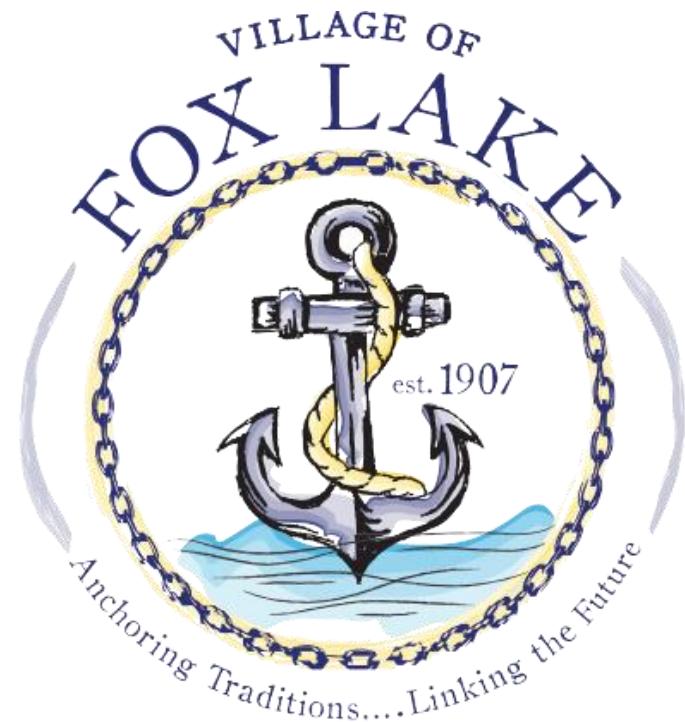


# Village of Fox Lake, Illinois

## Annual Financial Report

Year End April 30, 2022



Prepared By:  
The Finance Department

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

**ANNUAL FINANCIAL REPORT**

For the Year Ended  
April 30, 2022

Prepared by the Finance Department

**VILLAGE OF FOX LAKE, ILLINOIS**  
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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

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

**SIKICH.COM**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois (the Village), as of and for the year ended April 30, 2022 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois, as of April 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions.

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

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

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

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

## **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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 10, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
October 10, 2023

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2022, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 10, 2023.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal controls that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

***Sikich LLP***

Naperville, Illinois  
October 10, 2023

## VILLAGE OF FOX LAKE, ILLINOIS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 2022

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#### **Material Weakness**

##### **2022-001 Internal Control over Financial Reporting - Fund Financial Statement Reconciliation**

*Criteria:* Review of financial records by management on a timely basis is necessary to correct errors and misstatements. Additionally, timely review by management would assist in tracking accurate balances of accounts, and provide management reliable insight of trends and variances.

*Condition/Context:* At the Village, there is a lack of timely review of financial records, resulting in delays and requiring significant audit adjusting journal entries.

*Effect:* During our audit upon review of the preliminary trial balances, we noted many accounts were not adjusted to accurately reflect balances as of the fiscal year end date. Several adjusting journal entries to balance the funds, correct fund balance rollforward issues, adjust balances to actual and correct misstatements were recommended. With regular and timely review, management could maintain up to date records of account balances and detail.

*Cause:* Limited number of employees and employee turnover.

*Recommendation:* We recommend, as part of month-end procedures, a review of the trial balances by fund be performed to ensure the system balances are recorded properly and to verify that each fund properly balances. Additionally, we recommend agreeing balances recorded to underlying reports and schedules to verify system balances are accurate. Doing so on a timely basis would help prevent the necessity of future audit adjustments and would help to timely identify and correct other potential errors or misstatements.

#### **Significant Deficiencies**

##### **2022-002 Internal Control over Financial Reporting – Interfund Balances**

*Criteria:* Interfund balances (payables and receivables) should be in balance and reflect short-term interfund borrowings.

*Condition/Context:* At the Village, there is a lack of timely completion of certain reconciliations and of review of interfund balances as recorded by the system.

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

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

For the Year Ended April 30, 2022

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#### **Significant Deficiencies (Continued)**

##### **2022-002 Internal Control over Financial Reporting - Interfund Balances (Continued)**

*Effect:* During our audit we noted interfund balances per the preliminary trial balances were not in balance and balances were not reconciled and cleared on a regular basis. With regular and timely review, management could ensure interfund activity recorded by the system remains in balance, as well as ensure balances are cleared as interfund borrowings are repaid, to ensure balances recorded are reflective of actual short-term interfund borrowings.

*Cause:* System entries and limited reconciliation of interfund activity.

*Recommendation:* We recommend that the Village complete reconciliations of all interfund activity on a regular basis, ideally monthly. Reviewing the activity and completing reconciliations regularly ensures that the interfund balances in the system stay in balance and are cleared as balances are repaid.

##### **2022-003 Internal Control over Financial Reporting - Bank Reconciliations**

*Criteria:* Bank Reconciliations should be prepared on a timely basis and reviewed by an individual separate from the preparer.

*Condition/Context:* At the Village, there is a lack of timely completion of cash accounts and no documentation of review of bank account reconciliations once prepared.

*Effect:* During our audit we noted certain bank reconciliations were not completed in a timely manner. Once prepared, it was noted no documentation of review of the reconciliation, as well as discrepancies between the bank reconciliation and recorded cash balances due to unposted adjustments.

*Cause:* Limited number of employees and employee turnover.

*Recommendation:* We recommend that the Village complete reconciliations of cash accounts on a monthly basis, within the first few weeks of the subsequent month. Reviewing the activity and completing reconciliations in a timely and consistent manner ensures that any potential errors can be noted and resolved immediately, and account activity is recorded properly. A review completed by an individual separate from the preparer reduces the risk that reconciliation variances remain unreconciled.

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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The Village of Fox Lake (the “Village”) Management’s Discussion and Analysis (MD&A) 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, 2022. 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 FY21 to FY22. The revenues exceeded expenses by \$7,052,128 resulting in a net position as of April 30, 2022 of \$123,518,641. This is 6.1% higher than last year’s net position of \$116,466,513.
- 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 12/31/2021 by \$1,646,742. Assumptions were not updated. Police Pension Net Pension Liability increased as of 4/30/2022 by \$2,249,094 predominately due to market declines in 2022 as well as an increase of other costs in excess of contributions.
- At the end of the current fiscal year, the General Fund *unrestricted* fund balance was \$14,141,246, an increase of \$1,764,156 over the prior year *unrestricted* amount of \$12,377,090. The amount committed by the Village’s reserve policy represents 41% of the budgeted FY23 operating expenditures.
- The General Fund balance increased by \$13,354,274 to \$26,703,785 as of April 30, 2022.

### **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.

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

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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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." *Detailed information for the General Fund and individual fund data for the nonmajor governmental funds is presented in the "Combining and Individual Fund Financial Statements and Schedules" section of the financial statements.*

#### *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, Commuter Parking Fund and Tall Oaks Fund (no activity – fund balance of \$55,800 remaining). *Detailed information for the proprietary funds is presented in the "Combining and Individual Fund Financial Statements and Schedules" section of the financial statements.*

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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***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 20 of the financial statements.*

***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.

***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.

***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, 2022 was \$123,518,641, which represents an increase of \$7,052,128 compared to April 30, 2021. The Village's net position from governmental activities increased by \$5,085,262 and net position from business-type activities increased by \$1,966,866 over the prior fiscal year.

**Comparative Summary Statements of Net Position as of April 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 37,886,590	\$ 22,500,445	\$ 30,356,359	\$ 28,507,162	\$ 68,242,949	\$ 51,007,607
Capital assets	34,131,036	32,105,910	75,400,215	68,953,598	109,531,251	101,059,508
<b>Total Assets</b>	<b>72,017,626</b>	<b>54,606,355</b>	<b>105,756,574</b>	<b>97,460,760</b>	<b>177,774,200</b>	<b>152,067,115</b>
<b>Deferred outflows of resources</b>	<b>1,618,029</b>	<b>1,083,775</b>	<b>619,861</b>	<b>595,401</b>	<b>2,237,890</b>	<b>1,679,176</b>
<b>Liabilities</b>						
Current liabilities	4,135,375	2,377,384	2,472,769	3,853,724	6,608,144	6,231,108
Noncurrent liabilities	21,895,298	9,294,691	21,806,409	14,576,511	43,701,707	23,871,202
<b>Total Liabilities</b>	<b>26,030,673</b>	<b>11,672,075</b>	<b>24,279,178</b>	<b>18,430,235</b>	<b>50,309,851</b>	<b>30,102,310</b>
<b>Deferred inflows of resources</b>	<b>4,454,102</b>	<b>5,952,437</b>	<b>1,729,496</b>	<b>1,225,031</b>	<b>6,183,598</b>	<b>7,177,468</b>
<b>Net Position</b>						
Net investment in capital assets	32,055,117	30,250,581	56,363,616	55,791,449	88,418,733	86,042,030
Restricted net position	5,811,685	4,423,831	1,685,854	-	7,497,539	4,423,831
Unrestricted net position	5,284,078	3,391,206	22,318,291	22,609,446	27,602,369	26,000,652
<b>Total Net Position</b>	<b>\$ 43,150,880</b>	<b>\$ 38,065,618</b>	<b>\$ 80,367,761</b>	<b>\$ 78,400,895</b>	<b>\$ 123,518,641</b>	<b>\$ 116,466,513</b>

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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**Normal Impacts on Net Position**

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

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

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

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

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

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

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

**Current Year Impacts on Net Position**

*Governmental Activities*

For fiscal year 2022, governmental activities *net* position is \$43,150,880 reflecting an increase of \$5,085,262 over the prior fiscal year. Governmental activities total assets and deferred outflows increased \$17,945,525 and governmental activities total liabilities and deferred inflows increased \$12,860,263.

The \$17.9 million increase in total assets and deferred outflows resulted from a \$15.4 million increase in current assets, an increase of \$2.0 million in capital assets, and an increase in pension related assets and deferred outflows of \$.5 million. The increase in current assets is mainly due to a \$14 million increase in cash and investments, of which \$12 million was bond proceeds.

The \$12.9 million increase in total liabilities and deferred inflows resulted from a \$1.8 million increase in current liabilities, a \$12.6 million increase in long term (noncurrent) liabilities and a \$1.5 million decrease in deferred inflows. Current liability increase includes a \$.7 million is deferred recognition of a grant. The increase in long term liabilities is mainly due to the \$11.9 million bond issue.

*Business-Type Activities*

The business-type activities *net* position is \$80,367,761 which represents an increase of \$1,966,866. Business-type activities total assets and deferred outflows increased \$8,320,274 and business-type activities total liabilities and deferred inflows increased \$6,353,408.

The \$8.3 million increase in total assets and deferred outflows resulted from a \$1.8 million increase in current assets and an increase of \$6.4 million in capital assets.

The \$6.4 million increase in total liabilities and deferred inflows resulted from a \$1.4 million decrease in current liabilities which was offset by a \$7.2 million increase in long term (noncurrent) liabilities and a \$.5 million increase in deferred inflows. Current liability decrease includes a \$2.0 million decrease in accounts payable offset by a \$.6 million increase in the current portion of long term debt. The changes in liabilities are mainly due to the Village payments of capital projects and an increase in IEPA loans related to the increase in capital assets.

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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**Changes in Net Position**

The Village's combined change in net position for FY2022 was an increase of \$7,052,128 compared to \$6,269,960 in the prior fiscal year. Business-type activities saw an increase in net position of \$1,966,866 and governmental activities saw an increase of \$5,085,262 during FY2022. Table 2 shows the condensed revenues and expenses of the Village's activities.

**Comparative Changes in Net Position as of April 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 2,698,950	\$ 2,430,655	\$ 11,516,920	\$ 10,925,145	\$ 14,215,870	\$ 13,355,800
Operating and capital grants	779,879	1,209,699	-	1,583,484	779,879	2,793,183
General Revenues						
Property taxes	2,678,104	2,610,515	-	-	2,678,104	2,610,515
All other taxes	8,672,939	7,931,886	-	-	8,672,939	7,931,886
Other Revenues and Transfers	61,690	67,309	42,494	41,743	104,184	109,052
Total revenues	14,891,562	14,250,064	11,559,414	12,550,372	26,450,976	26,800,436
<b>Expenses</b>						
General government	830,059	1,376,970	-	-	830,059	1,376,970
Public safety	5,282,981	4,961,635	-	-	5,282,981	4,961,635
Public works	2,418,129	2,540,658	-	-	2,418,129	2,540,658
Parks & Recreation	361,411	98,421	-	-	361,411	98,421
Economic development	621,505	1,261,571	-	-	621,505	1,261,571
Interest	292,215	62,142	-	-	292,215	62,142
Water & Local Sewer	-	-	3,206,894	3,053,835	3,206,894	3,053,835
Wastewater reclamation	-	-	5,363,919	5,851,930	5,363,919	5,851,930
911 Dispatch Service	-	-	966,052	1,258,304	966,052	1,258,304
Parking	-	-	55,683	65,010	55,683	65,010
Total expenses	9,806,300	10,301,397	9,592,548	10,229,079	19,398,848	20,530,476
Change in net position	5,085,262	3,948,667	1,966,866	2,321,293	7,052,128	6,269,960
Net Position - May 1	38,065,618	34,116,951	78,400,895	76,079,602	116,466,513	110,196,553
Net Position - April 30	\$ 43,150,880	\$ 38,065,618	\$ 80,367,761	\$ 78,400,895	\$ 123,518,641	\$ 116,466,513

**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.

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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**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.

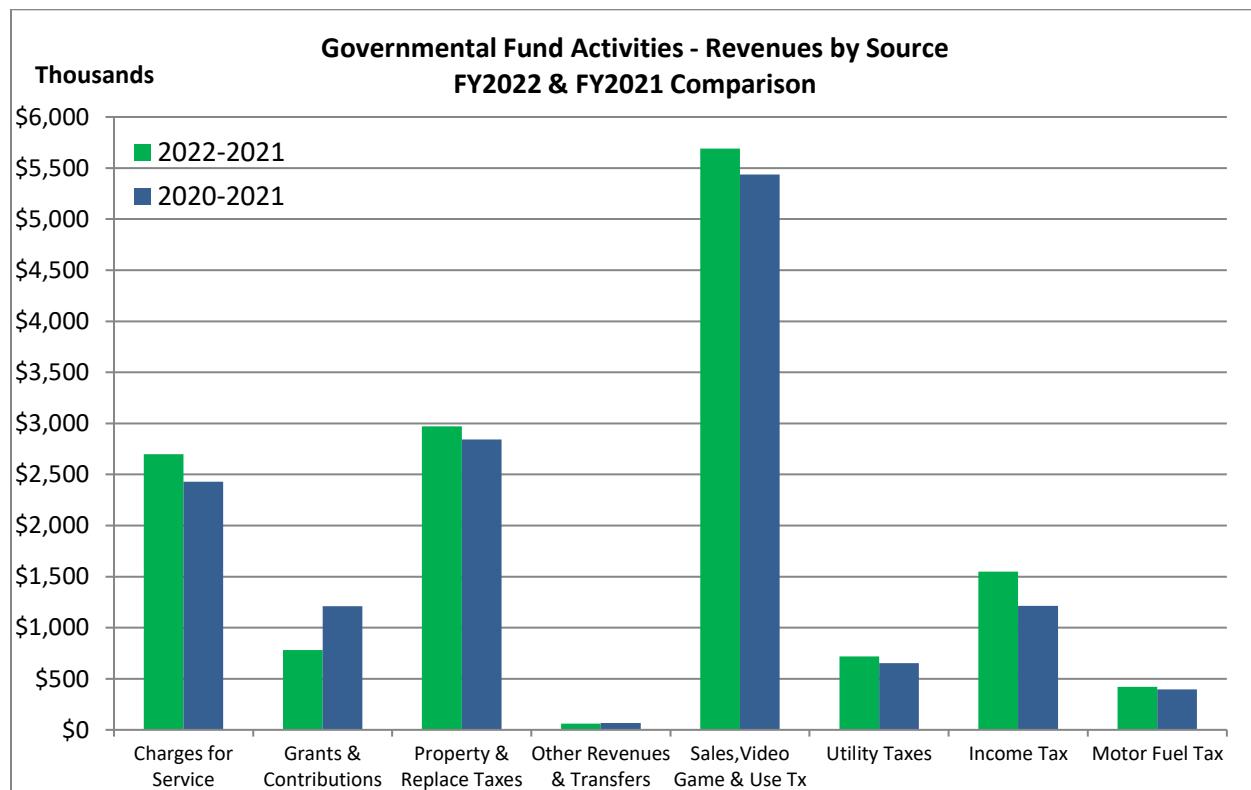
Salary increases (annual adjustments and merit) - The Village has three separate bargaining units representing approximately 50% of the employee population.

