

Village of Fox Lake, Illinois

Annual Financial Report

Year End April 30, 2023



Prepared By:
The Finance Department

VILLAGE OF FOX LAKE, ILLINOIS
FOX LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2023

Prepared by the Finance Department

VILLAGE OF FOX LAKE, ILLINOIS
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL SECTION | |
| INDEPENDENT AUDITOR’S REPORT..... | 1-4 |
| INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 5-8 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management’s Discussion and Analysis..... | MD&A 1-14 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 9 |
| Statement of Activities | 10-11 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet | 12-13 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position | 14 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 15 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities..... | 16 |
| Proprietary Funds | |
| Statement of Net Position | 17 |
| Statement of Revenues, Expenses and Changes in Fund Net Position..... | 18 |
| Statement of Cash Flows | 19-20 |

VILLAGE OF FOX LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

Fiduciary Funds

Police Pension Trust Fund

Statement of Fiduciary Net Position 21

Statement of Changes in Fiduciary Net Position 22

Notes to Financial Statements 23-60

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual -

General Fund 61

Schedule of Changes in the Employer's Total OPEB

Liability and Related Ratios

Other Postemployment Benefit Plan 62

Schedule of Employer Contributions

Police Pension Fund 63

Illinois Municipal Retirement Fund 64

Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios

Police Pension Fund 65-66

Illinois Municipal Retirement Fund 67-68

Schedule of Investments Returns

Police Pension Fund 69

Notes to Required Supplementary Information 70

COMBINING AND INDIVIDUAL FUND

FINANCIAL STATEMENTS AND SCHEDULES

Schedule of Detailed Revenues - Budget and Actual - General Fund 71-73

Schedule of Detailed Expenditures - Budget and Actual - General Fund 74-80

Combining Balance Sheet - Nonmajor Governmental Funds 81

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances - Nonmajor Governmental Funds 82

VILLAGE OF FOX LAKE, ILLINOIS
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL SECTION (Continued) | |
| COMBINING AND INDIVIDUAL FUND | |
| FINANCIAL STATEMENTS AND SCHEDULES | |
| Schedule of Revenues, Expenditures and Changes | |
| in Fund Balance - Budget and Actual | |
| Tax Increment Financing Fund #1 | 83 |
| Motor Fuel Tax Fund..... | 84 |
| Business Development District - South | 85 |
| Business Development District - Central..... | 86 |
| Schedule of Revenues, Expenses and Changes | |
| in Net Position - Budget and Actual | |
| Water Fund | 87 |
| Northwest Water Reclamation District | 88 |
| 911 Dispatch Services Fund | 89 |
| Combining Statement of Net Position - Nonmajor Enterprise Funds..... | 90 |
| Combining Statement of Revenues, Expenditures and | |
| Changes in Net Position - Nonmajor Enterprise Funds | 91 |
| Combining Statement of Cash Flows - Nonmajor Enterprise Funds..... | 92-93 |
| Schedule of Revenues, Expenses and Changes in Net Position - | |
| Budget and Actual | |
| Commuter Parking Fund | 94 |
| Schedule of Changes in Plan Net Position - Budget and Actual - | |
| Police Pension Fund | 95 |

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2023 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, 2023 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.

Change in Accounting Principle

The Village adopted GASB Statement No. 87, *Leases*, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Our opinion is not modified with respect to this matter. See footnote disclosures #12 and #13 for more information.

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 January 29, 2024, 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
January 29, 2024

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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, 2023, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 29, 2024.

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 2023-001 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 2023-002 and 2023-003 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
January 29, 2024

VILLAGE OF FOX LAKE, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 2023

Material Weakness

2023-001 Internal Control over Financial Reporting - Month-End and Year-End Close Process

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 adjusting journal entries by new management.

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. 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

2023-002 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, 2023

Significant Deficiencies (Continued)

2023-002 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.

2023-003 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.

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, 2023

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, 2023. 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 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 fiscal year 2022 to fiscal year 2023. The revenues exceeded expenses by \$4,773,327 resulting in a net position as of April 30, 2023 of \$128,291,968. This is 3.9% higher than last year's net position of \$123,518,641.
- After securing \$11.9 million in bonds April 2022, the transformative revitalization of the Village's Lakefront Park development began in fiscal year 2023. Key features will include an outdoor amphitheater for concerts and community events, an enhanced splashpad and playground and a beach with shaded shelter and restrooms. Grand opening is expected in fiscal year 2024.
- 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 increased as of 12/31/2022 by \$4,408,804. Police Pension Net Pension Liability increased as of 4/30/2023 by \$959,568 predominately due to market declines. *Please see Note 9 in the Notes to Financial Statements for additional information on these plans.*
- At the end of the current fiscal year, the General Fund *unrestricted* fund balance was \$15,989,297, an increase of \$1,848,051 over the prior year's *unrestricted* amount of \$14,141,246. The amount committed by the Village's reserve policy represents 35% of the budgeted fiscal year 2024 operating expenditures.
- The General Fund balance increased by \$2,007,765 to \$16,210,677, as restated, as of April 30, 2023.

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

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village’s funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

The Village of Fox Lake has 10 individual governmental funds: General Fund, Lakefront Park Project Fund, Motor Fuel Tax Fund, South Business Development District Fund, Central Business Development District Fund and five Tax Increment Financing Funds (four of which are new and have no fund balance). 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 and Lakefront Park Project 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 funds other than the major funds is combined into a single column labeled “nonmajor governmental funds.” *Detailed information for the governmental 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, 2023

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 public on a continuing basis be financed or recovered primarily through user charges. As of April 30, 2023, the Village has four enterprise funds, the Water and Sewer Fund, Northwest Region Water Reclamation Fund, 911 Dispatch Fund and Commuter Parking Fund. Activity in the Tall Oaks Fund was considered complete and the appropriate transfers were made to close the fund as of April 30, 2023. *Detailed information for the proprietary funds is presented in the “Combining and Individual Fund Financial Statements and Schedules” section of the financial statements.*

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 21 of the financial statements.*

Notes to 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.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's net position as of April 30, 2023 was \$128,291,968, which represents an increase of \$4,773,327 compared to April 30, 2022. The Village's net position from governmental activities increased by \$4,958,355 and net position from business-type activities decreased by \$185,028 over the prior fiscal year.

Comparative Summary Statements of Net Position as of April 30, 2023 and 2022

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | | |
| Current and other assets | \$ 41,633,606 | \$ 37,886,590 | \$ 29,212,755 | \$ 30,356,359 | \$ 70,846,361 | \$ 68,242,949 |
| Capital assets | 35,727,151 | 34,131,036 | 75,656,657 | 75,400,215 | 111,383,808 | 109,531,251 |
| Total Assets | 77,360,757 | 72,017,626 | 104,869,412 | 105,756,574 | 182,230,169 | 177,774,200 |
| Deferred outflows of resources | 2,934,090 | 1,618,029 | 1,364,336 | 619,861 | 4,298,426 | 2,237,890 |
| Liabilities | | | | | | |
| Current liabilities | 3,974,881 | 4,135,375 | 2,492,425 | 2,472,769 | 6,467,306 | 6,608,144 |
| Noncurrent liabilities | 22,797,205 | 21,895,298 | 23,354,687 | 21,806,409 | 46,151,892 | 43,701,707 |
| Total Liabilities | 26,772,086 | 26,030,673 | 25,847,112 | 24,279,178 | 52,619,198 | 50,309,851 |
| Deferred inflows of resources | 5,413,526 | 4,454,102 | 203,903 | 1,729,496 | 5,617,429 | 6,183,598 |
| Net Position | | | | | | |
| Net investment in capital assets | 34,319,565 | 32,055,117 | 52,625,869 | 56,363,616 | 86,945,434 | 88,418,733 |
| Restricted net position | 5,792,272 | 5,811,685 | - | 1,685,854 | 5,792,272 | 7,497,539 |
| Unrestricted net position | 7,997,398 | 5,284,078 | 27,556,864 | 22,318,291 | 35,554,262 | 27,602,369 |
| Total Net Position | \$ 48,109,235 | \$ 43,150,880 | \$ 80,182,733 | \$ 80,367,761 | \$ 128,291,968 | \$ 123,518,641 |

Normal Impacts on Net Position

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

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

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

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

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

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

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

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

Current Year Impacts on Net Position

Governmental Activities

For fiscal year 2023, governmental activities *net* position is \$48,109,235 reflecting an increase of \$4,958,355 over the prior fiscal year. Governmental activities total assets and deferred outflows increased \$6,659,192 and governmental activities total liabilities and deferred inflows increased \$1,700,837.

The \$6.6 million increase in total assets and deferred outflows resulted from a \$3.7 million increase in current assets, an increase of \$1.6 million in capital assets, and an increase in pension related assets and deferred outflows of \$1.3 million. There were several factors affecting the change in current assets: cash increased \$6.6 million partly due to increase in net position and partly due to \$4.3 million shift in internal balances from the business-type activities owing governmental \$2.1 million at fiscal year 2023 to governmental activities owing business-type activities \$2.2 million at fiscal year 2023. The Village is working on rebalancing these accounts during fiscal year 2024. Other factors include the addition of a lease receivable of \$2.0 million due to implementation of GASB 87 (offset by deferred lease inflow of \$2.0 million), increase of property and intergovernmental receivables of \$.8 million and a decrease/elimination of net pension asset – IMRF of \$1.3 million (shifted to a net pension liability in fiscal year 2023).

The \$1.7 million increase in total liabilities and deferred inflows resulted from a \$.2 million decrease in current liabilities, a \$.9 million increase in long-term (noncurrent) liabilities and a \$1.0 million increase in deferred inflows. The increase in long-term liabilities is due to a \$1.6 million increase in net pension liabilities (police and IMRF) offset by repayment of bond liabilities. The increase in deferred outflows is due to a \$2.0 recording of deferred leases with the implementation of GASB 87 offset by reduction in pension-related deferred inflows. *For more detail on the GASB 87 implementation, see Notes 12 and 13 in the Notes to Financial Statements.*

Business-Type Activities

The business-type activities *net* position is \$80,182,733 which represents a decrease of \$185,028. Business-type activities total assets and deferred outflows decreased roughly \$143k and business-type activities total liabilities and deferred inflows were overall relatively the same.

While total assets and deferred outflows did not change significantly, there were several individual items of note. Current assets decreased by \$1.1 million as cash decreased \$4.2 million mainly due to and offset by \$4.3 million increase in internal balances as noted in the governmental activities. Additionally, there was an increase of intergovernmental receivables of \$.6 million and a decrease/elimination of net pension asset – IMRF of \$1.7 million (shifted to a net pension liability in fiscal year 2023). Deferred outflows increased by \$.8 million due to an increase in pension-related outflows. Net capital assets increase of \$.3 million was due to net capital additions of \$3.1 million less \$2.8 million in depreciation.

While total liabilities and deferred inflows did not change significantly, there were a few individual items of note. Long term liabilities increased by \$1.6 million due to a \$2.0 million increase in IEPA loans offset by \$1.2 million of bond and IEPA principal repayments and a \$.8 million increase in net pension liabilities-IMRF offset by repayment of bond liabilities. Deferred outflows decreased by \$1.5 million due to a similar decrease in pensions related deferred inflows.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

Changes in Net Position

The Village's combined change in net position for fiscal year 2023 was an increase of \$4,773,327 compared to \$7,052,128 in the prior fiscal year. Business-type activities saw a decrease in net position of \$185,028 and governmental activities saw an increase of \$4,958,355 during fiscal year 2023. Table 2 shows the condensed revenues and expenses of the Village's activities.

