

Village of Fox Lake, Illinois

Annual Financial Report

Year End April 30, 2021



Prepared By:
The Finance Department

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

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2021

Prepared by the Finance Department

Wayde Frerichs, Finance Director

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

APRIL 30, 2021

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

Vacant, Village Administrator

Susan Griffin, Interim Finance Director/Contractor

Wayde Frerichs, Finance Director

Vacant, 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

INDEPENDENT AUDITOR'S REPORT

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, 2021 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. 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, 2021 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.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the introductory section.

Sikich LLP

Naperville, Illinois

March 15, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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, 2021. 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 FY20 to FY21. The revenues exceeded expenses by \$6,269,960 resulting in a net position as of April 30, 2021 of \$116,466,513. This is 5.69% higher than last year's net position of \$110,196,553.
- Net Pension Asset/Liability (IMRF and Police Pension) is reported on the Statement of Net Position and the change in the net pension asset/liability for the year is reported on the Statement of Activities. IMRF Net Pension Liability decreased as of 12/31/2020 by \$1,897,519. Police Pension Net Pension Liability decreased as of 4/30/2021 by \$3,207,798 predominately due to the unrealized gains on the assets as the market appreciated significantly after the prior year decline due to the uncertainty surrounding the COVID pandemic. The market recaptured all the previous year's losses and moved to record highs.
- At the end of the current fiscal year, the General Fund *unrestricted* fund balance was \$12,377,090 up by \$2,138,609 over the prior year *unrestricted* amount of \$10,238,481. This change is due to the inclusion of a budgeted deficit of \$2,034,252 for FY22. The amount committed by the Village's reserve policy represents 41% of the budgeted FY22 operating expenditures.
- The General Fund balance increased by \$2,210,624 to \$13,349,511 as of April 30, 2021.

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. Inter-fund 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.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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.

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.*

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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

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 liabilities 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, 2021 was \$116,466,513, which represents an increase of \$6,269,960 compared to April 30, 2020. The Village’s net position from governmental activities increased by \$3,948,667 and net position from business-type activities increased by \$2,321,293 over the prior fiscal year. *More detailed information can be found in the Statement of Net Position on page 4.*

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Table 1: Comparative Summary Statements of Net Position as of April 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 22,500,445	\$ 18,655,415	\$ 28,507,162	\$ 28,044,137	\$ 51,007,607	\$ 46,699,552
Capital assets	32,105,910	32,465,739	68,953,598	64,372,194	101,059,508	96,837,933
Total Assets	54,606,355	51,121,154	97,460,760	92,416,331	152,067,115	143,537,485
Deferred outflows of resources	1,083,775	2,312,927	595,401	812,268	1,679,176	3,125,195
Liabilities						
Current liabilities	1,864,699	2,065,512	3,280,330	3,242,410	5,145,029	5,307,922
Noncurrent liabilities	9,807,376	13,468,572	15,149,905	13,353,257	24,957,281	26,821,829
Total Liabilities	11,672,075	15,534,084	18,430,235	16,595,667	30,102,310	32,129,751
Deferred inflows of resources	5,952,437	3,783,046	1,225,031	553,330	7,177,468	4,336,376
Net Position						
Net investment in capital assets	30,250,581	30,211,331	55,791,449	53,213,922	86,042,030	83,425,253
Restricted net position	4,423,831	3,152,775	-	-	4,423,831	3,152,775
Unrestricted net position	3,391,206	752,845	22,609,446	22,865,680	26,000,652	23,618,525
Total Net Position	\$ 38,065,618	\$ 34,116,951	\$ 78,400,895	\$ 76,079,602	\$ 116,466,513	\$ 110,196,553

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.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Current Year Impacts on Net Position

Governmental Activities

For fiscal year 2021, governmental activities *net* position totaled \$38,065,618 reflecting an increase of \$3,948,667 over the prior fiscal year. Governmental activities total assets and deferred outflows increased \$2,256,049 and governmental activities total liabilities and deferred inflows decreased \$1,692,618.

The \$2.256M increase in total assets and deferred outflows resulted from a \$3.233M increase in current assets, a decrease of \$359.8K in capital assets, and a decrease in pension related assets and deferred outflows of \$617.4K. The decrease in capital assets was due to the absence of any significant new project completion or even significant progress on the few projects that were started. As a result, there was no significant new CIP or asset capitalization from the acquisition of vehicles or equipment due to COVID-19 precautions to offset current year depreciation.

The total asset increase was compounded by a decrease of \$1.692M in total liabilities and deferred inflows. The current liabilities decreased by \$201K, non-current liabilities (compensated absences and debt) by \$395.5K, pension and OPEB related liabilities and deferred inflows of resources decreased \$1.154M and deferred inflows of resources related to deferred property taxes increased \$57.7K.

The decrease in total liabilities is attributed to a decrease in payables specifically due to the completion of several projects coupled with the absence of any new projects as a result of the uncertainties of the COVID-19 pandemic. Also, as a result of these uncertainties, expenses across the board were scrutinized and cut or postponed. Liabilities attributed to OPEB and the net pension liability from IMRF and Police Pension benefits decreased significantly. The compensated absences liability increased slightly.

Business-Type Activities

The business-type activities *net* position totals \$78,400,895 which represents an increase of \$2,321,293. Business-type activities total current assets decreased by \$305.7K and non-pension related deferred outflows of resources decreased \$28.9K. These decreases were offset by an increase in pension assets and pension-related deferred

outflows of \$580.9K. Capital assets increased a substantial \$4.581M for growth in assets of \$4,827,562. Total current liabilities and deferred inflows increased by \$709.6K and noncurrent liabilities increased by \$1.796M resulting in the change in total liabilities of \$2,506,269.

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 has 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, 2021

Changes in Net Position

The Village's combined change in net position for FY2021 was an increase of \$6,269,960 compared to \$4,522,903 in the prior fiscal year. Business-type activities saw an increase in net position of \$2,321,293 and governmental activities saw an increase of \$3,948,667 during FY2021. Table 2 shows the condensed revenues and expenses of the Village's activities.

Table 2: Comparative Changes in Net Position as of April 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for services	\$ 2,430,655	\$ 2,818,416	\$ 10,925,145	\$ 11,680,817	\$ 13,355,800	\$ 14,499,233
Operating and capital grants	1,209,699	607,629	1,583,484	2,419,754	2,793,183	3,027,383
General Revenues						
Property taxes	2,610,515	2,542,842	-	-	2,610,515	2,542,842
All other taxes	7,931,886	7,121,899	-	-	7,931,886	7,121,899
Other Revenues and Transfers	67,309	196,128	41,743	486,502	109,052	682,630
Total revenues	14,250,064	13,286,914	12,550,372	14,587,073	26,800,436	27,873,987
Expenses						
General government	1,376,970	1,688,994	-	-	1,376,970	1,688,994
Public safety	4,961,635	6,309,496	-	-	4,961,635	6,309,496
Public works	2,540,658	3,188,870	-	-	2,540,658	3,188,870
Parks & Recreation	98,421	384,441	-	-	98,421	384,441
Economic development	1,261,571	704,033	-	-	1,261,571	704,033
Interest	62,142	83,518	-	-	62,142	83,518
Water & Local Sewer	-	-	3,053,835	2,873,581	3,053,835	2,873,581
Wastewater reclamation	-	-	5,851,930	6,445,420	5,851,930	6,445,420
911 Dispatch Service	-	-	1,258,304	1,583,639	1,258,304	1,583,639
Parking	-	-	65,010	89,092	65,010	89,092
Total expenses	10,301,397	12,359,352	10,229,079	10,991,732	20,530,476	23,351,084
Change in net position	3,948,667	927,562	2,321,293	3,595,341	6,269,960	4,522,903
Net Position - May 1	34,116,951	33,189,389	76,079,602	72,484,261	110,196,553	105,673,650
Net Position - April 30	\$ 38,065,618	\$ 34,116,951	\$ 78,400,895	\$ 76,079,602	\$ 116,466,513	\$ 110,196,553

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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.

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 38.31% 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.

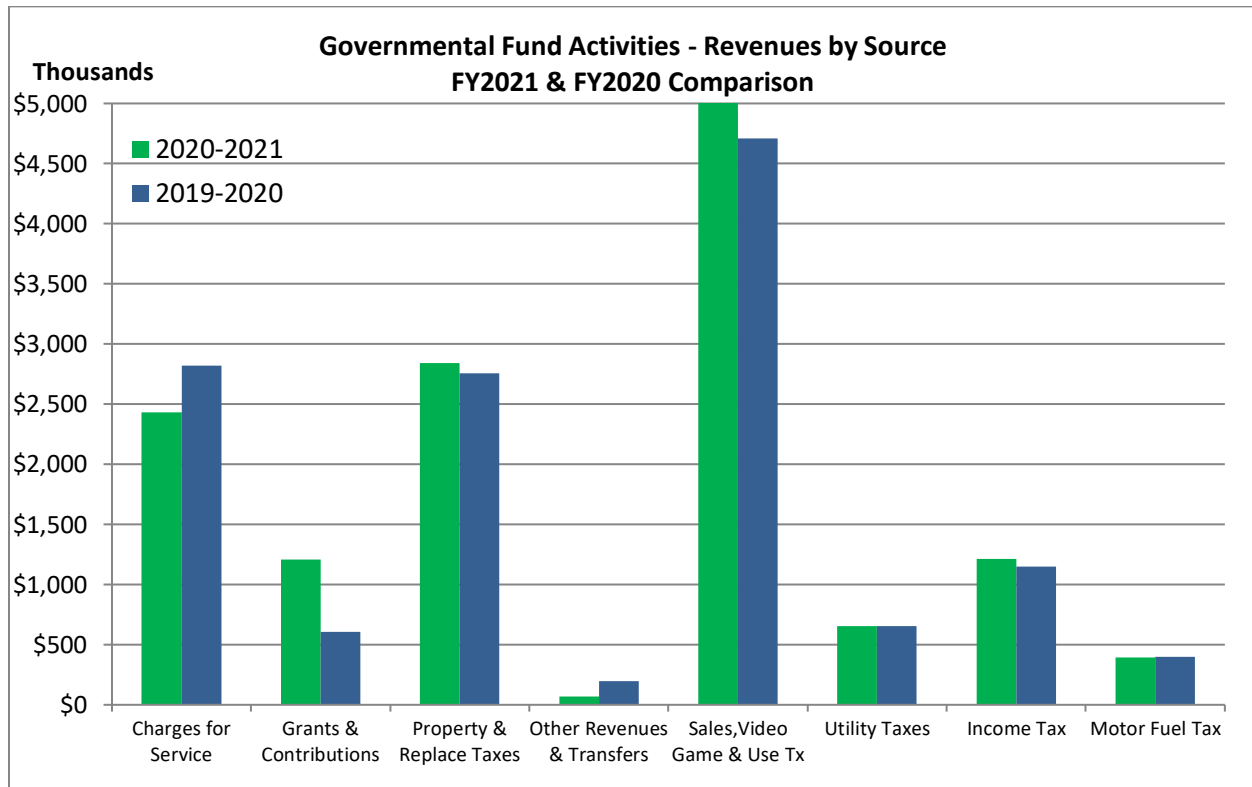
Inflation – While overall inflation has been relatively low, the Village is a major consumer of certain commodities such as supplies, fuel, and utilities. Some specific areas may experience unusually high price increases.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

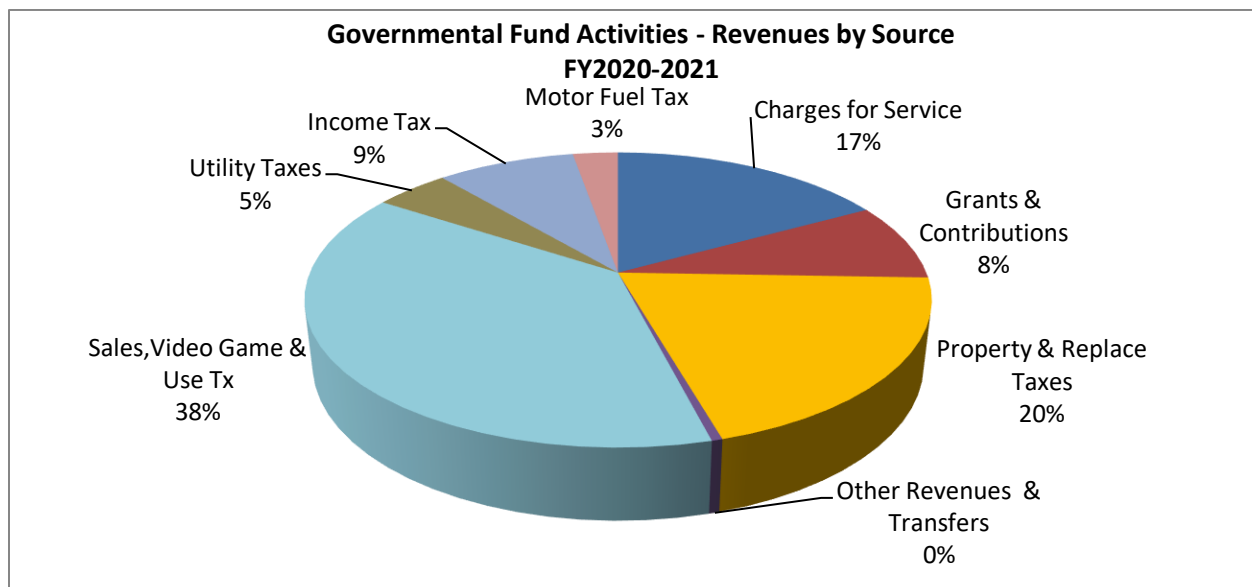
Governmental Activities:

Revenues

The chart below depicts the Governmental Activity Revenue by source for FY2021:



For the fiscal year ended April 30, 2021, revenues from governmental activities totaled \$14,250,064, an increase of \$963,150 or 7.25% from the prior fiscal year.



VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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 \$5,400,449 or 37.9%.

Sales and use taxes (as a component of “Sales”) of \$4,083,955 increased 17.79% over the prior year. Video gaming taxes of \$233,779 declined by 10.59% or \$27,697 from the prior year. Gaming continued to experience downward pressure as a result of prolonged closures of businesses offering gaming as a result of COVID-19. Sales and use taxes increased significantly compared to the prior year as a result of very strong sales of automobiles and recreational boats, at home improvement stores and grocery and pharmacy stores.

Property taxes (including Police Pension but excluding road and bridge taxes), at \$2,610,515 and 18% of total revenues, (19% with Personal Property Replacement Tax) comprise the second largest single source of governmental activity revenue for the Village. Property taxes received increased over the prior year by 2.7% or \$67,673. The total property tax received during FY21 of \$2,754,189 is restricted for specific purposes, as follows:

<u>Year 2019 (FY21) Property Tax by Purpose</u>	<u>Amount</u>
Audit Tax	\$ 15,837
Corporate	\$880,507
IMRF	\$144,175
Police Pension	\$714,580
Police Protection/System	\$448,825
Social Security	\$161,767
Tort Judgment/Liability Insurance	\$166,963
TIF	<u>\$ 77,861</u>
Road and Bridge	<u>\$143,674</u>
	Subtotal: \$2,610,515
	Total: \$2,754,189

Charges for Services were the Village’s third largest revenue source at \$2,430,655, representing 17% of the total Governmental activities revenue. Overall, this source of revenue declined by \$387,761 or 13.76% compared to last fiscal year. The primary revenues in this category are: refuse fees \$1,019,673; reimbursable expenses and contractual revenue \$492,371; police fines and related special revenues \$400,824; licenses and permit fees \$521,115; and parks and recreational fees \$6,865. 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 \$1,212,748 or 8.51% of total revenue increased 5.77% over fiscal year 2020. During a significant part of fiscal year 2021, the unemployment rate spiked to record levels not seen since the Great Depression but income taxes increased as a result of several rounds of Federal economic stimulus and relief payments intended to replace lost income and/or stimulate the economy.

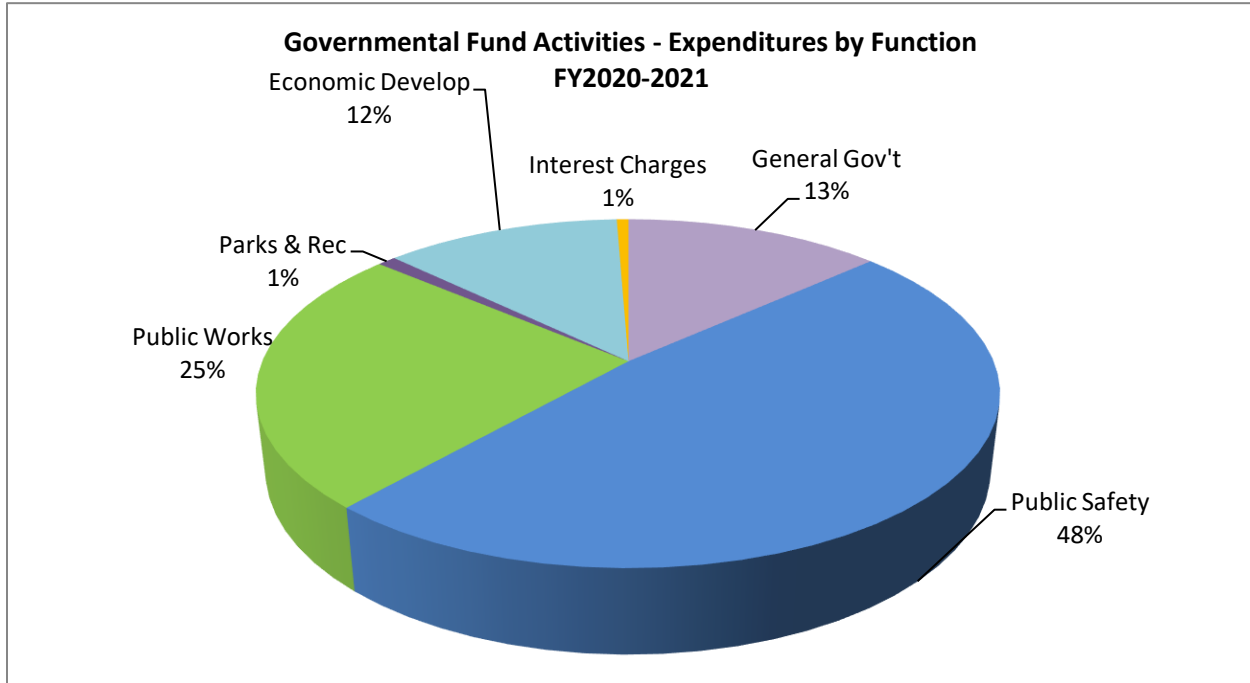
Utility taxes of \$653,660 decline by \$1,469 or .22% from the prior fiscal year. Places for eating tax of \$164,815 increased by \$11,559 or 7.54% as restaurants slowly reopened albeit with COVID-19 limitations.

Grants and contributions of \$1,209,699 increased 99% due to receipt of CARES Act monies, REBUILD Illinois receipts and the consideration of normal MFT receipts. Investment income of \$29,805 dropped by \$156,247 or - 83.98% due to cash reserves being moved from Illinois Funds to lower interest bearing accounts at local financial institutions and the continued lowering of short term interest rates at those institutions.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Expenditures

For the fiscal year ended April 30, 2021, expenditures from governmental activities totaled \$10,301,397, which represents a decline of \$2,057,955 or -16.65% compared to the prior year.



Public safety represents the largest portion of governmental activity expenses at \$4,961,635. 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 2021, expenses for public safety, were \$1,347,861 or -21.36% below the prior year and represented 48.16% of total governmental activity expenses.

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 2021, expenses for public works totaled \$2,540,658 and represented 24.66% of total governmental activities expenses. Public works expenses decreased \$648,212 or 20.33%, as a result of cost cutting measures implemented in response to the uncertainties associated with the COVID-19 pandemic.

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 2021, expenses for general government were \$1,376,970 which represented 13.37% of total governmental activities costs. General government expenses declined \$312,024 or -18.47%.

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 2021, expenses for economic development were \$1,261,571 representing the next largest category of governmental activity expenses. This category rose \$557,538 or 79.19% and accounts for 12.25% of the total governmental activities expenses.

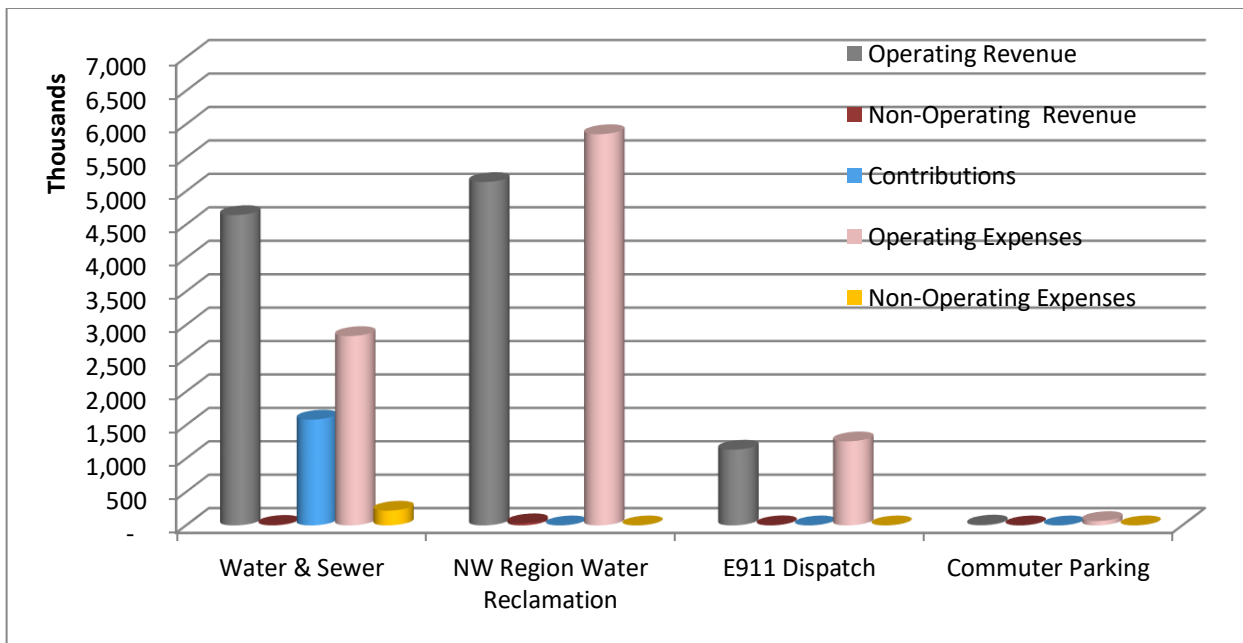
VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Parks and recreation costs account for .96% 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 2021, expenses of \$98,421 reflected a reduction in expenditures of \$286,020 or -74.40% from the prior fiscal year as a result of a reduction in staff due to attrition and the lack of programs due to the COVID pandemic.

Interest and fiscal charges decreased sharply from \$83,518 to \$62,142 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.



Revenues:

Total revenues for the Village's business-type activities for fiscal year 2021 were \$12,550,372 compared to \$14,587,073 in fiscal year 2020. This reflects a decrease in total revenues of \$2,036,701 or -13.96% from fiscal year 2020.

In fiscal year 2021, total charges for service were \$10,925,145 with wastewater reclamation revenue representing 47.02%, local water and sewer operations accounting for 42.49%, 911 dispatch services were 10.37% and parking operations accounted for 0.11%. Wastewater reclamation revenues declined by \$482,875 or -8.59% due to the absence of the prior year's \$384,000 tap-on fee from Baxter Corporation pursuant to a wastewater treatment agreement and the continued suspension of penalties as the Village's effort to provide relief to customers as unemployment spiked as a result of COVID mitigation measures took effect. The local

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

water and sewer charge for services increased \$26,774 or .58% over the prior fiscal year due to the suspension of penalties and reduction in tap-on fees. Local water and sewer realized \$1,583,484 in a capital grant due to IEPA loan forgiveness. The Village recorded \$2.4M in loans (liability) from the IEPA for the Interconnect Project to connect the north and south sides of the community.

E911 dispatch revenue decreased \$216,106 or -16.02% from changes in the contractual services contract payments from the other communities/organizations served by the Village's dispatch operations known as "FoxCom", call volumes were down significantly. 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 in FY20. There were no grant receipts in this fund in FY21.

Expenses:

Total expenses for the Village's business-type activities for fiscal year 2021 were \$10,229,079 compared to \$10,991,732 in fiscal year 2020. This represents a decrease of \$762,653 or -6.94% compared to fiscal year 2020. Of the total expenses for business-type activities, \$5,851,930 is attributable to wastewater reclamation with an decrease of \$593,490 compared to last year; \$3,053,835 to water and sewer operations with an increase of \$180,254 over last year; \$1,258,304 to 911 dispatch services reflecting a decrease of \$325,335 compared to the prior year; and \$65,010 to parking operations which decreased \$24,082. All operations remained relatively consistent with prior year even with the implementation of cost cutting measures; expenditures, after consideration of general inflation on operating costs and frozen labor costs resulting from uncertainties of the pandemic began to force changes in operations to allow appropriate social distancing and work from home. These included continued increases in cleaning, technology, and supply costs offset by other spending cuts.

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, 2021, the Governmental Funds reported a combined fund balance of \$17,190,279 which is a \$3,431,126 or 24.94% increase from the beginning of the year balance of \$13,759,153. Of the total year-end fund balance \$(27,804) is unassigned, \$389,358 is non-spendable, \$4,423,831 is restricted, \$5,140,241 is committed, and \$7,264,653 is assigned. The most significant increase in assigned funding was for subsequent year's budget that was not included in prior year; the assignment for subsequent year's budget was a deficit of \$2,034,252.

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 \$2,210,624, or 19.85%, from the beginning of year. As a result of revenues being much stronger than anticipated, even as other financing sources decreased over the prior year, fund balance increased because expenditures decreased. The fund balance grew because the revenues exceeded the expenditures by \$2,210,624 from diligent management of costs and much stronger than expected revenues.

The BDD-South Fund increased by \$366,555 due to the completion of Frontage/Hartigan Road, the Grace Ave gathering area, and engineering for the Grand Ave street light improvements. No additional projects planned at this time.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Fund Name	Type	Major Fund	FY21 Balance	FY20 Balance	Increase (Decrease)
General	Governmental	Y	\$13,349,511	\$ 11,138,887	\$ 2,210,624
TIF	Special Revenue	N	\$ 518,495	\$ 450,621	\$ 67,874
Motor Fuel Tax	Special Revenue	N	\$ 1,662,702	\$ 1,103,027	\$ 559,675
BDD-South	Special Revenue	N	\$ 807,798	\$ 441,243	\$ 366,555
BDD-Central	Special Revenue	N	\$ 851,773	\$ 625,375	\$ 226,398
Total Governmental Funds			\$17,190,279	\$ 13,759,153	\$ 3,431,126

Proprietary Funds

At April 30, 2021, the Enterprise Funds' total net position increased by \$2,321,293 over the prior year from \$76,079,602 to \$78,400,895.

The Water and Sewer Fund reflected an increase in net position of \$3,180,129. This increase was comprised of \$1,583,484 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 and to comply with revenue requirements to cover IEPA loan payments. 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 \$682,903. This decrease is attributed to an operating loss of \$714,760 offset slightly by investment income of \$31,857. 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 a \$56,421 decrease in net position. Revenues declined in the fund by \$63,265 or - 88.07% due to stay-at-home mandates during the peak of COVID-19 restrictions. Construction projects also limited parking spaces during most of FY21. This fund will require an analysis of fees in the near future as people begin returning to the office as COVID-19 restrictions are lifted.