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

**Governmental Activities:**

**Revenues**

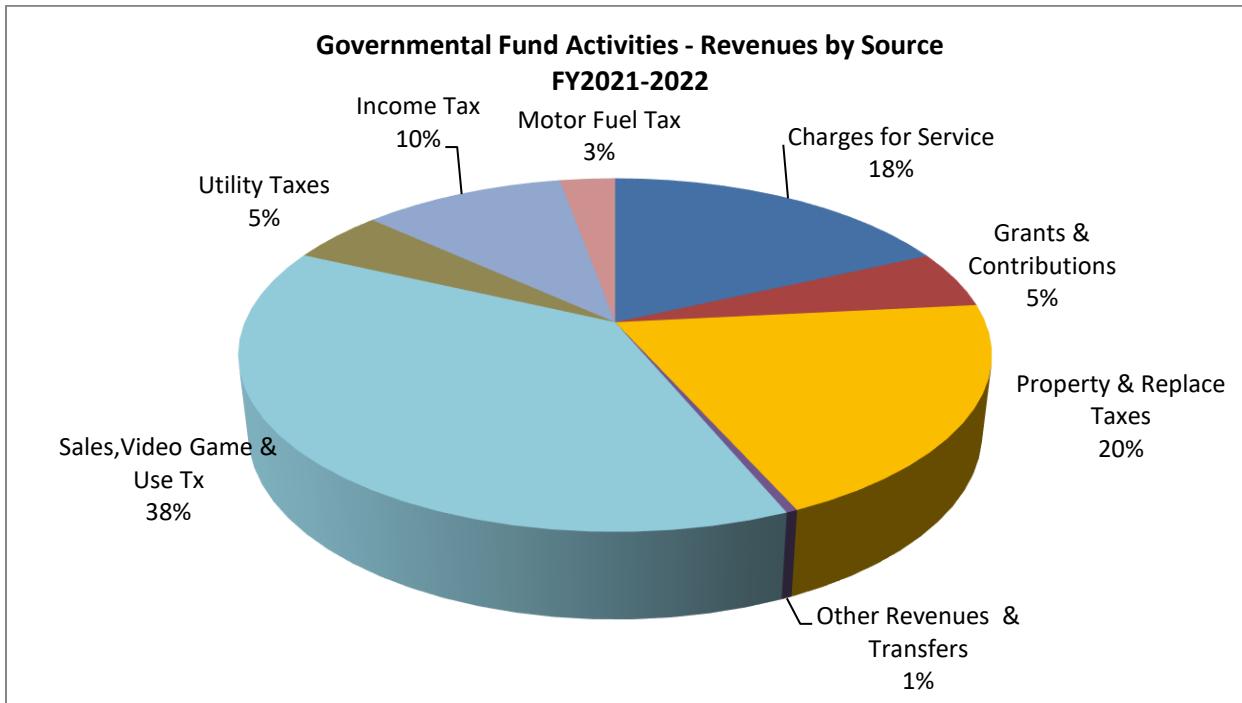
The chart below depicts the Governmental Activity Revenue by source for FY2022:



For the fiscal year ended April 30, 2022, revenues from governmental activities totaled \$14,891,562, an increase of \$641,498 or 4.5% from the prior fiscal year.

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
For Fiscal Year Ended April 30, 2022

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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 \$5,691,571 or 38.2%.

Sales and use taxes (as a component of “Sales”) of \$5,239,194 increased 2.9% over the prior year. Video gaming taxes of \$416,072 increased 78.0% over the prior year. Businesses offering gaming that were closed as a result of COVID-19 reopened during the current year.

Property taxes (including Police Pension but excluding road and bridge taxes), at \$2,678,104 and 18.0% of total revenue comprise the second largest single source of governmental activity revenue for the Village. Property taxes received increased over the prior year by 2.6% or \$67,589. The total property tax received during FY22 of \$2,820,755 is restricted for specific purposes, as follows:

<u>Year 2020 (FY22) Property Tax by Purpose</u>	<u>Amount</u>
Audit Tax	\$ 16,503
Corporate	\$830,698
IMRF	\$145,722
Police Pension	\$814,977
Police Protection/System	\$463,283
Social Security	\$166,978
Tort Judgment/Liability Insurance	\$169,205
TIF	\$ 70,738
Road and Bridge	\$142,651
	Subtotal: \$2,678,104
	Total: \$2,820,755

Charges for Services were the Village’s third largest revenue source at \$2,698,950, representing 18.1% of the total Governmental activities revenue. Overall, this source of revenue increased by \$268,295 or 11.0% compared to last fiscal year. The primary revenues in this category are: refuse fees \$1,064,428; reimbursable expenses and contractual revenue \$591,051; police fines and related special revenues \$400,970; licenses and permit fees \$603,628; and parks and recreational fees \$40,022. As a non-home rule municipality, the Village has limited

**VILLAGE OF FOX LAKE, ILLINOIS**  
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**For Fiscal Year Ended April 30, 2022**

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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.

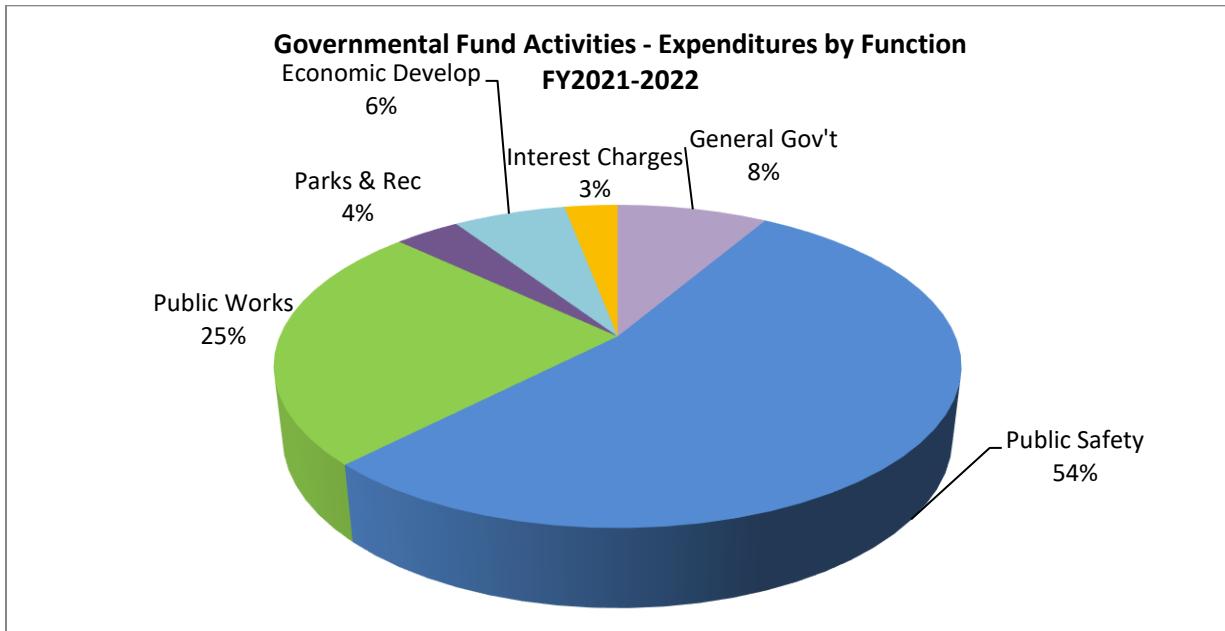
Income taxes which comprise \$1,547,272 or 10.4% of total revenue increased 27.6% over fiscal year 2021. During fiscal year 2022, the unemployment rate dropped to near pre-COVID-19 levels. Federal economic stimulus and relief payments intended to replace lost income and/or stimulate the economy ended and the economy began to stabilize as COVID-19 restrictions were lifted as well.

Utility taxes of \$718,385 increased, by \$64,725 or 9.9%, from the prior fiscal year. Places for eating tax of \$169,676 increased by \$4,861 or 2.9% as restaurants operated with minimal COVID-19 limitations.

Grants and contributions of \$779,879 decreased 35.5% due to the COVID-19 grants that were received in the prior fiscal year. Investment income of \$21,827 decreased by \$7,978 from the prior year.

### **Expenditures**

For the fiscal year ended April 30, 2022, expenditures from governmental activities totaled \$9,806,300, which represents a decrease of \$495,097 or (4.8%) compared to the prior year.



Public safety represents the largest portion of governmental activity expenses at \$5,282,981. 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 2022, expenses for public safety, were an increase of \$321,346 or 6.5% over the prior year and represented 53.9% 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 2022, expenses for public works totaled \$2,418,129 and represented 24.7% of total governmental activities expenses. Public works expenses decreased \$122,529 or (4.8%).

**VILLAGE OF FOX LAKE, ILLINOIS**  
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**For Fiscal Year Ended April 30, 2022**

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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 2022, expenses for general government were \$830,059 which represented 8.5% of total governmental activities costs. General government expenses decreased \$546,911 or (39.7%).

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 2022, expenses for economic development were \$621,505 representing the next largest category of governmental activity expenses. This category decreased \$640,066 or (50.7%) and accounts for 6.3% of the total governmental activities expenses.

Parks and recreation costs account for 3.7% 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 2022, expenses of \$361,411 reflected an increase in expenditures of \$262,990 or 267.2% from the prior fiscal year as a result of a return to programs/staffing as the COVID-19 pandemic restrictions eased.

Interest and fiscal charges increased from \$62,142 to \$292,215. The increase of \$230,073 was due mainly to bond issue costs of \$238,290 for the Lakefront Park bond issue that was classified as interest expense offset by repayment of other bonds.

***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 2022 were \$11,559,414 compared to \$12,550,372 in fiscal year 2021. This reflects a decrease in total revenues of \$990,958 or (7.9%) from fiscal year 2021.

In fiscal year 2022, total charges for service were \$11,516,920 with wastewater reclamation revenue representing 46.9%, local water and sewer operations accounting for 42.8%, 911 dispatch services were 10.2% and parking operations accounted for 0.1%. Wastewater reclamation revenues increased by \$259,055 or 5.0%. The local water and sewer charge for services increased \$284,197 or 6.1% over the prior fiscal year due to resumption of miscellaneous fees and penalties. Local water and sewer had a \$1,583,484 capital grant due to IEPA loan forgiveness in the prior year and \$0 in the current year.

E911 dispatch revenue increased \$44,129 or 3.9%. from changes in the contractual services contract payments from the other communities/organizations served by the Village's dispatch operations known as "FoxCom."

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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Expenses:

Total expenses for the Village's business-type activities for fiscal year 2022 were \$9,592,548 compared to \$10,229,079 in fiscal year 2021. This represents a decrease of \$636,531 or (6.2%) compared to fiscal year 2021. Of the total expenses for business-type activities, \$5,363,919 is attributable to wastewater reclamation with a decrease of \$488,011 compared to last year; \$3,206,894 to water and sewer operations with an increase of \$153,059 over last year; \$966,052 to 911 dispatch services reflecting a decrease of \$292,252 compared to the prior year; and \$55,683 to parking operations which decreased \$9,327.

**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, 2022, the Governmental Funds reported a combined fund balance of \$30,461,643 which is a \$13,271,364 or 77.2% increase from the beginning of the year balance of \$17,190,279. Of the total year-end fund balance \$4,620,610 is unassigned, \$276,562 is non-spendable, \$16,173,141 is restricted, \$4,062,080 is committed, and \$5,329,250 is assigned. The most significant increase occurred in restricted for capital projects with an increase of \$11.7 million due to net remaining bond proceeds for the Lakefront Park development.

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 \$13,354,274, or 100.0%, from the beginning of year. The increase is mainly due to net bond proceeds of \$12.5 million.

Fund Name	Type	Major Fund	FY22 Balance	FY21 Balance	Increase (Decrease)
General	Governmental	Y	\$ 26,703,785	\$ 13,349,511	\$ 13,354,274
TIF	Special Revenue	N	\$ (129,306)	\$ 518,495	\$ (647,801)
Motor Fuel Tax	Special Revenue	N	\$ 1,650,057	\$ 1,662,702	\$ (12,645)
BDD-South	Special Revenue	N	\$ 1,503,445	\$ 807,798	\$ 695,647
BDD-Central	Special Revenue	N	\$ 733,662	\$ 851,773	\$ (118,111)
<b>Total Governmental Funds</b>			<b>\$30,461,643</b>	<b>\$17,190,279</b>	<b>\$ 13,271,364</b>

***Proprietary Funds***

At April 30, 2022, the Enterprise Funds' total net position increased by \$1,966,866 over the prior year from \$78,400,895 to \$80,367,761.

The Water and Sewer Fund reflected an increase in net position of \$1,732,256. The Northwest Region Water Reclamation Fund had an increase in net position of \$60,920. The 911 Dispatch Services Fund had an increase in net position of \$212,587 and the Commuter Parking Fund had a decrease in net position of \$38,897.

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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**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.

Revenues in the General Fund were \$12,689,920, which was \$203,960 under the amended budget of \$12,893,880. However, expenditures in the General Fund were \$12,077,000, which was under the amended budget of \$13,054,048 by \$977,048. Additionally there was an unbudgeted bond issue (other financing sources) with proceeds of \$12,741,354 for total net under budget of \$13,514,442.

**CAPITAL ASSETS**

At the end of FY2022, the Village had a combined total of \$109,531,251 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. *Additional information on capital assets can be found in Note 4 in the Notes to the Financial Statements.*

**Capital Assets at Year-End, Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land (includes rights of way and easements)	\$ 13,543,616	\$ 13,044,810	\$ 2,419,482	\$ 2,325,622	\$ 15,963,098	\$ 15,370,432
Construction in progress	1,207,337	593,852	13,273,956	4,558,539	14,481,293	5,152,391
Buildings and improvements	5,070,432	5,316,628	26,248,285	27,237,646	31,318,717	32,554,274
Vehicles & Equipment	1,404,704	1,406,977	2,403,263	2,793,566	3,807,967	4,200,543
Infrastructure	12,904,947	11,743,643	-	-	12,904,947	11,743,643
Water transmission system	-	-	24,752,606	25,292,118	24,752,606	25,292,118
Sewer collection system	-	-	6,302,623	6,746,107	6,302,623	6,746,107
Total capital assets	<u>\$ 34,131,036</u>	<u>\$ 32,105,910</u>	<u>\$ 75,400,215</u>	<u>\$ 68,953,598</u>	<u>\$ 109,531,251</u>	<u>\$ 101,059,508</u>

For fiscal year 2022, the Village's total capital assets, net of depreciation, increased \$8,471,743. Capital assets of government activities increased \$2,025,126 due to the expenses related to assets listed on the following page which were in excess of depreciation of \$1,161,523. Capital assets of business-type activities increased \$6,446,617 due to expenses related to assets listed on the following page which were in excess of depreciation of \$2,722,534.