Comparative Changes in Net Position as of April 30, 2023 and 2022

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 | 2021 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 2,767,715 | \$ 2,698,950 | \$ 11,543,310 | \$ 11,516,920 | \$ 14,311,025 | \$ 14,215,870 |
| Operating and capital grants | 1,212,801 | 779,879 | 30,734 | - | 1,243,535 | 779,879 |
| General Revenues | | | | | | |
| Property taxes | 2,739,026 | 2,678,104 | - | - | 2,739,026 | 2,678,104 |
| All other taxes | 9,320,697 | 8,672,939 | - | - | 9,320,697 | 8,672,939 |
| Other Revenues and Transfers | 1,754,207 | 61,690 | 433,747 | 42,494 | 2,187,954 | 104,184 |
| Total revenues | 17,794,446 | 14,891,562 | 12,007,791 | 11,559,414 | 29,802,237 | 26,450,976 |
| Expenses | | | | | | |
| General government | 1,361,030 | 830,059 | - | - | 1,361,030 | 830,059 |
| Public safety | 6,373,653 | 5,282,981 | - | - | 6,373,653 | 5,282,981 |
| Public works | 3,263,966 | 2,418,129 | - | - | 3,263,966 | 2,418,129 |
| Parks & Recreation | 445,144 | 361,411 | - | - | 445,144 | 361,411 |
| Economic development | 908,339 | 621,505 | - | - | 908,339 | 621,505 |
| Interest | 483,959 | 292,215 | - | - | 483,959 | 292,215 |
| Water & Local Sewer | - | - | 3,531,463 | 3,206,894 | 3,531,463 | 3,206,894 |
| Wastewater reclamation | - | - | 7,015,727 | 5,363,919 | 7,015,727 | 5,363,919 |
| 911 Dispatch Service | - | - | 1,520,711 | 966,052 | 1,520,711 | 966,052 |
| Parking | - | - | 124,918 | 55,683 | 124,918 | 55,683 |
| Total expenses | 12,836,091 | 9,806,300 | 12,192,819 | 9,592,548 | 25,028,910 | 19,398,848 |
| Change in net position | 4,958,355 | 5,085,262 | (185,028) | 1,966,866 | 4,773,327 | 7,052,128 |
| Net Position - May 1 | 43,150,880 | 38,065,618 | 80,367,761 | 78,400,895 | 123,518,641 | 116,466,513 |
| Net Position - April 30 | \$ 48,109,235 | \$ 43,150,880 | \$ 80,182,733 | \$ 80,367,761 | \$ 128,291,968 | \$ 123,518,641 |

Normal Impacts on Revenues and Expenses

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

Revenues:

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

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

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

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

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

Expenses:

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

Increases/decreases in the number of authorized personnel – The Village Board may authorize increases or decreases in staffing levels based upon program and service changes.

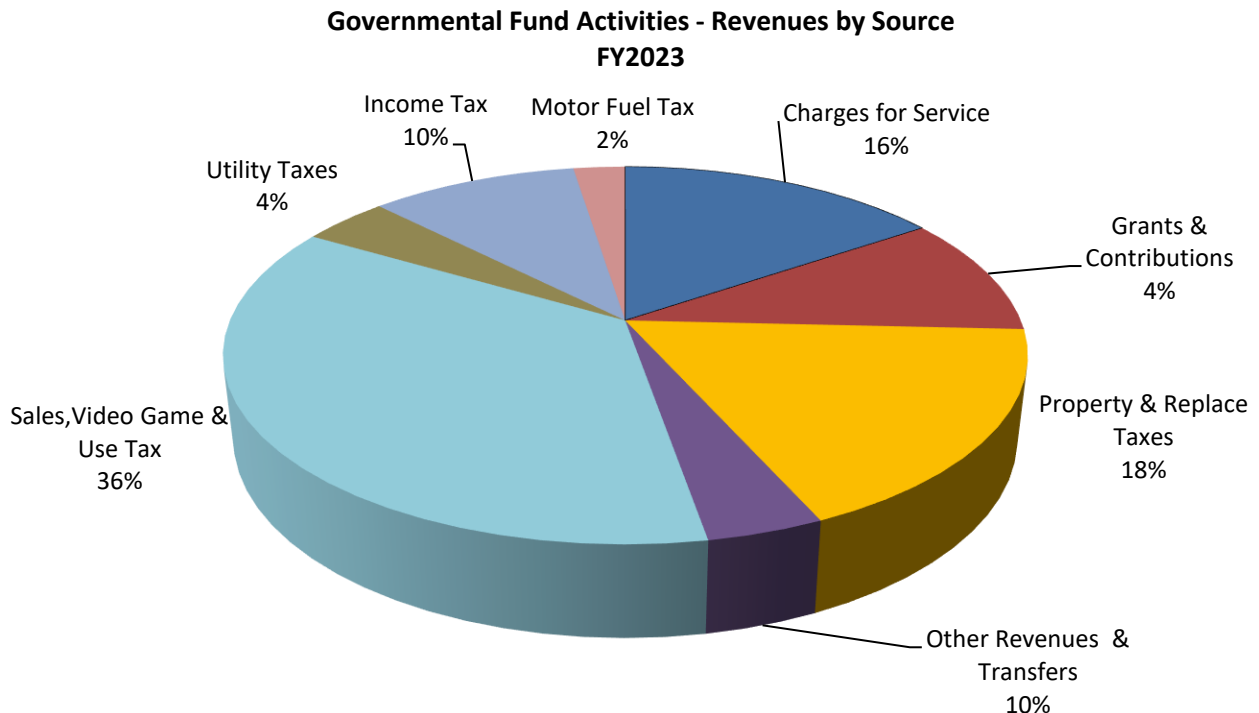
Salary increases (annual adjustments and merit) - The Village has three separate bargaining units representing approximately 50% of the employee population.

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

For the fiscal year ended April 30, 2023, revenues from governmental activities totaled \$17,794,446, an increase of \$2,902,884 or 19.5% from the prior fiscal year.



VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

The Village continues to receive most of its revenues from property taxes, charges for services, income taxes, utility taxes which include telecommunications and utility taxes and sales taxes, which include sales, video gaming, hotel/motel, and local use taxes. Sales taxes represent the largest revenue source at \$6,428,811 or 36.1%.

Sales taxes (as a component of "Sales") of \$5,499,579 increased 5.0% over the prior year. Video gaming taxes of \$428,806 increased 3.1% over the prior year.

Property taxes (including Police Pension but excluding road and bridge taxes), at \$2,739,026 and 15.4% 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 2.3% or \$60,922. The total property tax received during fiscal year 2023 of \$2,880,766 is restricted for specific purposes, as follows:

| <u>Year 2021 (FY23) Property Tax by Purpose</u> | <u>Amount</u> |
|---|-----------------------|
| Audit Tax | \$ 16,127 |
| Corporate | \$888,586 |
| IMRF | \$145,449 |
| Police Pension | \$859,029 |
| Police Protection/System | \$434,996 |
| Social Security | \$155,219 |
| Tort Judgment/Liability Insurance | \$168,118 |
| TIF | <u>\$ 71,502</u> |
| Road and Bridge | <u>\$141,740</u> |
| | Subtotal: \$2,739,026 |
| | Total: \$2,880,766 |

Charges for Services were the Village's third largest revenue source at \$2,767,715, representing 15.6% of the total Governmental activities' revenue. Overall, this source of revenue increased 2.5% compared to last fiscal year. The primary revenues in this category are refuse fees \$1,092,629; reimbursable expenses and contractual revenue \$646,494; police fines and related special revenues \$255,144; licenses and permit fees \$673,956; parks and recreational fees \$57,199 and lease interest income \$42,293. As a non-home rule municipality, the Village has limited authority on both the types of charges and related fees that it is able to impose. The majority of the Village's current charges for services focus on construction and business-related activity and, as such, this revenue stream tends to follow the ebbs and flows of the economy.

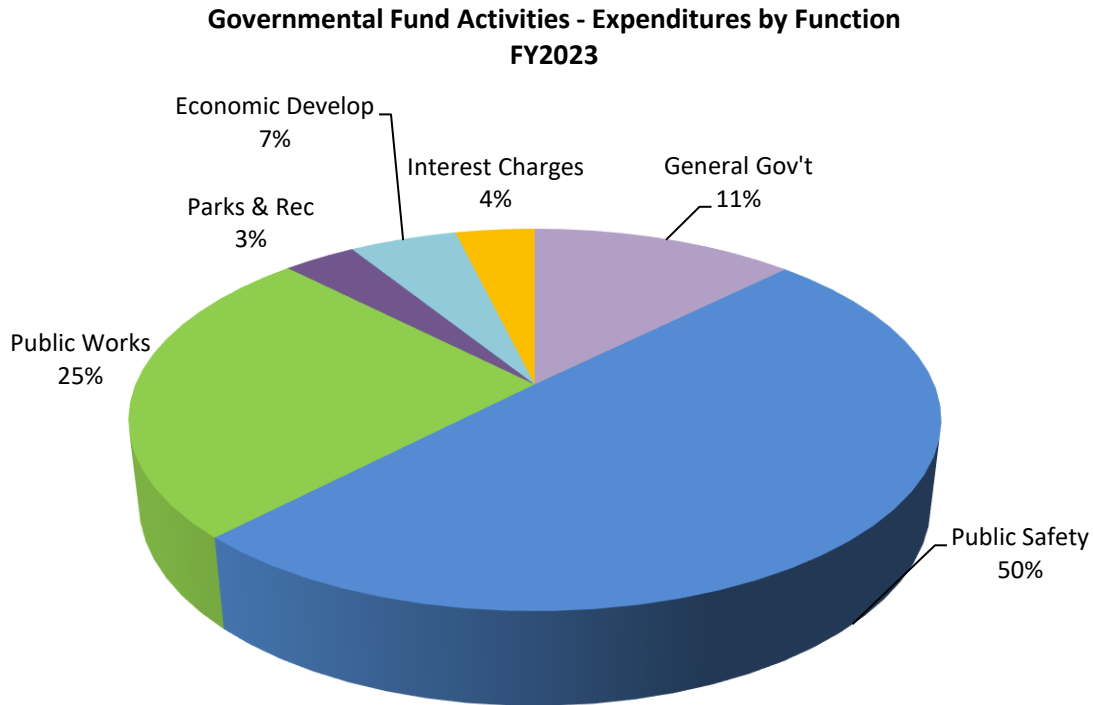
Income taxes which comprise \$1,773,808 or 10.0% of total revenue increased 14.6% over fiscal year 2022. Utility taxes of \$740,682 increased 3.1% from the prior fiscal year.

Other Revenues & Transfers of \$1,754,207 increased 2743% due to recognition of \$1.0 million of ARPA funds for the 2022 Roadway Program. Investment income of \$561,734 increased by \$539,907 from the prior year due to an overall increase of interest rates and an increase in cash. Interest received as part of internal balances with business-type activities will be prorated.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

Expenditures

For the fiscal year ended April 30, 2023, expenditures from governmental activities totaled \$12,836,091, which represents an increase of \$3,029,791 or 30.9% compared to the prior year.