The 911 Dispatch Services Fund recognized a \$123,312 decrease in net position. The 911 Dispatch Fund's operating income increased by \$109,471 but still operated at a loss of \$124,454 versus an operating loss of \$233,925 in FY20. In FY20, the operating loss was offset by the receipt of \$155,348 in grant revenue resulting in a \$69,338 decrease to net position versus this year's decrease of \$123,312. 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.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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 begins 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 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, one budget amendment was approved by the Village Board.

CAPITAL ASSETS

At the end of FY2021, the Village had a combined total of \$101,059,508 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	
	2021	2020	2021	2020	2021	2020
Land (includes rights of way and easements)	\$ 13,044,810	\$ 13,044,810	\$ 2,325,622	\$ 2,067,022	\$ 15,370,432	\$ 15,111,832
Construction in progress	593,852	1,374,174	4,558,539	10,149,148	5,152,391	11,523,322
Buildings and improvements	5,316,628	5,526,731	27,237,646	27,951,920	32,554,274	33,478,651
Vehicles & Equipment	1,406,977	1,685,325	2,793,566	2,680,545	4,200,543	4,365,870
Infrastructure	11,743,643	10,834,699	-	-	11,743,643	10,834,699
Water transmission system	-	-	25,292,118	14,298,387	25,292,118	14,298,387
Sewer collection system	-	-	6,746,107	7,225,172	6,746,107	7,225,172
Total capital assets	<u>\$ 32,105,910</u>	<u>\$ 32,465,739</u>	<u>\$ 68,953,598</u>	<u>\$ 64,372,194</u>	<u>\$ 101,059,508</u>	<u>\$ 96,837,933</u>

For fiscal year 2021, the Village's total capital assets, net of depreciation, increased \$4,221,575. Capital assets of government activities decreased \$359,829 due to expenses related the capital projects discussed throughout this document and the replacement of various police and public works equipment, offset by \$996,004 in depreciation. Capital assets of business-type activities increased \$4,581,404, as additions predominately from the Interconnect Project outpaced depreciation totaling \$2,701,637.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Table 5: Change in Capital Assets

Beginning Balance	\$	32,465,739	\$	64,372,194	\$	96,837,933
Additions						
Depreciable		1,504,631		12,615,050		14,119,681
Nondepreciable		720,216		8,131,211		8,851,427
Retirements						
Depreciable		88,134		-		88,134
Nondepreciable		1,500,538		13,463,220		14,963,758
Depreciation		(996,004)		(2,701,637)		(3,697,641)
Ending Balance	\$	<u>32,105,910</u>	\$	<u>68,953,598</u>	\$	<u>101,059,508</u>

Major additions to capital assets include the following:

Governmental Activities

- Completed these improvements with additional expenditures added:
 - Grand Ave street lighting and road infrastructure
 - Sayton Rd North drainage
 - Frontage/Hartigan road repaving
 - Grace Ave gathering area
 - Millenium Park improvements
- Planning and Design for Road Improvements, including:
 - Nippersink Blvd
 - Holly Ave
 - Rt 12 Sidewalk project
- Outfitted FY20 Police Vehicles

Business-Type Activities

Water & Sewer

- Planning and design of Holly Ave water main
- Completed Interconnect Project Phase 1 to Wastewater Reclamation Facility including Private site improvements on Rt 12
- Completed Main Lift Station as part of Interconnect Phase I
- Completed Bridge Lift Station as part of Interconnect Phase I
- Planning and Design for Interconnect Project Phase II

Northwest Region Water Reclamation

- Completed Aeration Project
- Completed/Continued plant-wide Roof Replacement (4 of 22 Buildings)
- Completed Screw Pump Replacement (Significant System Component)
- Completed flow meter installation

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

Debt Outstanding

The Village of Fox Lake governmental activities had total long-term debt of \$9,807,376 as of April 30, 2021. Business-type activities had total long-term debt of \$15,149,905 at April 30, 2021. 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 \$2,881,957. 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 \$2,881,957 well below the \$27,048,817 set by law (using the 2020 taxable equalized assessed value of \$313,609,474). 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 FY2021.

Illinois Environmental Protection Agency Loan: The Village has four low interest rate loans due in semiannual installments of principal and interest for improvements in the Local Water and Sewer District. During fiscal year 2021 the Village received \$2,398,644 million in IEPA loan funds for a project to interconnect north and south water systems. Of the total loan disbursements the IEPA forgave \$1,583,484 of the loans which is recorded as a grant/contribution in the financial statements. The total outstanding debt balance as of April 30, 2021 is \$12,078,518 with interest payments at a rate between 1.380% and 1.995% 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 \$422,361 which reflected an increase of \$11,088 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, 2021, the Village's net pension liability totaled \$3,642,268 which represents an decrease of \$5,105,317 over the prior year balance of \$8,747,585. This fiscal year the Village reduced an IMRF net pension liability by \$1,897,519 from \$517,035 to a net pension asset of \$1,380,484 based on the strength of the investment income as of 12/31/2020. The Police pension liability decreased \$3,207,798, mostly due to less than expected investment income and unrealized losses recorded as of 4/30/2021. 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 81.05% up 13.85% 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 FY2021 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 \$128,825 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, 2021, the Village's total OPEB liability totaled \$4,041,698, an increase of \$263,306. Current year expenses of \$171,202 and \$92,105 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 2.56 to 2.27% 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.*

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2021

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.

The FY2022 General Fund budget adopted on April 27, 2021 includes revenues totaling \$12.27M and operating expenditures (including debt payments) of \$14.30M. Revenue streams are volatile due to the continued uncertainty of the COVID pandemic's effects on the economy, specifically revenues attributed to prepared food sales, video gaming, building fees, and penalties. The primary response to the pandemic crisis and the anticipated loss of revenues was 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 were realized with the exception of in-person recreation events. Revenues were actually much stronger than anticipated and expenditures were cut significantly as a result of the aforementioned measures.

The FY2022 General Fund budget also includes significant spending on capital projects totaling \$1.6M for improvements on Nippersink Blvd, Holly Ave, Fossil Bridge/Shoreline stabilization, Rt. 12 Sidewalk project, Washington St design and Hickory Cove roadway. These expenditures are expected to come from Federal STP, State Representative designated money and REBUILD Illinois grants for Nippersink Rd in the amount of \$3.18M with the balance of capital outlay from existing reserves. Previously postponed equipment and vehicle purchases for police, motor pool and public works are also planned.

The NWR Water Reclamation Enterprise Fund's budgeted revenues are projected to increase by \$430,730K primarily due to anticipate tap-on fees from the Village of Volo and expenditures are budgeted at \$2M higher than the prior year level due to capital expenditures being planned. This will exacerbate the operating loss experienced in FY2021. 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 Wayde Frerichs, Finance Director at 847-587-3944 or by mail at Village of Fox Lake, 66 Thillen Drive, Illinois 60020.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 15,232,171	\$ 22,258,271	\$ 37,490,442
Receivables, net of allowance for uncollectibles			
Property taxes	2,837,105	-	2,837,105
Accounts	465,957	2,819,104	3,285,061
Intergovernmental	1,516,467	3,925,334	5,441,801
Prepaid items	31,925	46,346	78,271
Cash with paying agent	233,100	136,900	370,000
Inventory	124,333	-	124,333
Internal balances	1,447,581	(1,447,581)	-
Due from fiduciary component unit	110	-	110
Net pension asset - IMRF	611,696	768,788	1,380,484
Capital assets			
Capital assets not being depreciated	##### ###	6,884,161	20,522,823
Capital assets being depreciated, net	18,467,248	62,069,437	80,536,685
Total assets	54,606,355	97,460,760	152,067,115
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	1,083,775	311,311	1,395,086
Unamortized loss on refunding	-	2,993	2,993
Asset retirement obligation items	-	281,097	281,097
Total deferred outflows of resources	1,083,775	595,401	1,679,176
Total assets and deferred outflows of resources	55,690,130	98,056,161	153,746,291
LIABILITIES			
Accounts payable	887,570	3,113,898	4,001,468
Accrued payroll	278,149	81,432	359,581
Interest payable	9,163	85,000	94,163
Deposits payable	689,817	-	689,817
Noncurrent liabilities			
Due within one year	512,685	573,394	1,086,079
Due in more than one year	9,294,691	14,576,511	23,871,202
Total liabilities	11,672,075	18,430,235	30,102,310
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	3,115,332	1,225,031	4,340,363
Deferred property taxes	2,837,105	-	2,837,105
Total deferred inflows of resources	5,952,437	1,225,031	7,177,468
Total liabilities and deferred inflows of resources	17,624,512	19,655,266	37,279,778
NET POSITION			
Net investment in capital assets	30,250,581	55,791,449	86,042,030
Restricted for			
Economic development	2,178,066	-	2,178,066
Maintenance of roadways	1,586,457	-	1,586,457
DUI enforcement	91,280	-	91,280
Seized assets	24,535	-	24,535
Insurance	113,970	-	113,970
Northwest Region improvements	429,523	-	429,523
Unrestricted	3,391,206	22,609,446	26,000,652
TOTAL NET POSITION	\$ 38,065,618	\$ 78,400,895	\$ 116,466,513

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 1,376,970	\$ 939,023	\$ 465,307	\$ -
Public safety	4,961,635	442,384	-	-
Public works	2,540,658	1,042,383	744,392	-
Parks and recreation	98,421	6,865	-	-
Economic development	1,261,571	-	-	-
Interest and fiscal charges	62,142	-	-	-
Total governmental activities	10,301,397	2,430,655	1,209,699	-
Business-type activities				
Water and sewer	3,053,835	4,642,383	-	1,583,484
Wastewater reclamation	5,851,930	5,137,170	-	-
911 dispatch services	1,258,304	1,133,226	-	-
Parking	65,010	12,366	-	-
Total business-type activities	10,229,079	10,925,145	-	1,583,484
TOTAL PRIMARY GOVERNMENT	\$ 20,530,476	\$ 13,355,800	\$ 1,209,699	\$ 1,583,484

Net (Expense) Revenue and Change in Net Position			
	Governmental Activities	Business-Type Activities	Total
	\$ 27,360	\$ -	\$ 27,360
	(4,519,251)	-	(4,519,251)
	(753,883)	-	(753,883)
	(91,556)	-	(91,556)
	(1,261,571)	-	(1,261,571)
	(62,142)	-	(62,142)
	(6,661,043)	-	(6,661,043)
	-	3,172,032	3,172,032
	-	(714,760)	(714,760)
	-	(125,078)	(125,078)
	-	(52,644)	(52,644)
	-	2,279,550	2,279,550
	(6,661,043)	2,279,550	(4,381,493)
General Revenues			
Taxes			
Property tax	2,610,515	-	2,610,515
Utility tax	653,660	-	653,660
Use tax	472,461	-	472,461
Hotel/motel tax	21,540	-	21,540
Road and bridge tax	143,674	-	143,674
Video gaming proceeds	233,779	-	233,779
Rental car taxes	174	-	174
Intergovernmental			
Sales tax	5,092,803	-	5,092,803
Replacement tax	89,426	-	89,426
Shared income tax	1,212,748	-	1,212,748
Cannabis excise tax	11,621	-	11,621
Miscellaneous	29,804	-	29,804
Gain on sale of capital assets	7,700	-	7,700
Investment income	29,805	41,743	71,548
Total	10,609,710	41,743	10,651,453
CHANGE IN NET POSITION	3,948,667	2,321,293	6,269,960
NET POSITION, MAY 1	34,116,951	76,079,602	110,196,553
NET POSITION, APRIL 30	\$ 38,065,618	\$ 78,400,895	\$ 116,466,513

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 12,950,671	\$ 2,281,500	\$ 15,232,171
Receivables, net			
Property taxes	2,766,367	70,738	2,837,105
Accounts	465,957	-	465,957
Intergovernmental	1,167,305	349,162	1,516,467
Prepaid items	31,925	-	31,925
Cash with paying agent	233,100	-	233,100
Inventory	48,088	76,245	124,333
Due from other funds	1,813,404	1,404,896	3,218,300
Due from fiduciary component unit	110	-	110
TOTAL ASSETS	\$ 19,476,927	\$ 4,182,541	\$ 23,659,468
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 820,092	\$ 67,478	\$ 887,570
Accrued payroll	278,149	-	278,149
Deposits payable	689,817	-	689,817
Accrued interest	-	-	-
Due to other funds	1,567,162	203,557	1,770,719
Total liabilities	3,355,220	271,035	3,626,255
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	2,766,367	70,738	2,837,105
Unavailable revenue	5,829	-	5,829
Total deferred inflows of resources	2,772,196	70,738	2,842,934
Total liabilities and deferred inflows of resources	6,127,416	341,773	6,469,189
FUND BALANCES			
Nonspendable			
Nonspendable prepaid items	31,925	-	31,925
Nonspendable deposits	233,100	-	233,100
Nonspendable inventory	48,088	76,245	124,333
Restricted			
Restricted for DUI enforcement	91,280	-	91,280
Restricted for seized assets	24,535	-	24,535
Restricted for insurance	113,970	-	113,970
Restricted for Northwest Region improvements	429,523	-	429,523
Restricted for economic development	-	2,178,066	2,178,066
Restricted for maintenance of roadways	-	1,586,457	1,586,457
Unrestricted			
Committed by reserve policy	5,140,241	-	5,140,241
Assigned for capital projects	5,217,302	-	5,217,302
Assigned for subsequent year's budget	2,034,252	-	2,034,252
Assigned for shop with a cop	12,499	-	12,499
Assigned for tree replacement	600	-	600
Unassigned	(27,804)	-	(27,804)
Total fund balances	13,349,511	3,840,768	17,190,279
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,476,927	\$ 4,182,541	\$ 23,659,468