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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Change in Capital Assets

	Governmental <u>Activities</u> 2022	Business-type <u>Activities</u> 2022	Total 2022
Beginning Balance	\$ 32,105,910	\$ 68,953,598	\$ 101,059,508
Additions			
Depreciable	2,074,358	359,874	2,434,232
Nondepreciable	3,374,140	9,098,760	12,472,900
Retirements			
Depreciable (net of depreciation)	-	-	-
Construction in Progress transferred	2,261,849	289,483	2,551,332
Depreciation	<u>(1,161,523)</u>	<u>(2,722,534)</u>	<u>(3,884,057)</u>
Ending Balance	<u><u>\$ 34,131,036</u></u>	<u><u>\$ 75,400,215</u></u>	<u><u>\$ 109,531,251</u></u>

Major additions to capital assets include the following:

**Governmental Activities**

- Capital assets added include:
  - Holly Avenue
  - Hickory Cove
  - Rt 12 Sidewalk project
  - Boating access/dredging
  - Fossil Bridge
  - Police vehicles
- Planning and Design for various road improvements, include:
  - Nippersink Blvd
  - Washington Street

**Business-Type Activities**

*Water & Sewer*

- Completed Holly Ave water main
- Planning and Design for Interconnect Project Phase II

*Northwest Region Water Reclamation*

- Construction projects in process include:
  - Screw pump rehabilitation
  - Clarifier rebuild
  - Roofing and masonry project

*911 Dispatch Service*

- Added Zetron system hardware

**VILLAGE OF FOX LAKE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**For Fiscal Year Ended April 30, 2022**

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### **Debt Outstanding**

The Village of Fox Lake governmental activities had total long-term debt of \$13,327,952 as of April 30, 2022. Business-type activities had total long-term debt of \$21,741,964 at April 30, 2022. *For more detail on the Village's long-term debt, see Note 6 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 \$14,144,009. 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 \$14,144,009, which is well below the \$27,961,500 set by law (using the 2021 taxable equalized assessed value of \$324,191,304). None of the general obligation debt is bonded debt, and; therefore, is not supported with a direct tax on the residents of the Village. New G.O. debt was issued during the fiscal year in the amount of \$11,940,000 (2022A) and \$595,000 (2022C.) The \$595,000 refunded 2011B in the amount of \$600,000.

*Illinois Environmental Protection Agency Loan:* The Village has six low interest rate loans due in semiannual installments of principal and interest for improvements in the Local Water and Sewer District. The total outstanding debt balance as of April 30, 2022 is \$20,925,907 with interest payments at a rate between 1.01% 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 as a result of necessary change orders as the project progressed.

The following is a comparative table of outstanding debt:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Debt						
Certificates	\$ 1,020,709	\$ 1,818,007	\$ 588,300	\$ 1,063,950	\$ 1,609,009	\$ 2,881,957
General Obligation Bonds	12,307,243	-	227,757	-	12,535,000	-
Subtotal GO Debt	13,327,952	1,818,007	816,057	1,063,950	14,144,009	2,881,957
IEPA Loans payable	-	-	20,925,907	12,078,518	20,925,907	12,078,518
<b>Total</b>	<b>\$ 13,327,952</b>	<b>\$ 1,818,007</b>	<b>\$ 21,741,964</b>	<b>\$ 13,142,468</b>	<b>\$ 35,069,916</b>	<b>\$ 14,960,475</b>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village's elected and appointed officials considered many factors when setting the fiscal year 2022-2023 budget, tax rates and fees that will be charged for its governmental and business-type activities. The fiscal year 2022-2023 budget was adopted on April 26, 2022 and amended February 28, 2023.

### **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 the Finance Department, Village of Fox Lake, 66 Thillen Drive, Illinois 60020.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF NET POSITION**

April 30, 2022

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 29,331,616	\$ 26,394,179	\$ 55,725,795
Receivables, net of allowance for uncollectibles			
Property taxes	2,902,430	-	2,902,430
Accounts	425,762	2,840,908	3,266,670
Intergovernmental	1,517,672	1,404,040	2,921,712
Prepaid items	30,603	63,354	93,957
Cash with paying agent	100,800	59,200	160,000
Inventory	145,159	-	145,159
Internal balances	2,091,176	(2,091,176)	-
Net pension asset - IMRF	1,341,372	1,685,854	3,027,226
Capital assets			
Capital assets not being depreciated	14,750,953	15,693,438	30,444,391
Capital assets being depreciated, net	19,380,083	59,706,777	79,086,860
Total assets	<u>72,017,626</u>	<u>105,756,574</u>	<u>177,774,200</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows of resources	1,618,029	348,216	1,966,245
Asset retirement obligation items	-	271,645	271,645
Total deferred outflows of resources	<u>1,618,029</u>	<u>619,861</u>	<u>2,237,890</u>
Total assets and deferred outflows of resources	<u>73,635,655</u>	<u>106,376,435</u>	<u>180,012,090</u>
<b>LIABILITIES</b>			
Accounts payable	1,227,806	1,161,182	2,388,988
Accrued payroll	479,198	73,560	552,758
Interest payable	28,849	59,245	88,094
Deposits payable	692,447	-	692,447
Unearned revenue	711,110	-	711,110
Noncurrent liabilities			
Due within one year	995,965	1,178,782	2,174,747
Due in more than one year	21,895,298	21,806,409	43,701,707
Total liabilities	<u>26,030,673</u>	<u>24,279,178</u>	<u>50,309,851</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	1,551,672	1,729,496	3,281,168
Deferred property taxes	2,902,430	-	2,902,430
Total deferred inflows of resources	<u>4,454,102</u>	<u>1,729,496</u>	<u>6,183,598</u>
Total liabilities and deferred inflows of resources	<u>30,484,775</u>	<u>26,008,674</u>	<u>56,493,449</u>
<b>NET POSITION</b>			
Net investment in capital assets	32,055,117	56,363,616	88,418,733
Restricted for			
Economic development	2,237,107	-	2,237,107
Maintenance of roadways	1,548,644	-	1,548,644
DUI enforcement	96,057	-	96,057
Seized assets	35,801	-	35,801
Audit	2,766	-	2,766
Northwest Region improvements	549,938	-	549,938
Pension benefits	1,341,372	1,685,854	3,027,226
Unrestricted	5,284,078	22,318,291	27,602,369
<b>TOTAL NET POSITION</b>	<u>\$ 43,150,880</u>	<u>\$ 80,367,761</u>	<u>\$ 123,518,641</u>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2022

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<b>FUNCTIONS/PROGRAMS</b> <b>PRIMARY GOVERNMENT</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities				
General government	\$ 830,059	\$ 1,076,369	\$ 33,232	\$ -
Public safety	5,282,981	497,020	-	-
Public works	2,418,129	1,085,539	746,647	-
Parks and recreation	361,411	40,022	-	-
Economic development	621,505	-	-	-
Interest and fiscal charges	292,215	-	-	-
Total governmental activities	9,806,300	2,698,950	779,879	-
Business-type activities				
Water and sewer	3,206,894	4,926,580	-	-
Wastewater reclamation	5,363,919	5,396,225	-	-
911 dispatch services	966,052	1,177,355	-	-
Parking	55,683	16,760	-	-
Total business-type activities	9,592,548	11,516,920	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 19,398,848</b>	<b>\$ 14,215,870</b>	<b>\$ 779,879</b>	<b>\$ -</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ 279,542	\$ -	\$ 279,542
	(4,785,961)	-	(4,785,961)
	(585,943)	-	(585,943)
	(321,389)	-	(321,389)
	(621,505)	-	(621,505)
	(292,215)	-	(292,215)
	<hr/>	<hr/>	<hr/>
	(6,327,471)	-	(6,327,471)
	<hr/>	<hr/>	<hr/>
	-	1,719,686	1,719,686
	-	32,306	32,306
	-	211,303	211,303
	-	(38,923)	(38,923)
	<hr/>	<hr/>	<hr/>
	-	1,924,372	1,924,372
	<hr/>	<hr/>	<hr/>
	(6,327,471)	1,924,372	(4,403,099)
	<hr/>	<hr/>	<hr/>
<b>General Revenues</b>			
<b>Taxes</b>			
Property tax	2,678,104	-	2,678,104
Utility tax	718,385	-	718,385
Use tax	418,550	-	418,550
Hotel/motel tax	22,031	-	22,031
Road and bridge tax	142,651	-	142,651
Video gaming proceeds	416,072	-	416,072
Rental car taxes	140	-	140
<b>Intergovernmental</b>			
Sales tax	5,239,194	-	5,239,194
Replacement tax	151,331	-	151,331
Shared income tax	1,547,272	-	1,547,272
Cannabis excise tax	17,313	-	17,313
<b>Miscellaneous</b>			
Gain on sale of capital assets	6,272	260	6,532
Investment income	33,591	-	33,591
	21,827	42,234	64,061
<b>Total</b>	<hr/>	<hr/>	<hr/>
	11,412,733	42,494	11,455,227
<b>CHANGE IN NET POSITION</b>			
	5,085,262	1,966,866	7,052,128
<b>NET POSITION, MAY 1</b>	<hr/>	<hr/>	<hr/>
	38,065,618	78,400,895	116,466,513
<b>NET POSITION, APRIL 30</b>	<hr/>	<hr/>	<hr/>
	\$ 43,150,880	\$ 80,367,761	\$ 123,518,641
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

April 30, 2022

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	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 25,123,915	\$ 4,207,701	\$ 29,331,616
Receivables, net			
Property taxes	2,830,928	71,502	2,902,430
Accounts	425,762	-	425,762
Intergovernmental	1,104,942	412,730	1,517,672
Prepaid items	30,603	-	30,603
Cash with paying agent	100,800	-	100,800
Inventory	43,746	101,413	145,159
Due from other funds	12,992,503	285,167	13,277,670
Advances to other funds	-	150,000	150,000
<b>TOTAL ASSETS</b>	<b>\$ 42,653,199</b>	<b>\$ 5,228,513</b>	<b>\$ 47,881,712</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 939,646	\$ 288,160	\$ 1,227,806
Accrued payroll	479,198	-	479,198
Deposits payable	692,447	-	692,447
Accrued interest	-	-	-
Unearned revenue	711,110	-	711,110
Due to other funds	10,296,085	890,409	11,186,494
Advances from other funds	-	150,000	150,000
Total liabilities	13,118,486	1,328,569	14,447,055
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property taxes	2,830,928	71,502	2,902,430
Unavailable revenue	-	70,584	70,584
Total deferred inflows of resources	2,830,928	142,086	2,973,014
Total liabilities and deferred inflows of resources	15,949,414	1,470,655	17,420,069

(This statement is continued on the following page.)

**VILLAGE OF FOX LAKE, ILLINOIS**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (Continued)**

April 30, 2022

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	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>			
Nonspendable			
Nonspendable prepaid items	\$ 30,603	\$ -	\$ 30,603
Nonspendable deposits	100,800	-	100,800
Nonspendable inventory	43,746	101,413	145,159
Restricted			
Restricted for DUI enforcement	96,057	-	96,057
Restricted for seized assets	35,801	-	35,801
Restricted for audit	2,766	-	2,766
Restricted for Northwest Region improvements	549,938	-	549,938
Restricted for economic development	-	2,237,107	2,237,107
Restricted for maintenance of roadways	-	1,548,644	1,548,644
Restricted for capital projects	11,702,828	-	11,702,828
Unrestricted			
Committed by reserve policy	4,062,080	-	4,062,080
Assigned for capital projects	5,318,151	-	5,318,151
Assigned for subsequent year's budget	-	-	-
Assigned for shop with a cop	10,499	-	10,499
Assigned for tree replacement	600	-	600
Unassigned (deficit)	4,749,916	(129,306)	4,620,610
Total fund balances	26,703,785	3,757,858	30,461,643
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	<b>\$ 42,653,199</b>	<b>\$ 5,228,513</b>	<b>\$ 47,881,712</b>

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, 2022

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 30,461,643
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	34,131,036
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	70,584
Pension related deferred outflows of resources are not related to current financial resources and, therefore, are not presented in the governmental fund statements	1,618,029
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(28,849)
Net pension asset (IMRF) is not a financial resource and is not reported in governmental funds	1,341,372
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	(13,327,951)
Unamortized bond premium	(823,350)
Compensated absences payable	(240,990)
Net pension liability - Police Pension	(7,271,846)
Other postemployment benefits	(1,227,126)
Pension related deferred inflows of resources are not due and payable within the current period and, therefore, are not reported in the governmental funds	<u>(1,551,672)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 43,150,880</u></u>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2022

---

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 4,494,871	\$ 70,738	\$ 4,565,609
Licenses, permits and fees	643,650	-	643,650
Intergovernmental	5,437,005	2,063,554	7,500,559
Charges for services	1,451,543	-	1,451,543
Fines and forfeitures	400,970	-	400,970
Investment income	19,232	2,595	21,827
Miscellaneous	242,649	-	242,649
 Total revenues	 12,689,920	 2,136,887	 14,826,807
<b>EXPENDITURES</b>			
Current			
General government	1,257,193	141,556	1,398,749
Public safety	5,981,371	-	5,981,371
Public works	3,156,111	108,697	3,264,808
Parks and recreation	313,683	-	313,683
Economic development	553,583	67,337	620,920
Capital outlay	97,148	1,902,207	1,999,355
Debt service			
Principal	427,003	-	427,003
Interest and fiscal charges	52,618	-	52,618
Bond issuance costs	238,290	-	238,290
 Total expenditures	 12,077,000	 2,219,797	 14,296,797
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	612,920	(82,910)	530,010
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from debt	12,307,242	-	12,307,242
Premium on debt	804,888	-	804,888
Payment to escrow agent	(370,776)	-	(370,776)
 Total other financing sources (uses)	 12,741,354	 -	 12,741,354
<b>NET CHANGE IN FUND BALANCE</b>			
	13,354,274	(82,910)	13,271,364
<b>FUND BALANCES, MAY 1</b>			
	13,349,511	3,840,768	17,190,279
<b>FUND BALANCES, APRIL 30</b>			
	\$ 26,703,785	\$ 3,757,858	\$ 30,461,643

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, 2022

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#### **NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS**

\$ 13,271,364

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	3,186,649
Depreciation expense	(1,161,523)

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

64,755

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

2,097,914

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

Issuance of general obligation debt	(12,307,242)
Premium on issuance of general obligation debt	(804,888)
Payment to escrow agent	370,776
Retirement of general obligation debt	427,003
Amortization of bond premium	18,860
Change in compensated absences payable	60,393
Change in net pension liability payable	(1,519,418)
Change in other postemployment benefit payable	1,400,786

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

(20,167)

