*

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of pension and other postemployment benefit obligations to its employees and budget information. *Required supplementary information can be found beginning on page 52 of this report.*

Infrastructure Assets

A government's largest group of assets is typically its infrastructure (i.e. roads, bridges, storm sewers, etc.). A government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village of Fox Lake has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's useful life or expand its capacity – the cost of the project will be expensed. An “overlay” of a road will be considered maintenance, whereas a “rebuild” of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's net position as of April 30, 2020 was \$110,196,553, which represents an increase of \$4,522,903 compared to April 30, 2019. The Village's net position from governmental activities increased by \$927,562 and net position from business-type activities increased by \$3,595,341 over the prior fiscal year. *More detailed information can be found in the Statement of Net Position on page 4.*

Table 1: Comparative Summary Statements of Net Position as of April 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 18,655,415	\$ 18,048,613	\$ 28,044,137	\$ 23,042,692	\$ 46,699,552	\$ 41,091,305
Capital assets	32,465,739	30,794,415	64,372,194	56,376,266	96,837,933	87,170,681
Total Assets	51,121,154	48,843,028	92,416,331	79,418,958	143,537,485	128,261,986
Deferred outflows of resources						
	2,312,927	1,878,827	812,268	1,131,838	3,125,195	3,010,665
Liabilities						
Current liabilities	2,065,512	1,809,546	3,242,410	624,254	5,307,922	2,433,800
Noncurrent liabilities	13,468,572	11,970,321	13,353,257	7,208,831	26,821,829	19,179,152
Total Liabilities	15,534,084	13,779,867	16,595,667	7,833,085	32,129,751	21,612,952
Deferred inflows of resources						
	3,783,046	3,752,599	553,330	233,450	4,336,376	3,986,049
Net Position						
Net investment in capital assets	30,211,331	27,988,986	53,213,922	51,210,318	83,425,253	79,199,304
Restricted net position	3,152,775	3,719,845	-	-	3,152,775	3,719,845
Unrestricted net position	752,845	1,480,558	22,865,680	21,273,943	23,618,525	22,754,501
Total Net Position	\$ 34,116,951	\$ 33,189,389	\$ 76,079,602	\$ 72,484,261	\$ 110,196,553	\$ 105,673,650

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Normal Impacts on Net Position

Prior to discussing the current year's impacts on net position, it is helpful to first understand how six basic (normal) transactions impact the statement of net position and the three categories under net position.

Net results of activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – will reduce capital assets and net investment in capital assets.

Current Year Impacts on Net Position

Governmental Activities

For fiscal year 2020, governmental activities *net* position totaled \$34,116,951 reflecting an increase of \$927,562 over the prior fiscal year. Governmental activities total assets and deferred outflows increased \$2,712,226 and governmental activities total liabilities and deferred inflows increased \$1,784,664.

The \$2.712M increase in total assets and deferred outflows resulted from a \$607K increase in current assets, an increase of \$1.671M in capital assets, and an increase in pension related assets and deferred outflows of \$434K. The increase in capital assets is attributed to the replacement of a combination sewer cleaning truck (cost shared with General, Water & NWR Funds) and three police vehicles; and the completion of drainage improvements on Sayton Rd North, the Grand Ave lighting and road improvements projects, the Grace Avenue gathering area enhancements, and the Frontage/Hartigan Rd road improvements.

The total asset increase was offset by an increase of \$1.785M in total liabilities and deferred inflows. The current liabilities increased by \$256K, non-current liabilities (compensated absences and debt) by \$1.498M, and pension related inflows of resources (liability) of \$31K.

The increase in total liabilities is attributed to an increase in payables specifically due to accruals for the Grand Ave lighting and road improvements and the Frontage Road North repaving project, and a rise in noncurrent liabilities attributed to an increase in OPEB benefits, and the net pension liability from IMRF and Police Pension benefits. This was offset by a decrease in compensated absences.

Business-Type Activities

The business-type activities *net* position totals \$76,079,602 which represents an increase of \$3,595,341. Business-type activities total current assets increased by \$5,001,445 offset by a decrease in deferred outflows of \$319,570. Capital assets increased a substantial \$7,995,928 for growth in assets of \$12,677,803. Total current liabilities and deferred inflows increased by \$2,938,036 and noncurrent liabilities increased by \$6,144,426 resulting in the change in net position of \$9,082,462.

Capital assets increased by accounts receivables for EPA loan disbursement requests for the Interconnect Project. Noncurrent liabilities increased by the repayment amounts on the EPA loans. In addition the Village recorded an asset retirement obligation (ARO) of \$450,000 and related deferred outflow of resources in connection with its obligation to seal and abandon various wells at the end of their estimated useful lives in accordance with the Illinois EPA requirements.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Changes in Net Position

The Village's combined change in net position for FY2020 was an increase of \$4,522,903 compared to \$4,609,583 in the prior fiscal year. Business-type activities saw an increase in net position of \$3,595,341 and governmental activities saw an increase of \$927,562 during FY2020. Table 2 shows the condensed revenues and expenses of the Village's activities.

Table 2: Comparative Changes in Net Position as of April 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for services	\$ 2,818,416	\$ 2,957,032	\$ 11,680,817	\$ 11,387,693	\$ 14,499,233	\$ 14,344,725
Operating and capital grants	607,629	451,225	2,419,754	-	3,027,383	451,225
General Revenues						
Property taxes	2,542,842	2,452,584	-	-	2,542,842	2,452,584
All other taxes	7,121,899	7,202,868	-	-	7,121,899	7,202,868
Other Revenues and Transfers	196,128	291,840	486,502	440,362	682,630	732,202
Total revenues	13,286,914	13,355,549	14,587,073	11,828,055	27,873,987	25,183,604
Expenses						
General government	1,688,994	1,255,082	-	-	1,688,994	1,255,082
Public safety	6,309,496	5,672,481	-	-	6,309,496	5,672,481
Public works	3,188,870	2,773,112	-	-	3,188,870	2,773,112
Parks & Recreation	384,441	472,811			384,441	472,811
Economic development	704,033	507,813			704,033	507,813
Interest	83,518	85,228	-	-	83,518	85,228
Water & Local Sewer	-	-	2,873,581	2,442,285	2,873,581	2,442,285
Wastewater reclamation			6,445,420	5,863,095	6,445,420	5,863,095
911 Dispatch Service			1,583,639	1,361,711	1,583,639	1,361,711
Parking	-	-	89,092	140,403	89,092	140,403
Total expenses	12,359,352	10,766,527	10,991,732	9,807,494	23,351,084	20,574,021
Change in net position	927,562	2,589,022	3,595,341	2,020,561	4,522,903	4,609,583
Net Position - May 1	33,189,389	30,600,367	72,484,261	70,463,700	105,673,650	101,064,067
Net Position - April 30	\$ 34,116,951	\$ 33,189,389	\$ 76,079,602	\$ 72,484,261	\$ 110,196,553	\$ 105,673,650

Normal Impacts on Revenues and Expenses

There are eight basic impacts on revenues and expenses, which are described below.

Revenues:

Economic conditions – This can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales and utility tax revenue, and public spending habits for building permits, elective user fees, and volumes of consumption.

Increase in Village approved rates – While certain tax rates are set by statute, the Village Board has limited authority to impose and periodically increase certain rates (water, licenses, permits, fines, inspection fees, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring) – Certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Market impacts on investment income – The Village's investment portfolio is managed using a short-term average maturity and market conditions may cause investment income to fluctuate.

Expenses:

Introduction/elimination of programs and services – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) programs and services may be added or deleted to address changing community needs, unfunded mandates from other governmental levels, and funding available within the Village.

Increases/decreases in the number of authorized personnel – The Village Board may authorize increases or decreases in staffing levels based upon program and service changes. Staffing costs (salary and related benefits) represent approximately 60.6% of the Village's General Fund operating costs and 29.9% of the business-type activities funds.

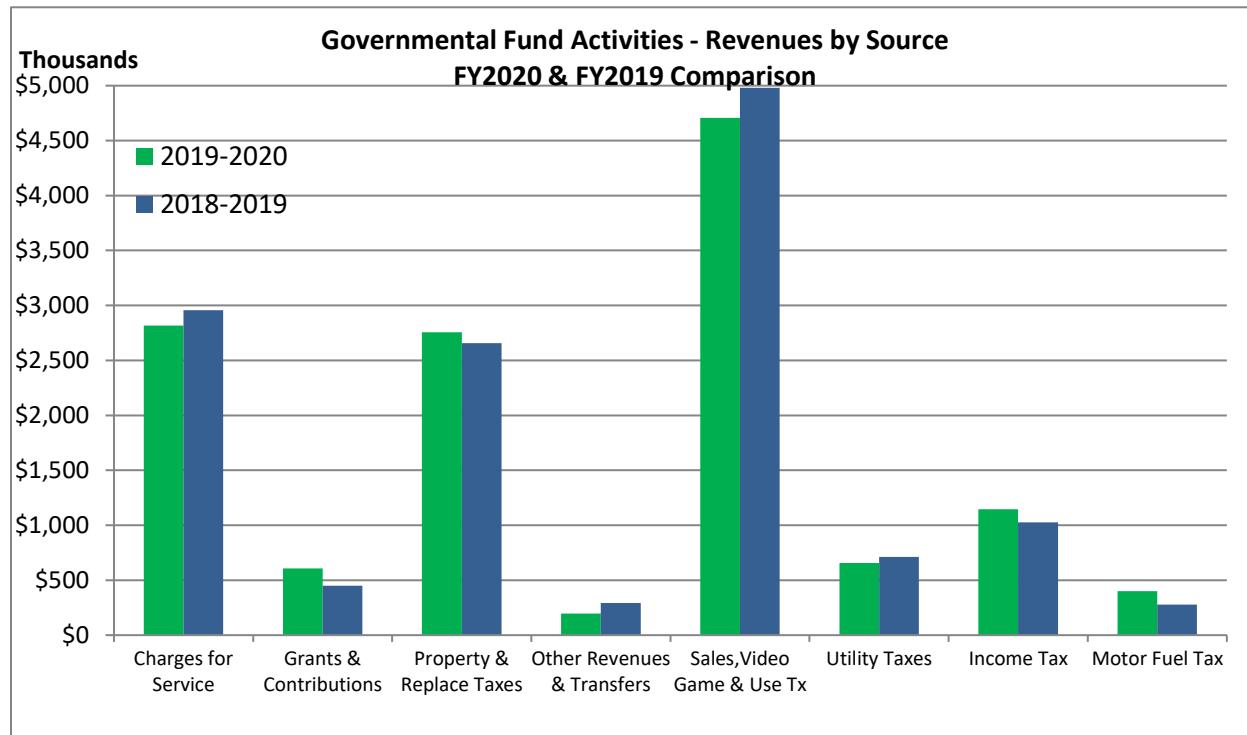
Salary increases (annual adjustments and merit) - The Village has three separate bargaining units representing approximately 50% of the employee population.

Inflation – While overall inflation has been relatively low, the Village is a major consumer of certain commodities such as supplies, fuel, and utilities. Some specific areas may experience unusually high price increases.

Governmental Activities:

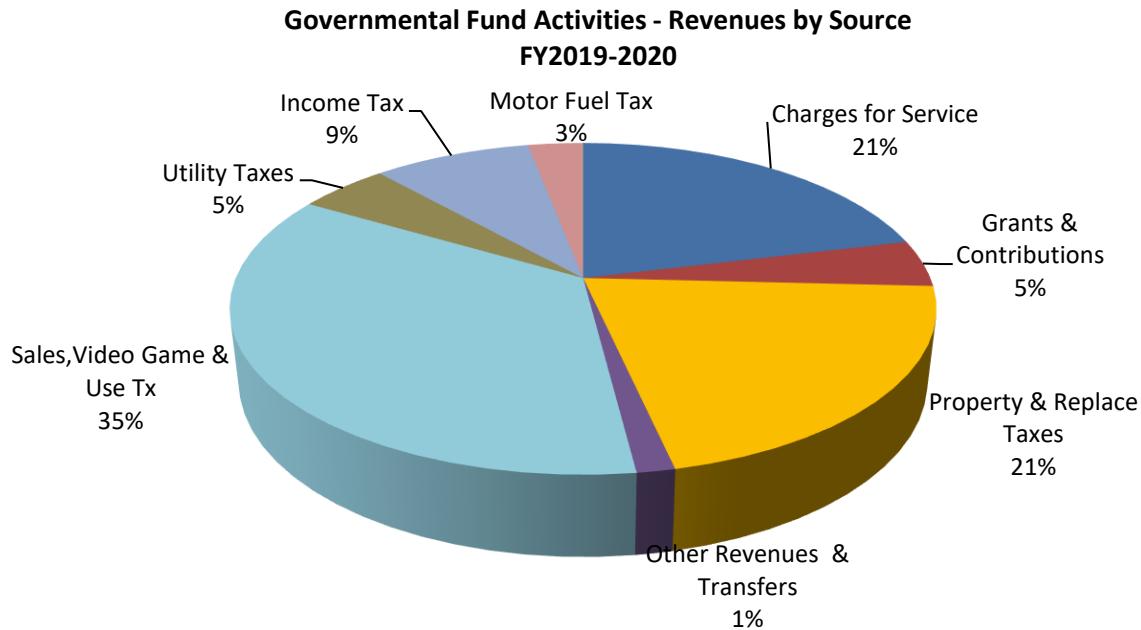
Revenues

The chart below depicts the Governmental Activity Revenue by source for FY2020:



VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

For the fiscal year ended April 30, 2020, revenues from governmental activities totaled \$13,355,549, an increase of \$326,989 or 2.5% from the prior fiscal year.



The Village continues to receive the majority of its revenues from property taxes, charges for services, income taxes, sales, video gaming, hotel/motel, and local use taxes (“Sales”), telecommunications and utility taxes (“Utility”), taxes. Sales Taxes represent the largest revenue source at \$4,707,727 or 35%.

Sales and use taxes (as a component of “Sales”) of \$3,467,231 decreased 4.2% over the prior year. Video gaming taxes of \$261,476 declined by 11.5% or \$34,010 from the prior year as well. Both reductions are attributed to a decline in sales taxes in March & April due to the shut-down of non-essential businesses.

Property taxes (including Police Pension but excluding road and bridge taxes), at \$2,542,842 and 19% of total revenues, (21% with Personal Property Replacement Tax) comprise the third largest single source of governmental activity revenue for the Village. Property taxes received increased over the prior year by 3.7% or \$90,258. The total property tax received during FY19 of \$2,683,258 is restricted for specific purposes, as follows:

<u>Year 2018 (FY20) Property Tax by Purpose</u>	<u>Amount</u>
Audit Tax	\$ 15,866
Corporate	\$893,265
IMRF	\$143,913
Police Pension	\$632,544
Police Protection/System	\$451,190
Social Security	\$162,209
Tort Judgment/Liability Insurance	\$166,505
TIF	\$ 77,350 Subtotal: \$2,542,842
Road and Bridge	\$140,416 Total: \$2,683,258

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Charges for Services were the Village's second largest revenue source at \$2,818,416, representing 21% of the total Governmental activities revenue. Overall, this source of revenue declined by \$138,616 or 4.7% over last fiscal year. The primary revenues in this category are: refuse fees \$1,010,410; reimbursable expenses and contractual revenue \$571,879; police fines and related special revenues \$564,238; licenses and permit fees \$582,418; and parks and recreational fees \$97,313. As a non-home rule municipality, the Village has limited authority on both the types of charges and related fees that it is able to impose. The majority of the Village's current charges for services focus on construction and business-related activity and, as such, this revenue stream tends to follow the ebbs and flows of the economy.