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, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 17,190,279
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	32,105,910
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Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	5,829
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Pension related deferred outflows of resources are not related to current financial resources and, therefore, are not presented in the governmental fund statements	1,083,775
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Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(9,163)
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Net pension asset (IMRF) is not a financial resource and is not reported in governmental funds	611,696
--	---------

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	(1,818,007)
Unamortized bond premium	(37,322)
Compensated absences payable	(301,383)
Net pension liability - Police Pension	(5,022,752)
Other postemployment benefits	(2,627,912)

Pension related deferred inflows of resources are not due and payable within the current period and, therefore, are not reported in the governmental funds	(3,115,332)
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 38,065,618
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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, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,222,757	\$ 77,861	\$ 4,300,618
Licenses, permits and fees	527,980	-	527,980
Intergovernmental	5,447,878	2,060,883	7,508,761
Charges for services	1,416,893	-	1,416,893
Fines and forfeitures	400,824	-	400,824
Investment income	25,479	4,326	29,805
Miscellaneous	122,465	-	122,465
Total revenues	12,164,276	2,143,070	14,307,346
EXPENDITURES			
Current			
General government	1,224,828	100,351	1,325,179
Public safety	5,193,321	-	5,193,321
Public works	2,096,648	152,312	2,248,960
Parks and recreation	143,671	-	143,671
Economic development	635,007	7,644	642,651
Capital outlay	196,357	662,261	858,618
Debt service			
Principal	388,331	-	388,331
Interest and fiscal charges	75,489	-	75,489
Total expenditures	9,953,652	922,568	10,876,220
NET CHANGE IN FUND BALANCES	2,210,624	1,220,502	3,431,126
FUND BALANCES, MAY 1	11,138,887	2,620,266	13,759,153
FUND BALANCES, APRIL 30	\$ 13,349,511	\$ 3,840,768	\$ 17,190,279

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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,431,126
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	724,309
Depreciation expense	(1,084,138)
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	(57,282)
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	(3,340,839)
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	388,331
Amortization of bond premium	10,748
Change in compensated absences payable	(3,579)
Change in net pension liability payable	4,048,594
Change in other postemployment benefit payable	(171,202)
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>2,599</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,948,667</u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2021

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
CURRENT ASSETS					
Cash and cash equivalents	\$ 6,255,169	\$ 15,800,202	\$ 190,239	\$ 12,661	\$ 22,258,271
Receivables					
Accounts (net of allowance for uncollectible accounts)	1,124,308	1,629,421	65,255	120	2,819,104
Prepaid items	4,380	17,934	23,413	619	46,346
Cash with paying agent	136,900	-	-	-	136,900
Due from other funds	3,578	188,499	397,520	55,800	645,397
Due from other governments	3,925,334	-	-	-	3,925,334
Total current assets	11,449,669	17,636,056	676,427	69,200	29,831,352
NONCURRENT ASSETS					
Net pension asset - IMRF	168,602	354,196	234,177	11,813	768,788
Capital assets, net of accumulated depreciation	33,744,235	34,523,480	405,732	280,151	68,953,598
Total noncurrent assets	33,912,837	34,877,676	639,909	291,964	69,722,386
Total assets	45,362,506	52,513,732	1,316,336	361,164	99,553,738
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	2,993	-	-	-	2,993
Pension related deferred outflows of resources	68,273	143,427	94,827	4,784	311,311
Asset retirement obligation items	281,097	-	-	-	281,097
Total deferred outflows of resources	352,363	143,427	94,827	4,784	595,401
Total assets and deferred outflows of resources	45,714,869	52,657,159	1,411,163	365,948	100,149,139
CURRENT LIABILITIES					
Accounts payable	2,474,944	596,745	39,538	2,671	3,113,898
Accrued payroll	16,633	42,114	22,424	261	81,432
Interest payable	85,000	-	-	-	85,000
Due to other funds	452,922	736,375	815,471	88,210	2,092,978
Current portion of long-term debt	527,648	39,730	5,693	323	573,394
Total current liabilities	3,557,147	1,414,964	883,126	91,465	5,946,702
NONCURRENT LIABILITIES					
Compensated absences payable	32,746	54,575	33,657	-	120,978
Long-term debt	13,105,211	815,897	506,456	27,969	14,455,533
Total noncurrent liabilities	13,137,957	870,472	540,113	27,969	14,576,511
Total liabilities	16,695,104	2,285,436	1,423,239	119,434	20,523,213
DEFERRED INFLOWS OF RESOURCES					
Pension related deferred outflows of resources	268,660	564,396	373,151	18,824	1,225,031
Total deferred inflows of resources	268,660	564,396	373,151	18,824	1,225,031
Total liabilities and deferred inflows of resources	16,963,764	2,849,832	1,796,390	138,258	21,748,244
NET POSITION					
Net investment in capital assets	20,595,085	34,523,480	392,733	280,151	55,791,449
Unrestricted (deficit)	8,156,020	15,283,847	(777,960)	(52,461)	22,609,446
TOTAL NET POSITION (DEFICIT)	\$ 28,751,105	\$ 49,807,327	\$ (385,227)	\$ 227,690	\$ 78,400,895

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, 2021

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
OPERATING REVENUES					
Water/sewer fees	\$ 4,619,522	\$ -	\$ -	\$ -	\$ 4,619,522
Sewer fees	-	4,890,002	-	-	4,890,002
Dispatch fees	-	-	1,133,226	-	1,133,226
Parking fees	-	-	-	8,566	8,566
Tap-on fees	11,975	225,071	-	3,800	240,846
Miscellaneous	10,886	22,097	-	-	32,983
Total operating revenues	4,642,383	5,137,170	1,133,226	12,366	10,925,145
OPERATING EXPENSES					
Personnel services	669,541	1,624,967	903,505	22,338	3,220,351
Contractual services/commodities	1,247,099	2,501,256	289,908	37,636	4,075,899
Depreciation and amortization	916,695	1,725,707	64,267	5,036	2,711,705
Total operating expenses	2,833,335	5,851,930	1,257,680	65,010	10,007,955
OPERATING INCOME (LOSS)	1,809,048	(714,760)	(124,454)	(52,644)	917,190
NON-OPERATING REVENUES (EXPENSES)					
Investment income	8,097	31,857	1,766	23	41,743
Interest and fiscal charges	(220,500)	-	(624)	-	(221,124)
Total non-operating revenues (expenses)	(212,403)	31,857	1,142	23	(179,381)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,596,645	(682,903)	(123,312)	(52,621)	737,809
CONTRIBUTIONS	1,583,484	-	-	-	1,583,484
CHANGE IN NET POSITION	3,180,129	(682,903)	(123,312)	(52,621)	2,321,293
NET POSITION (DEFICIT), MAY 1	25,570,976	50,490,230	(261,915)	280,311	76,079,602
NET POSITION (DEFICIT), APRIL 30	\$ 28,751,105	\$ 49,807,327	\$ (385,227)	\$ 227,690	\$ 78,400,895

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2021

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,491,232	\$ 5,509,817	\$ 1,149,473	\$ 12,298	\$ 11,162,820
Payments to suppliers	(1,300,108)	(2,433,927)	(890,342)	(22,890)	(4,647,267)
Payments to employees	(697,345)	(1,642,783)	(295,628)	(39,245)	(2,675,001)
Net cash from operating activities	2,493,779	1,433,107	(36,497)	(49,837)	3,840,552
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund activity	2,813,110	749,094	(233,460)	54,441	3,383,185
Net cash from noncapital financing activities	2,813,110	749,094	(233,460)	54,441	3,383,185
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	8,097	31,857	1,766	23	41,743
Net cash from investing activities	8,097	31,857	1,766	23	41,743
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(5,143,256)	(618,455)	-	-	(5,761,711)
Sale of capital assets	-	-	-	-	-
Intergovernmental - grants	-	-	-	-	-
Payments of principal	(448,779)	-	(3,932)	-	(452,711)
Proceeds from loans	2,040,267	-	-	-	2,040,267
Interest and fiscal charges paid on capital debt	(163,596)	-	(810)	-	(164,406)
Net cash from capital and related financing activities	(3,715,364)	(618,455)	(4,742)	-	(4,338,561)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	1,599,622	1,595,603	(272,933)	4,627	2,926,919
CASH AND CASH EQUIVALENTS, MAY 1	4,655,547	14,204,599	463,172	8,034	19,331,352
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 6,255,169	\$ 15,800,202	\$ 190,239	\$ 12,661	\$ 22,258,271

(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, 2021

	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)	\$ 1,809,048	\$ (714,760)	\$ (124,454)	\$ (52,644)	\$ 917,190
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	916,695	1,725,707	64,267	5,036	2,711,705
(Increase) decrease in					
Receivables	(151,151)	372,647	16,247	(68)	237,675
Prepaid items	3,290	8,175	22,758	51	34,274
Net pension asset	(168,602)	(354,196)	(234,177)	(11,813)	(768,788)
Pension items	41,207	86,567	57,233	2,887	187,894
Increase (decrease) in					
Accounts payable	(56,299)	59,154	(949)	(473)	1,433
Accrued payroll	5,734	21,074	9,063	(82)	35,789
Compensated absences payable	7,693	(3,811)	4,100	(470)	7,512
Pension items	147,310	309,465	204,603	10,321	671,699
Total OPEB liability	2,001	55,742	32,519	1,843	92,105
Net pension liability	(63,147)	(132,657)	(87,707)	(4,425)	(287,936)
NET CASH FROM OPERATING ACTIVITIES	\$ 2,493,779	\$ 1,433,107	\$ (36,497)	\$ (49,837)	\$ 3,840,552
NONCASH TRANSACTIONS					
Capital contributions	\$ 1,583,484	\$ -	\$ -	\$ -	\$ 1,583,484
TOTAL NONCASH TRANSACTIONS	\$ 1,583,484	\$ -	\$ -	\$ -	\$ 1,583,484

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

April 30, 2021

ASSETS

Cash	\$ 234,286
Investments (at fair value)	
Corporate obligations	1,460,341
U.S. Government obligations	3,615,555
Mutual funds	16,132,776
Accrued interest receivable	32,846
Prepaid expenses	<u>9,140</u>
 Total assets	 <u>21,484,944</u>

LIABILITIES

Due from other funds	110
Accounts payable	<u>1,490</u>
 Total liabilities	 <u>1,600</u>

**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

\$ 21,483,344

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2021

ADDITIONS

Contributions	
Employer	\$ 843,405
Plan members	<u>272,220</u>
Total contributions	<u>1,115,625</u>
Investment income	
Net appreciation in fair value of investments	4,298,222
Interest and dividends	<u>339,671</u>
Total investment income	4,637,893
Less investment expense	<u>(37,352)</u>
Net investment income	<u>4,600,541</u>
Total additions	<u>5,716,166</u>

DEDUCTIONS

Pension benefits and refunds	1,060,583
Administrative expenses	<u>32,104</u>
Total deductions	<u>1,092,687</u>

NET INCREASE 4,623,479

**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

May 1	<u>16,859,865</u>
April 30	<u><u>\$ 21,483,344</u></u>

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

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.

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

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.

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:

<u>Assets</u>	<u>Years</u>
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.

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.

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. The Illinois Funds are rated AAA.

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, 2021.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2019 levy year attach as an enforceable lien on January 1, 2019, 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, 2020 and August 1, 2020 and are payable in two installments, on or about June 1, 2020 and September 1, 2020. The County collects such taxes and remits them periodically. The 2020 tax levy is intended to finance the 2022 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2021 tax levy has not been recorded as a receivable at April 30, 2021, as the tax attached as a lien on property as of January 1, 2021; however, the tax will not be levied until December 2020 and, accordingly, is not measurable at April 30, 2021.

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, 2021, 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	10,494,082	-	-	10,494,082
Construction in progress	1,374,174	720,216	1,500,538	593,852
Total capital assets not being depreciated	14,418,984	720,216	1,500,538	13,638,662
Capital assets being depreciated				
Buildings and improvements	10,020,122	6,133	-	10,026,255
Vehicles and equipment	4,700,071	31,898	88,134	4,643,835
Infrastructure	21,841,532	1,466,600	-	23,308,132
Total capital assets being depreciated	36,561,725	1,504,631	88,134	37,978,222
Less accumulated depreciation for				
Buildings	4,493,391	216,236	-	4,709,627
Vehicles and equipment	3,014,746	310,246	88,134	3,236,858
Infrastructure	11,006,833	557,656	-	11,564,489
Total accumulated depreciation	18,514,970	1,084,138	88,134	19,510,974
Total capital assets being depreciated, net	18,046,755	420,493	-	18,467,248
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 32,465,739	\$ 1,140,709	\$ 1,500,538	\$ 32,105,910
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,067,022	\$ 258,600	\$ -	\$ 2,325,622
Construction in progress	10,149,148	7,872,611	13,463,220	4,558,539
Total capital assets not being depreciated	12,216,170	8,131,211	13,463,220	6,884,161
Capital assets being depreciated				
Buildings	49,844,241	333,255	-	50,177,496
Vehicles and equipment	9,410,924	620,453	-	10,031,377
Water transmission system	25,929,111	11,661,342	-	37,590,453
Sewer collection system	19,185,558	-	-	19,185,558
Total capital assets being depreciated	104,369,834	12,615,050	-	116,984,884
Less accumulated depreciation for				
Buildings	21,892,321	1,047,529	-	22,939,850
Vehicles and equipment	6,730,379	507,432	-	7,237,811
Water transmission system	11,630,724	667,611	-	12,298,335
Sewer collection system	11,960,386	479,065	-	12,439,451
Total accumulated depreciation	52,213,810	2,701,637	-	54,915,447
Total capital assets being depreciated, net	52,156,024	9,913,413	-	62,069,437
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 64,372,194	\$ 18,044,624	\$ 13,463,220	\$ 68,953,598

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	\$ 53,596
Public safety	234,474
Public works	750,824
Parks and recreation	27,962
Community development	<u>17,282</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,084,138</u></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, 2020 through December 1, 2021:

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	\$1,000,000/occurrence
Auto liability	-	\$1,000,000/occurrence
Crime	5,000	\$500,000/occurrence
Workers' compensation	-	\$2,500,000/occurrence
Cyber liability	5,000	\$1,000,000/occurrence

The Village is not aware of any additional premiums owed to ICRMT as of April 30, 2021, 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), and 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, 2021, were \$419,863.