#### **CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 5,085,262

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2022

	Water and Sewer	Northwest Region Water Reclamation	911 Dispatch Services	Nonmajor Enterprise Funds	Total
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 7,176,987	\$ 18,321,668	\$ 875,666	\$ 19,858	\$ 26,394,179
Receivables					
Accounts (net of allowance for uncollectible accounts)	1,114,800	1,620,935	104,808	365	2,840,908
Prepaid items	4,937	17,039	41,303	75	63,354
Cash with paying agent	59,200	-	-	-	59,200
Due from other funds	2,180,524	441,642	863,395	56,909	3,542,470
Due from other governments	1,404,040	-	-	-	1,404,040
Total current assets	11,940,488	20,401,284	1,885,172	77,207	34,304,151
<b>NONCURRENT ASSETS</b>					
Net pension asset - IMRF	369,723	776,706	513,520	25,905	1,685,854
Capital assets, net of accumulated depreciation	41,151,359	33,565,403	408,338	275,115	75,400,215
Total noncurrent assets	41,521,082	34,342,109	921,858	301,020	77,086,069
Total assets	53,461,570	54,743,393	2,807,030	378,227	111,390,220
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related deferred outflows of resources	76,367	160,430	106,068	5,351	348,216
Asset retirement obligation items	271,645	-	-	-	271,645
Total deferred outflows of resources	348,012	160,430	106,068	5,351	619,861
Total assets and deferred outflows of resources	53,809,582	54,903,823	2,913,098	383,578	112,010,081
<b>CURRENT LIABILITIES</b>					
Accounts payable	555,768	580,914	23,005	1,495	1,161,182
Accrued payroll	15,017	36,456	21,459	628	73,560
Interest payable	59,232	-	13	-	59,245
Due to other funds	71,270	3,174,561	2,235,432	152,383	5,633,646
Current portion of compensated absences	1,673	2,788	1,867	-	6,328
Current portion of long-term debt	1,124,449	38,040	9,656	309	1,172,454
Total current liabilities	1,827,409	3,832,759	2,291,432	154,815	8,106,415
<b>NONCURRENT LIABILITIES</b>					
Compensated absences payable	31,781	44,502	35,464	492	112,239
Long-term debt	21,087,737	361,502	232,029	12,902	21,694,170
Total noncurrent liabilities	21,119,518	406,004	267,493	13,394	21,806,409
Total liabilities	22,946,927	4,238,763	2,558,925	168,209	29,912,824
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred outflows of resources	379,294	796,813	526,813	26,576	1,729,496
Total deferred inflows of resources	379,294	796,813	526,813	26,576	1,729,496
Total liabilities and deferred inflows of resources	23,326,221	5,035,576	3,085,738	194,785	31,642,320
<b>NET POSITION</b>					
Net investment in capital assets	22,114,760	33,565,403	408,338	275,115	56,363,616
Restricted - pension benefits	369,723	776,706	513,520	25,905	1,685,854
Unrestricted (deficit)	7,998,878	15,526,138	(1,094,498)	(112,227)	22,318,291
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 30,483,361</b>	<b>\$ 49,868,247</b>	<b>\$ (172,640)</b>	<b>\$ 188,793</b>	<b>\$ 80,367,761</b>

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, 2022

	<b>Water and Sewer</b>	<b>Northwest Region Water Reclamation</b>	<b>911 Dispatch Services</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Water/sewer fees	\$ 4,764,980	\$ -	\$ -	\$ -	\$ 4,764,980
Sewer fees	-	4,838,352	-	-	4,838,352
Dispatch fees	-	-	1,177,355	-	1,177,355
Parking fees	-	-	-	16,760	16,760
Tap-on fees	18,900	537,373	-	-	556,273
Miscellaneous	142,700	20,500	-	-	163,200
 Total operating revenues	 4,926,580	 5,396,225	 1,177,355	 16,760	 11,516,920
<b>OPERATING EXPENSES</b>					
Personnel services	640,164	1,093,986	636,439	9,227	2,379,816
Contractual services/commodities	1,283,283	2,628,592	261,516	41,420	4,214,811
Depreciation and amortization	1,017,824	1,641,341	67,786	5,036	2,731,987
 Total operating expenses	 2,941,271	 5,363,919	 965,741	 55,683	 9,326,614
<b>OPERATING INCOME (LOSS)</b>	<b>1,985,309</b>	<b>32,306</b>	<b>211,614</b>	<b>(38,923)</b>	<b>2,190,306</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on sale of assets	-	260	-	-	260
Investment income	12,570	28,354	1,284	26	42,234
Interest and fiscal charges	(265,623)	-	(311)	-	(265,934)
 Total non-operating revenues (expenses)	 (253,053)	 28,614	 973	 26	 (223,440)
<b>CHANGE IN NET POSITION</b>	<b>1,732,256</b>	<b>60,920</b>	<b>212,587</b>	<b>(38,897)</b>	<b>1,966,866</b>
<b>NET POSITION (DEFICIT), MAY 1</b>	<b>28,751,105</b>	<b>49,807,327</b>	<b>(385,227)</b>	<b>227,690</b>	<b>78,400,895</b>
<b>NET POSITION (DEFICIT), APRIL 30</b>	<b>\$ 30,483,361</b>	<b>\$ 49,868,247</b>	<b>\$ (172,640)</b>	<b>\$ 188,793</b>	<b>\$ 80,367,761</b>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

	<b>Water and Sewer</b>	<b>Northwest Region Water Reclamation</b>	<b>911 Dispatch Services</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 4,936,088	\$ 5,404,711	\$ 1,137,802	\$ 16,515	\$ 11,495,116
Payments to suppliers	(3,103,016)	(2,685,530)	(633,731)	(8,368)	(6,430,645)
Payments to employees	(756,027)	(1,790,110)	(698,928)	(64,040)	(3,309,105)
Net cash from operating activities	1,077,045	929,071	(194,857)	(55,893)	1,755,366
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund activity	(2,558,598)	2,185,043	954,086	63,064	643,595
Net cash from noncapital financing activities	(2,558,598)	2,185,043	954,086	63,064	643,595
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	12,570	28,354	1,284	26	42,234
Net cash from investing activities	12,570	28,354	1,284	26	42,234
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(8,515,496)	(621,262)	(70,750)	-	(9,207,508)
Sale of capital assets	-	260	-	-	260
Intergovernmental - grants	2,521,294	-	-	-	2,521,294
Payments of principal	(660,107)	-	(4,075)	-	(664,182)
Refunded debt	(221,100)	-	(8,552)	-	(229,652)
Proceeds from loans	9,265,573	-	-	-	9,265,573
Proceeds from debt	222,443	-	8,602	-	231,045
Interest and fiscal charges paid on capital debt	(221,806)	-	(311)	-	(222,117)
Net cash from capital and related financing activities	2,390,801	(621,002)	(75,086)	-	1,694,713
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>					
	921,818	2,521,466	685,427	7,197	4,135,908
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<b>6,255,169</b>	<b>15,800,202</b>	<b>190,239</b>	<b>12,661</b>	<b>22,258,271</b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 7,176,987</b>	<b>\$ 18,321,668</b>	<b>\$ 875,666</b>	<b>\$ 19,858</b>	<b>\$ 26,394,179</b>

(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, 2022

	<b>Water and Sewer Fund</b>	<b>Northwest Region Water Reclamation Fund</b>	<b>911 Dispatch Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)					
\$ 1,985,309	\$ 32,306	\$ 211,614	\$ (38,923)	\$ 2,190,306	
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	1,017,824	1,641,341	67,786	5,036	2,731,987
(Increase) decrease in					
Receivables	9,508	8,486	(39,553)	(245)	(21,804)
Prepaid items	(557)	895	(17,890)	544	(17,008)
Net pension asset	(201,121)	(422,510)	(279,343)	(14,092)	(917,066)
Pension items	(8,094)	(17,003)	(11,241)	(567)	(36,905)
Increase (decrease) in					
Accounts payable	(1,819,176)	(57,833)	(16,533)	(1,176)	(1,894,718)
Accrued payroll	(1,616)	(5,658)	(965)	367	(7,872)
Compensated absences payable	708	(27,285)	3,673	492	(22,412)
Pension items	110,634	232,417	153,663	7,752	504,466
Total OPEB liability	(16,374)	(456,085)	(266,068)	(15,081)	(753,608)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,077,045</b>	<b>\$ 929,071</b>	<b>\$ (194,857)</b>	<b>\$ (55,893)</b>	<b>\$ 1,755,366</b>
<b>NONCASH TRANSACTIONS</b>					
Capital assets acquired through vouchers and retainage payable	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

April 30, 2022

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**ASSETS**

Cash	\$ 856,952
Investments (at fair value)	
Corporate obligations	1,115,667
U.S. Government obligations	5,469,833
Mutual funds	13,088,000
Accrued interest receivable	34,702
Prepaid expenses	<u>9,303</u>
 Total assets	 <u>20,574,457</u>

**LIABILITIES**

Accounts payable	<u>1,183</u>
Total liabilities	<u>1,183</u>

**NET POSITION RESTRICTED  
FOR PENSION BENEFITS**

\$ 20,573,274

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, 2022

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#### **ADDITIONS**

Contributions	
Employer	\$ 1,020,495
Plan members	<u>250,374</u>
Total contributions	<u>1,270,869</u>
Investment income	
Net appreciation (depreciation) in fair	
value of investments	(1,254,370)
Interest and dividends	<u>455,042</u>
Total investment income (loss)	(799,328)
Less investment expense	<u>(43,048)</u>
Net investment income (loss)	<u>(842,376)</u>
Total additions	<u>428,493</u>

#### **DEDUCTIONS**

Pension benefits and refunds	1,306,561
Administrative expenses	<u>32,002</u>

Total deductions	<u>1,338,563</u>
------------------	------------------

NET INCREASE (DECREASE) (910,070)

#### **NET POSITION RESTRICTED FOR PENSION BENEFITS**

May 1	<u>21,483,344</u>
April 30	<u>\$ 20,573,274</u>

# **VILLAGE OF FOX LAKE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

April 30, 2022

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **a. Reporting Entity**

As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. Component units are legally separate entities for which the Village (the primary government) is financially accountable. Financial accountability exists when the Village (1) appoints the voting majority of the board and there is a financial benefit/burden relationship or the Village can impose its will on the component unit; or (2) the potential component unit meets the fiscal dependency and financial benefit/burden criteria; or (3) it would be misleading to exclude the potential component unit.

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

#### **Police Pension Employees Retirement System**

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

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

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

**b. Fund Accounting**

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

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

**c. Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

The Village reports the following major governmental funds:

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

The Village reports the following major proprietary funds:

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

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

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

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

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

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

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

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**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)

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**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)

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

i. Capital Assets (Continued)

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

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

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

j. Compensated Absences

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

k. Fund Balance/Net Position

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

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

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

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**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, 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)

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**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, Illinois insurance company general and separate accounts, mutual funds and equities.

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

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**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.

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

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**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, 2022.

**3. RECEIVABLES - PROPERTY TAXES**

Property taxes for the 2020 levy year attach as an enforceable lien on January 1, 2020, 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, 2021 and August 1, 2021 and are payable in two installments, on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically. The 2021 tax levy is intended to finance the 2023 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2022 tax levy has not been recorded as a receivable at April 30, 2022, although the tax is attached as a lien on property as of January 1, 2022, the tax will not be levied until December 2022 and, accordingly, is not measurable at April 30, 2022.

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

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**4. CAPITAL ASSETS**

Capital asset activity for the Village for the year ended April 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,550,728	\$ 498,806	\$ -	\$ 3,049,534
Land right of way	10,494,082	-	-	10,494,082
Construction in progress	593,852	2,875,334	2,261,849	1,207,337
Total capital assets not being depreciated	<u>13,638,662</u>	<u>3,374,140</u>	<u>2,261,849</u>	<u>14,750,953</u>
Capital assets being depreciated				
Buildings and improvements	10,026,255	-	-	10,026,255
Vehicles and equipment	4,643,835	311,314	167,099	4,788,050
Infrastructure	23,308,132	1,763,044	-	25,071,176
Total capital assets being depreciated	<u>37,978,222</u>	<u>2,074,358</u>	<u>167,099</u>	<u>39,885,481</u>
Less accumulated depreciation for				
Buildings	4,709,627	246,196	-	4,955,823
Vehicles and equipment	3,236,858	313,587	167,099	3,383,346
Infrastructure	11,564,489	601,740	-	12,166,229
Total accumulated depreciation	<u>19,510,974</u>	<u>1,161,523</u>	<u>167,099</u>	<u>20,505,398</u>
Total capital assets being depreciated, net	<u>18,467,248</u>	<u>912,835</u>	<u>-</u>	<u>19,380,083</u>
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 32,105,910</u>	<u>\$ 4,286,975</u>	<u>\$ 2,261,849</u>	<u>\$ 34,131,036</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,325,622	\$ 93,860	\$ -	\$ 2,419,482
Construction in progress	4,558,539	9,004,900	289,483	13,273,956
Total capital assets not being depreciated	<u>6,884,161</u>	<u>9,098,760</u>	<u>289,483</u>	<u>15,693,438</u>
Capital assets being depreciated				
Buildings	50,177,496	-	-	50,177,496
Vehicles and equipment	10,031,377	99,309	-	10,130,686
Water transmission system	37,590,453	260,565	-	37,851,018
Sewer collection system	19,185,558	-	-	19,185,558
Total capital assets being depreciated	<u>116,984,884</u>	<u>359,874</u>	<u>-</u>	<u>117,344,758</u>
Less accumulated depreciation for				
Buildings	22,939,850	989,361	-	23,929,211
Vehicles and equipment	7,237,811	489,612	-	7,727,423
Water transmission system	12,298,335	800,077	-	13,098,412
Sewer collection system	12,439,451	443,484	-	12,882,935
Total accumulated depreciation	<u>54,915,447</u>	<u>2,722,534</u>	<u>-</u>	<u>57,637,981</u>
Total capital assets being depreciated, net	<u>62,069,437</u>	<u>(2,362,660)</u>	<u>-</u>	<u>59,706,777</u>
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 68,953,598</u>	<u>\$ 6,736,100</u>	<u>\$ 289,483</u>	<u>\$ 75,400,215</u>

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

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**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 57,748
Public safety	257,221
Public works	769,261
Parks and recreation	57,702
Community development	<u>19,591</u>
 TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 1,161,523</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, 2021 through December 1, 2022:

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, 2022, for the current or prior claim years.

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

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**5. RISK MANAGEMENT (Continued)**

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board of Directors determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board of Directors. There were no significant changes in the insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General, Commuter Parking, Water, Northwest Water Reclamation District and 911 Dispatch Services funds. The Village's total payments for the year ended April 30, 2022, were \$1,237,044.