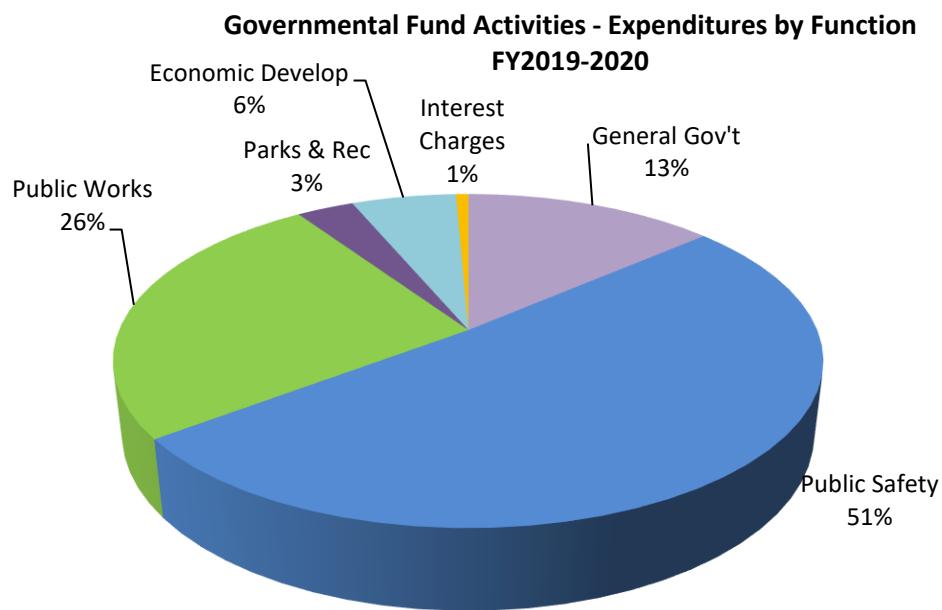
Income taxes which comprise \$1,146,597 or 9% of total revenue increased 11.6% over fiscal year 2019. During most of fiscal year 2020 the low unemployment remained consistent with the prior year resulting in this increase. The COVID shut-down is expected to impact income taxes in the next fiscal year.

Utility taxes of \$655,129 decline by \$57,103 or 8% from the prior fiscal year. Places for eating tax of \$153,256 declined by \$39,757 or 20.6% due to the shut-down of restaurants in March and April.

Grants and contributions of \$607,629 increased 35% due to the recording of a receivable for the CARES Act grant. Investment income of \$186,052 dropped by \$55,157 or 23% due to the use of cash reserves for capital projects and the lowering of short term interest rates.

Expenditures

For the fiscal year ended April 30, 2020, expenditures from governmental activities totaled \$12,359,352, which represents a rise of \$1,592,825 or 14.8% compared to the prior year.



Public safety represents the largest portion of governmental activity expenses at \$6,309,496. Public safety consists of the Village's police department, including all related personnel, pension, training, supplies, and services provided by the 911 emergency dispatch center. For fiscal year 2020, expenses for public safety, were \$637,015 or 11.2% over the prior year and represented 51% of total governmental activity expenses.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Public works is the second largest category of governmental activity expenses. Public works includes activity for streets, vehicles, buildings and grounds, solid waste program, and forestry. For fiscal year 2020, expenses for public works totaled \$3,188,870 and represented 26% of total governmental activities expenses. Public works expenses increased \$415,758 or 15.0%, which is consistent with commodity and utility cost increases.

General government is the third major category of governmental activity expenses. General government includes costs for the Village Council, Village Clerk, administration, legal services, finance, engineering, technology, liability insurance, and utilities. For fiscal year 2020, expenses for general government were \$1,688,994 which represented 13% of total governmental activities costs. General government expenses rose \$433,912 or 34.6%.

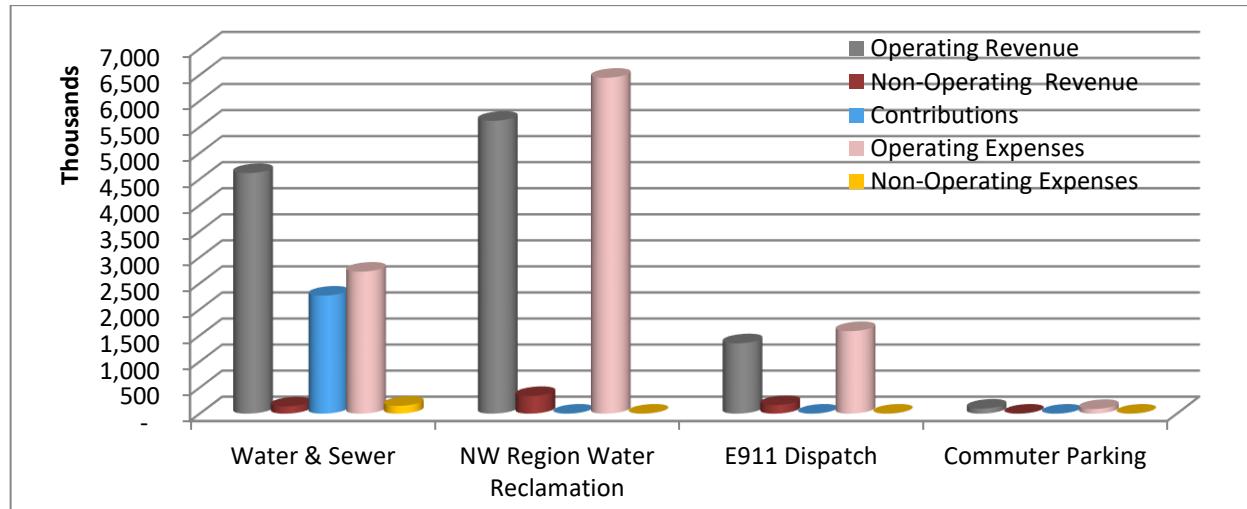
Economic Development includes implementing and enforcing current applicable codes and ordinances within the Village and overseeing the construction process at various stages through building inspections. For fiscal year 2020, expenses for economic development were \$704,033 representing the next largest category of governmental activity expenses. This category rose \$196,220 or 38.6% and accounts for 6% of the total governmental activities expenses.

Parks and recreation costs accounts for 3% of the governmental activity expenses. Parks and recreation includes expenses for special events, cultural programs and recreational activities for residents of the community as well as residents in surrounding communities in order to spur economic activity in the Village. For fiscal year 2020, expenses of \$384,441 reflected a reduction in expenditures of \$88,370 or 18.7% from the prior fiscal year as a result of a reduction in staff due to attrition and the lack of spring programs due to the COVID pandemic.

Interest and fiscal charges decreased slightly from \$85,228 to \$83,518 this year due to the repayment of debt.

Business-Type Activities

Business-type activities in the Village consist of water operations, waste water reclamation, 911 dispatch center and parking operations. Operating revenues include user fees, tap-on fees and miscellaneous; non-operating revenues include investment income and gains on the sale of assets. Operating expenses comprise personnel services, contractual services and commodities, and depreciation; non-operating expenses include losses on the sale of assets and interest expense on debt. In the Statement of Activities, operating revenues are shown as charge for services.



VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Revenues:

Total revenues for the Village's business-type activities for fiscal year 2020 were \$14,587,073 compared to \$11,828,055 in fiscal year 2019. This reflects an increase in total revenues of \$2,759,018 or 23.3% from fiscal year 2019.

In fiscal year 2020, total charge for services was \$11,680,817 with wastewater reclamation revenue representing 48.1%, local water and sewer operations reflects 39.5%, 911 dispatch services was 11.6% and by parking operations accounted for 0.8%. Wastewater reclamation revenues rose by \$371,766 or 7.1% due to the annual rate increases and a \$384,000 tap-on fee from Baxter Corporation pursuant to a wastewater treatment agreement offset by a decline in penalties as the Village suspended utility billing penalties to provide relief to customers as unemployment spiked as a result of COVID mitigation measures took effect. The local water and sewer charge for services decreased \$67,660 or 1.4% over the prior fiscal year due to the suspension of penalties. Local water and sewer realized \$2,264,406 in a capital grant due to IEPA loan forgiveness. The Village recorded \$7.8M in loans (liability) from the IEPA for the Interconnect Project to connect the north and south sides of the community.

E911 dispatch revenue increased \$15,797 or 1.2% from changes in the contractual services contract payments from the other communities/organizations served by the Village's dispatch operations known as "FoxCom" offset by a decrease in interest income. The Fund recorded a capital grant of \$155,348 from the State of Illinois for non-recurring capital costs to update to next generation 911 equipment. The applicable grant costs were expensed in FY2019.

Expenses:

Total expenses for the Village's business-type activities for fiscal year 2020 were \$10,991,732 compared to \$9,807,494 in fiscal year 2019. This represents an increase of \$1,184,238 or 12.1% over fiscal year 2019. Of the total expenses for business-type activities, \$6,445,420 is attributable to wastewater reclamation with an increase of \$582,325 over last year; \$2,873,581 to water and sewer operations with an increase of \$431,296 over last year; \$1,583,639 to 911 dispatch services reflecting an increase of \$221,928 over the prior year; and \$89,092 to parking operations which decreased \$51,311. All operations remained relatively consistent with prior year expenditures after consideration of general inflation on operating costs and normal labor cost increases resulting from bargaining unit negotiations until March when the impact of the pandemic began to force changes in operations to allow appropriate social distancing and work from home. These included increased cleaning, technology, and supplies costs.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. At April 30, 2020, the Governmental Funds reported a combined fund balance of \$13,759,153 which is a \$218,406, or 1.6% increase from the beginning of the year balance of \$13,540,747. Of the total year-end fund balance \$6,301 is unassigned, \$367,897 is non-spendable, \$3,152,775 is restricted, \$5,140,241 is committed, and \$5,091,939 is assigned. The most significant increase occurred in the assigned for capital projects where the assignment for future projects increased by \$716,224.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$2,461, or 0.02%, from the beginning of year. Even though revenues and other financing sources decreased over the prior year by \$346,654 or 2.9% and expenditures increased by \$201,386 or 1.8% the fund balance grew because the revenues exceeded the expenditures by \$2,461 from diligent management of costs.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

The BDD-South Fund decreased by \$156,830 due to the repaving of Frontage/Hartigan Road, the completion of the Grace Ave gathering area, and engineering for the Grand Ave street light improvements.

Fund Name	Type	Major Fund	FY20 Balance	FY19 Balance	Increase (Decrease)
General	Governmental	Y	\$11,138,887	\$ 11,136,426	\$ 2,461
TIF	Special Revenue	N	\$ 450,621	\$ 370,726	\$ 79,895
Motor Fuel Tax	Special Revenue	N	\$ 1,103,027	\$ 990,220	\$ 112,807
BDD-South	Special Revenue	N	\$ 441,243	\$ 598,073	\$ (156,830)
BDD-Central	Special Revenue	N	\$ 625,375	\$ 445,302	\$ 180,073
Total Governmental Funds			\$13,759,153	\$ 13,540,747	\$ 218,406

Proprietary Funds

At April 30, 2020, the Enterprise Funds' total net position increased by \$3,595,341 over the prior year from \$72,484,261 to \$76,079,602.

The Water and Sewer Fund reflected an increase in net position of \$4,144,775. This increase was comprised of \$2,264,406 in contributions due to the loan forgiveness from the IEPA and water fees charged to customers exceeding water related expenses. The Village increased water rates and changed the rate structure based on an allocation methodology reflective of fixed and variable expenses. The rates will continue to be adjusted to create a reserve for future infrastructure improvements, including the Interconnect Project to connect the local sewer system to the Wastewater Reclamation facility.

The Northwest Region Water Reclamation Fund experienced a decrease in net position of \$487,483. This decrease is attributed to an operating loss of \$825,375 offset by investment income and gain on sales of assets of \$337,892. The Village conducted a rate and efficiency study and will be reviewing the current fee structure to determine whether increases or changes to the rates will be required.

The Commuter Parking fund saw an \$11,699 decrease in net position. While revenues rose in the fund by \$14,801 due to more monitoring of the commuter lots, it was offset by an increase in wages for applicable personnel time allocated to the fund.

The 911 Dispatch Services Fund reflected a \$69,338 decrease in net position. The 911 Dispatch Fund personnel costs increased due to the hiring of an additional dispatcher and from compensation adjustments to more closely match the labor market. The 911 Dispatch Center expenses have been reviewed and a costing model established which captures all costs of the fund. The 911 Dispatch Center is currently evaluating options to consolidate its operations with several other municipalities and the County of Lake or to provide services to other police and fire departments in order to spread the overhead costs to more agencies.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village's passed Ordinance #14-36 on 11/25/2014 adopting the budget officer system and creating the office of the budget officer; thus, eliminating the appropriations budget. Since that time, the Village Treasurer/Finance Director has been designated as the Budget Officer and is responsible to prepare an annual budget and present it to the Village Board for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The process will begin with all departments of the Village submitting their budget requests to the Village Treasurer/Finance Director that are reviewed by the Village Administrator. The proposed budget is prepared and presented to the Village Board for review and discussion. Public hearings are held, revisions are made, and the

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

process culminates with adoption of the budget, in ordinance form, by the Village Board. The budget, which by state law also serves as the appropriation ordinance, represents the legal budget of the Village and must be adopted by the Village Board prior to May 1.

The Village Treasurer/Finance Director is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Board. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, three budget amendments were approved by the Village Board.

CAPITAL ASSETS

At the end of FY2020, the Village had a combined total of \$96,837,933 of capital assets invested in land; equipment; buildings and improvements; vehicles; infrastructure; water, sewer, and waste water reclamation facilities and lines; and a commuter lot. *Table 4 below and table 5 on the next page summarize the changes in capital assets, which are presented in detail in Note 4 in the Notes to the Financial Statements.*

Table 4: Capital Assets at Year-End, Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land (includes rights of way and easements)	\$ 13,044,810	\$ 13,022,210	\$ 2,067,022	\$ 2,067,022	\$ 15,111,832	\$ 15,089,232
Construction in progress	1,374,174	1,298,626	10,149,148	1,430,347	11,523,322	2,728,973
Buildings and improvements	5,526,731	5,532,255	27,951,920	28,133,060	33,478,651	33,665,315
Vehicles & Equipment	1,685,325	1,569,827	2,680,545	2,736,945	4,365,870	4,306,772
Infrastructure	10,834,699	9,371,497	-	-	10,834,699	9,371,497
Water transmission system	-	-	14,298,387	14,290,065	14,298,387	14,290,065
Sewer collection system	-	-	7,225,172	7,718,827	7,225,172	7,718,827
Total capital assets	<u>\$ 32,465,739</u>	<u>\$ 30,794,415</u>	<u>\$ 64,372,194</u>	<u>\$ 56,376,266</u>	<u>\$ 96,837,933</u>	<u>\$ 87,170,681</u>

For fiscal year 2020, the Village's total capital assets, net of depreciation, increased \$9,667,252. Capital assets of government activities increased \$1,671,324 due to expenses related the capital projects discussed throughout this document and the replacement of various police and public works equipment, offset by \$1,039,527 in depreciation. Capital assets of business-type activities rose \$7,995,928, as additions predominately from the Interconnect Project outpaced depreciation totaling \$2,607,407.

Table 5: Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
	2020	2020	2020
Beginning Balance	\$ 30,794,415	\$ 56,376,266	\$ 87,170,681
Additions			
Depreciable	2,612,703	1,899,534	4,512,237
Nondepreciable	981,919	8,972,637	9,954,556
Retirements			
Depreciable	-	15,000	15,000
Nondepreciable	883,771	253,836	1,137,607
Depreciation	<u>(1,039,527)</u>	<u>(2,607,407)</u>	<u>(3,646,934)</u>
Ending Balance	<u>\$ 32,465,739</u>	<u>\$ 64,372,194</u>	<u>\$ 96,837,933</u>

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Major additions to capital assets include the following:

Governmental Activities

- Completed these improvements:
 - Grand Ave street lighting and road infrastructure
 - Sayton Rd North drainage
 - Frontage/Hartigan road repaving
 - Grace Ave gathering area
- Planning and Design for Road Improvements, including:
 - Nippersink Blvd
 - Frontage Road North
- Completion of Parks Master Plan and a Wayfinding Signage Analysis
- Purchased and installed cameras for Village buildings
- Replaced 3 Police Vehicles
- Replaced Sewer Vactor (cost shared equally with Water & NWR Funds)
- Purchased an asphalt hopper for Public Works
- Purchased a drone for Public Safety

Business-Type Activities

Water & Sewer

- Replaced water main by Fire Department
- Constructed Interconnect Project Phase 1 to Wastewater Reclamation Facility including Private site improvements on Rt 12
- Planning and Design for Interconnect Project Phase II
- Continued Sewer Lining

Northwest Region Water Reclamation

- Aeration Project
- Roof Replacement
- Completed Screw Pump Replacement (Significant System Component)
- Replaced UV disinfection system control panel and component sleeves

911 Dispatch Center

- Received \$155k grant from the State for NG911 system upgrades and workstation additions completed in the fiscal year 2019

Debt Outstanding

The Village of Fox Lake governmental activities had total long-term debt of \$13,468,572 as of April 30, 2020. Business-type activities had total long-term debt of \$13,353,257 at April 30, 2020. Long-term debt is comprised of general obligation debt, Illinois EPA low interest loans, net pension liability, compensated absences payable to employees, unamortized bond premium, asset retirement obligations, and other postemployment benefit liability. *For more detail on the Village's long-term debt, see Note 6 (c) in the Notes to the Financial Statements.*

General obligation debt outstanding: At the end of the year, the Village had four general obligation (G.O.) debt certificate issues outstanding with a combined balance of \$3,493,958. Under state statutes, the Village's aggregated general obligation indebtedness cannot exceed 8.625% of the value of taxable property within the Village. The total debt applicable to this limit was \$3,493,958 well below the \$26,592,365 set by law (using the 2019 taxable equalized assessed value of \$309,476,693). None of the general obligation debt is bonded debt, and; therefore, is not supported with a direct tax on the residents of the Village. Additionally, no new G.O. debt was issued during FY2020.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

Illinois Environmental Protection Agency Loan: The Village has three low interest rate loans due in semiannual installments of principal and interest for improvements in the Local Water and Sewer District. During fiscal year 2020 the Village received \$6,376,193 million in IEPA loan funds for a project to interconnect north and south water systems. Of the total loan disbursements the IEPA forgave \$2,264,406 of the loans which is recorded as a grant/contribution in the financial statements. The total outstanding debt balance as of April 30, 2020 is \$9,863,339 with interest payments at a rate between 1.380% and 1.640% per annum. Subsequent to the fiscal year end the Village expects to receive additional IEPA loan funds for completion of the Interconnection project.