6. LONG-TERM DEBT

a. General Obligation Bonds and Other Long-Term Debt

The outstanding debt as of April 30, 2021, 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	\$ 37,000	\$ 18,000
\$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	884,957	285,000
\$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	1,960,000	370,000
\$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	1,953,777	117,442
\$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	1,349,904	69,457

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
\$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	\$ -
\$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	2,358,381	94,401
\$8,039,891 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$57,337 to \$117,340, from June 1, 2021, to December 1, 2041, with interest at 1.010%	Water and Sewer	1,146,927	-
\$4,478,060 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$57,337 to \$117,340, from June 1, 2022, to December 1, 2041, with interest at 1.010%	Water and Sewer	937,892	-
TOTAL OUTSTANDING DEBT		\$ 14,960,475	\$ 954,300

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	
	General Obligation Debt (direct placement)			
	Principal	Interest	Principal	Interest
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	144,910	2,898	85,087	1,702
TOTAL	\$ 1,818,007	\$ 250,018	\$ 1,063,950	\$ 146,746

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 IEPA Loan	
	Principal	Interest
2022	\$ 281,300	\$ 88,990
2023	298,609	89,426
2024	303,672	82,559
2025	308,823	77,408
2026	314,063	72,168
2027	319,395	66,836
2028	324,820	61,411
2029	330,339	55,892
2030	335,954	50,277
2031	341,667	44,564
2032	347,480	38,751
2033	353,395	32,836
2034	359,412	26,819
2035	365,535	20,696
2036	293,846	14,466
2037	219,927	10,468
2038	223,205	7,190
2039	134,845	4,237
2040	136,712	2,370
2041	69,065	476
TOTAL	<u>\$ 5,662,064</u>	<u>\$ 847,840</u>

IEPA Loans were not fully disbursed as of April 30, 2021. Therefore, the annual installment amount is not available at the time of report issuance.

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 2021:

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation debt certificates	\$ 2,206,338	\$ -	\$ 388,331	\$ 1,818,007	\$ 427,002
Compensated absences payable	297,804	19,146	15,567	301,383	-
Other postemployment benefits	2,456,710	171,202	-	2,627,912	85,683
Net pension liability - IMRF*	229,100	-	229,100	-	-
Net pension liability - Police	8,230,550	-	3,207,798	5,022,752	-
Unamortized bond premium	48,070	-	10,748	37,322	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 13,468,572	\$ 190,348	\$ 3,851,544	\$ 9,807,376	\$ 512,685
BUSINESS-TYPE ACTIVITIES					
General obligation debt certificates	\$ 1,287,620	\$ -	\$ 223,670	\$ 1,063,950	\$ 245,998
Illinois EPA loan	9,863,339	2,444,220	229,041	12,078,518	281,300
Asset retirement obligations	450,000	-	-	450,000	-
Compensated absences payable	113,469	11,793	4,284	120,978	-
Other postemployment benefits	1,321,682	92,103	-	1,413,785	46,096
Net pension liability - IMRF*	287,935	-	287,935	-	-
Unamortized bond premium	29,212	-	6,538	22,674	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 13,353,257	\$ 2,548,116	\$ 751,468	\$ 15,149,905	\$ 573,394

*The Village reported an IMRF net pension asset at April 31, 2021.

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, 2021 is \$450,000.

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

7. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2021, individual fund interfund receivables and payables were as follows:

	Due From (positive)	Due To (negative)
General Fund		
TIF Fund	\$ 81	\$ -
Motor Fuel Tax Fund	173,267	-
Business Development District - South	-	594,178
Business Development District - Central	-	780,509
Commuter Parking Fund	88,210	-
Water Fund	-	3,578
Central Dispatch Fund	815,471	398
Northwest Regional Water Reclamation Fund	736,375	188,499
TIF Fund		
General Fund	-	81
MFT Fund		
General Fund	-	173,267
Business Development District - South		
General Fund	594,178	-
Business Development District - Central	30,209	-
Business Development District - Central		
General Fund	780,509	-
Business Development District - South	-	30,209
Commuter Parking Fund		
General Fund	-	88,210
Water and Sewer Fund		
General Fund	3,578	-
Central Dispatch Fund	-	397,122
Tall Oaks Fund	-	55,800
Central Dispatch Fund		
General Fund	398	815,471
Water and Sewer fund	397,122	-
Tall Oaks Fund		
Water and Sewer fund	55,800	-
Northwest Regional Water Reclamation Fund		
General Fund	188,499	736,375
TOTAL INTERFUND BALANCES	\$ 3,863,697	\$ 3,863,697

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, 2021:

Fund	
911 Dispatch Services	\$ (385,227)

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, 2020, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	71
Inactive employees entitled to but not yet receiving benefits	69
Active employees	<u>63</u>
 TOTAL	 <u><u>203</u></u>

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, 2021, was 8.10% of covered payroll.

Actuarial Assumptions

The Village's net pension liability (asset) was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2020	\$ 19,489,480	\$ 18,972,445	\$ 517,035
Changes for the period			
Service cost	417,250	-	417,250
Interest	1,392,030	-	1,392,030
Difference between expected and actual experience	(399,793)	-	(399,793)
Changes in assumptions	(285,319)	-	(285,319)
Employer contributions	-	338,412	(338,412)
Employee contributions	-	183,477	(183,477)
Net investment income	-	2,697,895	(2,697,895)
Benefit payments and refunds	(995,375)	(995,375)	-
Other (net transfer)	-	(198,097)	198,097
Net changes	128,793	2,026,312	(1,897,519)
BALANCES AT DECEMBER 31, 2020	\$ 19,618,273	\$ 20,998,757	\$ (1,380,484)

Changes in assumptions related to price inflation, salary increases, retirement age and mortality rates were made.

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, 2021, the Village recognized pension expense of \$(9,596).

At April 30, 2021, 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	\$ 321,827	\$ 317,819
Changes in assumption	122,087	250,689
Net difference between projected and actual earnings on pension plan investments	-	1,631,235
Contributions made subsequent to the measurement date	115,095	-
	<hr/>	<hr/>
TOTAL	\$ 559,009	\$ 2,199,743
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\$115,095 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2022	\$ (397,919)
2023	(247,310)
2024	(810,434)
2025	(300,166)
2026	-
Thereafter	-
	<hr/>
TOTAL	\$ (1,755,829)
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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)	\$ 1,168,789	\$ (1,380,484)	\$ (3,333,237)

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, 2021, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>27</u>
TOTAL	<u><u>57</u></u>

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 ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the 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, however, the Village has elected to fund 100% of the past service cost over the next 14 years using a layered amortization approach. The Village's contribution rate for the year was 34.66%.

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:

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

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 2021 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, 2021, 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.13%. 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, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate fixed income	\$ 1,460,341	\$ 203,422	\$ 256,557	\$ 758,915	\$ 241,447
U.S. Government obligations	3,615,555	358,686	2,834,337	285,540	136,992
TOTAL	\$ 5,075,896	\$ 562,108	\$ 3,090,894	\$ 1,044,455	\$ 378,439

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, 2021. The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Government obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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 AA+ to AAA. 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%	5.9%
U.S. Mid Cap Equity	3%	6.3%
U.S. Small Cap Equity	3%	5.7%
REITs	3%	4.0%
Non U.S. Developed Equity	16%	4.9%
Emerging Markets	8%	6.5%
Fixed Income	38%	1.3%
Cash	2%	0.7%

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2020	\$ 25,090,415	\$ 16,859,865	\$ 8,230,550
Changes for the period			
Service cost	557,700	-	557,700
Interest	1,657,997	-	1,657,997
Difference between expected and actual experience	259,893	-	259,893
Changes in assumptions	674	-	674
Changes in benefit terms	-	-	-
Employer contributions	-	843,405	(843,405)
Employee contributions	-	272,220	(272,220)
Net investment income	-	4,600,541	(4,600,541)
Benefit payments and refunds	(1,060,583)	(1,060,583)	-
Administrative expense	-	(32,104)	32,104
Net changes	1,415,681	4,623,479	(3,207,798)
BALANCES AT APRIL 30, 2021	\$ 26,506,096	\$ 21,483,344	\$ 5,022,752

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 and the projected individual pay increases, were made since the prior valuation.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2021, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	3.75% to 9.53%
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	\$ 9,099,911	\$ 5,022,752	\$ 1,739,670

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, 2021, the Village recognized pension expense of \$292,499. At April 30, 2021, 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	\$ 240,717	\$ 255,278
Changes in assumptions	595,360	37,617
Net difference between projected and actual earnings on pension plan investments	-	1,847,725
TOTAL	<u>\$ 836,077</u>	<u>\$ 2,140,620</u>

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

<u>Year Ending April 30,</u>	
2022	\$ (322,099)
2023	(242,129)
2024	(297,637)
2025	(582,860)
2026	65,495
Thereafter	<u>74,687</u>
TOTAL	<u>\$ (1,304,543)</u>

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 May 1, 2019 (most recent valuation), membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	94
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TOTAL	99
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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, 2021, 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, including updating the discount rate at April 30, 2021, as noted below.

Actuarial valuation date	May 1, 2019
Measurement date	April 30, 2021
Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Inflation	2.25%
Salary increases	2.75%
Discount rate	2.27%
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, 2021. The discount rate at April 30, 2021, was 2.27%. The discount rate at April 30, 2020, was 2.56%.

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, 2020	<u>\$ 3,778,392</u>
Changes for the period	
Service cost	127,806
Interest	95,039
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	172,240
Benefit payments	<u>(131,779)</u>
Net changes	<u>263,306</u>
BALANCES AT APRIL 30, 2021	<u>\$ 4,041,698</u>

Changes in assumptions related to the discount rate, High-Quality 20-Year Tax Exempt G.O. Bond rate, was 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 2.27% 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 (1.27%) or 1 percentage point higher (3.27%) than the current rate:

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Total OPEB liability	\$ 4,732,851	\$ 4,041,698	\$ 3,491,968

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	\$ 3,386,820	\$ 4,041,698	\$ 4,872,185

g. OPEB Expense

For the year ended April 30, 2021, the Village recognized OPEB expense of \$263,306. At April 30, 2021, 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, 2021, is \$101,260. As of April 30, 2021, the Village has incurred total incentives of \$777,866.

12. SUBSEQUENT EVENT

On February 22, 2022, the Village approved the issuance of General Obligation Bonds (Alternate Revenue Source), series 2022A, in an aggregate principal amount not to exceed \$12,500,000 for the purpose of financing the costs of certain capital projects and providing a levy of a direct annual tax sufficient for the payment of the principal and interest of said bonds. The Village also authorized the issuance of General Obligation Refunding Bonds (Alternate Revenue Source), in One or More Series, on a Taxable or Tax-exempt Basis in an Aggregate Principal Amount not to exceed \$2,190,000 for the Purpose of Financing the Costs of Refunding Certain Outstanding Obligations of the Village, and Providing for the Levy of a Direct Annual Tax Sufficient for the Payment of the Principal of and Interest on Said Bonds.

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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 3,859,908	\$ 3,856,772	\$ 4,222,757	\$ 365,985
Licenses, permits and fees	623,815	511,350	527,980	16,630
Intergovernmental grants and reimbursements	3,016,141	4,914,944	5,447,878	532,934
Charges for services	1,318,672	1,391,987	1,416,893	24,906
Fines and forfeitures	314,635	417,917	400,824	(17,093)
Investment income	39,150	23,250	25,479	2,229
Miscellaneous	148,500	113,526	122,465	8,939
Total revenues	9,320,821	11,229,746	12,164,276	934,530
EXPENDITURES				
Current				
General government	1,235,480	1,243,608	1,224,828	(18,780)
Public safety	6,093,591	5,881,809	5,193,321	(688,488)
Public works	2,007,060	1,995,300	2,096,648	101,348
Parks and recreation	385,371	145,698	143,671	(2,027)
Economic development	596,490	629,830	635,007	5,177
Capital outlay	263,126	368,226	196,357	(171,869)
Debt service				
Principal	388,331	388,331	388,331	-
Interest	75,489	75,489	75,489	-
Total expenditures	11,044,938	10,728,291	9,953,652	(774,639)
NET CHANGE IN FUND BALANCE	<u>\$ (1,724,117)</u>	<u>\$ 501,455</u>	2,210,624	<u>\$ 1,709,169</u>
FUND BALANCE, MAY 1			11,138,887	
FUND BALANCE, APRIL 30			<u>\$ 13,349,511</u>	

(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 Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2018	2019	2020	2021
TOTAL OPEB LIABILITY				
Service cost	\$ 56,026	\$ 58,250	\$ 90,266	\$ 127,806
Interest	84,754	87,157	104,086	95,039
Differences between expected and actual experience	-	-	376,168	-
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	141,501	895,884	172,240
Benefit payments	(77,301)	(95,583)	(116,339)	(131,779)
Net change in total pension liability	63,479	191,325	1,350,065	263,306
Total OPEB liability - beginning	2,173,523	2,237,002	2,428,327	3,778,392
TOTAL OPEB LIABILITY - ENDING	\$ 2,237,002	\$ 2,428,327	\$ 3,778,392	\$ 4,041,698
Covered-employee payroll	\$ 1,697,568	\$ 1,744,251	\$ 6,511,495	\$ 6,553,450
Employer's total OPEB liability as a percentage of covered-employee payroll	131.78%	139.22%	58.03%	61.67%

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 Disability Rates.

In 2021, changes in assumptions related to the discount rate and High-Quality 20-Year Tax Exempt G.O. Bond Rate.