Public safety represents the largest portion of governmental activity expenses at \$6,373,653. 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 2023, expenses for public safety increased \$1,090,672 or 20.6% over the prior year and represented 49.6% 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 2023, expenses for public works totaled \$3,263,966 and represented 25.4% of total governmental activities expenses. Public works expenses increased \$845,837 or 35.0%.

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 2023, expenses for general government were \$1,361,030 which represented 10.6% of total governmental activities costs. General government expenses increased \$530,971 or 64.0%.

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 2023, expenses for economic development were \$908,339 representing the next largest category of governmental activity expenses. This category increased \$286,834 or 46.2% and accounts for 7.1% of the total governmental activities expenses.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

Interest and fiscal charges increased from \$292,215 to \$483,959. The increase of \$191,744 was due mainly to interest on Lakefront Park bonds that were issued April 2022 with minimal accrued interest in fiscal year 2022.

Parks and recreation costs account for 3.5% 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 2023, expenses of 445,144 reflected an increase in expenditures of \$83,733 or 23.2% from the prior fiscal year.

Business-Type Activities

Business-type activities in the Village consist of water operations, wastewater 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 charges for services.

Revenues:

Total revenues for the Village's business-type activities for fiscal year 2023 were \$12,007,791 compared to \$11,559,414 in fiscal year 2022. This reflects an increase in total revenues of \$448,377 or 3.9% from fiscal year 2022.

In fiscal year 2023, total charges for service were \$11,543,310 with wastewater reclamation revenue representing 37.7%, local water and sewer operations accounting for 34.2%, 911 dispatch services were 8.5% and parking operations accounted for 0.2%. Wastewater reclamation revenues increased by \$5,251 or .1%. The local water and sewer charge for services decreased by \$27,628 or (.6%). E911 dispatch revenue increased \$40,562 or 3.4%.

Expenses:

Total expenses for the Village's business-type activities for fiscal year 2023 were \$12,192,819 compared to \$9,592,548 in fiscal year 2022. This represents an increase of \$2,600,271 or 27.1% compared to fiscal year 2022. Of the total expenses for business-type activities, \$7,015,727 is attributable to wastewater reclamation with an increase of \$1,651,808 compared to last year; \$3,531,463 to water and sewer operations with an increase of \$324,569 over last year; \$1,520,711 to 911 dispatch services reflecting an increase of \$554,659 compared to the prior year; and \$124,918 to parking operations which increased \$69,235.

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, 2023, the Governmental Funds reported a combined fund balance of \$33,563,030 which is a \$3,101,387 or 10.2% increase from the beginning of the year balance of \$30,461,643. Of the total year-end fund balance \$861,139 is unassigned, \$205,333 is non-spendable, \$17,449,517 is restricted, \$5,405,935 is committed, and \$9,641,106 is assigned.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. The beginning fund balance of the General Fund was restated to correct the presentation of the Lakefront Park bond proceeds, which established the Lakefront Park Project Fund. The General fund balance increased by \$2,007,765, or 14.1%, from the beginning of year, as restated. The increase is mainly due to grants relating to capital projects.

| Fund Name | Type | Major Fund | FY23 Balance | FY22 Balance, as restated | Increase (Decrease) |
|---------------------------------|-----------------|------------|----------------------|---------------------------|---------------------|
| General | Governmental | Y | \$ 16,210,677 | \$ 14,202,912 | \$ 2,007,765 |
| Lakefront Park Project | Governmental | Y | \$ 11,657,245 | \$ 12,500,873 | \$ (843,628) |
| TIF | Special Revenue | N | \$ (81,117) | \$ (129,306) | \$ 48,189 |
| Motor Fuel Tax | Special Revenue | N | \$ 2,188,006 | \$ 1,650,057 | \$ 537,949 |
| BDD-South | Special Revenue | N | \$ 2,266,156 | \$ 1,503,445 | \$ 762,711 |
| BDD-Central | Special Revenue | N | \$ 1,322,063 | \$ 733,662 | \$ 588,401 |
| Total Governmental Funds | | | \$ 33,563,030 | \$ 30,461,643 | \$ 3,101,387 |

Proprietary Funds

For the fiscal year ending April 30, 2023, the Enterprise Funds’ total net position decreased by \$185,028 over the prior year from \$80,367,761 to \$80,182,733.

The Water and Sewer Fund reflected an increase in net position of \$1,485,452. The Northwest Region Water Reclamation Fund had a decrease in net position of \$1,312,960. The 911 Dispatch Services Fund had a decrease in net position of \$257,820 and the Commuter Parking Fund had a decrease in net position of \$99,070.

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 for preparing an annual budget and presenting 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 \$15,450,209, which was \$952,055 over the amended budget of \$14,498,154. Expenditures in the General Fund were \$13,442,444, which was over the amended budget of \$12,536,140 by \$906,304.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

CAPITAL ASSETS

At the end of fiscal year 2023, the Village had a combined total of \$111,383,808 of capital assets invested in land; equipment; buildings and improvements; vehicles; infrastructure; water, sewer, and wastewater reclamation facilities and lines; and a commuter lot. *Additional information on capital assets can be found in Note 4 in the Notes to Financial Statements.*

Capital Assets at Year-End, Net of Depreciation

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land (includes rights of way and easements) | \$ 13,778,666 | \$ 13,543,616 | \$ 2,419,482 | \$ 2,419,482 | \$ 16,198,148 | \$ 15,963,098 |
| Construction in progress | 2,296,508 | 1,207,337 | 1,393,340 | 13,273,956 | 3,689,848 | 14,481,293 |
| Buildings and improvements | 4,839,106 | 5,070,432 | 26,098,955 | 26,248,285 | 30,938,061 | 31,318,717 |
| Vehicles & Equipment | 1,199,233 | 1,404,704 | 2,122,447 | 2,403,263 | 3,321,680 | 3,807,967 |
| Infrastructure | 13,613,638 | 12,904,947 | - | - | 13,613,638 | 12,904,947 |
| Water transmission system | - | - | 36,987,217 | 24,752,606 | 36,987,217 | 24,752,606 |
| Sewer collection system | - | - | 6,635,216 | 6,302,623 | 6,635,216 | 6,302,623 |
| Total capital assets | <u>\$ 35,727,151</u> | <u>\$ 34,131,036</u> | <u>\$ 75,656,657</u> | <u>\$ 75,400,215</u> | <u>\$ 111,383,808</u> | <u>\$ 109,531,251</u> |

For fiscal year 2023, the Village's total capital assets, net of depreciation, increased \$1,852,557. Capital assets of government activities increased \$1,596,115 due to costs related to assets listed in the table below less depreciation of \$1,213,254. Capital assets of business-type activities increased \$256,442 due to costs related to assets listed the table below less depreciation of \$2,832,296.

Change in Capital Assets

| | Governmental Activities 2023 | Business-type Activities 2023 | Total 2023 |
|--------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Beginning Balance | \$ 34,131,036 | \$ 75,400,215 | 109,531,251 |
| Additions | | | |
| Depreciable | 1,485,148 | 14,969,354 | 16,454,502 |
| Nondepreciable | 2,632,423 | 2,449,490 | 5,081,913 |
| Retirements | | | |
| Depreciable (net of depreciation) | - | - | - |
| Construction in Progress transferred | 1,308,202 | 14,330,106 | 15,638,308 |
| Depreciation | <u>(1,213,254)</u> | <u>(2,832,296)</u> | <u>(4,045,550)</u> |
| Ending Balance | <u>\$ 35,727,151</u> | <u>\$ 75,656,657</u> | <u>\$ 111,383,808</u> |

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

Major additions to capital assets include the following:

Governmental Activities

- Capital assets added include:
 - Nippersink Blvd
 - Street department vehicles
- Planning, design and construction in process for various road improvements, include:
 - 2022 Roadway Program (costs shared 50/50 with Water & Sewer Fund)
 - Knollwood flood mitigation
 - Lakefront Park & related access roads

Business-Type Activities

Water & Sewer

- Completed Interconnect Project Phase II
- Planning, design and construction in process for 2022 Roadway Program
- Vehicle and equipment

Northwest Region Water Reclamation

- Projects completed include:
 - Screw pump rehabilitation
 - Clarifier rebuild
 - Roofing and masonry project

Debt Outstanding

The Village of Fox Lake governmental activities had total long-term debt of \$12,426,074 as of April 30, 2023. Business-type activities had total long-term debt of \$22,592,670 as of April 30, 2023. *For more detail on the Village's long-term debt, see Note 6 in the Notes to Financial Statements.*

General obligation debt outstanding: At the end of the year, the Village had three general obligation (G.O.) debt issues outstanding with a combined balance of \$13,070,003. 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 \$13,070,003, which is well below the \$28,113,300 set by law (using the 2022 taxable equalized assessed value of \$325,951,303). None of the general obligation debt is bonded debt, and therefore, is not supported with a direct tax on the residents of the Village. No new G.O. debt was issued during the fiscal year.

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, 2023 is \$21,948,735 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.

VILLAGE OF FOX LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2023

The following is a comparative table of outstanding debt:

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| General Obligation Debt Certificates | \$ 900,909 | \$ 1,020,709 | \$ 529,100 | \$ 588,300 | \$ 1,430,009 | \$ 1,609,009 |
| General Obligation Bonds | 11,525,165 | 12,307,243 | 114,835 | 227,757 | 11,640,000 | 12,535,000 |
| IEPA Loans payable | - | - | 21,948,735 | 20,925,907 | 21,948,735 | 20,925,907 |
| Total | \$ 12,426,074 | \$ 13,327,952 | \$ 22,592,670 | \$ 21,741,964 | \$ 35,018,744 | \$ 35,069,916 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's elected and appointed officials considered many factors when setting the fiscal year 2023-2024 budget, tax rates and fees that will be charged for its governmental and business-type activities. The fiscal year 2023-2024 budget was adopted on April 25, 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, Fox Lake, Illinois 60020.