**6. LONG-TERM DEBT**

a. General Obligation Bonds and Other Long-Term Debt

The outstanding debt as of April 30, 2022, 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	\$ 19,000	\$ 19,000
\$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	1,590,009	160,000
\$11,940,000 General Obligation Bonds 2022 Series A due in annual installments of \$410,000 to \$830,000, from November 1, 2022, to November 1, 2041, with interest at 4%	General	11,940,000	600,000
\$595,000 General Obligation Bonds 2022 Series C due in annual installments of \$295,000 to \$300,000, from November 1, 2022, to November 1, 2023, with interest at 3%	General/ Water and Sewer/ Dispatch	595,000	295,000
\$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	1,836,335	119,796

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

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

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

	Fund Debt Retired By	Balances April 30	Current Portion
\$1,543,275 Illinois EPA low interest loan due in semiannual installments of principal and interest in annual installments of \$57,814 to \$90,201, from December 27, 2017, to December 27, 2037, with interest at 1.640%	Water and Sewer	\$ 1,280,448	\$ 70,601
\$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	6,479,437	309,697
\$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	2,411,030	115,240
\$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	5,629,594	215,613
\$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	3,289,063	125,250
<b>TOTAL OUTSTANDING DEBT</b>		<b>\$ 35,069,916</b>	<b>\$ 2,030,197</b>

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		
2023	\$ 119,800	\$ 36,148	\$ 59,200	\$ 20,739		
2024	97,650	32,335	57,350	18,990		
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	144,909	2,898	85,100	1,702		
<b>TOTAL</b>	<b>\$ 1,020,709</b>	<b>\$ 166,826</b>	<b>\$ 588,300</b>	<b>\$ 97,486</b>		

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

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

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	General Obligation Debt		Principal	Interest
	Principal	Interest	Principal	Interest
2023	\$ 782,078	\$ 268,740	\$ 112,922	\$ 3,758
2024	595,165	459,155	114,835	3,445
2025	425,000	437,200	-	-
2026	445,000	420,200	-	-
2027	460,000	402,400	-	-
2028	480,000	384,000	-	-
2029	500,000	364,800	-	-
2030	520,000	344,800	-	-
2031	540,000	324,000	-	-
2032	560,000	302,400	-	-
2033	585,000	280,000	-	-
2034	605,000	256,600	-	-
2035	630,000	232,400	-	-
2036	655,000	207,200	-	-
2037	680,000	181,000	-	-
2038	710,000	153,800	-	-
2039	740,000	125,400	-	-
2040	765,000	95,800	-	-
2041	800,000	65,200	-	-
2042	830,000	33,200	-	-
<b>TOTAL</b>	<b>\$ 12,307,243</b>	<b>\$ 5,338,295</b>	<b>\$ 227,757</b>	<b>\$ 7,203</b>

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

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

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Business-Type Activities	
	IEPA Loan	
	Principal	Interest
2023	\$ 956,197	\$ 267,698
2024	969,097	240,118
2025	982,179	227,034
2026	995,451	213,763
2027	1,008,911	200,302
2028	1,022,563	186,652
2029	1,036,409	172,804
2030	1,050,454	158,758
2031	1,064,700	144,514
2032	1,079,150	130,065
2033	1,093,808	115,406
2034	1,108,673	100,539
2035	1,123,754	85,459
2036	1,061,134	70,161
2037	996,394	56,984
2038	1,008,963	44,414
2039	930,010	32,055
2040	941,396	20,668
2041	679,847	9,138
2042	1,816,817	59,297
<b>TOTAL</b>	<b><u>\$ 20,925,907</u></b>	<b><u>\$ 2,535,829</u></b>

IEPA Loans were not fully disbursed as of April 30, 2022. Therefore, the annual installment amounts are based on interim schedules at time of report issuance.

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

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**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 2022:

	Balances May 1	Additions	Reductions	Refunding	Balances April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
General obligation debt certificates	\$ 1,818,007	\$ -	\$ 427,003	\$ 370,295	\$ 1,020,709	\$ 119,800
General obligation bonds	-	12,307,243	-	-	12,307,243	782,078
Compensated absences payable	301,383	15,248	75,641	-	240,990	12,050
Other postemployment benefits	2,627,912	-	1,400,786	-	1,227,126	82,037
Net pension liability - Police	5,022,752	2,249,094	-	-	7,271,846	-
Unamortized bond premium	37,322	804,888	18,860	-	823,350	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,807,376</b>	<b>\$ 15,376,473</b>	<b>\$ 1,922,290</b>	<b>\$ 370,295</b>	<b>\$ 22,891,266</b>	<b>\$ 995,965</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
General obligation debt certificates	\$ 1,063,950	\$ -	\$ 245,998	\$ 229,652	\$ 588,300	\$ 59,200
General obligation bonds	-	227,757	-	-	227,757	112,922
Illinois EPA loan	12,078,518	9,265,573	418,184	-	20,925,907	956,197
Asset retirement obligations	450,000	-	-	-	450,000	-
Compensated absences payable	120,978	1,643	4,056	-	118,565	6,328
Other postemployment benefits	1,413,785	-	753,606	-	660,179	44,135
Unamortized bond premium	22,674	3,288	11,479	-	14,483	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 15,149,905</b>	<b>\$ 9,498,261</b>	<b>\$ 1,433,323</b>	<b>\$ 229,652</b>	<b>\$ 22,985,191</b>	<b>\$ 1,178,782</b>

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

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

d. Pledged Revenues

The Village has pledged a portion of future revenues from externality fees, gaming taxes, utility taxes, sales taxes, water fund revenues and 911 surcharges to repay the principal and interest on the General Obligation Bonds Series 2022A and General Obligation Refunding Bonds, Series 2022C. Proceeds from the bonds provided financing for certain park improvements in the Village as well as repayment of debt certificate obligations. For the current year, no principal and interest was paid, while total pledged revenue was \$11,731,333. The total pledge remaining for all bonds is \$17,880,498.

e. 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, 2022 is \$450,000.

f. Debt Refunding

On April 13, 2022, the Village \$595,000 G.O. Refunding Bonds, Series 2022C issued for the purpose of refunding the Village's outstanding Debt Certificates, Series 2011B and paying for the cost of issuance associated with the 2022C Bonds. The Village deposited funds to an escrow agent and the refunded debt will be paid by as the debt matures. As a result of the refunding, the Village achieved cash flow savings of \$7,558 and an economic gain of \$7,514.

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

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**7. INDIVIDUAL FUND DISCLOSURES**

a. Individual fund interfund receivables/payables are as follows:

	Due From (positive)	Due To (negative)
<b>General Fund</b>		
TIF Fund	\$ 119,172	\$ 6,226
Motor Fuel Tax Fund	529,943	165,660
Business Development District - South	-	220
Business Development District - Central	217,984	68,111
Commuter Parking Fund	152,383	1,109
Water Fund	2,219	2,176,056
Central Dispatch Fund	2,235,432	851,283
Northwest Regional Water Reclamation Fund	3,152,921	440,503
<b>TIF Fund</b>		
General Fund	6,226	119,172
Business Development District - Central	23,310	-
<b>MFT Fund</b>		
General Fund	165,660	529,943
<b>Business Development District - South</b>		
General Fund	220	-
<b>Business Development District - Central</b>		
General Fund	68,111	217,984
TIF Fund	-	23,310
Northwest Region Water Reclamation Fund	21,640	-
<b>Commuter Parking Fund</b>		
General Fund	1,109	152,383
<b>Water and Sewer Fund</b>		
General Fund	2,176,056	2,219
Central Dispatch Fund	-	12,112
Northwest Region Water Reclamation Fund	-	1,139
Tall Oaks Fund	-	55,800
<b>Central Dispatch Fund</b>		
General Fund	851,283	2,235,432
Water and Sewer fund	12,112	-
<b>Tall Oaks Fund</b>		
Water and Sewer fund	55,800	-

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

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

	Due From (positive)	Due To (negative)
Northwest Regional Water Reclamation Fund		
General Fund	\$ 440,503	\$ 3,152,921
Business Development District - Central	-	21,640
Water	1,139	-
<b>TOTAL INTERFUND BALANCES</b>	<b>\$ 10,233,223</b>	<b>\$ 10,233,223</b>

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.

b. Interfund advances are as follows:

Receivable Fund	Payable Fund	Amount
BDD Central	Tax Increment Financing	\$ 150,000
<b>TOTAL</b>		<b>\$ 150,000</b>

The purpose of the interfund advances are as follows:

\$150,000 advance from the Business Development District Central Fund to the Tax Increment Financing Fund represents money loaned for economic development.

c. The following fund reported deficit fund balances/net position at April 30, 2022:

Fund	
911 Dispatch Services	\$ (172,640)
Tax Increment Financing	(129,306)

**8. CONTINGENT LIABILITIES**

a. Litigation

From time-to-time, the Village is a defendant in various lawsuits. 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.

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

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**8. CONTINGENT LIABILITIES (Continued)**

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](http://www.imrf.org).

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, 2021, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	71
Active employees	66
 TOTAL	 209

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

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*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.

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, 2022, was 7.72% of covered payroll.

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

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability (asset) was measured as of December 31, 2021 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, 2021
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)

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**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)
<b>BALANCES AT JANUARY 1, 2021</b>	<b>\$ 19,618,273</b>	<b>\$ 20,998,757</b>	<b>\$ (1,380,484)</b>
Changes for the period			
Service cost	361,213	-	361,213
Interest	1,397,171	-	1,397,171
Difference between expected and actual experience	540,453	-	540,453
Changes in assumptions	-	-	-
Employer contributions	-	357,368	(357,368)
Employee contributions	-	188,309	(188,309)
Net investment income	-	3,525,168	(3,525,168)
Benefit payments and refunds	(1,055,109)	(1,055,109)	-
Other (net transfer)	-	(125,266)	125,266
Net changes	1,243,728	2,890,470	(1,646,742)
<b>BALANCES AT DECEMBER 31, 2021</b>	<b>\$ 20,862,001</b>	<b>\$ 23,889,227</b>	<b>\$ (3,027,226)</b>

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

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**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, 2022, the Village recognized pension expense of \$(471,261).

At April 30, 2022, 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	\$ 531,402	\$ 208,889
Changes in assumption	-	149,077
Net difference between projected and actual earnings on pension plan investments	-	2,747,627
Contributions made subsequent to the measurement date	93,876	-
<b>TOTAL</b>	<b>\$ 625,278</b>	<b>\$ 3,105,593</b>

\$93,876 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending  
April 30,

2023	\$ (516,342)
2024	(1,079,466)
2025	(573,229)
2026	(405,154)
2027	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (2,574,191)</b>

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

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**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)	\$ (251,496)	\$ (3,027,226)	\$ (5,157,963)

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, 2022, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	27
<b>TOTAL</b>	<b>57</b>

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

*Contributions*

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

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

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**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 13 years using a layered amortization approach. The Village's contribution rate for the year was 40.87%.

*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 not 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%

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

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**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 2022 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, 2022, are listed in the table below.

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%	2.50%
U.S. Mid Cap Equity	3%	3.15%
U.S. Small Cap Equity	3%	4.85%
REITs	3%	2.65%
Non U.S. Developed Equity	16%	3.85%
Emerging Markets	8%	6.55%
Fixed Income	38%	0.55%
Cash	2%	0.00%

*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.

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.92)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*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, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate fixed income	\$ 1,115,667	\$ 151,059	\$ 91,090	\$ 670,740	\$ 202,778
U.S. Government obligations	5,469,833	1,914,989	3,436,985	-	117,859
<b>TOTAL</b>	<b>\$ 6,585,500</b>	<b>\$ 2,066,048</b>	<b>\$ 3,528,075</b>	<b>\$ 670,740</b>	<b>\$ 320,637</b>

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.

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Fair Value Measurements*

The Fund has the following recurring fair value measurements as of April 30, 2022. 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).

*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 A to AA2 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)

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate* (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2021	\$ 26,506,096	\$ 21,483,344	\$ 5,022,752
Changes for the period			
Service cost	598,769	-	598,769
Interest	1,679,992	-	1,679,992
Difference between expected and actual experience	366,824	-	366,824
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	1,020,495	(1,020,495)
Employee contributions	-	250,374	(250,374)
Net investment income	-	(842,376)	842,376
Benefit payments and refunds	(1,306,561)	(1,306,561)	-
Administrative expense	-	(32,002)	32,002
Net changes	1,339,024	(910,070)	2,249,094
BALANCES AT APRIL 30, 2022	\$ 27,845,120	\$ 20,573,274	\$ 7,271,846

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
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	\$ 11,357,049	\$ 7,271,846	\$ 3,960,880

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

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**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, 2022, the Village recognized pension expense of \$799,654. At April 30, 2022, 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	\$ 512,966	\$ 175,575
Changes in assumptions	467,380	-
Net difference between projected and actual earnings on pension plan investments	<u>360,621</u>	-
<b>TOTAL</b>	<b>\$ 1,340,967</b>	<b>\$ 175,575</b>

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

Year Ending <u>April 30,</u>	
2023	\$ 267,076
2024	211,568
2025	(73,655)
2026	574,697
2027	97,513
Thereafter	<u>88,193</u>
<b>TOTAL</b>	<b>\$ 1,165,392</b>

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

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**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until the employee is Medicare eligible. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At April 30, 2022, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>88</u>
 TOTAL	 <u>93</u>

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

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

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of May 1, 2022, 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 updated at April 30, 2022, as noted below.

Actuarial valuation date	May 1, 2022
Measurement date	April 30, 2022
Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Inflation	2.25%
Salary increases	2.75%
Discount rate	3.21%
Healthcare cost trend rates	7.40% (PPO) and 7.00% (HMO) in Fiscal 2022, 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, 2022. The discount rate at April 30, 2022, was 3.21%. The discount rate at April 30, 2021, was 2.27%.

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)

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

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
<b>BALANCES AT MAY 1, 2021</b>	<u>\$ 4,041,698</u>
Changes for the period	
Service cost	161,567
Interest	90,314
Difference between expected and actual experience	(1,967,326)
Changes in benefit terms	-
Changes in assumptions	(312,776)
Benefit payments	<u>(126,172)</u>
Net changes	<u>(2,154,393)</u>
<b>BALANCES AT APRIL 30, 2022</b>	<u>\$ 1,887,305</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 3.21% 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 (2.21%) or 1 percentage point higher (4.21%) than the current rate:

	Current	1% Decrease (2.21%)	Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 2,060,376	\$ 1,887,305	\$ 1,730,685	

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

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**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 7.40% 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 6.40%) or 1 percentage point higher (6.00% to 8.40%) than the current rate:

	1% Decrease (4.00% to 6.40%)	Current Healthcare Rate (5.00% to 7.40%)	1% Increase (6.00% to 8.40%)
Total OPEB liability	\$ 1,664,795	\$ 1,887,305	\$ 2,154,393

g. OPEB Expense

For the year ended April 30, 2022, the Village recognized OPEB expense of \$(2,154,393). At April 30, 2022, 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, 2022, is \$143,443. As of April 30, 2022, the Village has incurred total incentives of \$861,053.

**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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 4,104,100	\$ 4,415,167	\$ 4,494,871	\$ 79,704
Licenses, permits and fees	485,825	576,735	643,650	66,915
Intergovernmental grants and reimbursements	4,638,200	5,908,133	5,437,005	(471,128)
Charges for services	1,442,880	1,418,880	1,451,543	32,663
Fines and forfeitures	443,213	380,978	400,970	19,992
Investment income	25,000	11,000	19,232	8,232
Miscellaneous	105,200	182,987	242,649	59,662
 Total revenues	 11,244,418	 12,893,880	 12,689,920	 (203,960)
<b>EXPENDITURES</b>				
Current				
General government	1,547,619	1,546,027	1,257,193	(288,834)
Public safety	6,264,788	6,232,636	5,981,371	(251,265)
Public works	2,186,755	2,331,045	3,156,111	825,066
Parks and recreation	413,857	420,300	313,683	(106,617)
Economic development	734,662	655,652	553,583	(102,069)
Capital outlay	1,640,698	1,378,098	97,148	(1,280,950)
Debt service				
Principal	427,003	427,003	427,003	-
Interest	63,287	63,287	52,618	(10,669)
Bond issuance costs	-	-	238,290	238,290
 Total expenditures	 13,278,669	 13,054,048	 12,077,000	 (977,048)
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (2,034,251)	 (160,168)	 612,920	 773,088
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	12,307,242	12,307,242
Premium on bonds issued	-	-	804,888	804,888
Payment to escrow agent	-	-	(370,776)	(370,776)
 Total other financing sources (uses)	 -	 -	 12,741,354	 12,741,354
 NET CHANGE IN FUND BALANCE	 \$ (2,034,251)	 \$ (160,168)	 13,354,274	 \$ 13,514,442
 FUND BALANCE, MAY 1			 13,349,511	
 <b>FUND BALANCE, APRIL 30</b>			 \$ 26,703,785	

(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 Five Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 56,026	\$ 58,250	\$ 90,266	\$ 127,806	\$ 161,567
Interest	84,754	87,157	104,086	95,039	90,314
Differences between expected and actual experience	-	-	376,168	-	(1,967,326)
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	141,501	895,884	172,240	(312,776)
Benefit payments	(77,301)	(95,583)	(116,339)	(131,779)	(126,172)
Net change in total pension liability	63,479	191,325	1,350,065	263,306	(2,154,393)
Total OPEB liability - beginning	2,173,523	2,237,002	2,428,327	3,778,392	4,041,698
<b>TOTAL OPEB LIABILITY - ENDING</b>					
	<u>\$ 2,237,002</u>	<u>\$ 2,428,327</u>	<u>\$ 3,778,392</u>	<u>\$ 4,041,698</u>	<u>\$ 1,887,305</u>
Covered-employee payroll	\$ 1,697,568	\$ 1,744,251	\$ 6,511,495	\$ 6,553,450	\$ 6,514,552
Employer's total OPEB liability as a percentage of covered-employee payroll	131.78%	139.22%	58.03%	61.67%	28.97%

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.