Compensated absences: At the end of the year compensated absences payable totaled \$411,273 which reflected an increase of \$44,071 from the prior year. This increase is attributed to employees with more accrued time and a temporary change allowing employees to carryover more vacation time due to inability to take time off during the year.

Net pension liability: As of April 30, 2020, the Village's net pension liability totaled \$8,747,585 which represents an increase of \$376,144 over the prior year balance of \$8,371,441. This fiscal year the Village reduced an IMRF net pension liability by \$1,393,207 from \$1,910,242 to \$517,035 based on the strength of the investment income as of 12/31/2019. The Police pension liability increased \$1,769,351, mostly due to less than expected investment income and unrealized losses recorded as of 4/30/2020. In FY2018, the Plan Trustees approved a change in the actuarial rate of return for investments from 7.0% to 6.75%. As of the last valuation date however, the Police Pension Fund has a funded ratio of 67.2% down 5.49% from the prior year. While the Village has taxing authority for the employer share of the police pension contribution, the tax revenue generated only covered 87% of the Village's FY2020 contribution and 79% of the total actuarial required contribution. The police pension tax does not have a rate ceiling; however, the Village's ability to increase this tax levy is limited by the PTELL imposed by the State of Illinois. Therefore, the Village contributed \$94,184 to the Pension Fund from the General Fund to meet the actuarially recommended contribution. *For more detail on the Village's pension obligations see Note 9 (a) in the Notes to the Financial Statements.*

Other postemployment benefit (OPEB) liability: As of April 30, 2020, the Village's total OPEB liability totaled \$3,778,392, an increase of \$1,340,065. Current year expenses of \$877,812 and \$472,253 for the governmental activities and business-type activities, respectively, were recognized this year to bring the total OPEB liability to its actuarial estimate. This significant increase is due to changes in the discount rate from 3.79 to 2.56% and the actuarial experience. The Village is not required to and currently does not advance fund this obligation. No adjustments have been made to the actuarial valuation for the impact of COVID 19. *For more detail on the Village's OPEB obligation see Note 10 (e) in the Notes to the Financial Statements.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village was incorporated on December 15, 1906, and certified by the state on April 13, 1907. The area was first explored during the 17th century by the French. In the late 19th century, it was known as Nippersink Point. Many Chicagoans have established summer homes in Fox Lake. The Village is situated among the Chain O'Lakes ("the Chain"), where boating, jet skiing, tubing and boarding are popular activities. According to the Fox Waterway Agency there were 19,277 boats registered on the Chain for 2019 and an estimated 21,000 temporary usage passes. The Village relies almost entirely upon revenues driven by the state of the economy to support its basic services. As a result, the Village began working on a strategic financial plan that addressed both its revenue streams and a review of its expenses. As part of the revenue analysis, the Village identified that, to stabilize and increase its revenue streams, the burden of funding the Village should be shared by the taxpayers, the users of services, and patrons of businesses. Steps continue to be taken to increase revenues including the review of existing fees and charges and the implementation of fee increases; enforcement of existing revenue-generating codes, and collection of outstanding water and police fines receivables through a collection agency.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2020

The FY2021 General Fund budget adopted on April 23, 2020 includes revenues totaling \$13.7M and operating expenditures (including debt payments) of \$12.2M. Revenue streams are volatile due to the effects on the economy of the COVID pandemic specifically revenues attributed to prepared food sales, video gaming, building fees, and penalties. The primary response to the pandemic crisis and the loss of revenues is to reduce government expenditures including deferring capital projects, freezing hiring and wage increases, and curbing spending on the operation, maintenance and replacement costs. With that no significant service modifications are anticipated with the exception of in-person recreation events.

The FY2021 General Fund budget also includes significant spending on capital projects totaling \$3.6M for improvements on Sayton, Nippersink, Frontage Road and Grand Avenue. These expenditures are expected to come from Federal STP grants for the Nippersink Rd and Grand Ave rehab projects in the amount of \$1.4M with the balance of capital outlay from existing reserves.

The NWR Water Reclamation Enterprise Fund's budgeted revenues are projected to decrease by \$806k due to the potential impact of the pandemic and expenditures are budgeted at the prior year level. This will exacerbate the operating loss experienced in FY2020. The Village is pursuing a rate study to review the regional rates to determine the appropriate rates to be charged for the water/sewer and water reclamation services as the operating revenue is not able to cover the operations, maintenance, and depreciation expenses.

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 financial information should be directed to Susan Griffin, Interim Finance Director at 847-587-3968 or Wayde Frerichs, Finance Director at 847-587-3964 or by mail at Village of Fox Lake, 66 Thillen Drive, Illinois 60020.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 15,519,293	\$ 19,331,352	\$ 34,850,645
Receivables, net of allowance for uncollectibles			
Property taxes	2,779,401	-	2,779,401
Accounts	808,473	3,056,779	3,865,252
Intergovernmental	1,115,955	3,521,382	4,637,337
Prepaid items	47,903	80,620	128,523
Cash with paying agent	201,600	118,400	320,000
Inventory	118,394	-	118,394
Internal balances	(1,935,604)	1,935,604	-
Capital assets			
Capital assets not being depreciated	14,418,984	12,216,170	26,635,154
Capital assets being depreciated, net	18,046,755	52,156,024	70,202,779
Total assets	<u>51,121,154</u>	<u>92,416,331</u>	<u>143,537,485</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	2,312,927	499,204	2,812,131
Unamortized loss on refunding	-	21,899	21,899
Asset retirement obligation items	-	291,165	291,165
Total deferred outflows of resources	<u>2,312,927</u>	<u>812,268</u>	<u>3,125,195</u>
Total assets and deferred outflows of resources	<u>53,434,081</u>	<u>93,228,599</u>	<u>146,662,680</u>
LIABILITIES			
Accounts payable	1,226,772	3,164,548	4,391,320
Accrued payroll	141,882	45,643	187,525
Interest payable	11,762	32,219	43,981
Deposits payable	685,096	-	685,096
Noncurrent liabilities			
Due within one year	463,974	587,321	1,051,295
Due in more than one year	13,004,598	12,765,936	25,770,534
Total liabilities	<u>15,534,084</u>	<u>16,595,667</u>	<u>32,129,751</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	1,003,645	553,330	1,556,975
Deferred property taxes	2,779,401	-	2,779,401
Total deferred inflows of resources	<u>3,783,046</u>	<u>553,330</u>	<u>4,336,376</u>
Total liabilities and deferred inflows of resources	<u>19,317,130</u>	<u>17,148,997</u>	<u>36,466,127</u>
NET POSITION			
Net investment in capital assets	30,211,331	53,213,922	83,425,253
Restricted for			
Economic development	1,517,239	-	1,517,239
Maintenance of roadways	1,034,393	-	1,034,393
DUI enforcement	86,948	-	86,948
Seized assets	21,391	-	21,391
Insurance	200,070	-	200,070
Northwest Region improvements	292,734	-	292,734
Unrestricted	752,845	22,865,680	23,618,525
TOTAL NET POSITION	<u>\$ 34,116,951</u>	<u>\$ 76,079,602</u>	<u>\$ 110,196,553</u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 1,688,994	\$ 1,030,184	\$ 44,525	\$ -
Public safety	6,309,496	646,586	43,118	-
Public works	3,188,870	1,044,333	400,515	119,471
Parks and recreation	384,441	97,313	-	-
Economic development	704,033	-	-	-
Interest and fiscal charges	83,518	-	-	-
Total governmental activities	12,359,352	2,818,416	488,158	119,471
Business-type activities				
Water and sewer	2,873,581	4,615,609	-	2,264,406
Wastewater reclamation	6,445,420	5,620,045	-	-
911 dispatch services	1,583,639	1,349,332	-	155,348
Parking	89,092	95,831	-	-
Total business-type activities	10,991,732	11,680,817	-	2,419,754
TOTAL PRIMARY GOVERNMENT	\$ 23,351,084	\$ 14,499,233	\$ 488,158	\$ 2,539,225

Net (Expense) Revenue and Change in Net Position			
Governmental Activities	Business-Type Activities	Total	
\$ (614,285)	\$ -	\$ (614,285)	
(5,619,792)	-	(5,619,792)	
(1,624,551)	-	(1,624,551)	
(287,128)	-	(287,128)	
(704,033)	-	(704,033)	
(83,518)	-	(83,518)	
(8,933,307)	-	(8,933,307)	
-	4,006,434	4,006,434	
-	(825,375)	(825,375)	
-	(78,959)	(78,959)	
-	6,739	6,739	
-	3,108,839	3,108,839	
(8,933,307)	3,108,839	(5,824,468)	
General Revenues			
Taxes			
Property tax	2,542,842	-	2,542,842
Utility tax	655,129	-	655,129
Use tax	378,112	-	378,112
Hotel/motel tax	5,319	-	5,319
Road and bridge tax	140,416	-	140,416
Video gaming proceeds	261,476	-	261,476
Rental car taxes	120	-	120
Intergovernmental			
Sales tax	4,460,599	-	4,460,599
Replacement tax	71,515	-	71,515
Shared income tax	1,146,597	-	1,146,597
Cannabis excise tax	2,616	-	2,616
Miscellaneous	10,076	-	10,076
Gain on sale of capital assets	-	14,235	14,235
Investment income	186,052	472,267	658,319
Total	9,860,869	486,502	10,347,371
CHANGE IN NET POSITION			
	927,562	3,595,341	4,522,903
NET POSITION, MAY 1	33,189,389	72,484,261	105,673,650
NET POSITION, APRIL 30	\$ 34,116,951	\$ 76,079,602	\$ 110,196,553

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 13,433,085	\$ 2,086,208	\$ 15,519,293
Receivables, net			
Property taxes	2,701,546	77,855	2,779,401
Accounts	808,473	-	808,473
Intergovernmental	807,728	308,227	1,115,955
Prepaid items	47,903	-	47,903
Cash with paying agent	201,600	-	201,600
Inventory	49,760	68,634	118,394
Due from other funds	1,712,285	970,928	2,683,213
TOTAL ASSETS	\$ 19,762,380	\$ 3,511,852	\$ 23,274,232
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,050,983	\$ 175,789	\$ 1,226,772
Accrued payroll	141,882	-	141,882
Deposits payable	685,096	-	685,096
Due to other funds	3,980,875	637,942	4,618,817
Total liabilities	5,858,836	813,731	6,672,567
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	2,701,546	77,855	2,779,401
Unavailable revenue	63,111	-	63,111
Total deferred inflows of resources	2,764,657	77,855	2,842,512
Total liabilities and deferred inflows of resources	8,623,493	891,586	9,515,079
FUND BALANCES			
Nonspendable			
Nonspendable prepaid items	47,903	-	47,903
Nonspendable deposits	201,600	-	201,600
Nonspendable inventory	49,760	68,634	118,394
Restricted			
Restricted for DUI enforcement	86,948	-	86,948
Restricted for seized assets	21,391	-	21,391
Restricted for insurance	200,070	-	200,070
Restricted for Northwest Region improvements	292,734	-	292,734
Restricted for economic development	-	1,517,239	1,517,239
Restricted for maintenance of roadways	-	1,034,393	1,034,393
Unrestricted			
Committed by reserve policy	5,140,241	-	5,140,241
Assigned for capital projects	5,078,840	-	5,078,840
Assigned for shop with a cop	12,499	-	12,499
Assigned for tree replacement	600	-	600
Unassigned	6,301	-	6,301
Total fund balances	11,138,887	2,620,266	13,759,153
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,762,380	\$ 3,511,852	\$ 23,274,232

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

April 30, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 13,759,153
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	32,465,739
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	63,111
Pension related deferred outflows of resources are not related to current financial resources and, therefore, are not presented in the governmental fund statements	2,312,927
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(11,762)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation debt payable	(2,206,338)
Unamortized bond premium	(48,070)
Compensated absences payable	(297,804)
Net pension liability - Police Pension	(8,230,550)
Net pension liability - IMRF	(229,100)
Other postemployment benefits	(2,456,710)
Pension related deferred inflows of resources are not due and payable within the current period and, therefore, are not reported in the governmental funds	<u>(1,003,645)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 34,116,951</u></u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,059,320	\$ 77,350	\$ 4,136,670
Licenses, permits and fees	679,731	-	679,731
Intergovernmental	4,453,849	1,618,738	6,072,587
Charges for services	1,412,731	-	1,412,731
Fines and forfeitures	564,238	-	564,238
Investment income	151,642	34,410	186,052
Miscellaneous	171,794	-	171,794
 Total revenues	 11,493,305	 1,730,498	 13,223,803
EXPENDITURES			
Current			
General government	1,090,201	148,262	1,238,463
Public safety	5,183,105	-	5,183,105
Public works	1,932,350	148,621	2,080,971
Parks and recreation	330,170	-	330,170
Economic development	633,088	5,325	638,413
Capital outlay	1,694,886	1,212,345	2,907,231
Debt service			
Principal	540,273	-	540,273
Interest and fiscal charges	86,771	-	86,771
 Total expenditures	 11,490,844	 1,514,553	 13,005,397
 NET CHANGE IN FUND BALANCES	 2,461	 215,945	 218,406
 FUND BALANCES, MAY 1	 11,136,426	 2,404,321	 13,540,747
 FUND BALANCES, APRIL 30	 \$ 11,138,887	 \$ 2,620,266	 \$ 13,759,153

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 218,406
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	
Capitalized capital assets	2,710,851
Depreciation expense	(1,039,527)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned on the statement of activities	63,111
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date are recognized as deferred outflows and deferred inflows of resources on the statement of net position	480,467
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	
Retirement of general obligation debt	540,273
Amortization of bond premium	10,748
Change in compensated absences payable	(19,442)
Change in net pension liability payable	(1,152,018)
Change in other postemployment benefit payable	(877,812)
Changes to accrued interest on long-term debt in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>(7,495)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 927,562</u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2020