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.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 560,084	\$ 565,894	\$ 706,108	\$ 705,325	\$ 636,671	\$ 800,382	\$ 826,048
Contributions in relation to the actuarially determined contribution	684,444	692,803	718,995	656,677	642,245	726,728	843,405
CONTRIBUTION DEFICIENCY (Excess)	\$ (124,360)	\$ (126,909)	\$ (12,887)	\$ 48,648	\$ (5,574)	\$ 73,654	\$ (17,357)
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675	\$ 2,433,225
Contributions as a percentage of covered payroll	33.93%	39.81%	42.01%	38.68%	33.56%	37.29%	34.66%

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, the amortization period was 14 years (layered); 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.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 403,072	\$ 351,280	\$ 403,072	\$ 369,486	\$ 316,455	\$ 333,056
Contributions in relation to the actuarially determined contribution	378,202	351,519	364,206	369,486	316,455	333,056
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	\$ 4,110,198
Contributions as a percentage of covered payroll	10.57%	10.45%	10.79%	9.70%	7.51%	8.10%

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 23 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 2.50% 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.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

Last Seven Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY							
Service cost	\$ 444,803	\$ 505,724	\$ 449,225	\$ 457,737	\$ 488,634	\$ 458,123	\$ 557,700
Interest	1,198,600	1,379,916	1,452,953	1,396,890	1,492,339	1,562,696	1,657,997
Differences between expected and actual experience	160,144	(1,602,792)	(495,206)	(334,956)	32,429	(81,413)	259,893
Changes in assumptions	1,305,881	1,444,105	(664,507)	755,876	-	288,236	674
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)	(1,060,583)
Net change in total pension liability	2,625,195	1,172,801	(70,521)	1,479,998	1,085,952	1,432,020	1,415,681
Total pension liability - beginning	17,364,970	19,990,165	21,162,966	21,092,445	22,572,443	23,658,395	25,090,415
TOTAL PENSION LIABILITY - ENDING	\$ 19,990,165	\$ 21,162,966	\$ 21,092,445	\$ 22,572,443	\$ 23,658,395	\$ 25,090,415	\$ 26,506,096
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 684,444	\$ 692,803	\$ 718,995	\$ 656,677	\$ 642,245	\$ 726,728	\$ 843,405
Contributions - member	190,771	196,573	166,723	189,901	191,762	196,028	272,220
Net investment income	973,307	(395,122)	1,325,602	1,146,469	831,843	(218,154)	4,600,541
Benefit payments, including refunds of member contributions	(484,233)	(554,151)	(812,986)	(795,549)	(927,450)	(1,014,680)	(1,060,583)
Administrative expense	(20,772)	(30,603)	(38,672)	(43,501)	(46,268)	(27,253)	(32,104)
Net change in plan fiduciary net position	1,343,517	(90,500)	1,359,662	1,153,997	692,132	(337,331)	4,623,479
Plan fiduciary net position - beginning	12,738,388	14,081,905	13,991,405	15,351,067	16,505,064	17,197,196	16,859,865
PLAN FIDUCIARY NET POSITION - ENDING	\$ 14,081,905	\$ 13,991,405	\$ 15,351,067	\$ 16,505,064	\$ 17,197,196	\$ 16,859,865	\$ 21,483,344
EMPLOYER'S NET PENSION LIABILITY	\$ 5,908,260	\$ 7,171,561	\$ 5,741,378	\$ 6,067,379	\$ 6,461,199	\$ 8,230,550	\$ 5,022,752

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	70.44%	66.11%	72.78%	73.12%	72.69%	67.20%	81.05%
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675	\$ 2,433,225
Employer's net pension liability as a percentage of covered payroll	292.76%	412.11%	335.47%	357.42%	337.66%	422.37%	206.42%

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.

In 2021, the bond rate assumption was changed from 2.56% to 2.27%. Assumption changes were made to the projected individual pay increases.

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

Last Six Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service cost	\$ 372,886	\$ 404,760	\$ 355,683	\$ 311,164	\$ 373,186	\$ 417,250
Interest	1,083,145	1,178,635	1,229,940	1,232,144	1,302,461	1,392,030
Differences between expected and actual experience	407,982	(127,660)	(196,154)	325,064	490,025	(399,793)
Changes in assumptions	20,903	(21,291)	(487,451)	537,956	-	(285,319)
Benefit payments, including refunds of member contributions	(527,684)	(685,657)	(807,975)	(892,769)	(909,143)	(995,375)
Net change in total pension liability	1,357,232	748,787	94,043	1,513,559	1,256,529	128,793
Total pension liability - beginning	14,519,330	15,876,562	16,625,349	16,719,392	18,232,951	19,489,480
TOTAL PENSION LIABILITY - ENDING	\$ 15,876,562	\$ 16,625,349	\$ 16,719,392	\$ 18,232,951	\$ 19,489,480	\$ 19,618,273
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 401,722	\$ 362,209	\$ 361,301	\$ 403,865	\$ 292,014	\$ 338,412
Contributions - member	169,778	152,436	152,950	159,118	197,198	183,477
Net investment income	72,277	953,436	2,618,669	(945,553)	3,085,579	2,697,895
Benefit payments, including refunds of member contributions	(527,684)	(685,657)	(807,975)	(892,769)	(909,143)	(995,375)
Other	(276,527)	180,704	(281,034)	317,902	(15,912)	(198,097)
Net change in plan fiduciary net position	(160,434)	963,128	2,043,911	(957,437)	2,649,736	2,026,312
Plan fiduciary net position - beginning	14,433,541	14,273,107	15,236,235	17,280,146	16,322,709	18,972,445
PLAN FIDUCIARY NET POSITION - ENDING	\$ 14,273,107	\$ 15,236,235	\$ 17,280,146	\$ 16,322,709	\$ 18,972,445	\$ 20,998,757
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,603,455	\$ 1,389,114	\$ (560,754)	\$ 1,910,242	\$ 517,035	\$ (1,380,484)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.90%	91.64%	103.35%	89.52%	97.35%	107.04%
Covered payroll	\$ 3,784,712	\$ 3,387,465	\$ 3,398,881	\$ 3,535,943	\$ 4,177,461	\$ 4,077,251
Employer's net pension liability (asset) as a percentage of covered payroll	42.37%	41.01%	(16.50%)	54.02%	12.38%	(33.86%)

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. There was a change in actuarial assumptions in 2020 for price inflation, salary increases, retirement age and mortality rates.

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 Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	7.60%	(2.75%)	9.40%	7.43%	5.04%	(1.27%)	27.13%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2021

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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
General	\$ 2,241,670	\$ 2,139,949	\$ 2,221,697	\$ 81,748
IMRF	144,869	138,503	144,175	5,672
Insurance	167,891	160,797	166,963	6,166
Fire	-	(181)	(181)	-
Utility tax - electricity	371,700	371,700	419,224	47,524
Utility tax - natural gas	118,440	120,000	132,968	12,968
Utility tax - telephone	112,500	113,952	101,468	(12,484)
Use tax	250,382	425,000	472,461	47,461
Hotel/motel taxes	2,400	15,000	21,540	6,540
Road and bridge taxes	138,824	136,892	143,674	6,782
Rental car taxes	83	160	174	14
Places for eating taxes	120,539	135,000	164,815	29,815
Video gaming proceeds	190,610	100,000	233,779	133,779
Total taxes	3,859,908	3,856,772	4,222,757	365,985
Intergovernmental revenues				
Income taxes	740,567	1,100,000	1,212,748	112,748
Personal property replacement tax	69,671	55,000	89,426	34,426
Sales taxes	2,133,440	3,300,000	3,611,494	311,494
Cannabis excise tax	8,463	7,200	11,621	4,421
Total intergovernmental revenues	2,952,141	4,462,200	4,925,289	463,089
Franchise fees	154,185	157,600	161,069	3,469
Building and zoning fees				
Building permits	109,250	99,200	120,969	21,769
Zoning permits	12,350	8,000	6,150	(1,850)
Impact fees	28,500	10,000	6,000	(4,000)
Permit fees - tree removal	2,850	2,850	2,250	(600)
Ordinance fine - building	2,667	4,000	3,358	(642)
Total building and zoning fees	155,617	124,050	138,727	14,677
Licenses and fees				
Vehicle stickers	160,550	147,325	146,952	(373)
Vacant property registration	25,650	15,150	17,804	2,654
Licenses - animals	1,520	1,520	1,175	(345)
Licenses - liquor	52,060	44,800	44,633	(167)
Licenses - business	17,100	10,000	4,025	(5,975)
Licenses - video gaming	2,850	3,625	3,800	175
Licenses - vending	2,280	2,280	2,930	650
Total licenses and fees	262,010	224,700	221,319	(3,381)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Park and recreation fees				
Program fees	\$ 50,003	\$ 5,000	\$ 6,865	\$ 1,865
Pace fees	2,000	-	-	-
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Park and recreation fees	52,003	5,000	6,865	1,865
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Public safety fines and fees				
Court fines	104,939	127,300	150,979	23,679
Court fines - DUI	7,067	7,067	4,332	(2,735)
Red light fines	46,669	130,000	112,497	(17,503)
Administrative seizure fines	33,335	59,500	58,000	(1,500)
Ordinance and parking fines	73,337	50,000	29,338	(20,662)
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Public safety fines and fees	265,347	373,867	355,146	(18,721)
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Public safety special revenue				
Forfeitures - seized assets	2,667	9,650	5,617	(4,033)
Forfeitures - drug seizure	-	-	250	250
Police revenue - SRO	44,155	32,307	37,938	5,631
Police revenue - gaming tax	1,133	893	893	-
Police revenue - reports	1,333	1,200	980	(220)
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Total public safety special revenue	49,288	44,050	45,678	1,628
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Reimbursable income				
Credit card incentives	7,000	7,500	10,368	2,868
Engineering reimbursable fees	12,000	10,000	11,281	1,281
Attorney reimbursable fees	4,000	500	340	(160)
Motor pool reimbursable expense	33,000	22,500	22,535	35
Fire department reimbursable expense	57,500	55,000	38,367	(16,633)
Insurance reimbursable	-	5,275	7,759	2,484
Public safety reimbursable expense	20,000	5,000	3,193	(1,807)
Building/zoning reimbursable expense	6,500	751	1,323	572
Employee/elected official reimbursable expense	-	-	(15)	(15)
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Total reimbursable income	140,000	106,526	95,151	(11,375)
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Grant revenue				
Grant revenue	-	434,044	508,266	74,222
Grant revenue - traffic	20,000	15,000	12,902	(2,098)
Grant revenue - vest	1,500	1,200	1,531	331
Grant revenue - tobacco	2,500	2,500	(110)	(2,610)
Grant revenue - streets	40,000	-	-	-
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Total grant revenue	64,000	452,744	522,589	69,845
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(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Garbage revenues				
Garbage fees	\$ 945,725	\$ 1,013,780	\$ 1,020,081	\$ 6,301
Garbage penalties	19,665	-	(233)	(233)
Recycling rebate	300	399	(175)	(574)
Total garbage revenues	965,690	1,014,179	1,019,673	5,494
Contractual revenue				
Rental income	121,710	125,807	125,730	(77)
Rental income 911 center	18,480	37,000	36,960	(40)
Externality fee	212,792	215,001	234,530	19,529
Total contractual revenue	352,982	377,808	397,220	19,412
Other revenue				
Interest income	39,150	23,250	25,479	2,229
Shop with a cop	500	-	-	-
Sale of capital assets	5,000	5,000	7,700	2,700
Other revenue	3,000	2,000	19,614	17,614
Total other revenue	47,650	30,250	52,793	22,543
TOTAL REVENUES	\$ 9,320,821	\$ 11,229,746	\$ 12,164,276	\$ 934,530