In 2022, 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.

**VILLAGE OF FOX LAKE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Eight Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 560,084	\$ 565,894	\$ 706,108	\$ 705,325	\$ 636,671	\$ 800,382	\$ 826,048	\$ 1,027,128
Contributions in relation to the actuarially determined contribution	684,444	692,803	718,995	656,677	642,245	726,728	843,405	1,020,495
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (124,360)</b>	<b>\$ (126,909)</b>	<b>\$ (12,887)</b>	<b>\$ 48,648</b>	<b>\$ (5,574)</b>	<b>\$ 73,654</b>	<b>\$ (17,357)</b>	<b>\$ 6,633</b>
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675	\$ 2,433,225	\$ 2,497,066
Contributions as a percentage of covered payroll	33.93%	39.81%	42.01%	38.68%	33.56%	37.29%	34.66%	40.87%

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 13 years (layered); the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, projected salary increases assumption of 3.75%-9.53% 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 Seven Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 403,072	\$ 351,280	\$ 403,072	\$ 369,486	\$ 316,455	\$ 333,056	\$ 335,155
Contributions in relation to the actuarially determined contribution	378,202	351,519	364,206	369,486	316,455	333,056	335,155
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 24,870</b>	<b>\$ (239)</b>	<b>\$ 38,866</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 3,578,855	\$ 3,364,019	\$ 3,376,467	\$ 3,810,384	\$ 4,213,590	\$ 4,110,198	\$ 4,343,261
Contributions as a percentage of covered payroll	10.57%	10.45%	10.79%	9.70%	7.51%	8.10%	7.72%

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 22 years; the asset valuation method was at five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 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 Eight Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 444,803	\$ 505,724	\$ 449,225	\$ 457,737	\$ 488,634	\$ 458,123	\$ 557,700	\$ 598,769
Interest	1,198,600	1,379,916	1,452,953	1,396,890	1,492,339	1,562,696	1,657,997	1,679,992
Differences between expected and actual experience	160,144	(1,602,792)	(495,206)	(334,956)	32,429	(81,413)	259,893	366,824
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)	(1,306,561)
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	1,339,024
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	26,506,096
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 19,990,165</b>	<b>\$ 21,162,966</b>	<b>\$ 21,092,445</b>	<b>\$ 22,572,443</b>	<b>\$ 23,658,395</b>	<b>\$ 25,090,415</b>	<b>\$ 26,506,096</b>	<b>\$ 27,845,120</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 684,444	\$ 692,803	\$ 718,995	\$ 656,677	\$ 642,245	\$ 726,728	\$ 843,405	\$ 1,020,495
Contributions - member	190,771	196,573	166,723	189,901	191,762	196,028	272,220	250,374
Net investment income	973,307	(395,122)	1,325,602	1,146,469	831,843	(218,154)	4,600,541	(842,376)
Benefit payments, including refunds of member contributions	(484,233)	(554,151)	(812,986)	(795,549)	(927,450)	(1,014,680)	(1,060,583)	(1,306,561)
Administrative expense	(20,772)	(30,603)	(38,672)	(43,501)	(46,268)	(27,253)	(32,104)	(32,002)
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	(910,070)
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	21,483,344
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 14,081,905</b>	<b>\$ 13,991,405</b>	<b>\$ 15,351,067</b>	<b>\$ 16,505,064</b>	<b>\$ 17,197,196</b>	<b>\$ 16,859,865</b>	<b>\$ 21,483,344</b>	<b>\$ 20,573,274</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 5,908,260</b>	<b>\$ 7,171,561</b>	<b>\$ 5,741,378</b>	<b>\$ 6,067,379</b>	<b>\$ 6,461,199</b>	<b>\$ 8,230,550</b>	<b>\$ 5,022,752</b>	<b>\$ 7,271,846</b>

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
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%	73.88%
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675	\$ 2,433,225	\$ 2,497,066
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%	291.22%

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.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

Last Seven Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 372,886	\$ 404,760	\$ 355,683	\$ 311,164	\$ 373,186	\$ 417,250	\$ 361,213
Interest	1,083,145	1,178,635	1,229,940	1,232,144	1,302,461	1,392,030	1,397,171
Differences between expected and actual experience	407,982	(127,660)	(196,154)	325,064	490,025	(399,793)	540,453
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)	(1,055,109)
Net change in total pension liability	1,357,232	748,787	94,043	1,513,559	1,256,529	128,793	1,243,728
Total pension liability - beginning	14,519,330	15,876,562	16,625,349	16,719,392	18,232,951	19,489,480	19,618,273
<b>TOTAL PENSION LIABILITY - ENDING</b>							
	\$ 15,876,562	\$ 16,625,349	\$ 16,719,392	\$ 18,232,951	\$ 19,489,480	\$ 19,618,273	\$ 20,862,001
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 401,722	\$ 362,209	\$ 361,301	\$ 403,865	\$ 292,014	\$ 338,412	\$ 357,368
Contributions - member	169,778	152,436	152,950	159,118	197,198	183,477	188,309
Net investment income	72,277	953,436	2,618,669	(945,553)	3,085,579	2,697,895	3,525,168
Benefit payments, including refunds of member contributions	(527,684)	(685,657)	(807,975)	(892,769)	(909,143)	(995,375)	(1,055,109)
Other	(276,527)	180,704	(281,034)	317,902	(15,912)	(198,097)	(125,266)
Net change in plan fiduciary net position	(160,434)	963,128	2,043,911	(957,437)	2,649,736	2,026,312	2,890,470
Plan fiduciary net position - beginning	14,433,541	14,273,107	15,236,235	17,280,146	16,322,709	18,972,445	20,998,757
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>							
	\$ 14,273,107	\$ 15,236,235	\$ 17,280,146	\$ 16,322,709	\$ 18,972,445	\$ 20,998,757	\$ 23,889,227
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>							
	\$ 1,603,455	\$ 1,389,114	\$ (560,754)	\$ 1,910,242	\$ 517,035	\$ (1,380,484)	\$ (3,027,226)

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
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%	114.51%
Covered payroll	\$ 3,784,712	\$ 3,387,465	\$ 3,398,881	\$ 3,535,943	\$ 4,177,461	\$ 4,077,251	\$ 4,184,644
Employer's net pension liability (asset) as a percentage of covered payroll	42.37%	41.01%	(16.50%)	54.02%	12.38%	(33.86%)	(72.34%)

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.

**VILLAGE OF FOX LAKE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Eight Fiscal Years

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<b><u>FISCAL YEAR ENDED APRIL 30,</u></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return, net of investment expense	7.60%	(2.75%)	9.40%	7.43%	5.04%	(1.27%)	27.13%	(3.92%)

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, 2022

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#### **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, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes				
Property taxes				
General	\$ 2,284,805	\$ 2,292,798	\$ 2,292,798	\$ -
IMRF	145,170	145,722	145,722	-
Insurance	168,625	169,205	169,205	-
Fire	-	(359)	(359)	-
Utility tax - electricity	400,000	415,000	426,512	11,512
Utility tax - natural gas	115,000	170,000	203,465	33,465
Utility tax - telephone	95,000	85,000	88,408	3,408
Use tax	400,000	400,000	418,550	18,550
Hotel/motel taxes	20,000	20,000	22,031	2,031
Road and bridge taxes	135,425	142,651	142,651	-
Rental car taxes	75	150	140	(10)
Places for eating taxes	140,000	175,000	169,676	(5,324)
Video gaming proceeds	200,000	400,000	416,072	16,072
Total taxes	4,104,100	4,415,167	4,494,871	79,704
Intergovernmental revenues				
Income taxes	1,189,000	1,450,000	1,547,272	97,272
Personal property replacement tax	50,000	100,000	151,331	51,331
Sales taxes	3,300,000	3,600,000	3,703,667	103,667
Cannabis excise tax	9,500	15,000	17,313	2,313
Total intergovernmental revenues	4,548,500	5,165,000	5,419,583	254,583
Franchise fees	145,000	170,000	176,943	6,943
Building and zoning fees				
Building permits	100,000	112,000	144,546	32,546
Zoning permits	6,000	20,000	23,500	3,500
Impact fees	10,000	-	-	-
Permit fees - tree removal	2,850	1,500	9,665	8,165
Ordinance fine - building	4,000	2,500	3,146	646
Total building and zoning fees	122,850	136,000	180,857	44,857
Licenses and fees				
Vehicle stickers	145,000	172,500	174,030	1,530
Vacant property registration	15,000	15,000	13,924	(1,076)
Licenses - animals	1,000	960	995	35
Licenses - liquor	36,475	43,400	43,789	389
Licenses - business	-	-	6,105	6,105
Licenses - video gaming	3,500	3,875	3,900	25
Licenses - vending	-	-	3,085	3,085
Total licenses and fees	200,975	235,735	245,828	10,093

(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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>				
Park and recreation fees				
Program fees	\$ 15,000	\$ 30,000	\$ 35,002	\$ 5,002
Donations-parks	-	-	20	20
Sponsorship	-	5,000	5,000	-
Pace fees	2,000	-	-	-
	17,000	35,000	40,022	5,022
Public safety fines and fees				
Court fines	125,000	130,000	126,387	(3,613)
Court fines - DUI	5,500	5,500	4,777	(723)
Red light fines	135,000	85,000	87,970	2,970
Administrative seizure fines	50,000	60,000	79,005	19,005
Ordinance and parking fines	25,000	20,000	22,776	2,776
	340,500	300,500	320,915	20,415
Public safety special revenue				
Forfeitures - seized assets	4,000	12,000	12,266	266
Forfeitures - drug seizure	-	2,378	2,378	-
Police revenue - SRO	96,613	64,000	63,392	(608)
Police revenue - gaming tax	900	900	674	(226)
Police revenue - reports	1,200	1,200	1,345	145
	102,713	80,478	80,055	(423)
Reimbursable income				
Credit card incentives	7,500	-	-	-
Engineering reimbursable fees	10,000	10,000	11,320	1,320
Attorney reimbursable fees	500	8,000	8,700	700
Motor pool reimbursable expense	20,000	20,000	22,259	2,259
Fire department reimbursable expense	50,000	55,000	90,177	35,177
Insurance reimbursable	5,000	20,000	24,921	4,921
Public safety reimbursable expense	3,000	5,000	5,874	874
Building/zoning reimbursable expense	1,200	1,200	-	(1,200)
Workers comp reimbursable	-	32,000	36,639	4,639
Employee/elected official reimbursable expense	-	2,500	4,046	1,546
	97,200	153,700	203,936	50,236
Grant revenue				
Grant revenue	64,000	717,283	1,074	(716,209)
Grant revenue - traffic	22,000	22,000	10,562	(11,438)
Grant revenue - vest	1,200	1,350	2,248	898
Grant revenue - tobacco	2,500	2,500	3,538	1,038
	89,700	743,133	17,422	(725,711)

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>				
Garbage revenues				
Garbage fees	\$ 1,000,000	\$ 1,010,000	\$ 1,045,298	\$ 35,298
Garbage penalties	19,000	15,000	17,982	2,982
Recycling rebate	400	400	1,148	748
 Total garbage revenues	 1,019,400	 1,025,400	 1,064,428	 39,028
Contractual revenue				
Rental income	155,000	125,000	125,805	805
Rental income 911 center	18,480	18,480	18,480	-
Externality fee	250,000	250,000	242,830	(7,170)
 Total contractual revenue	 423,480	 393,480	 387,115	 (6,365)
Other revenue				
Interest income	25,000	11,000	19,232	8,232
Shop with a cop	1,000	-	-	-
Sale of capital assets	5,000	27,287	33,591	6,304
Other revenue	2,000	2,000	5,122	3,122
 Total other revenue	 33,000	 40,287	 57,945	 17,658
 <b>TOTAL REVENUES</b>	 <b>\$ 11,244,418</b>	 <b>\$ 12,893,880</b>	 <b>\$ 12,689,920</b>	 <b>\$ (203,960)</b>

(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, 2022

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>GENERAL GOVERNMENT</b>				
Current				
General government				
Administration				
Wages	\$ 796,800	\$ 760,000	\$ 656,853	\$ (103,147)
Wages - elected officials	47,300	47,300	48,001	701
Overtime	1,000	500	69	(431)
Health insurance	129,105	105,200	93,313	(11,887)
Life insurance	765	765	694	(71)
Unemployment insurance	-	6,500	6,111	(389)
Social Security and Medicare	67,925	61,800	55,570	(6,230)
IMRF	63,485	48,400	44,450	(3,950)
Building maintenance	25,000	25,000	17,701	(7,299)
Professional services	56,650	115,000	136,476	21,476
Audit services	25,000	25,000	13,100	(11,900)
Accounting services	10,000	10,000	860	(9,140)
Payroll service fees	1,800	1,800	2,344	544
Engineering services	500	8,000	7,305	(695)
Legal services	65,000	65,000	59,293	(5,707)
Labor attorney	20,000	15,000	81	(14,919)
Billable attorney fees	-	8,300	8,206	(94)
Technology	123,500	123,500	106,187	(17,313)
Postage	15,000	10,000	9,708	(292)
Photocopy	9,200	9,200	7,567	(1,633)
Printing	13,600	13,600	12,217	(1,383)
Recording fees	-	30	-	(30)
Publishing	10,000	7,500	4,749	(2,751)
Memberships	19,850	27,500	24,989	(2,511)
Travel	1,000	500	10	(490)
Training	11,150	5,000	1,940	(3,060)
Tuition reimbursement	1,000	-	-	-
Meetings	1,000	3,000	2,019	(981)
Utilities	11,500	11,500	9,723	(1,777)
Credit card and bank charges	32,500	32,500	22,625	(9,875)
Property taxes	75,782	55,000	50,496	(4,504)
Building incentives	185,000	185,000	174,385	(10,615)
Building maintenance supplies	3,000	5,000	4,065	(935)
Office supplies	7,000	6,500	5,565	(935)
Operating supplies	2,500	3,000	2,784	(216)
Fuel	500	-	-	-
Software	4,000	4,000	895	(3,105)
Computer equipment	3,000	-	-	-
Computer replacement program	-	100	-	(100)
Special events	1,000	500	130	(370)
Employee recognition	3,000	3,000	3,512	512
Donations	5,000	5,000	4,942	(58)
Externality fee refund - RLB	25,000	25,000	-	(25,000)
Allocated charges	(601,793)	(598,468)	(646,400)	(47,932)
Total administration	1,272,619	1,241,027	952,535	(288,492)