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
CURRENT ASSETS					
Cash and cash equivalents	\$ 4,655,547	\$ 14,204,599	\$ 463,172	\$ 8,034	\$ 19,331,352
Receivables					
Accounts (net of allowance for uncollectible accounts)	973,157	2,002,068	81,502	52	3,056,779
Prepaid items	7,670	26,109	46,171	670	80,620
Cash with paying agent	118,400	-	-	-	118,400
Due from other funds	2,464,669	1,893,426	608,317	53,541	5,019,953
Due from other governments	3,521,382	-	-	-	3,521,382
Total current assets	11,740,825	18,126,202	1,199,162	62,297	31,128,486
NONCURRENT ASSETS					
Capital assets, net of accumulated depreciation	27,934,190	35,682,818	469,999	285,187	64,372,194
Total noncurrent assets	27,934,190	35,682,818	469,999	285,187	64,372,194
Total assets	39,675,015	53,809,020	1,669,161	347,484	95,500,680
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	21,899	-	-	-	21,899
Pension related deferred outflows of resources	109,480	229,993	152,060	7,671	499,204
Asset retirement obligation items	291,165	-	-	-	291,165
Total deferred outflows of resources	422,544	229,993	152,060	7,671	812,268
Total assets and deferred outflows of resources	40,097,559	54,039,013	1,821,221	355,155	96,312,948
CURRENT LIABILITIES					
Accounts payable	2,531,243	589,676	40,487	3,142	3,164,548
Accrued payroll	10,899	21,040	13,361	343	45,643
Interest payable	32,219	-	-	-	32,219
Due to other funds	100,903	1,692,208	1,259,728	31,510	3,084,349
Current portion of long-term debt	543,003	35,075	8,958	285	587,321
Total current liabilities	3,218,267	2,337,999	1,322,534	35,280	6,914,080
NONCURRENT LIABILITIES					
Compensated absences payable	25,053	58,386	29,557	473	113,469
Long-term debt	11,161,913	897,468	562,498	30,588	12,652,467
Total noncurrent liabilities	11,186,966	955,854	592,055	31,061	12,765,936
Total liabilities	14,405,233	3,293,853	1,914,589	66,341	19,680,016
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred outflows of resources	121,350	254,930	168,547	8,503	553,330
Total deferred inflows of resources	121,350	254,930	168,547	8,503	553,330
Total liabilities and deferred inflows of resources	14,526,583	3,548,783	2,083,136	74,844	20,233,346
NET POSITION					
Net investment in capital assets	16,793,036	35,682,818	452,881	285,187	53,213,922
Unrestricted (deficit)	8,777,940	14,807,412	(714,796)	(4,876)	22,865,680
TOTAL NET POSITION (DEFICIT)	\$ 25,570,976	\$ 50,490,230	\$ (261,915)	\$ 280,311	\$ 76,079,602

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Water/sewer fees	\$ 4,445,249	\$ -	\$ -	\$ -	\$ 4,445,249
Sewer fees	- -	4,941,637	- -	- -	4,941,637
Dispatch fees	- -	- -	1,349,332	- -	1,349,332
Parking fees	- -	- -	- -	71,831	71,831
Tap on fees	52,143	663,540	- -	24,000	739,683
Miscellaneous	118,217	14,868	- -	- -	133,085
 Total operating revenues	 4,615,609	 5,620,045	 1,349,332	 95,831	 11,680,817
OPERATING EXPENSES					
Personnel services	759,546	2,138,101	1,212,919	43,183	4,153,749
Contractual services/commodities	1,014,925	2,545,000	306,071	40,873	3,906,869
Miscellaneous	- -	- -	- -	- -	- -
Depreciation and amortization	949,621	1,762,319	64,267	5,036	2,781,243
 Total operating expenses	 2,724,092	 6,445,420	 1,583,257	 89,092	 10,841,861
 OPERATING INCOME (LOSS)	 1,891,517	 (825,375)	 (233,925)	 6,739	 838,956
NON-OPERATING REVENUES (EXPENSES)					
Investment income	138,341	323,657	9,621	648	472,267
Intergovernmental	- -	155,348	- -	155,348	- -
Interest and fiscal charges	(149,489)	- -	(382)	- -	(149,871)
Gain on sale of assets	- -	14,235	- -	- -	14,235
 Total non-operating revenues (expenses)	 (11,148)	 337,892	 164,587	 648	 491,979
 NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	 1,880,369	 (487,483)	 (69,338)	 7,387	 1,330,935
CONTRIBUTIONS					
CHANGE IN NET POSITION	4,144,775	(487,483)	(69,338)	7,387	3,595,341
NET POSITION (DEFICIT), MAY 1	21,426,201	50,977,713	(192,577)	272,924	72,484,261
 NET POSITION (DEFICIT), APRIL 30	 <u>\$ 25,570,976</u>	 <u>\$ 50,490,230</u>	 <u>\$ (261,915)</u>	 <u>\$ 280,311</u>	 <u>\$ 76,079,602</u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,552,057	\$ 5,258,958	\$ 1,337,401	\$ 95,779	\$ 11,244,195
Payments to suppliers	(264,789)	(2,196,586)	(1,237,363)	(45,147)	(3,743,885)
Payments to employees	(729,917)	(1,822,131)	(60,961)	(28,599)	(2,641,608)
Net cash from operating activities	<u>3,557,351</u>	<u>1,240,241</u>	<u>39,077</u>	<u>22,033</u>	<u>4,858,702</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund activity	(2,693,887)	(921,735)	(241,445)	(71,423)	(3,928,490)
Net cash from noncapital financing activities	<u>(2,693,887)</u>	<u>(921,735)</u>	<u>(241,445)</u>	<u>(71,423)</u>	<u>(3,928,490)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	138,341	323,657	9,621	648	472,267
Net cash from investing activities	<u>138,341</u>	<u>323,657</u>	<u>9,621</u>	<u>648</u>	<u>472,267</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(5,328,433)	(1,435,762)	-	-	(6,764,195)
Sale of capital assets	-	14,235	-	-	14,235
Intergovernmental - grants	-	-	155,348	-	155,348
Payments of principal	(392,448)	-	(3,790)	-	(396,238)
Proceeds from loans	2,854,811	-	-	-	2,854,811
Interest and fiscal charges paid on capital debt	(116,608)	-	(568)	-	(117,176)
Net cash from capital and related financing activities	<u>(2,982,678)</u>	<u>(1,421,527)</u>	<u>150,990</u>	<u>-</u>	<u>(4,253,215)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,980,873)</u>	<u>(779,364)</u>	<u>(41,757)</u>	<u>(48,742)</u>	<u>(2,850,736)</u>
CASH AND CASH EQUIVALENTS, MAY 1	<u>6,636,420</u>	<u>14,983,963</u>	<u>504,929</u>	<u>56,776</u>	<u>22,182,088</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 4,655,547</u>	<u>\$ 14,204,599</u>	<u>\$ 463,172</u>	<u>\$ 8,034</u>	<u>\$ 19,331,352</u>

(This statement is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Water and Sewer Fund	Northwest Region Water Reclamation Fund	911 Dispatch Services Fund	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)					
\$ 1,891,517	\$ (825,375)	\$ (233,925)	\$ 6,739	\$ 838,956	
Adjustments to reconcile operating income (loss)					
to net cash from operating activities					
Depreciation	949,621	1,762,319	64,267	5,036	2,781,243
(Increase) decrease in					
Receivables	(63,552)	(361,087)	(11,931)	(52)	(436,622)
Prepaid items	4,216	(1,677)	35,826	(352)	38,013
Pension items	129,793	272,667	180,274	9,095	591,829
Increase (decrease) in					
Accounts payable	745,920	350,091	1,175	1,087	1,098,273
Accrued payroll	(18,005)	(46,688)	(27,176)	(2,009)	(93,878)
Compensated absences payable	7,584	14,268	2,732	45	24,629
Pension items	70,152	147,375	97,437	4,915	319,879
Total OPEB liability	10,260	285,808	166,733	9,451	472,252
Net pension liability	(170,155)	(357,460)	(236,335)	(11,922)	(775,872)
NET CASH FROM OPERATING ACTIVITIES					
	<u>\$ 3,557,351</u>	<u>\$ 1,240,241</u>	<u>\$ 39,077</u>	<u>\$ 22,033</u>	<u>\$ 4,858,702</u>
NONCASH TRANSACTIONS					
Capital contributions	\$ 2,264,406	\$ -	\$ -	\$ -	\$ 2,264,406
TOTAL NONCASH TRANSACTIONS					
	<u>\$ 2,264,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,264,406</u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

April 30, 2020

ASSETS

Cash	\$ 209,264
Investments (at fair value)	
Corporate obligations	616,963
Certificates of deposit	355,080
State and local obligations	35,188
U.S. Government obligations	4,465,208
Mutual funds	11,134,705
Accrued interest receivable	35,147
Prepaid expenses	<u>8,310</u>
 Total assets	 <u>16,859,865</u>

LIABILITIES

None	<u>-</u>
Total liabilities	<u>-</u>

**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

\$ 16,859,865

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION POLICE PENSION TRUST FUND

For the Year Ended April 30, 2020

ADDITIONS

Contributions	
Employer	\$ 726,728
Plan members	<u>196,028</u>
Total contributions	<u>922,756</u>
Investment income	
Net (depreciation) in fair	
value of investments	(649,683)
Interest and dividends	<u>464,301</u>
Total investment income	(185,382)
Less investment expense	<u>(32,772)</u>
Net investment income	<u>(218,154)</u>
Total additions	<u>704,602</u>

DEDUCTIONS

Pension benefits and refunds	1,014,680
Administrative expenses	<u>27,253</u>
Total deductions	<u>1,041,933</u>
NET DECREASE	(337,331)

NET POSITION RESTRICTED FOR PENSION BENEFITS

May 1	<u>17,197,196</u>
April 30	<u>\$ 16,859,865</u>

VILLAGE OF FOX LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Fox Lake, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. 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 Village's accounting policies are described below.

a. Reporting Entity

As required by GAAP, these financial statements present the Village (the primary government). 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. Component units are legally separate entities for which the Village (the primary government) is financially accountable. Financial accountability exists when the Village (1) appoints the voting majority of the board and there is a financial benefit/burden relationship or the Village can impose its will on the component unit; or (2) the potential component unit meets the fiscal dependency and financial benefit/burden criteria; or (3) it would be misleading to exclude the potential component unit.

The Village's financial statements include one pension trust fund as fiduciary component unit.

Police Pension Employees Retirement System

The Village's financial statements include the Police Pension Employees Retirement System (PPERS) as a fiduciary component unit reported as a pension trust fund. The Village's sworn police employees participate in the PPERS. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Accordingly, the PPERS is fiscally dependent on the Village.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain village 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 the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of major capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

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. The intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources not accounted for in another fund.

The Village reports the following major proprietary funds:

The Water and Sewer Fund is used to account for operations of the Water and Sewer utility that are intended to be recovered through user charges.

The Northwest Region Water Reclamation Fund is used to account for the operations of the Village's water treatment plant.

The 911 Dispatch Services Fund is used to account for central dispatch services offered to other participating municipalities.

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

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

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

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for certain revenues collected by the state (e.g., sales and telecom taxes) which use a 90-day period.

The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, franchise fees, licenses, interest revenue and charges for services. Sales and telecommunication taxes owed to the state at year end on behalf of the Village also are recognized as revenue. Fines and permits revenue are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria is met.

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

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

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

f. Interfund Receivables/Payables

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

g. Prepaid Items/Expenses

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

h. Inventory

Inventories are accounted for at cost using the first-in/first-out (FIFO) method.

i. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, stormwater systems) and intangibles (easements and software), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$50,000 for infrastructure and \$20,000 for all other capital assets, and an estimated useful life in excess of three years. All land and land improvements are capitalized, regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

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

Assets	Years
Building and improvements	10-45
Vehicles, equipment and software	4-40
Infrastructure	15-50

j. Compensated Absences

Vested or accumulated vacation leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

k. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances (equally binding) approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has not been delegated. Any residual fund balance of the General Fund is reported as unassigned. Any deficit fund balances in other governmental funds are also reported as unassigned.

The Village has adopted a targeted fund balance for its General Fund. The General Fund has a targeted unassigned fund balance of at least 33% of the total General Fund annual expenditures. General Fund unassigned fund balance in excess of 50% may be transferred to the pension fund or Capital Improvement Program Fund balance, used to pay for existing capital improvement projects, or used to retire existing debt.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Position (Continued)

The Village'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 Village considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities columns, or proprietary fund financial statements. Bond premiums and discounts, as well as gains and losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed as incurred.

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 an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

m. Interfund Transactions

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

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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 Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type's portion of this pool is displayed as "cash and investments." In addition, deposits and investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - the Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper that matures within 180 days of purchase and is rated within the two highest classifications by at least two standard rating services, municipal bonds rated within the highest four general classifications established by at least two accredited rating agencies and The Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, insured credit union shares, Illinois municipal corporations tax anticipation warrants, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equities.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

It is the policy of the Village 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 Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are legality, safety, liquidity and yield.

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires bank balances to be secured by collateral with a fair value of at least 110% of any uninsured balances, witnessed by a written agreement and held at an independent third party institution in the name of the Village.

Village Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by matching its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village does not directly invest in securities maturing more than two years from the date of purchase. Reserved funds and other funds with longer term investment horizons may be invested in securities exceeding two years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by limiting investments to the types of securities listed above and diversifying the investment portfolio to the best of its abilities based on the type of funds invested and the cash flow needs of those funds. Illinois Funds are rated AAA.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Village Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires custody of investments by a third party custodian or third party bank trust department. All securities transactions conducted by the custodian on behalf of the Village are to be on a delivery versus payment (DVP) only basis. The Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. The investments shall be diversified by type of investment, number of institutions invested in and length of maturity. In addition, a portion of the Village's portfolio should continuously be invested in readily available funds such as local government investment pools (LGIPS), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments reported at fair value at April 30, 2020.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2018 levy year attach as an enforceable lien on January 1, 2018, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2019 and August 1, 2019, and are payable in two installments, on or about June 1, 2019 and September 1, 2019. The County collects such taxes and remits them periodically. The 2019 tax levy is intended to finance the 2021 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2020 tax levy has not been recorded as a receivable at April 30, 2020, as the tax attached as a lien on property as of January 1, 2020; however, the tax will not be levied until December 2019 and, accordingly, is not measurable at April 30, 2020.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended April 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,550,728	\$ -	\$ -	\$ 2,550,728
Land right of way	10,471,482	22,600	-	10,494,082
Construction in progress	1,298,626	959,319	883,771	1,374,174
Total capital assets not being depreciated	<u>14,320,836</u>	<u>981,919</u>	<u>883,771</u>	<u>14,418,984</u>
Capital assets being depreciated				
Buildings and improvements	9,792,015	228,107	-	10,020,122
Vehicles and equipment	4,295,066	405,005	-	4,700,071
Infrastructure	19,861,941	1,979,591	-	21,841,532
Total capital assets being depreciated	<u>33,949,022</u>	<u>2,612,703</u>	<u>-</u>	<u>36,561,725</u>
Less accumulated depreciation for				
Buildings	4,259,760	233,631	-	4,493,391
Vehicles and equipment	2,725,239	289,507	-	3,014,746
Infrastructure	10,490,444	516,389	-	11,006,833
Total accumulated depreciation	<u>17,475,443</u>	<u>1,039,527</u>	<u>-</u>	<u>18,514,970</u>
Total capital assets being depreciated, net	<u>16,473,579</u>	<u>1,573,176</u>	<u>-</u>	<u>18,046,755</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 30,794,415	\$ 2,555,095	\$ 883,771	\$ 32,465,739
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,067,022	\$ -	\$ -	\$ 2,067,022
Construction in progress	1,430,347	8,972,637	253,836	10,149,148
Total capital assets not being depreciated	<u>3,497,369</u>	<u>8,972,637</u>	<u>253,836</u>	<u>12,216,170</u>
Capital assets being depreciated				
Buildings	48,934,097	910,144	-	49,844,241
Vehicles and equipment	8,994,547	431,377	15,000	9,410,924
Water transmission system	25,371,098	558,013	-	25,929,111
Sewer collection system	19,185,558	-	-	19,185,558
Total capital assets being depreciated	<u>102,485,300</u>	<u>1,899,534</u>	<u>15,000</u>	<u>104,369,834</u>
Less accumulated depreciation for				
Buildings	20,801,037	1,091,284	-	21,892,321
Vehicles and equipment	6,257,602	487,777	15,000	6,730,379
Water transmission system	11,081,033	549,691	-	11,630,724
Sewer collection system	11,466,731	493,655	-	11,960,386
Total accumulated depreciation	<u>49,606,403</u>	<u>2,622,407</u>	<u>15,000</u>	<u>52,213,810</u>
Total capital assets being depreciated, net	<u>52,878,897</u>	<u>(722,873)</u>	<u>-</u>	<u>52,156,024</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 56,376,266	\$ 8,249,764	\$ 253,836	\$ 64,372,194

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 45,773
Public safety	226,242
Public works	707,397
Parks and recreation	42,833
Community development	<u>17,282</u>
 TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	
	<u>\$ 1,039,527</u>

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. To insure against the losses, the Village participates in the Illinois Counties Risk Management Trust (ICRMT), a public entity risk pool with transfers of risk. The Village pays an annual premium to ICRMT for property, general liability, public officials' liability, employment practices liability, automobile liability, crime and workers' compensation coverage. The following table is a summary of coverage in effect for the period December 31, 2019 through December 1, 2020:

Coverage	ICRMT Self-Insured Retention/ Deductible	Limits
General liability	\$ 5,000	\$3,000,000/member
Public officials liability	10,000	\$1,000,000/occurrence
Excess liability	n/a	\$7,000,000/occurrence
Property and inland marine	5,000	varies
Law enforcement	10,000	\$500,000/occurrence
Auto liability	-	\$1,000,000/occurrence
Crime	5,000	\$500,000/occurrence
Workers' compensation	-	\$2,500,000/occurrence

The Village is not aware of any additional premiums owed to ICRMT as of April 30, 2020 for the current or prior claim years.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board of Directors determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board of Directors. There were no significant changes in the insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General, Commuter Parking, Water, Northwest Water Reclamation District and 911 Dispatch Services funds. The Village's total payments for the year ended April 30, 2020 were \$476,884.