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Current				
General government				
Administration				
Wages	\$ 595,000	\$ 555,891	\$ 665,601	\$ 109,710
Wages - elected officials	47,300	47,300	45,484	(1,816)
Overtime	800	-	40	40
Health insurance	152,900	132,300	108,062	(24,238)
Life insurance	1,640	700	564	(136)
Social Security and Medicare	43,750	40,300	40,983	683
IMRF	47,100	43,500	41,392	(2,108)
Building maintenance	20,000	20,000	16,642	(3,358)
Professional services	26,000	145,000	110,042	(34,958)
Audit services	23,000	25,300	34,100	8,800
Accounting services	3,000	7,200	7,200	-
Payroll service fees	1,800	1,800	1,293	(507)
Engineering services	1,000	1,000	-	(1,000)
Legal services	65,000	55,000	44,874	(10,126)
Labor attorney	20,000	20,000	33,995	13,995
Billable attorney fees	-	-	12,391	12,391
Technology	137,000	115,000	109,532	(5,468)
Postage	11,500	11,500	6,515	(4,985)
Photocopy	9,200	9,200	8,480	(720)
Printing	11,250	11,250	6,649	(4,601)
Publishing	15,000	4,000	3,114	(886)
Memberships	21,100	21,100	14,543	(6,557)
Travel	1,000	-	-	-
Training	8,450	590	884	294
Tuition reimbursement	500	-	-	-
Meetings	2,600	500	359	(141)
Utilities	11,000	11,000	10,973	(27)
Credit card and bank charges	25,000	32,400	31,634	(766)
Property taxes	8,000	75,782	782	(75,000)
Building incentives	228,000	185,000	194,688	9,688
Building maintenance supplies	2,000	2,000	2,290	290
Office supplies	7,000	7,000	6,051	(949)
Operating supplies	2,000	1,500	1,793	293
Fuel	500	-	-	-
Software	1,400	2,819	18,333	15,514
Computer equipment	-	4,000	1,832	(2,168)
Special events	380	1,000	667	(333)
Employee recognition	3,000	250	498	248
Miscellaneous	800	200	-	(200)
Externality fee refund - RLB	25,000	23,000	-	(23,000)
Allocated charges	(624,490)	(617,950)	(610,515)	7,435
Total administration	955,480	996,432	971,765	(24,667)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Current (Continued)				
General government (Continued)				
Insurance				
Liability and workers' compensation insurance	\$ 250,000	\$ 237,176	\$ 251,103	\$ 13,927
Insurance deductible	30,000	10,000	1,960	(8,040)
Total insurance	280,000	247,176	253,063	5,887
Total general government	1,235,480	1,243,608	1,224,828	(18,780)
PUBLIC SAFETY				
Current				
Police department				
Wages - administration	451,000	451,000	481,003	30,003
Wages - part-time	21,000	20,600	19,703	(897)
Wages - sworn officers	2,190,500	2,220,640	2,305,177	84,537
Wages - police commission	5,100	5,100	-	(5,100)
Overtime	385,600	285,600	127,132	(158,468)
Health insurance	616,000	589,500	418,921	(170,579)
Life insurance	3,400	3,000	3,226	226
Social Security and Medicare	62,750	62,750	63,381	631
IMRF	19,300	18,900	16,910	(1,990)
Police pension - taxes	717,475	682,532	714,580	32,048
Police pension - Village portion	110,280	145,520	128,825	(16,695)
Building maintenance	35,050	35,050	35,364	314
Equipment maintenance	31,950	26,950	16,376	(10,574)
Vehicle maintenance	7,000	1,000	2,867	1,867
Vehicle maintenance - mp	-	6,000	5,539	(461)
Professional services	65,300	55,300	47,785	(7,515)
Accounting services	3,000	3,000	3,215	215
HR recruiting/testing	16,500	16,500	4,287	(12,213)
Legal services	114,900	114,900	58,682	(56,218)
Labor attorney	55,000	45,000	16,722	(28,278)
Dispatching	700,000	625,000	390,777	(234,223)
Prisoner meals	300	300	51	(249)
Animal care and control	1,000	500	200	(300)
Technology	122,761	128,812	102,692	(26,120)
Janitorial services	9,000	7,500	14,874	7,374
Postage	4,000	4,000	2,583	(1,417)
Photocopy	3,000	3,000	3,828	828
Printing	3,000	3,000	2,825	(175)
Memberships	25,500	25,500	26,182	682
Police commission	3,000	2,000	125	(1,875)
Travel	1,500	1,000	415	(585)
Training	40,000	40,000	27,598	(12,402)
Meetings	500	50	93	43
Utilities	30,000	30,000	27,886	(2,114)
Office supplies	10,000	8,000	6,457	(1,543)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Current (Continued)				
Police department (Continued)				
Operating supplies	\$ 35,425	\$ 32,425	\$ 20,644	\$ (11,781)
Community relations	5,000	-	-	-
Shop with a cop	3,000	1,500	-	(1,500)
Small tools and noncapital equipment	8,600	18,600	6,310	(12,290)
Uniforms	40,000	40,000	18,534	(21,466)
Fuel	55,000	50,000	37,325	(12,675)
Software licenses	7,500	2,780	2,933	153
Computer equipment	14,500	14,500	-	(14,500)
Employee recognition	900	500	-	(500)
DUI enforcement	2,000	2,000	-	(2,000)
Tobacco grant	500	500	-	(500)
Investigations	1,500	1,500	-	(1,500)
Total police department	6,038,591	5,831,809	5,162,027	(669,782)
Fire department				
Fire department billable items	55,000	50,000	31,294	(18,706)
Total fire department	55,000	50,000	31,294	(18,706)
Total public safety	6,093,591	5,881,809	5,193,321	(688,488)
PUBLIC WORKS				
Current				
Streets				
Wages	560,500	560,500	579,550	19,050
Overtime	29,000	15,000	5,846	(9,154)
Health insurance	113,300	110,850	85,905	(24,945)
Life insurance	1,300	1,000	977	(23)
Social Security and Medicare	43,500	43,500	43,304	(196)
IMRF	48,600	48,600	49,214	614
Building maintenance	15,300	13,500	5,845	(7,655)
Equipment maintenance	1,000	300	1,184	884
Street maintenance	50,000	40,000	38,384	(1,616)
Parks maintenance	16,750	25,000	23,664	(1,336)
Professional services	27,000	25,000	18,753	(6,247)
Accounting services	750	750	994	244
Engineering services	8,000	5,000	1,322	(3,678)
Legal services	5,000	5,000	2,428	(2,572)
Technology	3,500	3,500	1,576	(1,924)
Postage	50	100	123	23
Memberships	850	850	767	(83)
Training	2,000	1,000	1,389	389
Meetings	-	-	128	128
Utilities	7,500	7,500	10,678	3,178
Electricity charges	72,000	150,000	198,015	48,015

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Current (Continued)				
Streets (Continued)				
Building maintenance supplies	\$ 800	\$ 800	\$ 80	\$ (720)
Equipment maintenance supplies	1,900	1,600	383	(1,217)
Office supplies	900	800	708	(92)
Operating supplies	65,000	41,000	49,313	8,313
Small tools	6,400	6,400	7,688	1,288
Uniforms	7,020	5,000	3,545	(1,455)
Stone and concrete	9,500	5,000	1,700	(3,300)
Tree replacement	7,500	5,000	4,829	(171)
Sign program	8,000	5,000	5,267	267
Fuel	32,000	25,000	29,415	4,415
Computer equipment	1,000	1,000	-	(1,000)
Software license/support	1,500	1,500	-	(1,500)
Employee recognition	350	350	-	(350)
Allocated charges	(393,820)	(385,675)	(376,634)	9,041
Total streets	753,950	769,725	796,340	26,615
Motor pool				
Wages	122,500	122,500	118,111	(4,389)
Overtime	3,600	-	-	-
Health insurance	3,000	3,000	2,899	(101)
Life insurance	300	200	200	-
Social Security and Medicare	9,600	9,600	9,243	(357)
IMRF	10,800	10,800	10,560	(240)
Building maintenance	9,200	5,000	8,843	3,843
Equipment maintenance	1,000	1,000	46	(954)
Professional services	3,500	3,500	1,067	(2,433)
Accounting services	250	250	229	(21)
Motor pool reimbursable charges	3,200	3,200	6,822	3,622
Technology	3,500	3,500	3,304	(196)
Memberships	100	100	60	(40)
Training	2,000	700	171	(529)
Utilities	900	960	990	30
Building maintenance supplies	700	500	-	(500)
Office supplies	350	350	-	(350)
Operating supplies	105,000	90,000	62,896	(27,104)
Small tools	12,000	10,500	12,659	2,159
Uniforms	1,000	1,000	390	(610)
Fuel	1,695	1,000	3,139	2,139
Software license/support	4,315	4,315	1,707	(2,608)
Computer equipment	2,400	2,400	1,815	(585)
Employee recognition	200	200	-	(200)
Total motor pool	301,110	274,575	245,151	(29,424)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Current (Continued)				
Garbage				
Postage	\$ 1,000	\$ 1,000	\$ 834	\$ (166)
Yard waste stickers	1,000	-	-	-
Garbage disposal	950,000	950,000	1,054,323	104,323
Total garbage	952,000	951,000	1,055,157	104,157
Total public works	2,007,060	1,995,300	2,096,648	101,348
PARKS AND RECREATION				
Current				
Parks and recreation				
Wages	88,200	64,950	64,089	(861)
Wages - part-time	12,500	97	97	-
Overtime	8,100	750	636	(114)
Health insurance	12,565	11,313	8,393	(2,920)
Life insurance	225	145	108	(37)
Social Security and Medicare	8,100	5,500	4,775	(725)
IMRF	9,100	5,934	5,219	(715)
Building maintenance	9,500	5,000	6,905	1,905
Equipment maintenance	8,500	1,000	620	(380)
Professional services	3,000	3,000	615	(2,385)
Accounting services	350	350	290	(60)
Janitorial services	8,000	7,000	13,682	6,682
Postage	1,500	500	-	(500)
Photocopy	3,200	2,200	3,230	1,030
Printing	1,000	500	-	(500)
Advertising	3,000	1,000	161	(839)
Memberships	5,804	4,500	4,006	(494)
Travel	500	-	-	-
Training	1,320	1,000	604	(396)
Meetings	100	100	-	(100)
Utilities	15,000	10,000	9,460	(540)
Pace program - rental fee	1,500	-	-	-
Community programs	17,174	6,392	3,259	(3,133)
Senior programs	22,320	4,500	6,211	1,711
Special events	81,120	6,000	7,945	1,945
Building maintenance supplies	7,000	500	933	433
Office supplies	2,000	1,500	871	(629)
Operating supplies	3,775	500	383	(117)
Small tools and noncapital equipment	8,000	500	327	(173)
Fuel	1,400	100	14	(86)
Software licenses	1,318	667	667	-
Special events - other	40,000	-	-	-
Employee recognition	200	200	-	(200)
Refunds	-	-	171	171
Total parks and recreation	385,371	145,698	143,671	(2,027)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
COMMUNITY DEVELOPMENT				
Current				
Community development				
Wages	\$ 306,000	\$ 306,000	\$ 283,896	\$ (22,104)
Wages - part-time	6,300	4,000	7,693	3,693
Overtime	1,800	750	844	94
Health insurance	115,850	113,500	81,493	(32,007)
Life insurance	600	500	470	(30)
Social Security and Medicare	24,000	24,000	20,468	(3,532)
IMRF	26,400	26,000	21,710	(4,290)
Equipment maintenance	6,500	5,500	6,016	516
Professional services	13,500	10,000	28,710	18,710
Accounting services	3,600	3,600	492	(3,108)
Professional services - studies/reports	-	-	357	357
Engineering services	5,000	5,000	2,839	(2,161)
Billable engineering fees	12,000	15,000	21,262	6,262
Billable building and zoning items	6,500	4,000	2,014	(1,986)
Legal services	20,000	75,000	124,455	49,455
Billable attorney fees	5,000	3,000	1,100	(1,900)
Technology	-	5,000	4,899	(101)
Postage	400	400	-	(400)
Printing	1,500	1,500	1,445	(55)
Publishing	1,200	800	1,429	629
Memberships	7,700	7,700	5,560	(2,140)
Travel	250	-	-	-
Training	2,000	300	190	(110)
Meetings	150	-	-	-
Utilities	5,590	5,590	5,289	(301)
Office supplies	2,500	2,000	1,968	(32)
Operating supplies	-	-	669	669
Community programs	11,000	4,000	4,270	270
Uniforms	250	-	-	-
Refunds	200	90	90	-
Fuel	2,500	2,500	1,455	(1,045)
Software licenses and maintenance	5,000	3,000	3,341	341
Computer equipment	3,000	1,000	583	(417)
Employee recognition	200	100	-	(100)
Total community development	596,490	629,830	635,007	5,177
CAPITAL OUTLAY				
Current				
Capital outlay - parks	\$ -	\$ 82,600	\$ -	\$ (82,600)
Capital outlay - public safety	105,516	105,516	55,985	(49,531)
Capital outlay - streets	157,610	180,110	140,372	(39,738)
Total capital outlay	263,126	368,226	196,357	(171,869)

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
DEBT SERVICE				
Current				
Principal	\$ 388,331	\$ 388,331	\$ 388,331	\$ -
Interest	75,489	75,489	75,489	-
Total debt service	463,820	463,820	463,820	-
TOTAL EXPENDITURES	<u>\$ 11,044,938</u>	<u>\$ 10,728,291</u>	<u>\$ 9,953,652</u>	<u>\$ (774,639)</u>

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2021

	Special Revenue					
	Tax Increment Financing	Motor Fuel Tax	Business Development District South	Business Development District Central	Total	
ASSETS						
Cash and investments	\$ 521,804	\$ 1,759,696	\$ -	\$ -	\$ 2,281,500	
Receivables, net						
Property taxes	70,738	-	-	-	70,738	
Intergovernmental	-	34,850	183,411	130,901	349,162	
Inventories	-	76,245	-	-	76,245	
Due from other funds	-	-	624,387	780,509	1,404,896	
TOTAL ASSETS	\$ 592,542	\$ 1,870,791	\$ 807,798	\$ 911,410	\$ 4,182,541	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 3,228	\$ 34,822	\$ -	\$ 29,428	\$ 67,478	
Due to other funds	81	173,267	-	30,209	203,557	
Total liabilities	3,309	208,089	-	59,637	271,035	
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	70,738	-	-	-	70,738	
Total deferred inflows of resources	70,738	-	-	-	70,738	
Total liabilities and deferred inflows of resources	74,047	208,089	-	59,637	341,773	
FUND BALANCES						
Nonspendable for inventory	-	76,245	-	-	76,245	
Restricted for economic development	518,495	-	807,798	851,773	2,178,066	
Restricted for maintenance of roadways	-	1,586,457	-	-	1,586,457	
Total fund balances	518,495	1,662,702	807,798	851,773	3,840,768	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 592,542	\$ 1,870,791	\$ 807,798	\$ 911,410	\$ 4,182,541	

(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, 2021

	Special Revenue				
	Tax Increment Financing	Motor Fuel Tax	Business Development District South	Business Development District Central	Total
REVENUES					
Taxes	\$ 77,861	\$ -	\$ -	\$ -	\$ 77,861
Intergovernmental	-	744,392	798,828	517,663	2,060,883
Investment income	1,049	3,277	-	-	4,326
Total revenues	78,910	747,669	798,828	517,663	2,143,070
EXPENDITURES					
Current					
General government	-	-	35,753	64,598	100,351
Public works	-	152,312	-	-	152,312
Economic development	7,644	-	-	-	7,644
Capital outlay	3,392	35,682	396,520	226,667	662,261
Total expenditures	11,036	187,994	432,273	291,265	922,568
NET CHANGE IN FUND BALANCES	67,874	559,675	366,555	226,398	1,220,502
FUND BALANCES, MAY 1	450,621	1,103,027	441,243	625,375	2,620,266
FUND BALANCES, APRIL 30	\$ 518,495	\$ 1,662,702	\$ 807,798	\$ 851,773	\$ 3,840,768