(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, 2022

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>GENERAL GOVERNMENT (Continued)</b>				
Current (Continued)				
General government (Continued)				
Insurance				
Liability and workers' compensation insurance	\$ 265,000	\$ 265,000	\$ 266,314	\$ 1,314
Insurance deductible	10,000	40,000	38,344	(1,656)
Total insurance	275,000	305,000	304,658	(342)
Total general government	1,547,619	1,546,027	1,257,193	(288,834)

**PUBLIC SAFETY**

Current				
Police department				
Wages - administration	773,690	805,000	835,347	30,347
Wages - part-time	25,390	25,390	24,277	(1,113)
Wages - sworn officers	2,273,760	2,300,000	2,337,450	37,450
Wages - police commission	5,100	5,100	-	(5,100)
Overtime	225,000	140,000	118,004	(21,996)
Health insurance	420,595	440,000	451,851	11,851
Life insurance	3,150	3,300	3,032	(268)
Social Security and Medicare	79,120	75,000	69,950	(5,050)
IMRF	25,000	25,000	20,315	(4,685)
Police pension - taxes	776,121	771,975	771,975	-
Police pension - Village portion	248,520	252,666	248,520	(4,146)
Building maintenance	33,550	33,550	16,796	(16,754)
Equipment maintenance	26,950	26,950	4,312	(22,638)
Vehicle maintenance	7,000	7,000	4,448	(2,552)
Vehicle maintenance - mp	-	-	-	-
Professional services	55,300	55,300	67,120	11,820
Accounting services	3,000	4,500	5,187	687
HR recruiting/testing	16,500	16,500	9,650	(6,850)
Legal services	114,900	114,900	124,062	9,162
Labor attorney	45,000	25,000	8,856	(16,144)
Dispatching	625,000	625,000	422,124	(202,876)
Prisoner meals	1,500	1,500	550	(950)
Animal care and control	500	500	-	(500)
Technology	112,332	115,000	108,487	(6,513)
Janitorial services	10,000	15,000	13,834	(1,166)
Postage	4,000	4,000	1,703	(2,297)
Photocopy	3,300	3,300	3,288	(12)
Printing	3,000	3,000	1,773	(1,227)
Memberships	26,680	28,000	24,313	(3,687)
Police commission	2,975	2,975	1,725	(1,250)
Travel	1,000	1,200	1,168	(32)
Training	40,000	40,000	32,501	(7,499)
Training-police commission	-	75	63	(12)
Meetings	50	50	-	(50)
Utilities	30,000	30,000	24,324	(5,676)
Office supplies	8,000	8,500	9,505	1,005

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>				
Current (Continued)				
Police department (Continued)				
Operating supplies	\$ 32,425	\$ 32,425	\$ 23,962	\$ (8,463)
Community relations	5,000	5,000	4,939	(61)
Shop with a cop	2,000	2,000	2,000	-
Small tools and noncapital equipment	29,400	18,000	9,760	(8,240)
Uniforms	40,000	40,000	31,947	(8,053)
Fuel	50,000	50,000	49,888	(112)
Software licenses	2,780	2,780	1,784	(996)
Computer equipment	19,500	19,500	9,194	(10,306)
Employee recognition	500	500	726	226
DUI enforcement	2,000	2,000	-	(2,000)
Narcotics expense	3,200	3,200	-	(3,200)
Seized asset expense	500	500	1,000	500
Equipment-police	-	-	18,745	18,745
Investigations	1,500	1,500	-	(1,500)
Total police department	6,214,788	6,182,636	5,920,455	(262,181)
Fire department				
Fire department billable items	50,000	50,000	60,916	10,916
Total fire department	50,000	50,000	60,916	10,916
Total public safety	6,264,788	6,232,636	5,981,371	(251,265)

**PUBLIC WORKS**

Current

Streets				
Wages	669,240	669,240	706,797	37,557
Wages-part-time	9,600	9,600	6,218	(3,382)
Overtime	20,000	22,000	18,133	(3,867)
Health insurance	90,965	90,965	89,123	(1,842)
Life insurance	1,080	1,080	1,040	(40)
Social Security and Medicare	52,870	53,700	52,011	(1,689)
IMRF	59,980	59,980	51,802	(8,178)
Building maintenance	13,000	13,000	9,506	(3,494)
Equipment maintenance	1,200	5,000	4,353	(647)
Street maintenance	20,000	25,000	20,508	(4,492)
Parks maintenance	25,000	20,000	9,497	(10,503)
Community beautification	34,000	34,000	20,515	(13,485)
Professional services	30,350	52,750	33,820	(18,930)
Accounting services	750	1,500	1,769	269
Engineering services	8,000	8,000	12,732	4,732
Legal services	4,000	4,000	-	(4,000)
Technology	2,800	2,800	1,608	(1,192)
Postage	100	100	26	(74)
Memberships	850	850	240	(610)
Training	2,000	2,000	1,697	(303)
Travel	-	120	115	(5)
Meetings	-	-	-	-

(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, 2022

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>PUBLIC WORKS (Continued)</b>				
Current (Continued)				
Streets (Continued)				
Utilities	\$ 7,500	\$ 9,000	\$ 14,810	\$ 5,810
Electricity charges	100,000	150,000	173,770	23,770
Building maintenance supplies	800	800	113	(687)
Equipment maintenance supplies	2,800	3,000	2,764	(236)
Office supplies	900	900	555	(345)
Operating supplies	50,000	50,000	49,859	(141)
Small tools	6,500	6,500	5,682	(818)
Uniforms	5,500	5,500	5,036	(464)
Stone and concrete	8,000	8,000	4,413	(3,587)
Tree replacement	7,250	7,250	5,688	(1,562)
Sign program	33,000	33,000	16,361	(16,639)
Fuel	28,500	50,000	46,882	(3,118)
Computer equipment	1,000	1,000	-	(1,000)
Software license/support	1,500	1,500	-	(1,500)
Employee recognition	350	350	167	(183)
Equipment-streets	-	-	40,485	40,485
Road construction	-	-	872,373	872,373
Allocated charges	(422,500)	(400,000)	(453,587)	(53,587)
Total streets	876,885	1,002,485	1,826,881	824,396
Motor pool				
Wages	133,500	135,800	144,273	8,473
Overtime	1,500	500	338	(162)
Health insurance	3,000	3,000	3,002	2
Life insurance	190	190	185	(5)
Social Security and Medicare	10,330	10,500	10,464	(36)
IMRF	11,740	11,800	9,574	(2,226)
Building maintenance	15,500	10,000	1,948	(8,052)
Equipment maintenance	800	250	379	129
Professional services	3,500	2,000	242	(1,758)
Accounting services	250	250	308	58
Motor pool reimbursable charges	5,000	15,000	7,563	(7,437)
Technology	3,500	3,500	1,484	(2,016)
Memberships	105	105	30	(75)
Training	2,000	1,000	-	(1,000)
Utilities	850	850	766	(84)
Building maintenance supplies	500	250	37	(213)
Office supplies	350	350	209	(141)
Operating supplies	105,000	105,000	101,264	(3,736)
Small tools	14,000	10,000	8,810	(1,190)
Uniforms	1,000	1,000	893	(107)
Fuel	1,200	2,000	1,519	(481)
Software license/support	4,215	4,215	3,087	(1,128)
Computer equipment	2,000	-	-	-
Vehicles-motor pool	-	-	32,834	32,834
Employee recognition	200	-	-	-
Total motor pool	320,230	317,560	329,209	11,649

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>				
Current (Continued)				
Garbage				
Postage	\$ 1,000	\$ 1,000	\$ 879	\$ (121)
Garbage disposal	988,640	1,010,000	999,142	(10,858)
Total garbage	989,640	1,011,000	1,000,021	(10,979)
Total public works	2,186,755	2,331,045	3,156,111	825,066
<b>PARKS AND RECREATION</b>				
Current				
Parks and recreation				
Wages	94,900	94,900	91,136	(3,764)
Wages - part-time	19,490	19,490	4,296	(15,194)
Overtime	10,000	10,000	6,567	(3,433)
Health insurance	16,985	16,985	7,134	(9,851)
Life insurance	190	190	162	(28)
Social Security and Medicare	8,825	8,825	7,425	(1,400)
IMRF	9,765	9,765	7,235	(2,530)
Building maintenance	10,500	13,000	12,761	(239)
Equipment maintenance	8,500	6,500	2,780	(3,720)
Professional services	3,000	3,000	4,708	1,708
Vehicle repair & maint	-	1,500	1,064	(436)
Accounting services	350	500	527	27
Janitorial services	13,100	13,100	13,014	(86)
Postage	1,500	1,500	57	(1,443)
Photocopy	3,200	3,200	3,598	398
Printing	1,500	1,500	60	(1,440)
Advertising	1,000	1,000	974	(26)
Memberships	7,202	12,000	14,193	2,193
Travel	900	500	-	(500)
Training	2,855	3,300	3,204	(96)
Meetings	100	100	-	(100)
Utilities	16,000	16,000	10,695	(5,305)
Pace program - rental fee	1,500	1,500	334	(1,166)
Community programs	16,320	16,320	15,509	(811)
Senior programs	23,902	23,902	10,845	(13,057)
Special events	83,085	83,085	47,658	(35,427)
Building maintenance supplies	7,000	7,000	803	(6,197)
Office supplies	2,000	2,000	450	(1,550)
Operating supplies	1,050	1,500	1,304	(196)
Sign programs	-	-	1,914	1,914
Small tools and noncapital equipment	3,500	2,500	115	(2,385)
Fuel	1,400	1,000	45	(955)
Software licenses	2,038	2,038	139	(1,899)
Special events - other	42,000	42,200	42,200	-
Employee recognition	200	200	-	(200)
Bench deposits	-	-	592	592
Refunds	-	200	185	(15)
Total parks and recreation	413,857	420,300	313,683	(106,617)

(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, 2022

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>ECONOMIC DEVELOPMENT</b>				
Current				
Economic development				
Wages	\$ 326,710	\$ 200,000	\$ 164,770	\$ (35,230)
Wages - part-time	- -	5,500	3,525	(1,975)
Overtime	2,000	1,000	391	(609)
Health insurance	78,760	78,760	62,674	(16,086)
Life insurance	470	470	331	(139)
Social Security and Medicare	24,990	15,800	11,871	(3,929)
IMRF	28,585	15,000	11,349	(3,651)
Equipment maintenance	5,500	6,500	5,769	(731)
Professional services	39,950	140,000	132,073	(7,927)
Accounting services	500	1,025	1,077	52
Professional services- bldg demo	40,000	- -	- -	- -
Professional services - studies/reports	15,000	15,000	13,911	(1,089)
Engineering services	5,000	7,500	7,072	(428)
Billable engineering fees	15,000	15,000	18,661	3,661
Billable building and zoning items	4,000	4,000	7,554	3,554
Legal services	75,000	75,000	56,000	(19,000)
Billable attorney fees	5,000	5,000	- -	(5,000)
Technology	5,000	5,000	3,482	(1,518)
Postage	400	2,500	2,224	(276)
Printing	1,500	1,500	216	(1,284)
Publishing	1,200	2,000	3,410	1,410
Memberships	9,507	9,507	1,160	(8,347)
Training	1,000	1,000	681	(319)
Meetings	200	200	- -	(200)
Utilities	5,590	5,590	4,032	(1,558)
BMO loc fee	- -	- -	10,842	10,842
Office supplies	2,000	2,500	2,392	(108)
Operating supplies	500	500	- -	(500)
Community programs	30,000	30,000	23,778	(6,222)
Uniforms	300	300	262	(38)
Fuel	2,500	2,500	1,876	(624)
Software licenses and maintenance	5,000	5,000	2,050	(2,950)
Computer equipment	3,000	1,500	- -	(1,500)
Employee recognition	500	500	150	(350)
Total economic development	<u>734,662</u>	<u>655,652</u>	<u>553,583</u>	<u>(102,069)</u>
<b>CAPITAL OUTLAY</b>				
Capital outlay - parks	282,600	- -	- -	- -
Capital outlay - administration	- -	7,500	7,220	(280)
Capital outlay - motor pool	32,000	32,000	- -	(32,000)
Capital outlay - public safety	119,500	119,500	67,455	(52,045)
Capital outlay - streets	1,206,598	1,219,098	22,473	(1,196,625)
Total capital outlay	<u>1,640,698</u>	<u>1,378,098</u>	<u>97,148</u>	<u>(1,280,950)</u>

(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, 2022

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>DEBT SERVICE</b>				
Principal	\$ 427,003	\$ 427,003	\$ 427,003	\$ -
Interest	63,287	63,287	52,618	(10,669)
Bond issuance costs	-	-	238,290	238,290
Total debt service	490,290	490,290	717,911	227,621
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,278,669</b>	<b>\$ 13,054,048</b>	<b>\$ 12,077,000</b>	<b>\$ (977,048)</b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2022

	<b>Special Revenue</b>				
	<b>Tax Increment Financing</b>	<b>Motor Fuel Tax</b>	<b>Business Development District South</b>	<b>Business Development District Central</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 256,480	\$ 1,882,503	\$ 1,336,422	\$ 732,296	\$ 4,207,701
Receivables, net					
Property taxes	71,502	-	-	-	71,502
Intergovernmental	-	106,083	173,871	132,776	412,730
Inventories	-	101,413	-	-	101,413
Due from other funds	29,536	165,660	220	89,751	285,167
Advances to other funds	-	-	-	150,000	150,000
<b>TOTAL ASSETS</b>	<b>\$ 357,518</b>	<b>\$ 2,255,659</b>	<b>\$ 1,510,513</b>	<b>\$ 1,104,823</b>	<b>\$ 5,228,513</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 146,150	\$ 5,075	\$ 7,068	\$ 129,867	\$ 288,160
Due to other funds	119,172	529,943	-	241,294	890,409
Advances from other funds	150,000	-	-	-	150,000
Total liabilities	415,322	535,018	7,068	371,161	1,328,569
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	71,502	-	-	-	71,502
Unavailable grant revenue	-	70,584	-	-	70,584
Total deferred inflows of resources	71,502	70,584	-	-	142,086
Total liabilities and deferred inflows of resources	486,824	605,602	7,068	371,161	1,470,655
<b>FUND BALANCES</b>					
Nonspendable for inventory	-	101,413	-	-	101,413
Restricted for economic development	-	-	1,503,445	733,662	2,237,107
Restricted for maintenance of roadways	-	1,548,644	-	-	1,548,644
Unrestricted (deficit)	(129,306)	-	-	-	(129,306)
Total fund balances (deficit)	(129,306)	1,650,057	1,503,445	733,662	3,757,858
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 357,518</b>	<b>\$ 2,255,659</b>	<b>\$ 1,510,513</b>	<b>\$ 1,104,823</b>	<b>\$ 5,228,513</b>

(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, 2022

---

	<b>Special Revenue</b>					<b>Total</b>
	<b>Tax Increment Financing</b>	<b>Motor Fuel Tax</b>	<b>Business Development District South</b>	<b>Business Development District Central</b>	<b>Business Development District Central</b>	
<b>REVENUES</b>						
Taxes	\$ 70,738	\$ -	\$ -	\$ -	\$ -	\$ 70,738
Intergovernmental	-	676,063	758,261	629,230	2,063,554	
Investment income	831	1,764	-	-	-	2,595
 Total revenues	 71,569	 677,827	 758,261	 629,230	 2,136,887	
<b>EXPENDITURES</b>						
Current						
General government	-	-	62,614	78,942	141,556	
Public works	-	108,697	-	-	108,697	
Economic development	67,337	-	-	-	67,337	
Capital outlay	652,033	581,775	-	668,399	1,902,207	
 Total expenditures	 719,370	 690,472	 62,614	 747,341	 2,219,797	
 NET CHANGE IN FUND BALANCES	 (647,801)	 (12,645)	 695,647	 (118,111)	 (82,910)	
 FUND BALANCES, MAY 1	 518,495	 1,662,702	 807,798	 851,773	 3,840,768	
 <b>FUND BALANCES (DEFICIT), APRIL 30</b>	 <b>\$ (129,306)</b>	 <b>\$ 1,650,057</b>	 <b>\$ 1,503,445</b>	 <b>\$ 733,662</b>	 <b>\$ 3,757,858</b>	