6. LONG-TERM DEBT

a. General Obligation Bonds and Other Long-Term Debt

The outstanding debt as of April 30, 2020 consists of the following individual amounts:

	Fund Debt Retired By	Balances April 30	Current Portion
\$212,000 General Obligation Debt Certificates 2007 due in annual installments of \$10,000 to \$19,000, from January 1, 2009 to January 1, 2023 with interest at 4.40% (direct placement)	General	\$ 54,000	\$ 17,000
\$3,640,000 General Obligation Debt Certificates 2011 Series B due in annual installments of \$10,000 to \$19,000, from November 1, 2013 to November 1, 2023 with interest at 2.50% to 3.50% (direct placement)	General/ Water and Sewer/911	1,159,960	275,000
\$3,180,000 General Obligation Debt Certificates 2014 Series B due in annual installments of \$150,000 to \$370,000, from May 1, 2015 to May 1, 2029 with interest at 2% to 4% (direct placement)	General/ Water and Sewer	2,280,000	320,000
\$2,530,147 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$46,765 to \$152,019, from November 15, 2014 to November 25, 2036 with interest at 1.995%	Water and Sewer	2,068,911	115,133

VILLAGE OF FOX LAKE, 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 April 30	Current Portion
\$1,543,275 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$57,814 to \$90,201, from December 27, 2017 to December 27, 2037 with interest at 1.640%	Water and Sewer	\$ 1,418,235	\$ 68,332
\$4,331,637 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$123,648 to \$250,410, from April 9, 2021 to December 9, 2040 with interest at 1.380%	Water and Sewer	4,331,637	93,915
\$2,044,556 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$57,337 to \$117,340, from December 12, 2020 to December 12, 2040 with interest at 1.380%	Water and Sewer	2,044,556	45,576
TOTAL OUTSTANDING DEBT		\$ 13,357,299	\$ 934,956

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 388,330	\$ 75,489	\$ 223,670	\$ 43,837
2022	427,002	63,288	245,998	36,915
2023	304,960	49,572	174,040	29,064
2024	282,785	38,815	172,175	23,010
2025	126,000	28,980	74,000	17,020
2026	129,150	24,507	75,850	14,393
2027	129,150	19,341	75,850	11,359
2028	135,450	14,049	79,550	8,251
2029	138,600	8,568	81,400	5,032
2030	144,911	2,898	85,087	1,702
TOTAL	\$ 2,206,338	\$ 325,507	\$ 1,287,620	\$ 190,583

VILLAGE OF FOX LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Business-Type Activities	
	IPEA Loan	
	Principal	Interest
2021	\$ 322,956	\$ 106,507
2022	469,123	145,776
2023	476,531	138,362
2024	484,057	130,835
2025	491,706	123,186
2026	499,478	115,412
2027	507,378	107,513
2028	515,406	99,486
2029	523,564	91,328
2030	531,855	83,038
2031	540,282	74,610
2032	548,844	66,047
2033	557,548	57,344
2034	566,392	48,499
2035	575,381	39,512
2036	685,539	34,059
2037	346,884	20,858
2038	351,688	16,055
2039	356,559	11,185
2040	361,495	6,247
2041	150,673	1,252
TOTAL	\$ 9,863,339	\$ 1,517,111

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

The following is a summary of changes in bonds, installment notes payable, debt certificates and other long-term liabilities during fiscal year 2020:

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation debt certificates					
General obligation debt certificates	\$ 2,581,198	\$ -	\$ 374,860	\$ 2,206,338	\$ 388,330
General obligation bonds	115,413	-	115,413	-	-
Installment contract payable	50,000	-	50,000	-	-
Compensated absences payable	278,362	26,699	7,257	297,804	-
Other postemployment benefits	1,578,898	877,812	-	2,456,710	75,644
Net pension liability - IMRF	846,433	-	617,333	229,100	-
Net pension liability - Police	6,461,199	1,769,351	-	8,230,550	-
Unamortized bond premium	58,818	-	10,748	48,070	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,970,321	\$ 2,673,862	\$ 1,175,611	\$ 13,468,572	\$ 463,974
BUSINESS-TYPE ACTIVITIES					
General obligation debt certificates					
General obligation debt certificates	\$ 1,503,762	\$ -	\$ 216,142	\$ 1,287,620	\$ 223,670
Illinois EPA loan	3,667,241	6,376,193	180,095	9,863,339	322,956
Asset retirement obligations	450,000	-	-	450,000	-
Compensated absences payable	88,840	113,469	88,840	113,469	-
Other postemployment benefits	849,429	472,253	-	1,321,682	40,695
Net pension liability - IMRF	1,063,809	-	775,874	287,935	-
Unamortized bond premium	35,750	-	6,538	29,212	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 7,658,831	\$ 6,961,915	\$ 1,267,489	\$ 13,353,257	\$ 587,321

d. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various wells at the end of their estimated useful lives in accordance with the Illinois Environmental Protection Agency requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the wells ranges from 0 to 59 years. The ARO at April 30, 2020 is \$450,000.

VILLAGE OF FOX LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2020, individual fund interfund receivables and payables were as follows:

	Due From	Due To
General Fund		
TIF Fund	\$ 13,295	\$ -
Motor Fuel Tax Fund	627,087	2,654
Business Development District - South	-	449,680
Business Development District - Central	-	521,034
Commuter Parking Fund	31,511	1,541
Water Fund	358,499	1,085,220
Central Dispatch Fund	651,582	171
Northwest Regional Water Reclamation Fund	30,311	1,920,575
TIF Fund		
General Fund	-	13,295
MFT Fund		
General Fund	214	624,647
Business Development District - South		
General Fund	449,680	-
Business Development District - Central		
General Fund	521,034	-
Commuter Parking Fund		
General Fund	1,541	31,510
Water and Sewer Fund		
General Fund	774,782	48,062
Tall Oaks Fund	-	52,000
Northwest Regional Water Reclamation Fund	1,689,888	841
Central Dispatch Fund		
General Fund	608,317	1,259,728
Tall Oaks Fund		
Water and Sewer fund	52,000	-
Northwest Regional Water Reclamation Fund		
General Fund	1,892,584	2,320
Water and Sewer Fund	841	1,689,888
TOTAL INTERFUND BALANCES	<u>\$ 7,703,166</u>	<u>\$ 7,703,166</u>

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

The following fund reported deficit fund balances/net position at April 30, 2020:

Fund	
911 Dispatch Services	\$ (261,915)

Interfund payables from the General Fund to other funds represent amounts collected into the General Fund that are owed to other funds at year end. Interfund receivables from the General Fund to other funds represent amounts paid from the General Fund for expenditures on behalf of other funds.

8. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in one lawsuit. Although the outcome of the lawsuit is not presently determinable, in the opinion of the Village's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Village as a whole.

b. Grants

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

9. DEFINED BENEFIT PENSION PLANS

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

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions

Illinois Municipal Retirement Fund

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, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	71
Active employees	70
<hr/>	
TOTAL	208

Benefits Provided

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. 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.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended April 30, 2020 was 7.51% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date December 31, 2019

Actuarial cost method Entry-age normal

Assumptions

Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%

Asset valuation method Fair value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF FOX LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 18,232,951	\$ 16,322,709	\$ 1,910,242
Changes for the period			
Service cost	373,186	-	373,186
Interest	1,302,461	-	1,302,461
Difference between expected and actual experience	490,025	-	490,025
Changes in assumptions	-	-	-
Employer contributions	-	292,014	(292,014)
Employee contributions	-	197,198	(197,198)
Net investment income	-	3,085,579	(3,085,579)
Benefit payments and refunds	(909,143)	(909,143)	-
Other (net transfer)	-	(15,912)	15,912
Net changes	1,256,529	2,649,736	(1,393,207)
BALANCES AT DECEMBER 31, 2019	\$ 19,489,480	\$ 18,972,445	\$ 517,035

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2020, the Village recognized pension expense of \$560,370.

At April 30, 2020, the Village 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	\$ 526,576	\$ 78,199
Changes in assumption	260,710	150,160
Net difference between projected and actual earnings on pension plan investments	-	765,236
Contributions made subsequent to the measurement date	109,117	-
TOTAL	\$ 896,403	\$ 993,595

\$109,117 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending <u>April 30,</u>	
2021	\$ (49,409)
2022	35,002
2023	185,611
2024	(377,513)
2025	-
Thereafter	-
TOTAL	\$ (206,309)

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village'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)	\$ 3,170,968	\$ 517,035	\$ (1,621,475)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

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 April 30, 2020, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	26
 TOTAL	 46

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ 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., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

Contributions

Employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary, including administrative costs.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions (Continued)

Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040. The Village's contribution rate for the year was 37.29%.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The investment policy was changed during the year. Changes related to target allocations by asset class.

The primary investment goal of the Fund is to maximize portfolio return within reasonable risk levels. This is accomplished by diversifying the portfolio among various asset classes, with the goal of reducing volatility of return, and among various issuers of securities to reduce principal risk.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Diversification by Instrument	Minimum	Maximum
Cash	2%	20%
Equities (separate account)	20%	65%
Fixed income	20%	78%

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in March 2020 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2020 are listed in the table on the previous page.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade-date. The Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

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

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.27)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions

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 does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate fixed income	\$ 616,963	\$ 201,191	\$ 415,772	\$ -	\$ -
Municipal bonds	35,188	35,188	-	-	-
Negotiable CDs	355,080	226,735	128,345	-	-
U.S. Government obligations	4,465,208	1,340,455	2,263,533	699,905	161,315
TOTAL	\$ 5,472,439	\$ 1,803,569	\$ 2,807,650	\$ 699,905	\$ 161,315

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk through the proper diversifications of maturities and sectors while maintaining cash flow adequate to meet anticipated disbursements for at least six months by utilizing short-term money market investments. There are no constraints on any of the fixed income portfolio's average maturity. Fixed income portfolios should be structured allowing for duration between three and eight years unless deemed otherwise by the Board of Trustees.

Fair Value Measurements

The Fund has the following recurring fair value measurements as of April 30, 2020. The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposits, U.S. Government obligations, municipal bonds and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Fund limits its exposure to credit risk by primarily investing in U.S. Treasury or U.S. agency obligations and state and local government and corporate bonds rated in the highest four ratings category by a national rating agency. The U.S. agency obligations are rated AAA to AA+. Municipal bonds are rated AA- to A- by Standard & Poor's. Corporate bonds are rated AA to BBB by Standard & Poor's. The money market funds are not rated.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund allows the broker purchasing the investment (the counterparty) to also serve as custodian over the investments, which exposes the investments in debt securities disclosed above to custodial credit risk. To limit its exposure, the Fund's investment policy requires broker/dealers to maintain excess Security Investor Protection Corp. (SIPC) insurance. The money market and equity mutual funds are not subject to custodial credit risk.

Discount Rate

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

VILLAGE OF FOX LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate (Continued)

The plan's long-term expected rate of return by asset class is as follows:

Asset Class	Target Allocation	Estimated Real Rate of Return
U.S. Large Cap Equity	27%	5.8%
U.S. Mid Cap Equity	3%	6.2%
U.S. Small Cap Equity	3%	5.4%
REITs	3%	4.8%
Non U.S. Developed Equity	16%	4.8%
Emerging Markets	8%	6.4%
Fixed Income	38%	1.4%
Cash	2%	0.8%

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2019	\$ 23,658,395	\$ 17,197,196	\$ 6,461,199
Changes for the period			
Service cost	458,123	-	458,123
Interest	1,562,696	-	1,562,696
Difference between expected and actual experience	(81,413)	-	(81,413)
Changes in assumptions	288,236	-	288,236
Changes in benefit terms	219,058	-	219,058
Employer contributions	-	726,728	(726,728)
Employee contributions	-	196,028	(196,028)
Net investment income	-	(218,154)	218,154
Benefit payments and refunds	(1,014,680)	(1,014,680)	-
Administrative expense	-	(27,253)	27,253
Net changes	1,432,020	(337,331)	1,769,351
BALANCES AT APRIL 30, 2020	\$ 25,090,415	\$ 16,859,865	\$ 8,230,550

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in assumptions related to the bond rate, the projected individual pay increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates, and spouse age difference were made since the prior valuation. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300) in 2020.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.25% to 9.75%
Interest rate	6.75%
Asset valuation method	Fair value

Mortality rates were based on the Pub-2010 Mortality Table adjusted for Plan Status, Demographics and Illinois Public Pension Data.

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 net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 12,108,561	\$ 8,230,550	\$ 5,109,936

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2020, the Village recognized pension expense of \$1,290,198. At April 30, 2020, the Village 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	\$ 24,238	\$ 400,385
Changes in assumptions	722,666	162,995
Net difference between projected and actual earnings on pension plan investments	1,168,825	-
TOTAL	\$ 1,915,729	\$ 563,380

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:

Year Ending April 30,	
2021	\$ 108,658
2022	330,826
2023	410,796
2024	355,288
2025	70,061
Thereafter	76,720
TOTAL	\$ 1,352,349

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care (OPEB) benefits for retirees and disabled employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's Governmental Activities (General Fund), Water and Sewer Fund, Northwest Region Water Reclamation Fund, 911 Dispatch Services Fund and Commuter Parking Lot Fund.

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured 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. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until the employee is Medicare eligible. All 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 Village.

c. Membership

At April 30, 2020, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>94</u>
 TOTAL	 <u>99</u>

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2020, as determined by an actuarial valuation as of May 1, 2019 using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The OPEB liability was rolled forward by the actuary using updated procedures on April 30, 2020, including updating the discount rate at April 30, 2020, as noted below.

Actuarial valuation date	May 1, 2019
Measurement date	April 30, 2020
Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Inflation	2.25%
Salary increases	2.75%
Discount rate	2.56%
Healthcare cost trend rates	6.80% (PPO) and 6.30% (HMO) in Fiscal 2020, to an ultimate trend rate of 5.00%
Retirees share of benefit-related costs	100% Regular Plan

The discount rate was based on the index rate for tax-exempt general obligation municipal bonds rated AA or better at April 30, 2020. The discount rate at April 30, 2020 was 2.56%. The discount rate at April 30, 2019 was 3.79%.

For Police employees, mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates.