BASIC FINANCIAL STATEMENTS

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2023

| | Primary Government | | |
|--|---------------------------|----------------------|-----------------------|
| | Governmental | Business-Type | |
| | Activities | Activities | Total |
| ASSETS | | | |
| Cash and investments | \$ 35,954,776 | \$ 22,181,519 | \$ 58,136,295 |
| Receivables, net of allowance for uncollectibles | | | |
| Property taxes | 3,126,621 | - | 3,126,621 |
| Accounts | 404,542 | 2,786,027 | 3,190,569 |
| Leases | 2,050,422 | - | 2,050,422 |
| Intergovernmental | 2,079,548 | 2,008,408 | 4,087,956 |
| Prepaid items | 22,651 | 49,165 | 71,816 |
| Inventory | 182,682 | - | 182,682 |
| Internal balances | (2,187,636) | 2,187,636 | - |
| Capital assets | | | |
| Capital assets not being depreciated | 16,075,174 | 3,812,822 | 19,887,996 |
| Capital assets being depreciated, net | 19,651,977 | 71,843,835 | 91,495,812 |
| Total assets | 77,360,757 | 104,869,412 | 182,230,169 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows of resources | 2,934,090 | 1,102,487 | 4,036,577 |
| Asset retirement obligation items | - | 261,849 | 261,849 |
| Total deferred outflows of resources | 2,934,090 | 1,364,336 | 4,298,426 |
| Total assets and deferred outflows of resources | 80,294,847 | 106,233,748 | 186,528,595 |
| LIABILITIES | | | |
| Accounts payable | 1,436,713 | 1,097,038 | 2,533,751 |
| Accrued payroll | 231,184 | 66,165 | 297,349 |
| Interest payable | 246,477 | 48,627 | 295,104 |
| Deposits payable | 692,197 | - | 692,197 |
| Unearned revenue | 379,670 | - | 379,670 |
| Due to fiduciary fund | 203,426 | - | 203,426 |
| Noncurrent liabilities | | | |
| Due within one year | 785,214 | 1,280,595 | 2,065,809 |
| Due in more than one year | 22,797,205 | 23,354,687 | 46,151,892 |
| Total liabilities | 26,772,086 | 25,847,112 | 52,619,198 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferred inflows of resources | 286,140 | 203,903 | 490,043 |
| Deferred leases | 2,000,765 | - | 2,000,765 |
| Deferred property taxes | 3,126,621 | - | 3,126,621 |
| Total deferred inflows of resources | 5,413,526 | 203,903 | 5,617,429 |
| Total liabilities and deferred inflows of resources | 32,185,612 | 26,051,015 | 58,236,627 |
| NET POSITION | | | |
| Net investment in capital assets | 34,319,565 | 52,794,570 | 87,114,135 |
| Restricted for | | | |
| Economic development | 3,588,219 | - | 3,588,219 |
| Maintenance of roadways | 2,049,070 | - | 2,049,070 |
| DUI enforcement | 108,618 | - | 108,618 |
| Seized assets | 40,932 | - | 40,932 |
| Audit | 5,433 | - | 5,433 |
| Unrestricted | 7,997,398 | 27,388,163 | 35,385,561 |
| TOTAL NET POSITION | \$ 48,109,235 | \$ 80,182,733 | \$ 128,291,968 |

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

| FUNCTIONS/PROGRAMS | Program Revenues | | | |
|---------------------------------|----------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities | | | | |
| General government | \$ 1,361,030 | \$ 1,229,384 | \$ 2,799 | \$ - |
| Public safety | 6,373,653 | 355,247 | 37,776 | - |
| Public works | 3,263,966 | 1,125,885 | 372,122 | 800,104 |
| Parks and recreation | 445,144 | 57,199 | - | - |
| Economic development | 908,339 | - | - | - |
| Interest and fiscal charges | 483,959 | - | - | - |
| Total governmental activities | 12,836,091 | 2,767,715 | 412,697 | 800,104 |
| Business-type activities | | | | |
| Water and sewer | 3,531,463 | 4,898,952 | - | - |
| Wastewater reclamation | 7,015,727 | 5,401,476 | - | - |
| 911 dispatch services | 1,520,711 | 1,217,917 | 30,734 | - |
| Parking | 124,918 | 24,965 | - | - |
| Total business-type activities | 12,192,819 | 11,543,310 | 30,734 | - |
| TOTAL PRIMARY GOVERNMENT | \$ 25,028,910 | \$ 14,311,025 | \$ 443,431 | \$ 800,104 |

| Net (Expense) Revenue and Change in Net Position | | | |
|---|------------------------------------|-------------------------------------|----------------|
| | Governmental Activities | Business-Type Activities | Total |
| | \$ (128,847) | \$ - | \$ (128,847) |
| | (5,980,630) | - | (5,980,630) |
| | (965,855) | - | (965,855) |
| | (387,945) | - | (387,945) |
| | (908,339) | - | (908,339) |
| | (483,959) | - | (483,959) |
| | (8,855,575) | - | (8,855,575) |
| | - | 1,367,489 | 1,367,489 |
| | - | (1,614,251) | (1,614,251) |
| | - | (272,060) | (272,060) |
| | - | (99,953) | (99,953) |
| | - | (618,775) | (618,775) |
| | (8,855,575) | (618,775) | (9,474,350) |
| General Revenues | | | |
| Taxes | | | |
| Property tax | 2,739,026 | - | 2,739,026 |
| Utility tax | 740,682 | - | 740,682 |
| Use tax | 453,721 | - | 453,721 |
| Hotel/motel tax | 29,507 | - | 29,507 |
| Road and bridge tax | 141,740 | - | 141,740 |
| Video gaming proceeds | 428,806 | - | 428,806 |
| Rental car taxes | 156 | - | 156 |
| Intergovernmental | | | |
| Sales tax | 5,499,579 | - | 5,499,579 |
| Replacement tax | 235,656 | - | 235,656 |
| Shared income tax | 1,773,808 | - | 1,773,808 |
| Cannabis excise tax | 17,042 | - | 17,042 |
| American Rescue Plan Act | 1,043,977 | - | 1,043,977 |
| Miscellaneous | 147,462 | - | 147,462 |
| Gain on sale of capital assets | 1,034 | - | 1,034 |
| Investment income | 561,734 | 433,747 | 995,481 |
| Total | 13,813,930 | 433,747 | 14,247,677 |
| CHANGE IN NET POSITION | 4,958,355 | (185,028) | 4,773,327 |
| NET POSITION, MAY 1 | 43,150,880 | 80,367,761 | 123,518,641 |
| NET POSITION, APRIL 30 | \$ 48,109,235 | \$ 80,182,733 | \$ 128,291,968 |

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2023

| | General | Lakefront Park Project | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------------------|--|---|
| ASSETS | | | | |
| Cash and investments | \$ 18,906,054 | \$ 11,186,095 | \$ 5,862,627 | \$ 35,954,776 |
| Receivables, net | | | | |
| Property taxes | 2,957,641 | - | 168,980 | 3,126,621 |
| Accounts | 404,542 | - | - | 404,542 |
| Leases | 2,050,422 | - | - | 2,050,422 |
| Intergovernmental | 1,687,803 | - | 391,745 | 2,079,548 |
| Prepaid items | 22,651 | - | - | 22,651 |
| Inventory | 43,746 | - | 138,936 | 182,682 |
| Due from other funds | 6,271,165 | 738,625 | 168,160 | 7,177,950 |
| Advances to other funds | - | - | 120,000 | 120,000 |
| TOTAL ASSETS | \$ 32,344,024 | \$ 11,924,720 | \$ 6,850,448 | \$ 51,119,192 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,151,758 | \$ 267,475 | \$ 17,480 | \$ 1,436,713 |
| Accrued payroll | 231,184 | - | - | 231,184 |
| Deposits payable | 692,197 | - | - | 692,197 |
| Unearned revenue | 379,670 | - | - | 379,670 |
| Due to other funds | 8,516,706 | - | 848,880 | 9,365,586 |
| Due to fiduciary fund | 203,426 | - | - | 203,426 |
| Advances from other funds | - | - | 120,000 | 120,000 |
| Total liabilities | 11,174,941 | 267,475 | 986,360 | 12,428,776 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable property taxes | 2,957,641 | - | 168,980 | 3,126,621 |
| Deferred leases | 2,000,765 | - | - | 2,000,765 |
| Total deferred inflows of resources | 4,958,406 | - | 168,980 | 5,127,386 |
| Total liabilities and deferred inflows of resources | 16,133,347 | 267,475 | 1,155,340 | 17,556,162 |

(This statement is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

April 30, 2023

| | General | Lakefront Park Project | Nonmajor Governmental Funds | Total Governmental Funds |
|---|--------------------------|-----------------------------------|--|---|
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Nonspendable prepaid items | \$ 22,651 | \$ - | \$ - | \$ 22,651 |
| Nonspendable inventory | 43,746 | - | 138,936 | 182,682 |
| Restricted | | | | |
| Restricted for DUI enforcement | 108,618 | - | - | 108,618 |
| Restricted for seized assets | 40,932 | - | - | 40,932 |
| Restricted for audit | 5,433 | - | - | 5,433 |
| Restricted for economic development | - | - | 3,588,219 | 3,588,219 |
| Restricted for maintenance of roadways | - | - | 2,049,070 | 2,049,070 |
| Restricted for capital projects | - | 11,657,245 | - | 11,657,245 |
| Unrestricted | | | | |
| Committed by reserve policy | 5,405,935 | - | - | 5,405,935 |
| Assigned for capital projects | 4,256,559 | - | - | 4,256,559 |
| Assigned for subsequent year's budget | 5,375,323 | - | - | 5,375,323 |
| Assigned for shop with a cop | 8,624 | - | - | 8,624 |
| Assigned for tree replacement | 600 | - | - | 600 |
| Unassigned (deficit) | 942,256 | - | (81,117) | 861,139 |
| Total fund balances | 16,210,677 | 11,657,245 | 5,695,108 | 33,563,030 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 32,344,024 | \$ 11,924,720 | \$ 6,850,448 | \$ 51,119,192 |

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, 2023

| | |
|--|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 33,563,030 |
|--|----------------------|

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 | 35,727,151 |
|---|------------|

| | |
|---|---|
| Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities | - |
|---|---|

| | |
|---|-----------|
| Pension related deferred outflows of resources are not related to current financial resources and, therefore, are not presented in the governmental fund statements | 2,934,090 |
|---|-----------|

| | |
|--|-----------|
| Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds | (246,477) |
|--|-----------|

| | |
|--|--------------|
| 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 | (12,426,074) |
| Unamortized bond premium | (778,082) |
| Compensated absences payable | (233,906) |
| Net pension liability - Police Pension | (8,231,414) |
| Net pension liability - IMRF | (612,180) |
| Other postemployment benefits | (1,300,763) |

| | |
|--|-----------|
| Pension related deferred inflows of resources are not due and payable within the current period and, therefore, are not reported in the governmental funds | (286,140) |
|--|-----------|

| | |
|--|----------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 48,109,235 |
|--|----------------------|

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, 2023

| | General | Lakefront Park Project | Nonmajor Governmental Funds | Total Governmental Funds |
|-----------------------------------|----------------|-----------------------------------|--|---|
| REVENUES | | | | |
| Taxes | \$ 4,634,346 | \$ - | \$ 71,502 | \$ 4,705,848 |
| Licenses, permits and fees | 731,155 | - | - | 731,155 |
| Intergovernmental | 7,567,735 | - | 2,113,502 | 9,681,237 |
| Charges for services | 1,499,494 | - | - | 1,499,494 |
| Fines and forfeitures | 255,144 | - | - | 255,144 |
| Investment income | 331,917 | 47,622 | 182,195 | 561,734 |
| Miscellaneous | 430,418 | - | - | 430,418 |
| Total revenues | 15,450,209 | 47,622 | 2,367,199 | 17,865,030 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,241,787 | - | - | 1,241,787 |
| Public safety | 5,801,352 | - | - | 5,801,352 |
| Public works | 2,118,728 | - | 173,113 | 2,291,841 |
| Parks and recreation | 378,184 | - | - | 378,184 |
| Economic development | 614,285 | - | 251,325 | 865,610 |
| Capital outlay | 2,074,631 | 891,250 | 5,511 | 2,971,392 |
| Debt service | | | | |
| Principal | 901,878 | - | - | 901,878 |
| Interest and fiscal charges | 311,599 | - | - | 311,599 |
| Total expenditures | 13,442,444 | 891,250 | 429,949 | 14,763,643 |
| NET CHANGE IN FUND BALANCE | 2,007,765 | (843,628) | 1,937,250 | 3,101,387 |
| FUND BALANCES, MAY 1 | 26,703,785 | - | 3,757,858 | 30,461,643 |
| Prior period adjustment | (12,500,873) | 12,500,873 | - | - |
| FUND BALANCES, MAY 1, AS RESTATED | 14,202,912 | 12,500,873 | 3,757,858 | 30,461,643 |
| FUND BALANCES, APRIL 30 | \$ 16,210,677 | \$ 11,657,245 | \$ 5,695,108 | \$ 33,563,030 |