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 73,435	\$ 59,723	\$ 77,861	\$ 18,138
Investment income	2,025	1,000	1,049	49
Total revenues	75,460	60,723	78,910	18,187
EXPENDITURES				
Current				
Community development	11,600	10,617	7,644	(2,973)
Capital outlay	314,912	310,914	3,392	(307,522)
Total expenditures	326,512	321,531	11,036	(310,495)
NET CHANGE IN FUND BALANCE	<u>\$ (251,052)</u>	<u>\$ (260,808)</u>	67,874	<u>\$ 328,682</u>
FUND BALANCE, MAY 1			<u>450,621</u>	
FUND BALANCE, APRIL 30			<u>\$ 518,495</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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Allotments earned	\$ 229,223	\$ 402,000	\$ 395,793	\$ (6,207)
REBUILD Illinois	-	3,070,000	348,599	(2,721,401)
Investment income	6,750	3,500	3,277	(223)
Total revenues	235,973	3,475,500	747,669	(2,727,831)
EXPENDITURES				
Current				
Public works				
Public works	211,000	140,000	152,312	12,312
Capital outlay	-	3,224,972	35,682	(3,189,290)
Total expenditures	211,000	3,364,972	187,994	(3,176,978)
NET CHANGE IN FUND BALANCE	<u>\$ 24,973</u>	<u>\$ 110,528</u>	559,675	<u>\$ 449,147</u>
FUND BALANCE, MAY 1			<u>1,103,027</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,662,702</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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Sales tax	\$ 423,355	\$ 635,001	\$ 798,828	\$ 163,827
Investment income	750	750	-	(750)
Total revenues	424,105	635,751	798,828	163,077
EXPENDITURES				
General government				
Administration				
Professional services	88,500	83,500	35,753	(47,747)
Capital outlay	700,500	634,000	396,520	(237,480)
Total expenditures	789,000	717,500	432,273	(285,227)
NET CHANGE IN FUND BALANCE	<u><u>\$ (364,895)</u></u>	<u><u>\$ (81,749)</u></u>	366,555	<u><u>\$ 448,304</u></u>
FUND BALANCE, MAY 1			<u>441,243</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 807,798</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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Sales tax	\$ 400,020	\$ 575,000	\$ 517,663	\$ (57,337)
Grants	21,400	-	-	-
Investment income	750	750	-	(750)
	<u>422,170</u>	<u>575,750</u>	<u>517,663</u>	<u>(58,087)</u>
Total revenues				
EXPENDITURES				
General government				
Administration				
Professional services	123,000	68,379	64,598	(3,781)
Capital outlay	992,648	1,105,100	226,667	(878,433)
	<u>1,115,648</u>	<u>1,173,479</u>	<u>291,265</u>	<u>(882,214)</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(693,478)</u>	<u>(597,729)</u>	<u>226,398</u>	<u>824,127</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(107,045)	-	107,045
	<u>-</u>	<u>(107,045)</u>	<u>-</u>	<u>107,045</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCE	<u><u>\$ (693,478)</u></u>	<u><u>\$ (704,774)</u></u>	<u>226,398</u>	<u><u>\$ 931,172</u></u>
FUND BALANCE, MAY 1			<u>625,375</u>	
FUND BALANCE, APRIL 30			<u><u>\$ 851,773</u></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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Water/sewer fees	\$ 4,050,000	\$ 4,400,000	\$ 4,619,522	\$ 219,522
Tap-on fees	65,000	20,000	11,975	(8,025)
Miscellaneous	99,900	8,800	10,886	2,086
Total operating revenues	4,214,900	4,428,800	4,642,383	213,583
OPERATING EXPENSES				
Personnel services	766,100	774,110	669,541	(104,569)
Contractual services/commodities	1,398,690	1,389,960	1,247,099	(142,861)
Depreciation and amortization	820,000	820,000	916,695	96,695
Total operating expenses	2,984,790	2,984,070	2,833,335	(150,735)
OPERATING INCOME	1,230,110	1,444,730	1,809,048	364,318
NON-OPERATING REVENUES (EXPENSES)				
Investment income	25,500	13,000	8,097	(4,903)
Interest expense	(365,645)	(365,645)	(220,500)	145,145
Principal expense	-	-	(448,779)	(448,779)
Total non-operating revenues (expenses)	(340,145)	(352,645)	(661,182)	(308,537)
NET INCOME BEFORE CONTRIBUTIONS	889,965	1,092,085	1,147,866	55,781
CONTRIBUTIONS	-	-	1,583,484	1,583,484
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ 889,965	\$ 1,092,085	2,731,350	\$ 1,639,265
ADJUSTMENTS TO GAAP BASIS				
Principal expense			448,779	
Total adjustments to GAAP basis			448,779	
CHANGE IN NET POSITION (GAAP BASIS)			3,180,129	
NET POSITION, MAY 1			25,570,976	
NET POSITION, APRIL 30			\$ 28,751,105	

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Sewer fees	\$ 4,468,050	\$ 4,812,196	\$ 4,890,002	\$ 77,806
Tap-on fees	140,000	125,000	225,071	100,071
Miscellaneous	21,400	22,900	22,097	(803)
Total operating revenues	4,629,450	4,960,096	5,137,170	177,074
OPERATING EXPENSES				
Personnel services	1,856,426	1,878,185	1,624,967	(253,218)
Contractual services/commodities	3,390,752	3,232,161	2,501,256	(730,905)
Depreciation	2,100,000	1,800,000	1,725,707	(74,293)
Total operating expenses	7,347,178	6,910,346	5,851,930	(1,058,416)
OPERATING INCOME (LOSS)	(2,717,728)	(1,950,250)	(714,760)	1,235,490
NON-OPERATING REVENUES (EXPENSES)				
Gain (loss) on sale of assets	8,000	8,000	-	(8,000)
Investment income	91,250	41,250	31,857	(9,393)
Total non-operating revenues (expenses)	99,250	49,250	31,857	(17,393)
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (2,618,478)</u>	<u>\$ (1,901,000)</u>	(682,903)	<u>\$ 1,218,097</u>
NET POSITION, MAY 1			<u>50,490,230</u>	
NET POSITION, APRIL 30			<u>\$ 49,807,327</u>	

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
911 fees	\$ 186,200	\$ 192,018	\$ 197,967	\$ 5,949
Fees for services	1,251,250	1,251,250	935,259	(315,991)
Total operating revenues	1,437,450	1,443,268	1,133,226	(310,042)
OPERATING EXPENSES				
Personnel services	992,600	997,750	903,505	(94,245)
Contractual services/commodities	400,821	369,332	289,908	(79,424)
Depreciation	55,000	65,000	64,267	(733)
Total operating expenses	1,448,421	1,432,082	1,257,680	(174,402)
OPERATING INCOME (LOSS)	(10,971)	11,186	(124,454)	(135,640)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	250	1,800	1,766	(34)
Interest expense	(446)	(446)	(624)	(178)
Principal expense	(3,932)	(3,932)	(3,932)	-
Total non-operating revenues (expenses)	(4,128)	(2,578)	(2,790)	(212)
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (15,099)	\$ 8,608	(127,244)	\$ (135,852)
ADJUSTMENTS TO GAAP BASIS				
Principal expense			3,932	
Total adjustments to GAAP basis			3,932	
CHANGE IN NET POSITION (GAAP BASIS)			(123,312)	
NET POSITION (DEFICIT), MAY 1			(261,915)	
NET POSITION (DEFICIT), APRIL 30			\$ (385,227)	

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

April 30, 2021

	Commuter Parking	Tall Oaks	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 12,661	\$ -	\$ 12,661
Receivables			
Accounts (net of allowance for uncollectible accounts)	120	-	120
Prepaid items	619	-	619
Due from other funds	-	55,800	55,800
Total current assets	13,400	55,800	69,200
NONCURRENT ASSETS			
Net pension asset - IMRF	11,813	-	11,813
Capital assets, net of accumulated depreciation	280,151	-	280,151
Total noncurrent assets	291,964	-	291,964
Total assets	305,364	55,800	361,164
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	4,784	-	4,784
Total deferred outflows of resources	4,784	-	4,784
Total assets and deferred outflows of resources	310,148	55,800	365,948
CURRENT LIABILITIES			
Accounts payable	2,671	-	2,671
Accrued payroll	261	-	261
Due to other funds	88,210	-	88,210
Current portion of long-term debt	323	-	323
Total current liabilities	91,465	-	91,465
NONCURRENT LIABILITIES			
Long-term debt	27,969	-	27,969
Total noncurrent liabilities	27,969	-	27,969
Total liabilities	119,434	-	119,434
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	18,824	-	18,824
Total deferred inflows of resources	18,824	-	18,824
Total liabilities and deferred inflows of resources	138,258	-	138,258
NET POSITION			
Net investment in capital assets	280,151	-	280,151
Unrestricted (deficit)	(108,261)	55,800	(52,461)
TOTAL NET POSITION	\$ 171,890	\$ 55,800	\$ 227,690

(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, 2021

	Commuter Parking	Tall Oaks	Total
OPERATING REVENUES			
Parking fees	\$ 8,566	\$ -	\$ 8,566
Tap-on fees	-	3,800	3,800
Total operating revenues	8,566	3,800	12,366
OPERATING EXPENSES			
Personnel services	22,338	-	22,338
Contractual services/commodities	37,636	-	37,636
Depreciation	5,036	-	5,036
Total operating expenses	65,010	-	65,010
OPERATING INCOME (LOSS)	(56,444)	3,800	(52,644)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	23	-	23
Total non-operating revenues (expenses)	23	-	23
CHANGE IN NET POSITION	(56,421)	3,800	(52,621)
NET POSITION, MAY 1	228,311	52,000	280,311
NET POSITION, APRIL 30	\$ 171,890	\$ 55,800	\$ 227,690

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2021

	Commuter Parking	Tall Oaks	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 8,498	\$ 3,800	\$ 12,298
Payments to suppliers	(22,890)	-	(22,890)
Payments to employees	(39,245)	-	(39,245)
Net cash from operating activities	(53,637)	3,800	(49,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund activity	58,241	(3,800)	54,441
Net cash from noncapital financing activities	58,241	(3,800)	54,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	23	-	23
Net cash from investing activities	23	-	23
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,627	-	4,627
CASH AND CASH EQUIVALENTS, MAY 1	8,034	-	8,034
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 12,661	\$ -	\$ 12,661

(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, 2021

	Commuter Parking	Tall Oaks	Total
<hr/>			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (56,444)	\$ 3,800	\$ (52,644)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	5,036	-	5,036
(Increase) decrease in			
Receivables	(68)	-	(68)
Prepaid items	51	-	51
Pension items	2,887	-	2,887
Net pension asset	(11,813)	-	(11,813)
Increase (decrease) in			
Accounts payable	(473)	-	(473)
Accrued payroll	(82)	-	(82)
Compensated absences payable	(470)	-	(470)
Pension items	10,321	-	10,321
Total OPEB liability	1,843	-	1,843
Net pension liability	(4,425)	-	(4,425)
	<hr/>		
NET CASH FROM OPERATING ACTIVITIES	\$ (53,637)	\$ 3,800	\$ (49,837)
	<hr/>		

(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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Parking fees	\$ 63,337	\$ 10,000	\$ 8,566	\$ (1,434)
Total operating revenues	63,337	10,000	8,566	(1,434)
OPERATING EXPENSES				
Personnel services	33,892	34,780	22,338	(12,442)
Contractual services/commodities	76,150	56,165	37,636	(18,529)
Depreciation	5,036	5,036	5,036	-
Total operating expenses	115,078	95,981	65,010	(30,971)
OPERATING INCOME (LOSS)	(51,741)	(85,981)	(56,444)	29,537
NON-OPERATING REVENUES (EXPENSES)				
Investment income	150	30	23	(7)
Total non-operating revenues (expenses)	150	30	23	(7)
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (51,591)</u>	<u>\$ (85,951)</u>	(56,421)	<u>\$ 29,530</u>
NET POSITION, MAY 1			<u>228,311</u>	
NET POSITION, APRIL 30			<u>\$ 171,890</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, 2021

	Original and Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES			
Tap-on fees	\$ -	\$ 3,800	\$ 3,800
Total operating revenues	-	3,800	3,800
OPERATING EXPENSES			
None	-	-	-
Total operating expenses	-	-	-
OPERATING INCOME	-	3,800	3,800
NON-OPERATING REVENUES (EXPENSES)			
None	-	-	-
Total non-operating revenues (expenses)	-	-	-
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ -</u>	<u>3,800</u>	<u>\$ 3,800</u>
NET POSITION, MAY 1		<u>52,000</u>	
NET POSITION, APRIL 30		<u>\$ 55,800</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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
ADDITIONS				
Contributions				
Employer contributions	\$ 827,755	\$ 828,052	\$ 843,405	\$ 15,353
Plan members contributions	208,000	200,930	272,220	71,290
Total contributions	1,035,755	1,028,982	1,115,625	86,643
Investment income				
Net appreciation in fair value of investments	450,000	450,000	4,298,222	3,848,222
Interest and dividends	360,000	400,000	339,671	(60,329)
Total investment income	810,000	850,000	4,637,893	3,787,893
Less investment expense	(34,000)	(34,000)	(37,352)	(3,352)
Net investment income	776,000	816,000	4,600,541	3,784,541
Total additions	1,811,755	1,844,982	5,716,166	3,871,184
DEDUCTIONS				
Pension benefits and refunds	1,039,850	1,050,079	1,060,583	10,504
Administration Expenses	47,845	45,285	32,104	(13,181)
Total deductions	1,087,695	1,095,364	1,092,687	(2,677)
NET INCREASE	<u>\$ 724,060</u>	<u>\$ 749,618</u>	4,623,479	<u>\$ 3,873,861</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS				
May 1			<u>16,859,865</u>	
April 30			<u>\$ 21,483,344</u>	

(See independent auditor's report.)