VILLAGE OF FOX LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2019	<u>\$ 2,428,327</u>
Changes for the period	
Service cost	90,266
Interest	104,086
Difference between expected and actual experience	376,168
Changes in benefit terms	-
Changes in assumptions	895,884
Benefit payments	<u>(116,339)</u>
Net changes	<u>1,350,065</u>
BALANCES AT APRIL 30, 2020	<u>\$ 3,778,392</u>

Changes in assumptions related to the discount rate, High-Quality 20-Year Tax Exempt G.O. Bond rate, inflation rate, mortality rates, mortality improvement rates, termination rates, and disability rates were made since the prior measurement date.

f. 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 Village calculated using the discount rate of 2.56% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.56%) or 1 percentage point higher (3.56%) than the current rate:

	Current	1% Decrease	Discount Rate	1% Increase
		(1.56%)	(2.56%)	(3.56%)
Total OPEB liability	\$ 4,427,631	\$ 3,778,392	\$ 3,263,406	

VILLAGE OF FOX LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 6.80% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 5.80%) or 1 percentage point higher (6.00% to 7.80%) than the current rate:

	1% Decrease (4.00% to 5.80%)	Current Healthcare Rate (5.00% to 6.80%)	1% Increase (6.00% to 7.80%)
Total OPEB liability	\$ 3,201,272	\$ 3,778,392	\$ 4,505,683

g. OPEB Expense

For the year ended April 30, 2020, the Village recognized OPEB expense of \$1,350,065. At April 30, 2020, the Village did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

11. TAX ABATEMENTS

The Village rebates sales 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 Village has entered into an agreement with a car dealer to provide economic incentives over a 20-year period. The incentives are paid every four months at 75% of the total sales tax generated by the business for years one through five and 65% of the total sales tax generated by the business for years 6 through 20 up to a maximum of \$3,900,000 through May 2037. The rebate is subject to recapture, in whole or in part if the business relocates outside of the Village within 20 years from the commencement of the agreement. The Village's liability at April 30, 2020 is \$71,921. As of April 30, 2020, the Village has incurred total incentives of \$568,618.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 4,027,251	\$ 4,084,060	\$ 4,059,320	\$ (24,740)
Licenses, permits and fees	618,600	690,632	679,731	(10,901)
Intergovernmental grants and reimbursements	5,951,529	5,826,585	4,453,849	(1,372,736)
Charges for services	1,325,133	1,377,347	1,412,731	35,384
Fines and forfeitures	505,361	576,181	564,238	(11,943)
Investment income	165,000	165,000	151,642	(13,358)
Miscellaneous	110,000	162,903	171,794	8,891
 Total revenues	 12,702,874	 12,882,708	 11,493,305	 (1,389,403)
EXPENDITURES				
Current				
General government	1,427,471	1,414,476	1,090,201	(324,275)
Public safety	6,002,416	6,047,659	5,183,105	(864,554)
Public works	2,176,581	2,156,842	1,932,350	(224,492)
Parks and recreation	403,661	405,616	330,170	(75,446)
Community development	554,321	575,218	606,796	31,578
Grant expense	28,000	28,000	26,292	(1,708)
Capital outlay	3,596,925	3,155,048	1,694,886	(1,460,162)
Debt service				
Principal	540,273	540,273	540,273	-
Interest	91,189	91,189	86,771	(4,418)
 Total expenditures	 14,820,837	 14,414,321	 11,490,844	 (2,923,477)
 NET CHANGE IN FUND BALANCE	 \$ (2,117,963)	 \$ (1,531,613)	 2,461	 \$ 1,534,074
 FUND BALANCE, MAY 1			 11,136,426	
 FUND BALANCE, APRIL 30			 \$ 11,138,887	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2019	2020
TOTAL OPEB LIABILITY			
Service cost	\$ 56,026	\$ 58,250	\$ 90,266
Interest	84,754	87,157	104,086
Differences between expected and actual experience	-	-	376,168
Changes of benefit terms	-	-	-
Changes of assumptions	-	141,501	895,884
Benefit payments	<u>(77,301)</u>	<u>(95,583)</u>	<u>(116,339)</u>
Net change in total pension liability	63,479	191,325	1,350,065
Total OPEB liability - beginning	<u>2,173,523</u>	<u>2,237,002</u>	<u>2,428,327</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 2,237,002</u>	<u>\$ 2,428,327</u>	<u>\$ 3,778,392</u>
Covered payroll	\$ 1,697,568	\$ 1,744,251	\$ 6,511,495
Employer's total OPEB liability as a percentage of covered payroll	131.78%	139.22%	58.03%

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

In 2020, changes in assumptions related to the discount rate and High-Quality 20-Year Tax Exempt G.O. Bond Rate, Inflation Rate, Mortality Rates, Mortality Improvement Rates, Termination Rates, and

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

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.

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 560,084	\$ 565,894	\$ 706,108	\$ 705,325	\$ 636,671	\$ 800,382
Contributions in relation to the actuarially determined contribution	684,444	692,803	718,995	656,677	642,245	726,728
CONTRIBUTION DEFICIENCY (Excess)	\$ (124,360)	\$ (126,909)	\$ (12,887)	\$ 48,648	\$ (5,574)	\$ 73,654
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675
Contributions as a percentage of covered payroll	33.93%	39.81%	42.01%	38.68%	33.56%	37.29%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the preceding 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 five-year average market; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, projected salary increases assumption of 2.50% to 10.00% compounded annually.

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.

VILLAGE OF FOX LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 403,072	\$ 351,280	\$ 403,072	\$ 369,486	\$ 316,455
Contributions in relation to the actuarially determined contribution	378,202	351,519	364,206	369,486	316,455
CONTRIBUTION DEFICIENCY (Excess)	\$ 24,870	\$ (239)	\$ 38,866	\$ -	\$ -
Covered payroll	\$ 3,578,855	\$ 3,364,019	\$ 3,376,467	\$ 3,810,384	\$ 4,213,590
Contributions as a percentage of covered payroll	10.57%	10.45%	10.79%	9.70%	7.51%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the preceding calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.50% compounded annually.

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.

VILLAGE OF FOX LAKE, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service cost	\$ 444,803	\$ 505,724	\$ 449,225	\$ 457,737	\$ 488,634	\$ 458,123
Interest	1,198,600	1,379,916	1,452,953	1,396,890	1,492,339	1,562,696
Differences between expected and actual experience	160,144	(1,602,792)	(495,206)	(334,956)	32,429	(81,413)
Changes in assumptions	1,305,881	1,444,105	(664,507)	755,876	-	288,236
Changes of benefit terms	-	-	-	-	-	219,058
Benefit payments, including refunds of member contributions	(484,233)	(554,152)	(812,986)	(795,549)	(927,450)	(1,014,680)
Net change in total pension liability	2,625,195	1,172,801	(70,521)	1,479,998	1,085,952	1,432,020
Total pension liability - beginning	17,364,970	19,990,165	21,162,966	21,092,445	22,572,443	23,658,395
TOTAL PENSION LIABILITY - ENDING						
	\$ 19,990,165	\$ 21,162,966	\$ 21,092,445	\$ 22,572,443	\$ 23,658,395	\$ 25,090,415
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 684,444	\$ 692,803	\$ 718,995	\$ 656,677	\$ 642,245	\$ 726,728
Contributions - member	190,771	196,573	166,723	189,901	191,762	196,028
Net investment income	973,307	(395,122)	1,325,602	1,146,469	831,843	(218,154)
Benefit payments, including refunds of member contributions	(484,233)	(554,151)	(812,986)	(795,549)	(927,450)	(1,014,680)
Administrative expense	(20,772)	(30,603)	(38,672)	(43,501)	(46,268)	(27,253)
Net change in plan fiduciary net position	1,343,517	(90,500)	1,359,662	1,153,997	692,132	(337,331)
Plan fiduciary net position - beginning	12,738,388	14,081,905	13,991,405	15,351,067	16,505,064	17,197,196
PLAN FIDUCIARY NET POSITION - ENDING						
	\$ 14,081,905	\$ 13,991,405	\$ 15,351,067	\$ 16,505,064	\$ 17,197,196	\$ 16,859,865
EMPLOYER'S NET PENSION LIABILITY						
	\$ 5,908,260	\$ 7,171,561	\$ 5,741,378	\$ 6,067,379	\$ 6,461,199	\$ 8,230,550

Plan fiduciary net position as a percentage of the total pension liability	70.44%	66.11%	72.78%	73.12%	72.69%	67.20%
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675
Employer's net pension liability as a percentage of covered payroll	292.76%	412.11%	335.47%	357.42%	337.66%	422.37%

In 2017, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates. The mortality rates, disability rates, turnover rates and retirement rates have been changed to the new rates most recently published by the Illinois Department of Insurance (September 2012).

In 2018, the discount rate used was changed from 7.00% to 6.75%. Additionally, there were changes with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

In 2020, the bond rate assumption was changed from 3.79% to 2.56%. Assumption changes were made to the projected individual pay increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates, and spouse age difference.

In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300) in 2020.

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.

VILLAGE OF FOX LAKE, ILLINOIS

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

Last Five Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 372,886	\$ 404,760	\$ 355,683	\$ 311,164	\$ 373,186
Interest	1,083,145	1,178,635	1,229,940	1,232,144	1,302,461
Differences between expected and actual experience	407,982	(127,660)	(196,154)	325,064	490,025
Changes in assumptions	20,903	(21,291)	(487,451)	537,956	-
Benefit payments, including refunds of member contributions	(527,684)	(685,657)	(807,975)	(892,769)	(909,143)
Net change in total pension liability	1,357,232	748,787	94,043	1,513,559	1,256,529
Total pension liability - beginning	<u>14,519,330</u>	<u>15,876,562</u>	<u>16,625,349</u>	<u>16,719,392</u>	<u>18,232,951</u>
TOTAL PENSION LIABILITY - ENDING	\$ 15,876,562	\$ 16,625,349	\$ 16,719,392	\$ 18,232,951	\$ 19,489,480
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 401,722	\$ 362,209	\$ 361,301	\$ 403,865	\$ 292,014
Contributions - member	169,778	152,436	152,950	159,118	197,198
Net investment income	72,277	953,436	2,618,669	(945,553)	3,085,579
Benefit payments, including refunds of member contributions	(527,684)	(685,657)	(807,975)	(892,769)	(909,143)
Other	(276,527)	180,704	(281,034)	317,902	(15,912)
Net change in plan fiduciary net position	(160,434)	963,128	2,043,911	(957,437)	2,649,736
Plan fiduciary net position - beginning	<u>14,433,541</u>	<u>14,273,107</u>	<u>15,236,235</u>	<u>17,280,146</u>	<u>16,322,709</u>
PLAN FIDUCIARY NET POSITION - ENDING	\$ 14,273,107	\$ 15,236,235	\$ 17,280,146	\$ 16,322,709	\$ 18,972,445
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,603,455	\$ 1,389,114	\$ (560,754)	\$ 1,910,242	\$ 517,035
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.90%	91.64%	103.35%	89.52%	97.35%
Covered payroll	\$ 3,784,712	\$ 3,387,465	\$ 3,398,881	\$ 3,535,943	\$ 4,177,461
Employer's net pension liability (asset) as a percentage of covered payroll	42.37%	41.01%	(16.50%)	54.02%	12.38%

There was a change in the actuarial assumptions in 2015 and 2016 for the discount rate. There was a change in actuarial assumptions in 2017 for price inflation, salary increases, retirement age and mortality rates. There was a change in assumptions related to the discount rate in 2018.

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.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	7.60%	(2.75%)	9.40%	7.43%	5.04%	(1.27%)

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.

VILLAGE OF FOX LAKE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2020

BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Enterprise and Police Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual appropriations lapse at fiscal year end.

Budgeted expenditures are controlled at the departmental level with the Village Administrator's oversight. All transfers and any revision that changes the total expenditures not contemplated of any fund must be approved by the Village Board of Trustees. All budget amendments must be approved by the Village Board.

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

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
General	\$ 2,137,337	\$ 2,139,794	\$ 2,155,074	\$ 15,280
IMRF	144,937	144,612	143,913	(699)
Insurance	168,797	165,291	166,505	1,214
Utility tax - electricity	422,000	430,000	409,021	(20,979)
Utility tax - natural gas	99,000	129,000	121,028	(7,972)
Utility tax - telephone	150,000	144,000	125,080	(18,920)
Use tax	306,000	306,000	378,112	72,112
Hotel/motel taxes	4,000	4,000	5,319	1,319
Road and bridge taxes	140,000	141,183	140,416	(767)
Rental car taxes	180	180	120	(60)
Places for eating taxes	155,000	180,000	153,256	(26,744)
Video gaming proceeds	300,000	300,000	261,476	(38,524)
 Total taxes	 4,027,251	 4,084,060	 4,059,320	 (24,740)
Intergovernmental revenues				
Income taxes	1,010,000	1,050,000	1,146,597	96,597
Personal property replacement tax	41,000	60,000	71,515	11,515
Sales taxes	3,403,129	3,300,000	3,089,119	(210,881)
Cannabis excise tax	-	-	2,616	2,616
 Total intergovernmental revenues	 4,454,129	 4,410,000	 4,309,847	 (100,153)
Franchise fees	147,000	158,000	159,459	1,459
Building and zoning fees				
Building permits	115,000	132,000	129,794	(2,206)
Zoning permits	10,000	13,000	11,800	(1,200)
Impact fees	30,000	30,000	20,000	(10,000)
Permit fees - tree removal	3,500	3,000	2,250	(750)
Ordinance fine - building	-	4,000	4,011	11
 Total building and zoning fees	 158,500	 182,000	 167,855	 (14,145)
Licenses and fees				
Vehicle stickers	165,000	169,175	168,825	(350)
Vacant property registration	-	16,200	10,108	(6,092)
Licenses - animals	2,100	2,100	1,560	(540)
Licenses - liquor	50,000	44,157	51,581	7,424
Licenses - business	18,000	18,000	14,220	(3,780)
Licenses - video gaming	3,000	2,950	3,225	275
Licenses - vending	3,000	2,400	5,585	3,185
 Total licenses and fees	 241,100	 254,982	 255,104	 122

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Park and recreation fees				
Program fees	\$ 70,000	\$ 80,000	\$ 81,782	\$ 1,782
Sponsorships	-	12,650	12,650	-
Pace fees	2,000	3,000	2,881	(119)
	72,000	95,650	97,313	1,663
Public safety fines and fees				
Court fines	125,000	150,000	153,963	3,963
Court fines - DUI	8,500	8,500	7,466	(1,034)
Red light fines	170,000	170,000	214,195	44,195
Administrative seizure fines	24,000	24,000	58,000	34,000
Ordinance and parking fines	106,000	110,000	51,156	(58,844)
	433,500	462,500	484,780	22,280
Public safety special revenue				
Forfeitures - seized assets	4,000	13,849	12,190	(1,659)
Police revenue - abandoned property	-	-	-	-
Police revenue - SRO	64,361	96,132	64,613	(31,519)
Police revenue - gaming tax	1,700	1,700	930	(770)
Police revenue - reports	1,800	2,000	1,725	(275)
	71,861	113,681	79,458	(34,223)
Reimbursable income				
Credit card incentives	5,000	8,000	7,551	(449)
Engineering reimbursable fees	8,000	11,000	8,897	(2,103)
Attorney reimbursable fees	4,000	4,000	3,660	(340)
Motor pool reimbursable expense	38,000	38,000	34,215	(3,785)
Fire department reimbursable expense	35,000	50,000	54,661	4,661
Insurance reimbursable	-	14,636	26,981	12,345
Public safety reimbursable expense	10,000	15,000	27,685	12,685
Streets reimbursable expense	-	-	-	-
Workers' compensation reimbursable expense	-	6,000	4,052	(1,948)
Building/zoning reimbursable expense	4,000	6,000	1,856	(4,144)
Employee/elected official reimbursable expense	-	602	-	(602)
	104,000	153,238	169,558	16,320
Grant revenue				
Grant revenue	-	-	2,200	2,200
Grant revenue - traffic	10,000	10,817	13,714	2,897
Grant revenue - vest	3,000	1,368	4,822	3,454
Grant revenue - tobacco	2,500	2,500	3,795	1,295
Grant revenue - streets	1,481,900	1,401,900	119,471	(1,282,429)
	1,497,400	1,416,585	144,002	(1,272,583)

(This schedule is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Garbage revenues				
Garbage fees	\$ 948,000	\$ 980,000	\$ 991,928	\$ 11,928
Garbage penalties	18,500	20,000	18,190	(1,810)
Recycling rebate	1,000	500	292	(208)
	<hr/>	<hr/>	<hr/>	<hr/>
Total garbage revenues	967,500	1,000,500	1,010,410	9,910
Contractual revenue				
Rental income	103,367	103,367	151,531	48,164
Rental income 911 center	18,480	18,480	-	(18,480)
Externality fee	235,786	255,000	250,790	(4,210)
	<hr/>	<hr/>	<hr/>	<hr/>
Total contractual revenue	357,633	376,847	402,321	25,474
Other revenue				
Interest income	165,000	165,000	151,642	(13,358)
Donations	-	165	165	-
Shop with a cop	-	1,000	1,000	-
Sale-fixed assets	5,000	5,000	-	(5,000)
Other revenue	1,000	3,500	1,071	(2,429)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other revenue	171,000	174,665	153,878	(20,787)
TOTAL REVENUES	<u>\$ 12,702,874</u>	<u>\$ 12,882,708</u>	<u>\$ 11,493,305</u>	<u>\$ (1,389,403)</u>