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, 2023

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

\$ 3,101,387

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures; however, they
are capitalized and depreciated in the statement of activities

| | |
|----------------------------|-------------|
| Capitalized capital assets | 2,809,369 |
| Depreciation expense | (1,213,254) |

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

(70,584)

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

2,581,592

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of governmental funds

| | |
|--|-------------|
| Retirement of general obligation debt | 901,878 |
| Amortization of bond premium | 45,268 |
| Change in compensated absences payable | 7,084 |
| Change in net pension liability payable | (2,913,120) |
| Change in other postemployment benefit payable | (73,637) |

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

(217,628)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 4,958,355

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2023

| | Water and Sewer | Northwest Region Water Reclamation | 911 Dispatch Services | Nonmajor Enterprise Funds | Total |
|---|----------------------------|---|----------------------------------|--|----------------------|
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,823,182 | \$ 18,432,826 | \$ 906,504 | \$ 19,007 | \$ 22,181,519 |
| Receivables | | | | | |
| Accounts (net of allowance for uncollectible accounts) | 1,138,854 | 1,538,426 | 108,747 | - | 2,786,027 |
| Prepaid items | 4,368 | 13,040 | 31,467 | 290 | 49,165 |
| Due from other funds | 7,250,440 | 416,270 | 38,148 | 1,553 | 7,706,411 |
| Due from other governments | 2,008,408 | - | - | - | 2,008,408 |
| Total current assets | 13,225,252 | 20,400,562 | 1,084,866 | 20,850 | 34,731,530 |
| NONCURRENT ASSETS | | | | | |
| Capital assets, net of accumulated depreciation | 42,200,796 | 32,848,751 | 337,032 | 270,078 | 75,656,657 |
| Total noncurrent assets | 42,200,796 | 32,848,751 | 337,032 | 270,078 | 75,656,657 |
| Total assets | 55,426,048 | 53,249,313 | 1,421,898 | 290,928 | 110,388,187 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related deferred outflows of resources | 241,785 | 507,938 | 335,823 | 16,941 | 1,102,487 |
| Asset retirement obligation items | 261,849 | - | - | - | 261,849 |
| Total deferred outflows of resources | 503,634 | 507,938 | 335,823 | 16,941 | 1,364,336 |
| Total assets and deferred outflows of resources | 55,929,682 | 53,757,251 | 1,757,721 | 307,869 | 111,752,523 |
| CURRENT LIABILITIES | | | | | |
| Accounts payable | 512,362 | 570,012 | 14,314 | 350 | 1,097,038 |
| Accrued payroll | 10,357 | 37,839 | 17,351 | 618 | 66,165 |
| Interest payable | 48,563 | - | 64 | - | 48,627 |
| Due to other funds | 93,921 | 3,660,341 | 1,576,159 | 188,354 | 5,518,775 |
| Current portion of compensated absences | 1,350 | 3,092 | 1,622 | 25 | 6,089 |
| Current portion of long-term debt | 1,242,301 | 24,332 | 7,675 | 198 | 1,274,506 |
| Total current liabilities | 1,908,854 | 4,295,616 | 1,617,185 | 189,545 | 8,011,200 |
| NONCURRENT LIABILITIES | | | | | |
| Compensated absences payable | 25,668 | 58,743 | 30,807 | 469 | 115,687 |
| Long-term debt | 21,981,629 | 753,663 | 478,079 | 25,629 | 23,239,000 |
| Total noncurrent liabilities | 22,007,297 | 812,406 | 508,886 | 26,098 | 23,354,687 |
| Total liabilities | 23,916,151 | 5,108,022 | 2,126,071 | 215,643 | 31,365,887 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related deferred outflows of resources | 44,718 | 93,942 | 62,110 | 3,133 | 203,903 |
| Total deferred inflows of resources | 44,718 | 93,942 | 62,110 | 3,133 | 203,903 |
| Total liabilities and deferred inflows of resources | 23,960,869 | 5,201,964 | 2,188,181 | 218,776 | 31,569,790 |
| NET POSITION | | | | | |
| Net investment in capital assets | 19,338,709 | 32,848,751 | 337,032 | 270,078 | 52,794,570 |
| Unrestricted (deficit) | 12,630,104 | 15,706,536 | (767,492) | (180,985) | 27,388,163 |
| TOTAL NET POSITION (DEFICIT) | \$ 31,968,813 | \$ 48,555,287 | \$ (430,460) | \$ 89,093 | \$ 80,182,733 |

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, 2023

| | Water and Sewer | Northwest Region Water Reclamation | 911 Dispatch Services | Nonmajor Enterprise Funds | Total |
|--|----------------------------|---|----------------------------------|--|----------------------|
| OPERATING REVENUES | | | | | |
| Water/sewer fees | \$ 4,723,211 | \$ - | \$ - | \$ - | \$ 4,723,211 |
| Sewer fees | - | 4,969,516 | - | - | 4,969,516 |
| Dispatch fees | - | - | 1,217,917 | - | 1,217,917 |
| Parking fees | - | - | - | 24,965 | 24,965 |
| Tap-on fees | 24,484 | 428,560 | - | - | 453,044 |
| Miscellaneous | 151,257 | 3,400 | - | - | 154,657 |
| Total operating revenues | 4,898,952 | 5,401,476 | 1,217,917 | 24,965 | 11,543,310 |
| OPERATING EXPENSES | | | | | |
| Personnel services | 843,924 | 1,933,532 | 1,176,433 | 36,174 | 3,990,063 |
| Contractual services/commodities | 1,256,612 | 3,464,287 | 248,627 | 27,908 | 4,997,434 |
| Capital outlay | - | - | 23,997 | - | 23,997 |
| Miscellaneous | - | - | - | 55,800 | 55,800 |
| Depreciation and amortization | 1,147,842 | 1,617,908 | 71,306 | 5,036 | 2,842,092 |
| Total operating expenses | 3,248,378 | 7,015,727 | 1,520,363 | 124,918 | 11,909,386 |
| OPERATING INCOME (LOSS) | 1,650,574 | (1,614,251) | (302,446) | (99,953) | (366,076) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Investment income | 117,963 | 301,291 | 14,240 | 253 | 433,747 |
| Intergovernmental | - | - | 30,734 | - | 30,734 |
| Interest and fiscal charges | (283,085) | - | (348) | - | (283,433) |
| Total non-operating revenues (expenses) | (165,122) | 301,291 | 44,626 | 253 | 181,048 |
| CHANGE IN NET POSITION | 1,485,452 | (1,312,960) | (257,820) | (99,700) | (185,028) |
| NET POSITION (DEFICIT), MAY 1 | 30,483,361 | 49,868,247 | (172,640) | 188,793 | 80,367,761 |
| NET POSITION (DEFICIT), APRIL 30 | \$ 31,968,813 | \$ 48,555,287 | \$ (430,460) | \$ 89,093 | \$ 80,182,733 |

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2023

| | Water and Sewer | Northwest Region Water Reclamation | 911 Dispatch Services | Nonmajor Enterprise Funds | Total |
|---|----------------------------|---|----------------------------------|--|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 4,874,898 | \$ 5,483,985 | \$ 1,213,978 | \$ 25,330 | \$ 11,598,191 |
| Payments to suppliers | (1,583,702) | (3,471,190) | (1,185,442) | (91,982) | (6,332,316) |
| Payments to employees | (815,694) | (1,812,824) | (204,069) | (25,779) | (2,858,366) |
| Net cash from operating activities | 2,475,502 | 199,971 | (175,533) | (92,431) | 2,407,509 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Interfund activity | (5,047,265) | 511,152 | 165,974 | 91,327 | (4,278,812) |
| Net cash from noncapital financing activities | (5,047,265) | 511,152 | 165,974 | 91,327 | (4,278,812) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 117,963 | 301,291 | 14,240 | 253 | 433,747 |
| Net cash from investing activities | 117,963 | 301,291 | 14,240 | 253 | 433,747 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchase of capital assets | (1,903,230) | (901,256) | - | - | (2,804,486) |
| Intergovernmental - grants | - | - | 30,733 | - | 30,733 |
| Payments of principal | (1,161,064) | - | (4,218) | - | (1,165,282) |
| Proceeds from loans | 1,409,512 | - | - | - | 1,409,512 |
| Interest and fiscal charges paid on capital debt | (245,223) | - | (358) | - | (245,581) |
| Net cash from capital and related financing activities | (1,900,005) | (901,256) | 26,157 | - | (2,775,104) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (4,353,805) | 111,158 | 30,838 | (851) | (4,212,660) |
| CASH AND CASH EQUIVALENTS, MAY 1 | 7,176,987 | 18,321,668 | 875,666 | 19,858 | 26,394,179 |
| CASH AND CASH EQUIVALENTS, APRIL 30 | <u>\$ 2,823,182</u> | <u>\$ 18,432,826</u> | <u>\$ 906,504</u> | <u>\$ 19,007</u> | <u>\$ 22,181,519</u> |

(This statement is continued on the following page.)

VILLAGE OF FOX LAKE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2023

| | Water and Sewer Fund | Northwest Region Water Reclamation Fund | 911 Dispatch Services Fund | Nonmajor Enterprise Funds | Total |
|--|-------------------------------------|--|---|--|---------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ 1,650,574 | \$ (1,614,251) | \$ (302,446) | \$ (99,953) | \$ (366,076) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | | | | |
| Depreciation and amortization | 1,147,842 | 1,617,908 | 71,306 | 5,036 | 2,842,092 |
| (Increase) decrease in | | | | | |
| Receivables | (24,054) | 82,509 | (3,939) | 365 | 54,881 |
| Prepaid items | 569 | 3,999 | 9,836 | (215) | 14,189 |
| Net pension asset | 369,723 | 776,706 | 513,520 | - | 1,659,949 |
| Pension items | (165,418) | (347,508) | (229,755) | (11,590) | (754,271) |
| Increase (decrease) in | | | | | |
| Accounts payable | (327,659) | (10,902) | (8,691) | (1,145) | (348,397) |
| Accrued payroll | (4,660) | 1,383 | (4,108) | (10) | (7,395) |
| Compensated absences payable | (6,436) | 14,545 | (4,901) | 2 | 3,210 |
| Net pension liability | 168,736 | 354,477 | 234,362 | 37,728 | 795,303 |
| Pension items | (334,576) | (702,871) | (464,704) | (23,442) | (1,525,593) |
| Total OPEB liability | 861 | 23,976 | 13,987 | 793 | 39,617 |
| NET CASH FROM OPERATING ACTIVITIES | \$ 2,475,502 | \$ 199,971 | \$ (175,533) | \$ (92,431) | \$ 2,407,509 |
| NONCASH TRANSACTIONS | | | | | |
| Capital assets acquired through vouchers and retainage payable | \$ 384,252 | \$ - | \$ - | \$ - | \$ 384,252 |
| IEPA Loans Receivable | 2,008,408 | - | - | - | 2,008,408 |
| IEPA Loan Payable | (2,008,408) | - | - | - | (2,008,408) |
| TOTAL NONCASH TRANSACTIONS | \$ 384,252 | \$ - | \$ - | \$ - | \$ 384,252 |