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 60,000	\$ 70,738	\$ 70,738	\$ -
Investment income	500	769	831	62
 Total revenues	 60,500	 71,507	 71,569	 62
<b>EXPENDITURES</b>				
Current				
Community development	14,600	85,300	67,337	(17,963)
Capital outlay	246,000	639,300	652,033	12,733
 Total expenditures	 260,600	 724,600	 719,370	 (5,230)
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (200,100)	 (653,093)	 (647,801)	 5,292
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	150,000	-	(150,000)
 Total other financing sources (uses)	 -	 150,000	 -	 (150,000)
 NET CHANGE IN FUND BALANCE	 \$ (200,100)	 \$ (503,093)	 \$ (647,801)	 \$ (144,708)
 FUND BALANCE, MAY 1			 518,495	
 <b>FUND BALANCE (DEFICIT), APRIL 30</b>			 \$ (129,306)	

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Allotments earned	\$ 336,000	\$ 415,000	\$ 421,729	\$ 6,729
REBUILD Illinois	2,605,200	2,166,000	254,334	(1,911,666)
Investment income	500	600	1,764	1,164
 Total revenues	 2,941,700	 2,581,600	 677,827	 (1,903,773)
<b>EXPENDITURES</b>				
Current				
Public works				
Public works	196,000	196,000	108,697	(87,303)
Capital outlay	2,735,000	2,735,000	581,775	(2,153,225)
 Total expenditures	 2,931,000	 2,931,000	 690,472	 (2,240,528)
 NET CHANGE IN FUND BALANCE	 \$ 10,700	 \$ (349,400)	 (12,645)	 \$ 336,755
 FUND BALANCE, MAY 1			 1,662,702	
 <b>FUND BALANCE, APRIL 30</b>			 \$ 1,650,057	

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Sales tax	\$ 650,000	\$ 760,000	\$ 758,261	\$ (1,739)
Investment income	500	500	-	(500)
Total revenues	650,500	760,500	758,261	(2,239)
<b>EXPENDITURES</b>				
General government				
Administration				
Professional services	146,500	142,500	62,614	(79,886)
Total expenditures	146,500	142,500	62,614	(79,886)
NET CHANGE IN FUND BALANCE	\$ 504,000	\$ 618,000	\$ 695,647	\$ 77,647
FUND BALANCE, MAY 1			<u>807,798</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 1,503,445</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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Sales tax	\$ 525,000	\$ 595,000	\$ 607,590	\$ 12,590
Grants	- -	21,400	21,640	240
Investment income	500	500	-	(500)
Total revenues	<u>525,500</u>	<u>616,900</u>	<u>629,230</u>	<u>12,330</u>
<b>EXPENDITURES</b>				
General government				
Administration				
Professional services	76,000	202,000	78,942	(123,058)
Capital outlay	685,950	915,000	668,399	(246,601)
Total expenditures	<u>761,950</u>	<u>1,117,000</u>	<u>747,341</u>	<u>(369,659)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>(236,450)</u>	<u>(500,100)</u>	<u>(118,111)</u>	<u>381,989</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	(6,300)	-	6,300
Total other financing sources (uses)	<u>-</u>	<u>(6,300)</u>	<u>-</u>	<u>6,300</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>\$ (236,450)</u>	<u>\$ (506,400)</u>	<u>(118,111)</u>	<u>\$ 388,289</u>
<b>FUND BALANCE, MAY 1</b>				
			<u>851,773</u>	
<b>FUND BALANCE, APRIL 30</b>				
			<u>\$ 733,662</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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Water/sewer fees	\$ 4,500,000	\$ 4,400,000	\$ 4,764,980	\$ 364,980
Tap-on fees	25,000	15,000	18,900	3,900
Miscellaneous	58,000	88,500	142,700	54,200
 Total operating revenues	 4,583,000	 4,503,500	 4,926,580	 423,080
<b>OPERATING EXPENSES</b>				
Personnel services	820,005	812,084	640,164	(171,920)
Contractual services/commodities	996,059	1,292,729	1,283,283	(9,446)
Depreciation and amortization	859,132	860,100	1,017,824	157,724
 Total operating expenses	 2,675,196	 2,964,913	 2,941,271	 (23,642)
 OPERATING INCOME	 1,907,804	 1,538,587	 1,985,309	 446,722
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	15,000	10,000	12,570	2,570
Interest expense	(194,752)	(365,648)	(265,623)	100,025
Principal expense	-	-	(660,108)	(660,108)
 Total non-operating revenues (expenses)	 (179,752)	 (355,648)	 (913,161)	 (557,513)
 NET INCOME (LOSS) BEFORE CONTRIBUTIONS	 1,728,052	 1,182,939	 1,072,148	 (110,791)
<b>CONTRIBUTIONS</b>				
 CHANGE IN NET POSITION (BUDGETARY BASIS)	 \$ 1,728,052	 \$ 1,189,239	 \$ 1,072,148	 \$ (117,091)
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal expense			660,108	
 Total adjustments to GAAP basis			 660,108	
 CHANGE IN NET POSITION (GAAP BASIS)			 1,732,256	
 NET POSITION, MAY 1			 28,751,105	
 <b>NET POSITION, APRIL 30</b>			 \$ 30,483,361	

(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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Sewer fees	\$ 4,865,000	\$ 4,872,000	\$ 4,838,352	\$ (33,648)
Tap-on fees	622,000	451,800	537,373	85,573
Miscellaneous	22,900	21,400	20,500	(900)
 Total operating revenues	 5,509,900	 5,345,200	 5,396,225	 51,025
<b>OPERATING EXPENSES</b>				
Personnel services	1,839,870	1,859,120	1,093,986	(765,134)
Contractual services/commodities	3,870,278	3,379,608	2,628,592	(751,016)
Depreciation	1,800,000	1,800,000	1,641,341	(158,659)
 Total operating expenses	 7,510,148	 7,038,728	 5,363,919	 (1,674,809)
 OPERATING INCOME (LOSS)	 (2,000,248)	 (1,693,528)	 32,306	 1,725,834
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Gain (loss) on sale of assets	8,000	500	260	(240)
Investment income	50,000	30,000	28,354	(1,646)
 Total non-operating revenues (expenses)	 58,000	 30,500	 28,614	 (1,886)
 CHANGE IN NET POSITION (BUDGETARY BASIS)	 \$ (1,942,248)	 \$ (1,663,028)	 60,920	 \$ 1,723,948
 NET POSITION, MAY 1			 49,807,327	
 <b>NET POSITION, APRIL 30</b>			 <b>\$ 49,868,247</b>	

(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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
911 fees	\$ 190,000	\$ 190,000	\$ 188,272	\$ (1,728)
Fees for services	1,222,000	1,200,000	989,083	(210,917)
 Total operating revenues	 1,412,000	 1,390,000	 1,177,355	 (212,645)
<b>OPERATING EXPENSES</b>				
Personnel services	1,015,030	1,059,667	636,439	(423,228)
Contractual services/commodities	377,559	320,133	261,516	(58,617)
Depreciation	65,000	65,000	67,786	2,786
 Total operating expenses	 1,457,589	 1,444,800	 965,741	 (479,059)
 OPERATING INCOME (LOSS)	 (45,589)	 (54,800)	 211,614	 266,414
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	686	686	1,284	598
Interest expense	(494)	(900)	(311)	589
Principal expense	(4,076)	(4,076)	(4,075)	1
 Total non-operating revenues (expenses)	 (3,884)	 (4,290)	 (3,102)	 1,188
 CHANGE IN NET POSITION (BUDGETARY BASIS)	 \$ (49,473)	 \$ (59,090)	 208,512	 \$ 267,602
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal expense			4,075	
 Total adjustments to GAAP basis			 4,075	
 CHANGE IN NET POSITION (GAAP BASIS)			 212,587	
 NET POSITION (DEFICIT), MAY 1			 (385,227)	
 <b>NET POSITION (DEFICIT), APRIL 30</b>			 \$ (172,640)	

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

April 30, 2022

	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 19,858	\$ -	\$ 19,858
Receivables			
Accounts (net of allowance for uncollectible accounts)	365	- 365	365
Prepaid items	75	- 75	75
Due from other funds	1,109	55,800	56,909
 Total current assets	 21,407	 55,800	 77,207
<b>NONCURRENT ASSETS</b>			
Net pension asset - IMRF	25,905	- 25,905	25,905
Capital assets, net of accumulated depreciation	275,115	- 275,115	275,115
 Total noncurrent assets	 301,020	 - 301,020	 301,020
 Total assets	 322,427	 55,800	 378,227
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows of resources	5,351	- 5,351	5,351
 Total deferred outflows of resources	 5,351	 - 5,351	 5,351
 Total assets and deferred outflows of resources	 327,778	 55,800	 383,578
<b>CURRENT LIABILITIES</b>			
Accounts payable	1,495	- 1,495	1,495
Accrued payroll	628	- 628	628
Due to other funds	152,383	- 152,383	152,383
Current portion of long-term debt	309	- 309	309
 Total current liabilities	 154,815	 - 154,815	 154,815
<b>NONCURRENT LIABILITIES</b>			
Compensated absences	492	- 492	492
Long-term debt	12,902	- 12,902	12,902
 Total noncurrent liabilities	 13,394	 - 13,394	 13,394
 Total liabilities	 168,209	 - 168,209	 168,209
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	26,576	- 26,576	26,576
 Total deferred inflows of resources	 26,576	 - 26,576	 26,576
 Total liabilities and deferred inflows of resources	 194,785	 - 194,785	 194,785
<b>NET POSITION</b>			
Net investment in capital assets	275,115	- 275,115	275,115
Restricted - pension benefits	25,905	- 25,905	25,905
Unrestricted (deficit)	(168,027)	55,800	(112,227)
 <b>TOTAL NET POSITION</b>	 \$ 132,993	 \$ 55,800	 \$ 188,793

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2022

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	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Parking fees	\$ 16,760	\$ -	\$ 16,760
Total operating revenues	<u>16,760</u>	<u>-</u>	<u>16,760</u>
<b>OPERATING EXPENSES</b>			
Personnel services	9,227	-	9,227
Contractual services/commodities	41,420	-	41,420
Depreciation	5,036	-	5,036
Total operating expenses	<u>55,683</u>	<u>-</u>	<u>55,683</u>
OPERATING INCOME (LOSS)	<u>(38,923)</u>	<u>-</u>	<u>(38,923)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	26	-	26
Total non-operating revenues (expenses)	<u>26</u>	<u>-</u>	<u>26</u>
CHANGE IN NET POSITION	<u>(38,897)</u>	<u>-</u>	<u>(38,897)</u>
NET POSITION, MAY 1	<u>171,890</u>	<u>55,800</u>	<u>227,690</u>
<b>NET POSITION, APRIL 30</b>	<b><u>\$ 132,993</u></b>	<b><u>\$ 55,800</u></b>	<b><u>\$ 188,793</u></b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2022

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	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 16,515	\$ -	\$ 16,515
Payments to suppliers	(8,368)	-	(8,368)
Payments to employees	(64,040)	-	(64,040)
Net cash from operating activities	<u>(55,893)</u>	-	<u>(55,893)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund activity	63,064	-	63,064
Net cash from noncapital financing activities	<u>63,064</u>	-	<u>63,064</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	26	-	26
Net cash from investing activities	<u>26</u>	-	<u>26</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
	7,197	-	7,197
CASH AND CASH EQUIVALENTS, MAY 1	<u>12,661</u>	-	<u>12,661</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b><u>\$ 19,858</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,858</u></b>

(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, 2022

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	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (38,923)	\$ -	\$ (38,923)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	5,036	-	5,036
(Increase) decrease in			
Receivables	(245)	-	(245)
Prepaid items	544	-	544
Pension items	(567)	-	(567)
Net pension asset	(14,092)	-	(14,092)
Increase (decrease) in			
Accounts payable	(1,176)	-	(1,176)
Accrued payroll	367	-	367
Compensated absences payable	492	-	492
Pension items	7,752	-	7,752
Total OPEB liability	(15,081)	-	(15,081)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (55,893)</b>	<b>\$ -</b>	<b>\$ (55,893)</b>
<b>NONCASH TRANSACTIONS</b>			
None	\$ -	\$ -	\$ -
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Parking fees	\$ 15,000	\$ 15,000	\$ 16,760	\$ 1,760
Total operating revenues	<u>15,000</u>	<u>15,000</u>	<u>16,760</u>	<u>1,760</u>
<b>OPERATING EXPENSES</b>				
Personnel services	37,465	35,265	9,227	(26,038)
Contractual services/commodities	48,150	44,650	41,420	(3,230)
Depreciation	5,036	5,036	5,036	-
Total operating expenses	<u>90,651</u>	<u>84,951</u>	<u>55,683</u>	<u>(29,268)</u>
OPERATING INCOME (LOSS)	<u>(75,651)</u>	<u>(69,951)</u>	<u>(38,923)</u>	<u>31,028</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	50	25	26	1
Total non-operating revenues (expenses)	<u>50</u>	<u>25</u>	<u>26</u>	<u>1</u>
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (75,601)</u>	<u>\$ (69,926)</u>	<u>\$ (38,897)</u>	<u>\$ 31,029</u>
NET POSITION, MAY 1			<u>171,890</u>	
<b>NET POSITION, APRIL 30</b>			<u><b>\$ 132,993</b></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, 2022

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>				
Contributions				
Employer contributions	\$ 1,024,641	\$ 1,020,495	\$ 1,020,495	\$ -
Plan members contributions	250,000	240,000	250,374	10,374
Total contributions	<u>1,274,641</u>	<u>1,260,495</u>	<u>1,270,869</u>	<u>10,374</u>
Investment income				
Net appreciation (depreciation) in fair value of investments	950,000	200,000	(1,254,370)	(1,454,370)
Interest and dividends	400,000	400,000	455,042	55,042
Total investment income (loss)	<u>1,350,000</u>	<u>600,000</u>	<u>(799,328)</u>	<u>(1,399,328)</u>
Less investment expense	<u>(40,000)</u>	<u>(37,500)</u>	<u>(43,048)</u>	<u>(5,548)</u>
Net investment income (loss)	<u>1,310,000</u>	<u>562,500</u>	<u>(842,376)</u>	<u>(1,404,876)</u>
Total additions	<u>2,584,641</u>	<u>1,822,995</u>	<u>428,493</u>	<u>(1,394,502)</u>
<b>DEDUCTIONS</b>				
Pension benefits and refunds	1,085,092	1,310,000	1,306,561	(3,439)
Administration				
Expenses	<u>50,495</u>	<u>46,467</u>	<u>32,002</u>	<u>(14,465)</u>
Total deductions	<u>1,135,587</u>	<u>1,356,467</u>	<u>1,338,563</u>	<u>(17,904)</u>
NET INCREASE (DECREASE)	<u>\$ 1,449,054</u>	<u>\$ 466,528</u>	<u>(910,070)</u>	<u>\$ (1,376,598)</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
May 1			<u>21,483,344</u>	
April 30			<u>\$ 20,573,274</u>	

(See independent auditor's report.)