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Current				
General government				
Administration				
Wages	\$ 562,974	\$ 550,254	\$ 523,364	\$ (26,890)
Wages - elected officials	47,300	47,300	47,717	417
Wages - part-time	7,280	11,663	-	(11,663)
Overtime	775	775	166	(609)
Health insurance	117,398	117,398	106,710	(10,688)
Life insurance	616	616	591	(25)
Social Security and Medicare	45,266	45,266	39,696	(5,570)
IMRF	54,192	54,192	36,553	(17,639)
Building maintenance	27,700	27,700	12,924	(14,776)
Professional services	34,200	96,888	141,704	44,816
Audit services	22,750	22,750	23,720	970
Accounting services	3,000	3,000	850	(2,150)
Payroll service fees	1,800	1,800	1,587	(213)
Engineering services	1,000	1,000	-	(1,000)
Fire District	-	-	2,329	2,329
Legal services	62,000	62,000	75,341	13,341
Labor attorney	15,000	20,000	23,344	3,344
Technology	135,000	135,000	116,266	(18,734)
Postage	14,000	14,000	10,053	(3,947)
Photocopy	9,200	9,200	10,859	1,659
Printing	15,000	15,000	8,661	(6,339)
Publishing	15,000	15,000	8,030	(6,970)
Memberships	21,500	21,500	19,488	(2,012)
Travel	5,000	5,000	892	(4,108)
Training	12,000	12,000	3,935	(8,065)
Tuition reimbursement	500	500	-	(500)
Meeting expense	2,000	2,000	2,451	451
Utilities	10,000	10,000	11,442	1,442
Credit card and bank charges	25,000	25,000	23,428	(1,572)
Property taxes	8,000	8,000	736	(7,264)
Building incentives	228,000	228,000	170,868	(57,132)
Building maintenance supplies	1,500	1,954	3,006	1,052
Office supplies	7,000	7,000	8,695	1,695
Operating supplies	7,000	2,000	2,442	442
Fuel	500	500	-	(500)
Software	25,000	25,000	2,662	(22,338)
Computer equipment	3,000	3,000	167	(2,833)
Special events	300	376	376	-
Employee recognition	3,500	3,000	1,792	(1,208)
Refunds	250	250	-	(250)
Miscellaneous expense	800	800	1,486	686
Externality fee refund - RLB	25,000	25,000	22,464	(2,536)
Externality fee refund - Lake	104,794	104,794	-	(104,794)
Allocated expense	(655,093)	(602,000)	(624,506)	(22,506)
Total administration	1,027,002	1,134,476	842,289	(292,187)

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Current (Continued)				
General government (Continued)				
Insurance				
Liability and workers' compensation insurance	\$ 300,469	\$ 250,000	\$ 243,040	\$ (6,960)
Insurance deductible expense	100,000	30,000	4,872	(25,128)
Total insurance	400,469	280,000	247,912	(32,088)
Total general government	1,427,471	1,414,476	1,090,201	(324,275)
PUBLIC SAFETY				
Current				
Police department				
Wages - administration	596,569	726,269	575,690	(150,579)
Wages - part-time	-	4,132	5,864	1,732
Wages - sworn officers	2,088,149	1,958,449	1,931,288	(27,161)
Wages - police commission	-	5,100	-	(5,100)
Overtime	348,207	348,207	280,648	(67,559)
Health insurance	624,766	624,766	398,612	(226,154)
Life insurance	3,203	3,203	2,703	(500)
Social Security and Medicare	74,607	74,607	66,218	(8,389)
IMRF	41,417	41,417	20,368	(21,049)
Police pension - taxes	636,671	636,671	632,544	(4,127)
Police pension - Village portion	94,184	94,184	94,184	-
Building maintenance	32,975	45,000	40,961	(4,039)
Equipment maintenance	34,550	34,550	19,110	(15,440)
Vehicle maintenance	7,000	7,000	3,432	(3,568)
Vehicle maintenance - mp	-	-	605	605
Professional services	75,000	75,000	43,080	(31,920)
Accounting services	3,000	3,000	984	(2,016)
HR recruiting/testing	15,500	15,500	13,160	(2,340)
Legal services	114,900	114,900	36,842	(78,058)
Labor attorney	50,000	64,516	67,156	2,640
Dispatching	710,625	710,625	598,253	(112,372)
Prisoner meals	300	300	-	(300)
Animal care and control	2,400	1,000	110	(890)
Technology	113,086	113,086	94,875	(18,211)
Janitorial services	9,000	9,000	7,413	(1,587)
Postage	4,000	4,000	3,974	(26)
Photocopy	3,000	3,230	2,961	(269)
Printing	5,400	3,000	3,032	32
Publishing	-	-	51	51
Memberships	25,500	25,500	20,942	(4,558)
Police commission	2,975	375	52	(323)
Travel	2,000	1,500	714	(786)
Training	40,000	40,000	14,272	(25,728)
Meetings	1,000	1,000	382	(618)
Utilities	30,000	30,000	33,645	3,645
Office supplies	10,000	10,000	7,583	(2,417)

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Current (Continued)				
Police department (Continued)				
Operating supplies	\$ 40,000	\$ 33,000	\$ 21,180	\$ (11,820)
Community relations	8,000	5,000	3,799	(1,201)
Shop with a cop	3,000	1,922	1,922	-
Small tools and noncapital equipment	3,400	10,400	3,129	(7,271)
Uniforms	40,000	40,000	29,968	(10,032)
Fuel	53,500	53,500	50,026	(3,474)
Software licenses	1,282	7,500	232	(7,268)
Computer equipment	12,850	12,850	2,409	(10,441)
Employee recognition	900	900	209	(691)
DUI expense	2,000	2,000	-	(2,000)
Investigation expense	1,500	1,500	-	(1,500)
Narcotics expense	1,000	-	-	-
Total police department	<u>5,967,416</u>	<u>5,997,659</u>	<u>5,134,582</u>	<u>(863,077)</u>
Fire department				
Fire department billable expenses	<u>35,000</u>	<u>50,000</u>	<u>48,523</u>	<u>(1,477)</u>
Total fire department	<u>35,000</u>	<u>50,000</u>	<u>48,523</u>	<u>(1,477)</u>
Total public safety	<u>6,002,416</u>	<u>6,047,659</u>	<u>5,183,105</u>	<u>(864,554)</u>
PUBLIC WORKS				
Current				
Streets				
Wages	615,852	616,900	592,016	(24,884)
Wages - part-time	13,104	5,258	5,258	-
Overtime	25,540	25,540	15,984	(9,556)
Health insurance	177,823	177,823	142,562	(35,261)
Life insurance	1,093	1,093	1,018	(75)
Social Security and Medicare	50,184	50,184	44,308	(5,876)
IMRF	49,268	49,268	43,954	(5,314)
Building maintenance	15,000	18,152	21,631	3,479
Equipment maintenance	1,000	1,000	669	(331)
Street maintenance	18,000	19,770	27,408	7,638
Parks maintenance	25,000	25,000	18,931	(6,069)
Professional services	40,000	40,000	24,051	(15,949)
Accounting services	635	635	314	(321)
Engineering services	25,000	25,000	4,106	(20,894)
Legal services	500	3,500	5,433	1,933
Technology	468	3,219	5,076	1,857
Postage	50	50	6	(44)
Memberships	850	850	783	(67)
Training	3,000	1,000	575	(425)
Utilities	5,500	5,500	8,257	2,757
Electricity charges	72,000	72,000	41,793	(30,207)

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Current (Continued)				
Streets (Continued)				
Building maintenance supplies	\$ 800	\$ 800	\$ 109	\$ (691)
Equipment maintenance supplies	1,600	1,953	3,891	1,938
Office supplies	900	900	974	74
Operating supplies	65,000	65,000	42,152	(22,848)
Small tools	10,500	10,500	6,494	(4,006)
Uniforms	5,800	5,800	6,362	562
Stone and concrete	9,500	9,500	2,624	(6,876)
Tree replacement	7,500	7,500	-	(7,500)
Sign program	6,000	6,000	5,048	(952)
Fuel	38,000	38,000	29,592	(8,408)
Computer equipment	1,000	1,000	-	(1,000)
Employee recognition	250	250	226	(24)
Allocated expense	(359,655)	(388,000)	(398,508)	(10,508)
 Total streets	 927,062	 900,945	 703,097	 (197,848)
 Motor pool				
Wages	121,924	126,400	122,918	(3,482)
Overtime	3,435	3,435	970	(2,465)
Health insurance	3,000	3,000	3,284	284
Life insurance	188	188	185	(3)
Social Security and Medicare	9,820	9,820	9,704	(116)
IMRF	9,754	9,754	9,090	(664)
Building maintenance	15,600	15,600	5,965	(9,635)
Equipment maintenance	1,400	1,400	-	(1,400)
Professional services	3,500	3,500	4,176	676
Accounting services	231	231	60	(171)
Motor pool reimbursable expense	6,334	6,334	2,216	(4,118)
Technology	1,500	3,402	3,609	207
Memberships	100	100	-	(100)
Travel	-	-	18	18
Training	2,000	2,000	49	(1,951)
Utilities	900	900	915	15
Building maintenance supplies	700	700	395	(305)
Office supplies	350	350	-	(350)
Operating supplies	105,000	105,000	116,715	11,715
Small tools	4,000	4,000	5,655	1,655
Uniforms	1,000	1,000	751	(249)
Fuel	1,968	1,968	728	(1,240)
Software license/support	4,215	4,215	-	(4,215)
Computer equipment	2,400	2,400	-	(2,400)
Employee recognition	200	200	-	(200)
 Total motor pool	 299,519	 305,897	 287,403	 (18,494)

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Current (Continued)				
Garbage				
Postage	\$ 1,000	\$ 1,000	\$ 854	\$ (146)
Yard waste stickers	1,000	1,000	-	(1,000)
Garbage disposal	948,000	948,000	940,996	(7,004)
Total garbage	950,000	950,000	941,850	(8,150)
Total public works	2,176,581	2,156,842	1,932,350	(224,492)
PARKS AND RECREATION				
Current				
Parks and recreation				
Wages	87,350	89,800	88,423	(1,377)
Wages - part-time	27,309	27,309	12,061	(15,248)
Overtime	5,917	13,417	5,840	(7,577)
Health insurance	10,895	10,895	9,873	(1,022)
Life insurance	188	188	185	(3)
Social Security and Medicare	9,339	9,339	7,986	(1,353)
IMRF	7,975	7,975	7,651	(324)
Building maintenance	6,700	11,000	10,984	(16)
Equipment maintenance	10,500	9,000	7,429	(1,571)
Professional services	3,000	3,000	850	(2,150)
Accounting services	350	350	90	(260)
Professional services - study/report	7,000	5,838	5,838	-
Janitorial services	8,000	8,000	8,846	846
Postage	1,500	500	-	(500)
Photocopy	-	2,320	2,961	641
Printing	2,000	500	60	(440)
Advertising	5,000	1,500	120	(1,380)
Memberships	4,320	5,000	4,126	(874)
Travel	500	500	36	(464)
Training	1,500	1,500	1,473	(27)
Meetings	100	100	-	(100)
Utilities	15,000	15,000	10,239	(4,761)
Pace program - rental fee	1,500	1,500	1,200	(300)
Community programs	18,345	21,000	13,951	(7,049)
Senior programs	16,920	19,000	16,299	(2,701)
Special events	75,735	75,735	61,972	(13,763)
Building maintenance supplies	7,000	7,000	4,258	(2,742)
Office supplies	2,000	2,000	618	(1,382)
Operating supplies	3,000	3,000	2,682	(318)
Small tools and noncapital equipment	16,300	8,500	2,685	(5,815)
Fuel	1,200	1,200	1,399	199
Software licenses	5,518	2,000	-	(2,000)
Special events - other	40,000	40,000	40,000	-
Employee recognition	200	150	35	(115)
Refunds	1,500	1,500	-	(1,500)
Total parks and recreation	403,661	405,616	330,170	(75,446)

(This schedule is continued on the following pages.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
COMMUNITY DEVELOPMENT				
Current				
Community development				
Wages	\$ 301,111	\$ 301,111	\$ 307,308	\$ 6,197
Wages - part-time	-	3,375	4,500	1,125
Overtime	2,033	2,033	1,501	(532)
Health insurance	92,704	92,704	90,473	(2,231)
Life insurance	451	451	420	(31)
Social Security and Medicare	23,191	23,191	21,160	(2,031)
IMRF	23,585	23,585	20,034	(3,551)
Equipment maintenance	6,500	6,500	5,295	(1,205)
Professional services	18,000	18,000	16,494	(1,506)
Accounting services	350	3,594	150	(3,444)
Professional services - studies/reports	5,000	5,000	3,594	(1,406)
Engineering services	5,000	5,000	1,369	(3,631)
Billable engineering fees	10,000	10,975	15,611	4,636
Billable building and zoning expense	6,500	7,500	9,198	1,698
Legal services	10,000	31,355	69,513	38,158
Billable attorney fees	5,000	5,000	6,745	1,745
Technology	-	4,042	4,767	725
Postage	400	400	128	(272)
Printing	1,500	1,500	1,215	(285)
Publishing	1,500	500	452	(48)
Memberships	6,590	6,590	6,204	(386)
Travel	500	500	-	(500)
Training	2,000	2,000	1,985	(15)
Meetings	150	150	-	(150)
Utilities	2,520	3,722	5,542	1,820
Office supplies	2,500	2,500	1,912	(588)
Operating supplies	-	-	8	8
Community programs	20,000	5,000	6,228	1,228
Uniforms	250	250	242	(8)
Refunds	100	204	204	-
Fuel	1,400	3,000	2,132	(868)
Software licenses and maintenance	3,936	3,936	2,257	(1,679)
Computer equipment	1,350	1,350	155	(1,195)
Employee recognition	200	200	-	(200)
Total community development	554,321	575,218	606,796	31,578
GRANT EXPENSE				
Police tobacco	500	500	-	(500)
CDBG	27,500	27,500	26,292	(1,208)
Total grant expense	28,000	28,000	26,292	(1,708)

(This schedule is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
CAPITAL OUTLAY				
Current				
Capital outlay	\$ 248,000	\$ 213,000	\$ 43,054	\$ (169,946)
Capital outlay - parks	423,209	169,960	8,424	(161,536)
Capital outlay - public safety	192,000	193,627	164,744	(28,883)
Capital outlay - streets	<u>2,733,716</u>	<u>2,578,461</u>	<u>1,478,664</u>	<u>(1,099,797)</u>
Total capital outlay	<u>3,596,925</u>	<u>3,155,048</u>	<u>1,694,886</u>	<u>(1,460,162)</u>
DEBT SERVICE				
Current				
Principal	540,273	540,273	540,273	-
Interest	<u>91,189</u>	<u>91,189</u>	<u>86,771</u>	<u>(4,418)</u>
Total debt service	<u>631,462</u>	<u>631,462</u>	<u>627,044</u>	<u>(4,418)</u>
TOTAL EXPENDITURES				
	<u><u>\$ 14,820,837</u></u>	<u><u>\$ 14,414,321</u></u>	<u><u>\$ 11,490,844</u></u>	<u><u>\$ (2,923,477)</u></u>

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2020

	Special Revenue				
	Tax Increment Financing	Motor Fuel Tax	Business Development District South	Business Development District Central	Total
ASSETS					
Cash and investments	\$ 463,916	\$ 1,622,292	\$ -	\$ -	\$ 2,086,208
Receivables, net					
Property taxes	77,855	-	-	-	77,855
Intergovernmental	-	38,975	128,283	140,969	308,227
Inventories	-	68,634	-	-	68,634
Due from other funds	-	214	449,680	521,034	970,928
TOTAL ASSETS	\$ 541,771	\$ 1,730,115	\$ 577,963	\$ 662,003	\$ 3,511,852
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 2,441	\$ 136,720	\$ 36,628	\$ 175,789
Due to other funds	13,295	624,647	-	-	637,942
Total liabilities	13,295	627,088	136,720	36,628	813,731
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	77,855	-	-	-	77,855
Total deferred inflows of resources	77,855	-	-	-	77,855
Total liabilities and deferred inflows of resources	91,150	627,088	136,720	36,628	891,586
FUND BALANCES					
Nonspendable for inventory	-	68,634	-	-	68,634
Restricted for economic development	450,621	-	441,243	625,375	1,517,239
Restricted for maintenance of roadways	-	1,034,393	-	-	1,034,393
Total fund balances	450,621	1,103,027	441,243	625,375	2,620,266
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 541,771	\$ 1,730,115	\$ 577,963	\$ 662,003	\$ 3,511,852

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Special Revenue				
	Tax Increment Financing	Motor Fuel Tax	Business Development District South	Business Development District Central	Total
REVENUES					
Taxes	\$ 77,350	\$ -	\$ -	\$ -	\$ 77,350
Intergovernmental	- -	400,515	634,823	583,400	1,618,738
Investment income	7,870	26,540	-	-	34,410
 Total revenues	 85,220	 427,055	 634,823	 583,400	 1,730,498
EXPENDITURES					
Current					
General government	- -	- -	52,755	95,507	148,262
Public works	- -	148,621	- -	- -	148,621
Economic development	5,325	- -	- -	- -	5,325
Capital outlay	- -	165,627	738,898	307,820	1,212,345
 Total expenditures	 5,325	 314,248	 791,653	 403,327	 1,514,553
 NET CHANGE IN FUND BALANCES	 79,895	 112,807	 (156,830)	 180,073	 215,945
 FUND BALANCES, MAY 1	 370,726	 990,220	 598,073	 445,302	 2,404,321
 FUND BALANCES, APRIL 30	 \$ 450,621	 \$ 1,103,027	 \$ 441,243	 \$ 625,375	 \$ 2,620,266