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

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

April 30, 2023

ASSETS

| | |
|--|-----------------------|
| Cash | \$ 412,093 |
| Investments (at fair value) | |
| Held in the Illinois Police Officer's Pension Investment Fund | 20,135,920 |
| Due from General Fund | 203,426 |
| Prepaid expenses | <u>4,143</u> |
| Total assets | <u>20,755,582</u> |

LIABILITIES

| | |
|-----------------------|------------------|
| Accounts payable | <u>2,205</u> |
| Total liabilities | <u>2,205</u> |

**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

\$ 20,753,377

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, 2023

ADDITIONS

| | |
|--|------------------|
| Contributions | |
| Employer | \$ 1,062,460 |
| Plan members | <u>320,369</u> |
| Total contributions | <u>1,382,829</u> |
| Investment income | |
| Net appreciation in fair value of investments | 64,006 |
| Interest and dividends | <u>213,939</u> |
| Total investment income (loss) | 277,945 |
| Less investment expense | <u>(31,394)</u> |
| Net investment income (loss) | <u>246,551</u> |
| Total additions | <u>1,629,380</u> |

DEDUCTIONS

| | |
|------------------------------|------------------|
| Pension benefits and refunds | 1,402,308 |
| Administrative expenses | <u>46,969</u> |
| Total deductions | <u>1,449,277</u> |

| | |
|--------------|---------|
| NET INCREASE | 180,103 |
|--------------|---------|

NET POSITION RESTRICTED FOR PENSION BENEFITS

| | |
|----------|-----------------------------|
| May 1 | <u>20,573,274</u> |
| April 30 | <u><u>\$ 20,753,377</u></u> |

See accompanying notes to financial statements.

VILLAGE OF FOX LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

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

Police Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

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

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

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

c. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major governmental funds:

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

The Lakefront Park Project Fund, a capital projects fund, is used to account for monies received and expended to improve Village infrastructure and facilities.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

f. Interfund Receivables/Payables

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

g. Prepaid Items/Expenses

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

h. Inventory

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

i. Capital Assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

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

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

j. Compensated Absences

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

k. Fund Balance/Net Position

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

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

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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

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

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are legality, safety, liquidity and yield.

Village Deposits with Financial Institutions

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

Village Investments

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

Village Investments (Continued)

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

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

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments reported at fair value at April 30, 2023.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2021 levy year attach as an enforceable lien on January 1, 2021, 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, 2022 and August 1, 2022 and are payable in two installments, on or about June 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. The 2022 tax levy is intended to finance the 2024 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2023 tax levy has not been recorded as a receivable at April 30, 2023, although the tax is attached as a lien on property as of January 1, 2023, the tax will not be levied until December 2023 and, accordingly, is not measurable at April 30, 2023.

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

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended April 30, 2023, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 3,049,534 | \$ 235,050 | \$ - | \$ 3,284,584 |
| Land right of way | 10,494,082 | - | - | 10,494,082 |
| Construction in progress | 1,207,337 | 2,397,373 | 1,308,202 | 2,296,508 |
| Total capital assets not being depreciated | 14,750,953 | 2,632,423 | 1,308,202 | 16,075,174 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 10,026,255 | - | - | 10,026,255 |
| Vehicles and equipment | 4,788,050 | 131,228 | - | 4,919,278 |
| Infrastructure | 25,071,176 | 1,353,920 | - | 26,425,096 |
| Total capital assets being depreciated | 39,885,481 | 1,485,148 | - | 41,370,629 |
| Less accumulated depreciation for | | | | |
| Buildings | 4,955,823 | 231,326 | - | 5,187,149 |
| Vehicles and equipment | 3,383,346 | 336,699 | - | 3,720,045 |
| Infrastructure | 12,166,229 | 645,229 | - | 12,811,458 |
| Total accumulated depreciation | 20,505,398 | 1,213,254 | - | 21,718,652 |
| Total capital assets being depreciated, net | 19,380,083 | 271,894 | - | 19,651,977 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 34,131,036 | \$ 2,904,317 | \$ 1,308,202 | \$ 35,727,151 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,419,482 | \$ - | \$ - | \$ 2,419,482 |
| Construction in progress | 13,273,956 | 2,449,490 | 14,330,106 | 1,393,340 |
| Total capital assets not being depreciated | 15,693,438 | 2,449,490 | 14,330,106 | 3,812,822 |
| Capital assets being depreciated | | | | |
| Buildings | 50,177,496 | 860,232 | - | 51,037,728 |
| Vehicles and equipment | 10,130,686 | 172,182 | - | 10,302,868 |
| Water transmission system | 37,851,018 | 13,167,619 | - | 51,018,637 |
| Sewer collection system | 19,185,558 | 769,321 | - | 19,954,879 |
| Total capital assets being depreciated | 117,344,758 | 14,969,354 | - | 132,314,112 |
| Less accumulated depreciation for | | | | |
| Buildings | 23,929,211 | 1,009,562 | - | 24,938,773 |
| Vehicles and equipment | 7,727,423 | 452,998 | - | 8,180,421 |
| Water transmission system | 13,098,412 | 933,008 | - | 14,031,420 |
| Sewer collection system | 12,882,935 | 436,728 | - | 13,319,663 |
| Total accumulated depreciation | 57,637,981 | 2,832,296 | - | 60,470,277 |
| Total capital assets being depreciated, net | 59,706,777 | 12,137,058 | - | 71,843,835 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 75,400,215 | \$ 14,586,548 | \$ 14,330,106 | \$ 75,656,657 |

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

4. CAPITAL ASSETS (Continued)

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

| | |
|---|-------------------------|
| GOVERNMENTAL ACTIVITIES | |
| General government | \$ 52,566 |
| Public safety | 282,357 |
| Public works | 811,943 |
| Parks and recreation | 42,833 |
| Community development | <u>23,555</u> |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$ 1,213,254</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, 2022 through December 1, 2023:

| 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, 2023, for the current or prior claim years.

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

5. RISK MANAGEMENT (Continued)

The Village participates in the North Suburban Employee's Benefit Cooperative (NSEBC), an agency of governmental entities created to finance and administer medical and dental care benefits to employees of its member organizations. Each municipality appoints one representative to serve on the Board of Directors. The Board of Directors determines the general policies, which includes approval of the annual budget. Members are contractually obligated to make all monthly payments and to fund any deficit upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Board of Directors. There were no significant changes in the insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years. The Village reports insurance activities within the General, Commuter Parking, Water, Northwest Water Reclamation District and 911 Dispatch Services funds. The Village's total payments for the year ended April 30, 2023, were \$1,149,764.

6. LONG-TERM DEBT

a. General Obligation Bonds and Other Long-Term Debt

The outstanding debt as of April 30, 2023, consists of the following individual amounts:

| | Fund Debt Retired By | Balances April 30 | Current Portion |
|--|---|----------------------|--------------------|
| \$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 | \$ 1,430,009 | \$ 155,000 |
| \$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 | 11,340,000 | 410,000 |
| \$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 | 300,000 | 300,000 |
| \$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 | 1,716,539 | 122,198 |

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

6. LONG-TERM DEBT (Continued)

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

| | Fund Debt Retired By | Balances April 30 | Current Portion |
|--|-------------------------|----------------------|---------------------|
| \$1,543,275 Illinois EPA low interest loan due in semiannual installments of principal and interest of \$57,814 to \$90,201, from December 27, 2017, to December 27, 2037, with interest at 1.640% | Water and Sewer | \$ 1,209,847 | \$ 71,764 |
| \$4,331,637 Illinois EPA low interest loan due in semiannual installments of principal and interest of \$123,648 to \$250,410, from April 9, 2021, to December 9, 2040, with interest at 1.380% | Water and Sewer | 6,169,740 | 313,986 |
| \$2,044,556 Illinois EPA low interest loan due in semiannual installments of principal and interest \$57,337 to \$117,340, from December 12, 2020, to December 12, 2040, with interest at 1.380% | Water and Sewer | 2,295,790 | 116,836 |
| \$8,039,891 Illinois EPA low interest loan due in semiannual installments of principal and interest \$131,539 to \$201,977, from September 14, 2022 to March 14, 2042, with interest at 1.010% | Water and Sewer | 6,889,282 | 286,690 |
| \$4,478,060 Illinois EPA low interest loan due in semiannual installments of principal and interest of \$76,411 to \$106,722, from September 14, 2022, to March 14, 2042, with interest at 1.010% | Water and Sewer | 3,667,537 | 162,617 |
| TOTAL OUTSTANDING DEBT | | \$ 35,018,744 | \$ 1,939,091 |

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 |
| 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 |
| TOTAL | \$ 900,909 | \$ 130,678 | \$ 529,100 | \$ 76,747 |

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

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

| Fiscal Year Ending April 30, | Governmental Activities | | Business-Type Activities | |
|------------------------------------|-------------------------|---------------------|--------------------------|-----------------|
| | General Obligation Debt | | | |
| | Principal | Interest | Principal | Interest |
| 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 | - | - |
| TOTAL | \$ 11,525,165 | \$ 5,069,555 | \$ 114,835 | \$ 3,445 |

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

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

| Fiscal Year Ending April 30, | Business-Type Activities | |
|------------------------------------|--------------------------|---------------------|
| | IEPA Loan | |
| | Principal | Interest |
| 2024 | \$ 1,074,091 | \$ 267,178 |
| 2025 | 1,149,121 | 260,677 |
| 2026 | 1,164,081 | 244,761 |
| 2027 | 1,179,249 | 229,594 |
| 2028 | 1,194,626 | 214,217 |
| 2029 | 1,210,215 | 198,627 |
| 2030 | 1,226,020 | 182,823 |
| 2031 | 1,242,043 | 166,800 |
| 2032 | 1,258,289 | 150,554 |
| 2033 | 1,274,760 | 134,082 |
| 2034 | 1,291,459 | 117,384 |
| 2035 | 1,308,391 | 100,452 |
| 2036 | 1,247,640 | 83,284 |
| 2037 | 1,184,788 | 68,219 |
| 2038 | 1,199,264 | 53,741 |
| 2039 | 1,122,238 | 39,457 |
| 2040 | 1,135,570 | 26,122 |
| 2041 | 875,987 | 12,627 |
| 2042 | 610,903 | 4,631 |
| TOTAL | <u>\$ 21,948,735</u> | <u>\$ 2,555,230</u> |

IEPA Loans were not fully disbursed as of April 30, 2023. 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)

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 2023:

| | Balances May 1 | Additions | Reductions | Balances April 30 | Current Portion |
|---|----------------------|---------------------|---------------------|----------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| General obligation debt certificates | \$ 1,020,709 | \$ - | \$ 119,800 | \$ 900,909 | \$ 97,650 |
| General obligation bonds | 12,307,243 | - | 782,078 | 11,525,165 | 595,165 |
| Compensated absences payable | 240,990 | 4,966 | 12,050 | 233,906 | 11,695 |
| Other postemployment benefits | 1,227,126 | 73,637 | - | 1,300,763 | 80,704 |
| Net pension liability - Police | 7,271,846 | 959,568 | - | 8,231,414 | - |
| Net pension liability - IMRF* | - | 612,180 | - | 612,180 | - |
| Unamortized bond premium | 823,350 | - | 45,268 | 778,082 | - |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 22,891,264 | \$ 1,650,351 | \$ 959,196 | \$ 23,582,419 | \$ 785,214 |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| General obligation debt certificates | \$ 588,300 | \$ - | \$ 59,200 | \$ 529,100 | \$ 57,350 |
| General obligation bonds | 227,757 | - | 112,922 | 114,835 | 114,835 |
| Illinois EPA loan | 20,925,907 | 2,011,770 | 988,942 | 21,948,735 | 1,074,091 |
| Asset retirement obligations | 450,000 | - | - | 450,000 | - |
| Compensated absences payable | 118,565 | 29,696 | 26,485 | 121,776 | 6,089 |
| Other postemployment benefits | 660,179 | 39,615 | - | 699,794 | 28,230 |
| Net pension liability - IMRF* | - | 769,398 | - | 769,398 | - |
| Unamortized bond premium | 14,483 | - | 12,839 | 1,644 | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 22,985,191 | \$ 2,850,479 | \$ 1,200,388 | \$ 24,635,282 | \$ 1,280,595 |

*The net pension liability - IMRF was a net pension asset as of April 30, 2022.