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 50,247	\$ 77,292	\$ 77,350	\$ 58
Investment income	5,000	9,000	7,870	(1,130)
 Total revenues	 55,247	 86,292	 85,220	 (1,072)
EXPENDITURES				
Current				
Community development	41,100	18,600	5,325	(13,275)
Capital outlay	270,941	270,941	-	(270,941)
 Total expenditures	 312,041	 289,541	 5,325	 (284,216)
 NET CHANGE IN FUND BALANCE	 <u>\$ (256,794)</u>	 <u>\$ (203,249)</u>	 79,895	 <u>\$ 283,144</u>
 FUND BALANCE, MAY 1			 <u>370,726</u>	
 FUND BALANCE, APRIL 30			 <u>\$ 450,621</u>	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Allotments earned	\$ 279,236	\$ 375,000	\$ 400,515	\$ 25,515
Investment income	12,000	30,000	26,540	(3,460)
Total revenues	<u>291,236</u>	<u>405,000</u>	<u>427,055</u>	<u>22,055</u>
EXPENDITURES				
Current				
Public works				
Public works	221,000	215,000	148,621	(66,379)
Capital outlay	643,986	643,986	165,627	(478,359)
Total expenditures	<u>864,986</u>	<u>858,986</u>	<u>314,248</u>	<u>(544,738)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (573,750)</u></u>	<u><u>\$ (453,986)</u></u>	<u><u>112,807</u></u>	<u><u>\$ 566,793</u></u>
FUND BALANCE, MAY 1			<u>990,220</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 1,103,027</u></u>	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUSINESS DEVELOPMENT DISTRICT - SOUTH**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Sales tax	\$ 657,041	\$ 635,000	\$ 634,823	\$ (177)
Investment income	3,000	3,000	-	(3,000)
Total revenues	<u>660,041</u>	<u>638,000</u>	<u>634,823</u>	<u>(3,177)</u>
EXPENDITURES				
General government				
Administration				
Professional services	297,500	315,000	52,755	(262,245)
Capital outlay	821,258	821,258	738,898	(82,360)
Total expenditures	<u>1,118,758</u>	<u>1,136,258</u>	<u>791,653</u>	<u>(344,605)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (458,717)</u></u>	<u><u>\$ (498,258)</u></u>	<u><u>(156,830)</u></u>	<u><u>\$ 341,428</u></u>
FUND BALANCE, MAY 1			<u>598,073</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 441,243</u></u>	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUSINESS DEVELOPMENT DISTRICT - CENTRAL**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Sales tax	\$ 537,644	\$ 600,000	\$ 583,400	\$ (16,600)
Investment income	2,000	3,000	-	(3,000)
Total revenues	539,644	603,000	583,400	(19,600)
EXPENDITURES				
General government				
Administration				
Professional services	177,317	187,317	95,507	(91,810)
Capital outlay	739,434	669,845	307,820	(362,025)
Total expenditures	916,751	857,162	403,327	(453,835)
NET CHANGE IN FUND BALANCE	<u>\$ (377,107)</u>	<u>\$ (254,162)</u>	<u>180,073</u>	<u>\$ 434,235</u>
FUND BALANCE, MAY 1			<u>445,302</u>	
FUND BALANCE, APRIL 30			<u>\$ 625,375</u>	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER FUND**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Water/sewer fees	\$ 4,400,000	\$ 4,400,000	\$ 4,445,249	\$ 45,249
Tap-on fees	167,000	65,000	52,143	(12,857)
Miscellaneous	110,000	122,653	118,217	(4,436)
 Total operating revenues	 4,677,000	 4,587,653	 4,615,609	 27,956
OPERATING EXPENSES				
Personnel services	758,587	737,866	759,546	21,680
Contractual services/commodities	1,452,521	1,247,352	1,014,925	(232,427)
Depreciation and amortization	800,000	800,000	949,621	149,621
 Total operating expenses	 3,011,108	 2,785,218	 2,724,092	 (61,126)
 OPERATING INCOME	 1,665,892	 1,802,435	 1,891,517	 89,082
NON-OPERATING REVENUES (EXPENSES)				
Investment income	70,000	100,000	138,341	38,341
Interest expense	(128,071)	(128,071)	(149,489)	(21,418)
Principal expense	-	-	(392,448)	(392,448)
 Total non-operating revenues (expenses)	 (58,071)	 (28,071)	 (403,596)	 (375,525)
 NET INCOME BEFORE CONTRIBUTIONS				
CONTRIBUTIONS	-	-	2,264,406	2,264,406
 CHANGE IN NET POSITION (BUDGETARY BASIS)	 \$ 1,607,821	 \$ 1,774,364	 3,752,327	 \$ 1,977,963
ADJUSTMENTS TO GAAP BASIS				
Principal expense			392,448	
Total adjustments to GAAP basis			392,448	
 CHANGE IN NET POSITION (GAAP BASIS)			 4,144,775	
 NET POSITION, MAY 1			 21,426,201	
 NET POSITION, APRIL 30			 \$ 25,570,976	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
NORTHWEST WATER RECLAMATION DISTRICT**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Sewer fees	\$ 4,940,700	\$ 4,936,392	\$ 4,941,637	\$ 5,245
Tap-on fees	160,000	140,000	663,540	523,540
Miscellaneous	2,000	2,000	14,868	12,868
 Total operating revenues	 5,102,700	 5,078,392	 5,620,045	 541,653
OPERATING EXPENSES				
Personnel services	1,937,639	1,896,033	2,138,101	242,068
Contractual services/commodities	3,252,151	2,929,816	2,545,000	(384,816)
Depreciation	2,075,000	2,075,000	1,762,319	(312,681)
 Total operating expenses	 7,264,790	 6,900,849	 6,445,420	 (455,429)
 OPERATING INCOME (LOSS)	 (2,162,090)	 (1,822,457)	 (825,375)	 997,082
NON-OPERATING REVENUES (EXPENSES)				
Gain (loss) on sale of assets	4,000	14,235	14,235	-
Intergovernmental	20,000	20,000	-	(20,000)
Investment income	255,000	336,897	323,657	(13,240)
 Total non-operating revenues (expenses)	 279,000	 371,132	 337,892	 (33,240)
 CHANGE IN NET POSITION (BUDGETARY BASIS)	 \$ (1,883,090)	 \$ (1,451,325)	 (487,483)	 \$ 963,842
 NET POSITION, MAY 1			 50,977,713	
 NET POSITION, APRIL 30			 \$ 50,490,230	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
911 DISPATCH SERVICES FUND**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
911 fees	\$ 182,568	\$ 182,568	\$ 192,859	\$ 10,291
Fees for services	1,262,568	1,189,000	1,156,473	(32,527)
 Total operating revenues	 1,445,136	 1,371,568	 1,349,332	 (22,236)
OPERATING EXPENSES				
Personnel services	1,122,886	1,100,534	1,212,919	112,385
Contractual services/commodities	350,249	402,392	306,071	(96,321)
Depreciation	65,425	65,425	64,267	(1,158)
 Total operating expenses	 1,538,560	 1,568,351	 1,583,257	 14,906
OPERATING INCOME (LOSS)				
	(93,424)	(196,783)	(233,925)	(37,142)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,000	7,600	9,621	2,021
Intergovernmental income	-	155,348	155,348	-
Interest expense	(560)	(560)	(382)	178
Principal expense	(3,790)	(3,790)	(3,790)	-
 Total non-operating revenues (expenses)	 (3,350)	 158,598	 160,797	 2,199
CHANGE IN NET POSITION (BUDGETARY BASIS)				
	\$ (96,774)	\$ (38,185)	\$ (73,128)	\$ (34,943)
ADJUSTMENTS TO GAAP BASIS				
Principal expense			3,790	
 Total adjustments to GAAP basis			 3,790	
CHANGE IN NET POSITION (GAAP BASIS)				
			(69,338)	
NET POSITION (DEFICIT), MAY 1			(192,577)	
NET POSITION (DEFICIT), APRIL 30			\$ (261,915)	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

April 30, 2020

	Commuter Parking	Tall Oaks	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 8,034	\$ -	\$ 8,034
Receivables			
Accounts (net of allowance for uncollectible accounts)	52	- 52	52
Prepaid items	670	- 670	670
Due from other funds	1,541	52,000	53,541
 Total current assets	 10,297	 52,000	 62,297
NONCURRENT ASSETS			
Capital assets, net of accumulated depreciation	285,187	- 285,187	285,187
 Total noncurrent assets	 285,187	 - 285,187	 285,187
 Total assets	 295,484	 52,000	 347,484
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	7,671	- 7,671	7,671
 Total deferred outflows of resources	 7,671	 - 7,671	 7,671
 Total assets and deferred outflows of resources	 303,155	 52,000	 355,155
CURRENT LIABILITIES			
Accounts payable	3,142	- 3,142	3,142
Accrued payroll	343	- 343	343
Due to other funds	31,510	- 31,510	31,510
Current portion of long-term debt	285	- 285	285
 Total current liabilities	 35,280	 - 35,280	 35,280
NONCURRENT LIABILITIES			
Compensated absences payable	473	- 473	473
Long-term debt	30,588	- 30,588	30,588
 Total noncurrent liabilities	 31,061	 - 31,061	 31,061
 Total liabilities	 66,341	 - 66,341	 66,341
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	8,503	- 8,503	8,503
 Total deferred inflows of resources	 8,503	 - 8,503	 8,503
 Total liabilities and deferred inflows of resources	 74,844	 - 74,844	 74,844
NET POSITION			
Net investment in capital assets	285,187	- 285,187	285,187
Unrestricted (deficit)	(56,876)	52,000	(4,876)
 TOTAL NET POSITION	 \$ 228,311	 \$ 52,000	 \$ 280,311

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2020

	Commuter Parking	Tall Oaks	Total
OPERATING REVENUES			
Parking fees	\$ 71,831	\$ -	\$ 71,831
Tap-on fees	- 24,000	24,000	24,000
 Total operating revenues	 71,831	24,000	95,831
OPERATING EXPENSES			
Personnel services	43,183	-	43,183
Contractual services/commodities	40,873	-	40,873
Depreciation	5,036	-	5,036
 Total operating expenses	 89,092	-	89,092
 OPERATING INCOME (LOSS)	 (17,261)	24,000	6,739
NON-OPERATING REVENUES (EXPENSES)			
Investment income	648	-	648
 Total non-operating revenues (expenses)	 648	-	648
 CHANGE IN NET POSITION	 (16,613)	24,000	7,387
 NET POSITION, MAY 1	 244,924	28,000	272,924
 NET POSITION, APRIL 30	 \$ 228,311	\$ 52,000	\$ 280,311

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2020

	Commuter Parking	Tall Oaks	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 71,779	\$ 24,000	\$ 95,779
Payments to suppliers	(45,147)	-	(45,147)
Payments to employees	(28,599)	-	(28,599)
Net cash from operating activities	<u>(1,967)</u>	<u>24,000</u>	<u>22,033</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund activity	<u>(47,423)</u>	<u>(24,000)</u>	<u>(71,423)</u>
Net cash from noncapital financing activities	<u>(47,423)</u>	<u>(24,000)</u>	<u>(71,423)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>648</u>	<u>-</u>	<u>648</u>
Net cash from investing activities	<u>648</u>	<u>-</u>	<u>648</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(48,742)	-	(48,742)
CASH AND CASH EQUIVALENTS, MAY 1	<u>56,776</u>	<u>-</u>	<u>56,776</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 8,034</u>	<u>\$ -</u>	<u>\$ 8,034</u>

(This schedule is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS

For the Year Ended April 30, 2020

	Commuter Parking	Tall Oaks	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (17,261)	\$ 24,000	\$ 6,739
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	5,036	-	5,036
(Acrease) decrease in			
Receivables	(52)	-	(52)
Prepaid items	(352)	-	(352)
Pension items	9,095	-	9,095
Increase (decrease) in			
Accounts payable	1,087	-	1,087
Accrued payroll	(2,009)	-	(2,009)
Compensated absences payable	45	-	45
Pension items	4,915	-	4,915
Total OPEB liability	9,451	-	9,451
Net pension liability	<u>(11,922)</u>	<u>-</u>	<u>(11,922)</u>
NET CASH FROM OPERATING ACTIVITIES	\$ (1,967)	\$ 24,000	\$ 22,033

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
COMMUTER PARKING FUND**

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Parking fees	\$ 95,000	\$ 95,000	\$ 71,831	\$ (23,169)
Total operating revenues	95,000	95,000	71,831	(23,169)
OPERATING EXPENSES				
Personnel services	29,558	28,681	43,183	14,502
Contractual services/commodities	69,385	71,077	40,873	(30,204)
Depreciation	5,036	5,036	5,036	-
Total operating expenses	103,979	104,794	89,092	(15,702)
OPERATING INCOME (LOSS)	(8,979)	(9,794)	(17,261)	(7,467)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	600	600	648	48
Total non-operating revenues (expenses)	600	600	648	48
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (8,379)</u>	<u>\$ (9,194)</u>	<u>\$ (16,613)</u>	<u>\$ (7,419)</u>
NET POSITION, MAY 1			<u>244,924</u>	
NET POSITION, APRIL 30			<u>\$ 228,311</u>	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
TALL OAKS FUND**

For the Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES			
Tap-on fees	\$ 22,000	\$ 24,000	\$ 2,000
Total operating revenues	<u>22,000</u>	<u>24,000</u>	<u>2,000</u>
OPERATING EXPENSES			
None	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING INCOME	<u>22,000</u>	<u>24,000</u>	<u>2,000</u>
NON-OPERATING REVENUES (EXPENSES)			
None	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ 22,000</u>	<u>24,000</u>	<u>\$ 2,000</u>
NET POSITION, MAY 1	<u>28,000</u>		
NET POSITION, APRIL 30	<u>\$ 52,000</u>		

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADDITIONS				
Contributions				
Employer contributions	\$ 730,855	\$ 722,448	\$ 726,728	\$ 4,280
Plan members contributions	195,000	195,000	196,028	1,028
Total contributions	<u>925,855</u>	<u>917,448</u>	<u>922,756</u>	<u>5,308</u>
Investment income				
Net appreciation (depreciation)				
in fair value of investments	758,134	500,000	(649,683)	(1,149,683)
Interest and dividends	300,000	400,000	464,301	64,301
Total investment income	<u>1,058,134</u>	<u>900,000</u>	<u>(185,382)</u>	<u>(1,085,382)</u>
Less investment expense	<u>(30,000)</u>	<u>(32,000)</u>	<u>(32,772)</u>	<u>(772)</u>
Net investment income	<u>1,028,134</u>	<u>868,000</u>	<u>(218,154)</u>	<u>(1,086,154)</u>
Total additions	<u>1,953,989</u>	<u>1,785,448</u>	<u>704,602</u>	<u>(1,080,846)</u>
DEDUCTIONS				
Pension benefits and refunds	1,028,573	1,028,573	1,014,680	(13,893)
Administration				
Expenses	51,500	44,543	27,253	(17,290)
Total deductions	<u>1,080,073</u>	<u>1,073,116</u>	<u>1,041,933</u>	<u>(31,183)</u>
NET INCREASE (DECREASE)	<u>\$ 873,916</u>	<u>\$ 712,332</u>	<u>(337,331)</u>	<u>\$ (1,049,663)</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS				
May 1			<u>17,197,196</u>	
April 30			<u>\$ 16,859,865</u>	

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF FOX LAKE, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended April 30, 2020

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 3,795	\$ -	\$ -	\$ 3,795
494-00-0958	Truck Access Route Program	-	-	-	-
494-00-0967	High-Growth Cities Program	10,132	-	-	10,132
494-00-1488	Motor Fuel Tax Program	304,116	-	-	304,116
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	3,282	-	3,282
494-42-0495	Local Surface Transportation Program	-	101,271	-	101,271
	Other grant programs and activities	-	2,881,890	-	2,881,890
	All other costs not allocated	-	-	20,046,598	20,046,598
TOTALS		\$ 318,043	\$ 2,986,443	\$ 20,046,598	\$ 23,351,084

(See independent auditor's report.)