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

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, principal and interest of \$1,167,498 was paid, while total pledged revenue was \$11,653,761. The estimated percentage of pledged revenue was 10.02%. The total pledge remaining for all bonds is \$15,851,400.

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, 2023 is \$450,000.

7. INDIVIDUAL FUND DISCLOSURES

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

| | Due From (positive) | Due To (negative) |
|---|------------------------|----------------------|
| General Fund | | |
| TIF #1 Fund | \$ 30,878 | \$ - |
| Motor Fuel Tax Fund | 529,943 | 165,660 |
| Business Development District - South | 70,703 | - |
| Lakefront Park Project Fund | - | 738,625 |
| Business Development District - Central | 214,856 | - |
| Commuter Parking Fund | 188,354 | 1,553 |
| Water Fund | - | 7,250,440 |
| Central Dispatch Fund | 1,576,159 | - |
| Northwest Regional Water Reclamation Fund | 3,660,272 | 360,428 |
| Police Pension Fund | - | 203,426 |
| TIF #1 Fund | | |
| General Fund | - | 30,878 |

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

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

| | Due From (positive) | Due To (negative) |
|---|------------------------|----------------------|
| MFT Fund | | |
| General Fund | \$ 165,660 | \$ 529,943 |
| Business Development District - Central | - | 2,500 |
| Business Development District - South | | |
| General Fund | - | 70,703 |
| Business Development District - Central | | |
| General Fund | - | 214,856 |
| MFT Fund | 2,500 | - |
| Lakefront Park Project Fund | | |
| General Fund | 738,625 | - |
| Commuter Parking Fund | | |
| General Fund | 1,553 | 188,354 |
| Water and Sewer Fund | | |
| General Fund | 7,250,440 | - |
| Central Dispatch Fund | - | 38,079 |
| Northwest Region Water Reclamation Fund | - | 55,842 |
| Central Dispatch Fund | | |
| General Fund | - | 1,576,159 |
| Northwest Region Water Reclamation Fund | 69 | - |
| Water and Sewer fund | 38,079 | - |
| Northwest Regional Water Reclamation Fund | | |
| General Fund | 360,428 | 3,660,272 |
| Central Dispatch | - | 69 |
| Water | 55,842 | - |
| Police Pension Fund | | |
| General Fund | 203,426 | - |
| TOTAL INTERFUND BALANCES | \$ 15,087,787 | \$ 15,087,787 |

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

- a. Individual fund interfund receivables/payables are as follows (Continued):

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 #1 | \$ 120,000 |
| TOTAL | | <u>\$ 120,000</u> |

The purpose of the interfund advances are as follows:

\$120,000 advance from the Business Development District Central Fund to the Tax Increment Financing #1 Fund represents money loaned for economic development.

- c. The following fund reported deficit fund balances/net position at April 30, 2023:

| Fund | |
|-------------------------------------|--------------|
| 911 Dispatch Services | \$ (430,460) |
| Tax Increment Financing District #1 | (81,117) |

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.

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.

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.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2022, IMRF membership consisted of:

| | |
|---|-----------------------|
| Inactive employees or their beneficiaries currently receiving benefits | 72 |
| Inactive employees entitled to but not yet receiving benefits | 80 |
| Active employees | <u>66</u> |
| TOTAL | <u><u>218</u></u> |

Benefits Provided

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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, 2023, was 5.93% of covered payroll.

Actuarial Assumptions

The Village's net pension liability (asset) was measured as of December 31, 2022 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, 2022 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary increases | 2.85% to 13.75% |
| Interest rate | 7.25% |
| Asset valuation method | Fair value |

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

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

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

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

Changes in the Net Pension Liability (Asset)

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2022 | \$ 20,862,001 | \$ 23,889,227 | \$ (3,027,226) |
| Changes for the period | | | |
| Service cost | 405,371 | - | 405,371 |
| Interest | 1,492,010 | - | 1,492,010 |
| Difference between expected and actual experience | (228,543) | - | (228,543) |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 277,069 | (277,069) |
| Employee contributions | - | 200,452 | (200,452) |
| Net investment income | - | (2,988,749) | 2,988,749 |
| Benefit payments and refunds | (970,476) | (970,476) | - |
| Other (net transfer) | - | (228,738) | 228,738 |
| Net changes | 698,362 | (3,710,442) | 4,408,804 |
| BALANCES AT DECEMBER 31, 2022 | \$ 21,560,363 | \$ 20,178,785 | \$ 1,381,578 |

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2023, the Village recognized pension expense of \$585,634.

At April 30, 2023, 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 | \$ 274,296 | \$ 285,184 |
| Changes in assumption | - | 80,956 |
| Net difference between projected and actual earnings on pension plan investments | 1,617,894 | - |
| Contributions made subsequent to the measurement date | 87,505 | - |
| TOTAL | \$ 1,979,695 | \$ 366,140 |

\$87,505 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| <u>Year Ending April 30,</u> | |
|----------------------------------|---------------------|
| 2024 | \$ (197,351) |
| 2025 | 308,886 |
| 2026 | 476,961 |
| 2027 | 937,554 |
| 2028 | - |
| Thereafter | - |
| TOTAL | \$ 1,526,050 |

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) | \$ 4,225,955 | \$ 1,381,578 | \$ (793,307) |

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, 2023, the Police Pension Plan membership consisted of:

| | |
|--|------------------|
| Inactive plan members currently receiving benefits | 21 |
| Inactive plan members entitled to but not yet receiving benefits | 8 |
| Active plan members | <u>28</u> |
| TOTAL | <u><u>57</u></u> |

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

Contributions

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

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 40.09%.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

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

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report as of June 30, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Plan held no investments subject to fair value measurement at April 30, 2023.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$20,135,920 at April 30, 2023. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2023. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Investment Rate of Return

For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|--|
| BALANCES AT MAY 1, 2022 | \$ 27,845,120 | \$ 20,573,274 | \$ 7,271,846 |
| Changes for the period | | | |
| Service cost | 594,224 | - | 594,224 |
| Interest | 1,831,621 | - | 1,831,621 |
| Difference between expected and actual experience | 141,981 | - | 141,981 |
| Changes in assumptions | - | - | - |
| Changes in benefit terms | (25,847) | - | (25,847) |
| Employer contributions | - | 1,062,460 | (1,062,460) |
| Employee contributions | - | 320,369 | (320,369) |
| Net investment income | - | 246,551 | (246,551) |
| Benefit payments and refunds | (1,402,308) | (1,402,308) | - |
| Administrative expense | - | (46,969) | 46,969 |
| Net changes | 1,139,671 | 180,103 | 959,568 |
| BALANCES AT APRIL 30, 2023 | \$ 28,984,791 | \$ 20,753,377 | \$ 8,231,414 |

Changes in benefit terms relate to changes in COLA increases for Tier II participants. The funded ratio of the plan is 71.60%.

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

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, 2023, using the following actuarial methods and assumptions.

| | |
|--------------------------|------------------|
| Actuarial valuation date | April 30, 2023 |
| 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 | \$ 12,441,009 | \$ 8,231,414 | \$ 4,812,265 |

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2023, the Village recognized pension expense of \$1,254,441. At April 30, 2023, 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 | \$ 541,133 | \$ 123,903 |
| Changes in assumptions | 339,400 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,176,349 | - |
| | <hr/> | <hr/> |
| TOTAL | \$ 2,056,882 | \$ 123,903 |
| | <hr/> | <hr/> |

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> | |
|---------------------------------|--------------|
| 2024 | \$ 458,788 |
| 2025 | 173,565 |
| 2026 | 821,917 |
| 2027 | 344,730 |
| 2028 | 92,711 |
| Thereafter | 41,268 |
| | <hr/> |
| TOTAL | \$ 1,932,979 |
| | <hr/> |

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

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At April 30, 2023, 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><u>93</u></u> |

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2023, 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, 2023, as noted below.

| | |
|---|---|
| Actuarial valuation date | May 1, 2022 |
| Measurement date | April 30, 2023 |
| Actuarial cost method | Entry-age normal |
| Actuarial value of assets | Not applicable |
| Inflation | 2.25% |
| Salary increases | 2.75% |
| Discount rate | 3.53% |
| Healthcare cost trend rates | 7.40% (PPO) and 7.00% (HMO) in Fiscal 2023, 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, 2023. The discount rate at April 30, 2023, was 3.53%. The discount rate at April 30, 2022, was 3.21%.

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

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| BALANCES AT MAY 1, 2022 | <u>\$ 1,887,305</u> |
| Changes for the period | |
| Service cost | 191,553 |
| Interest | 59,287 |
| Difference between expected and actual experience | - |
| Changes in benefit terms | - |
| Changes in assumptions | (56,884) |
| Benefit payments | <u>(80,704)</u> |
| Net changes | <u>113,252</u> |
| BALANCES AT APRIL 30, 2023 | <u>\$ 2,000,557</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 3.53% 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 (2.53%) or 1 percentage point higher (4.53%) than the current rate:

| | 1% Decrease (2.53%) | Current Discount Rate (3.53%) | 1% Increase (4.53%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 2,184,417 | \$ 2,000,557 | \$ 1,833,97 |

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 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 | \$ 1,744,193 | \$ 2,000,557 | \$ 2,310,535 |

g. OPEB Expense

For the year ended April 30, 2023, the Village recognized OPEB expense of \$113,252. At April 30, 2023, 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, 2023, is \$72,772. As of April 30, 2023, the Village has incurred total incentives of \$1,133,722.

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

12. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the Village's lessor activity is as follows:

The Village entered into five lease arrangements from July 1, 2000 to April 1, 2019, to lease cell tower property. Payments ranging from \$1,574 to \$7,200 are due to the Village in monthly installments through October 31, 2049. All lease arrangements are noncancelable and/or renewable. During the fiscal year, the Village collected \$83,513 under the arrangements and recognized a \$133,170 reduction in the related deferred inflow of resource. As of April 30, 2023, the remaining lease receivable and offsetting deferred inflow of resource for these arrangements is \$2,050,422 and \$2,000,765, respectively, and these amounts are recorded in the Village's General Fund.

13. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT

For the fiscal year ended April 30, 2023, the Village implemented GASB Statement No. 87, *Leases*. With the implementation, the Village recorded the beginning net position/fund balance of lease receivable and lease deferred inflows of resources.

For the fiscal year ended April 30, 2023, the Village recorded a prior period adjustment to correct the presentation of the bond proceeds issuance.

The beginning net position of the following opinion units have been restated to reflect the new guidance and prior period adjustment as follows:

GOVERNMENTAL ACTIVITIES

| | |
|--|-----------------------------|
| BEGINNING NET POSITION, AS PREVIOUSLY REPORTED | <u>\$ 43,150,879</u> |
| Recording of lease receivable | 2,133,935 |
| Recording of lease deferred Inflows of resources | <u>(2,133,935)</u> |
| Total net restatement | <u>-</u> |
| BEGINNING NET POSITION, AS RESTATED | <u><u>\$ 43,150,879</u></u> |

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

13. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT
(Continued)

GENERAL FUND

| | |
|--|----------------------|
| BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED | <u>\$ 26,703,785</u> |
| Recording of lease receivable | 2,133,935 |
| Recording of lease deferred inflows of resources | (2,133,935) |
| To correct recording of bond proceeds | <u>(12,500,873)</u> |
| Total net restatement | <u>(12,500,873)</u> |
| BEGINNING FUND BALANCE, AS RESTATED | <u>\$ 14,202,912</u> |

LAKEFRONT PARK PROJECT FUND

| | |
|--|----------------------|
| BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED | <u>\$ -</u> |
| To correct recording of bond proceeds | <u>12,500,873</u> |
| Total net restatement | <u>12,500,873</u> |
| BEGINNING FUND BALANCE, AS RESTATED | <u>\$ 12,500,873</u> |

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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|-------------------------|---------------|--------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 4,398,105 | \$ 4,656,983 | \$ 4,634,346 | \$ (22,637) |
| Licenses, permits and fees | 646,400 | 685,500 | 731,155 | 45,655 |
| Intergovernmental grants and reimbursements | 6,036,105 | 6,941,105 | 7,567,735 | 626,630 |
| Charges for services | 1,488,880 | 1,488,880 | 1,499,494 | 10,614 |
| Fines and forfeitures | 512,300 | 519,800 | 255,144 | (264,656) |
| Investment income | 50,000 | 93,686 | 331,917 | 238,231 |
| Miscellaneous | 154,200 | 112,200 | 430,418 | 318,218 |
| Total revenues | 13,285,990 | 14,498,154 | 15,450,209 | 952,055 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,234,917 | 1,317,010 | 1,241,787 | (75,223) |
| Public safety | 6,554,472 | 6,416,900 | 5,801,352 | (615,548) |
| Public works | 2,362,570 | 2,096,415 | 2,118,728 | 22,313 |
| Parks and recreation | 455,832 | 410,031 | 378,184 | (31,847) |
| Economic development | 723,007 | 608,985 | 614,285 | 5,300 |
| Capital outlay | 8,813,775 | 473,328 | 2,074,631 | 1,601,303 |
| Debt service | | | | |
| Principal | 901,875 | 860,534 | 901,878 | 41,344 |
| Interest | 304,887 | 352,937 | 311,599 | (41,338) |
| Total expenditures | 21,351,335 | 12,536,140 | 13,442,444 | 906,304 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (8,065,345) | 1,962,014 | 2,007,765 | 45,751 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | - | (700,000) | - | 700,000 |
| Total other financing sources (uses) | - | (700,000) | - | 700,000 |
| NET CHANGE IN FUND BALANCE | \$ (8,065,345) | \$ 1,262,014 | 2,007,765 | \$ 745,751 |
| FUND BALANCE, MAY 1 | | | 26,703,785 | |
| Prior period adjustment | | | (12,500,873) | |
| FUND BALANCE, MAY 1, AS RESTATED | | | 14,202,912 | |
| FUND BALANCE, APRIL 30 | | | \$ 16,210,677 | |

(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 Six Fiscal Years

| MEASUREMENT DATE APRIL 30, | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL OPEB LIABILITY | | | | | | |
| Service cost | \$ 56,026 | \$ 58,250 | \$ 90,266 | \$ 127,806 | \$ 161,567 | \$ 191,553 |
| Interest | 84,754 | 87,157 | 104,086 | 95,039 | 90,314 | 59,287 |
| 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) | (56,884) |
| Benefit payments | (77,301) | (95,583) | (116,339) | (131,779) | (126,172) | (80,704) |
| Net change in total pension liability | 63,479 | 191,325 | 1,350,065 | 263,306 | (2,154,393) | 113,252 |
| Total OPEB liability - beginning | 2,173,523 | 2,237,002 | 2,428,327 | 3,778,392 | 4,041,698 | 1,887,305 |
| TOTAL OPEB LIABILITY - ENDING | \$ 2,237,002 | \$ 2,428,327 | \$ 3,778,392 | \$ 4,041,698 | \$ 1,887,305 | \$ 2,000,557 |
| Covered-employee payroll | \$ 1,697,568 | \$ 1,744,251 | \$ 6,511,495 | \$ 6,553,450 | \$ 6,514,552 | \$ 6,693,671 |
| Employer's total OPEB liability as a percentage of covered-employee payroll | 131.78% | 139.22% | 58.03% | 61.67% | 28.97% | 29.89% |

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.

In 2023, changes in assumptions related to the discount rate and High-Quality 20-Year Tax Exempt G.O. Bond Rate.

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Nine Fiscal Years

| FISCAL YEAR ENDED APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------------|---------------------|--------------------|------------------|-------------------|------------------|--------------------|-----------------|---------------|
| Actuarially determined contribution | \$ 560,084 | \$ 565,894 | \$ 706,108 | \$ 705,325 | \$ 636,671 | \$ 800,382 | \$ 826,048 | \$ 1,027,128 | \$ 1,062,455 |
| 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 | 1,062,460 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ (124,360) | \$ (126,909) | \$ (12,887) | \$ 48,648 | \$ (5,574) | \$ 73,654 | \$ (17,357) | \$ 6,633 | \$ (5) |
| 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 | \$ 2,649,959 |
| Contributions as a percentage of covered payroll | 33.93% | 39.81% | 42.01% | 38.68% | 33.56% | 37.29% | 34.66% | 40.87% | 40.09% |

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 12.34 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% to 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 Eight Fiscal Years

| FISCAL YEAR ENDED APRIL 30, | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------------------|-----------------|------------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 403,072 | \$ 351,280 | \$ 403,072 | \$ 369,486 | \$ 316,455 | \$ 333,056 | \$ 335,155 | \$ 270,700 |
| Contributions in relation to the actuarially determined contribution | 378,202 | 351,519 | 364,206 | 369,486 | 316,455 | 333,056 | 335,155 | 270,700 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ 24,870 | \$ (239) | \$ 38,866 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,578,855 | \$ 3,364,019 | \$ 3,376,467 | \$ 3,810,384 | \$ 4,213,590 | \$ 4,110,198 | \$ 4,343,261 | \$ 4,562,680 |
| Contributions as a percentage of covered payroll | 10.57% | 10.45% | 10.79% | 9.70% | 7.51% | 8.10% | 7.72% | 5.93% |

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 21 years; the asset valuation method was at five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% 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 Nine Fiscal Years

| MEASUREMENT DATE APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | | | | | | | |
| Service cost | \$ 444,803 | \$ 505,724 | \$ 449,225 | \$ 457,737 | \$ 488,634 | \$ 458,123 | \$ 557,700 | \$ 598,769 | \$ 594,224 |
| 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 | 1,831,621 |
| Differences between expected and actual experience | 160,144 | (1,602,792) | (495,206) | (334,956) | 32,429 | (81,413) | 259,893 | 366,824 | 141,981 |
| Changes in assumptions | 1,305,881 | 1,444,105 | (664,507) | 755,876 | - | 288,236 | 674 | - | - |
| Changes of benefit terms | - | - | - | - | - | 219,058 | - | - | (25,847) |
| 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) | (1,402,308) |
| 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 | 1,139,671 |
| 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 | 27,845,120 |
| TOTAL PENSION LIABILITY - ENDING | \$ 19,990,165 | \$ 21,162,966 | \$ 21,092,445 | \$ 22,572,443 | \$ 23,658,395 | \$ 25,090,415 | \$ 26,506,096 | \$ 27,845,120 | \$ 28,984,791 |
| PLAN FIDUCIARY NET POSITION | | | | | | | | | |
| Contributions - employer | \$ 684,444 | \$ 692,803 | \$ 718,995 | \$ 656,677 | \$ 642,245 | \$ 726,728 | \$ 843,405 | \$ 1,020,495 | \$ 1,062,460 |
| Contributions - member | 190,771 | 196,573 | 166,723 | 189,901 | 191,762 | 196,028 | 272,220 | 250,374 | 320,369 |
| Net investment income | 973,307 | (395,122) | 1,325,602 | 1,146,469 | 831,843 | (218,154) | 4,600,541 | (842,376) | 246,551 |
| 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) | (1,402,308) |
| Administrative expense | (20,772) | (30,603) | (38,672) | (43,501) | (46,268) | (27,253) | (32,104) | (32,002) | (46,969) |
| 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) | 180,103 |
| 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 | 20,573,274 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 14,081,905 | \$ 13,991,405 | \$ 15,351,067 | \$ 16,505,064 | \$ 17,197,196 | \$ 16,859,865 | \$ 21,483,344 | \$ 20,573,274 | \$ 20,753,377 |
| EMPLOYER'S NET PENSION LIABILITY | \$ 5,908,260 | \$ 7,171,561 | \$ 5,741,378 | \$ 6,067,379 | \$ 6,461,199 | \$ 8,230,550 | \$ 5,022,752 | \$ 7,271,846 | \$ 8,231,414 |

| MEASUREMENT DATE APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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% | 71.60% |
| 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 | \$ 2,649,959 |
| 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% | 310.62% |

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.

In 2023, changes in benefit terms relate to changes in COLA increases for Tier II participants.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

Last Eight Calendar Years

| MEASUREMENT DATE DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | | | | | | |
| Service cost | \$ 372,886 | \$ 404,760 | \$ 355,683 | \$ 311,164 | \$ 373,186 | \$ 417,250 | \$ 361,213 | \$ 405,371 |
| Interest | 1,083,145 | 1,178,635 | 1,229,940 | 1,232,144 | 1,302,461 | 1,392,030 | 1,397,171 | 1,492,010 |
| Differences between expected and actual experience | 407,982 | (127,660) | (196,154) | 325,064 | 490,025 | (399,793) | 540,453 | (228,543) |
| 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) | (970,476) |
| Net change in total pension liability | 1,357,232 | 748,787 | 94,043 | 1,513,559 | 1,256,529 | 128,793 | 1,243,728 | 698,362 |
| 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 | 20,862,001 |
| TOTAL PENSION LIABILITY - ENDING | \$ 15,876,562 | \$ 16,625,349 | \$ 16,719,392 | \$ 18,232,951 | \$ 19,489,480 | \$ 19,618,273 | \$ 20,862,001 | \$ 21,560,363 |
| PLAN FIDUCIARY NET POSITION | | | | | | | | |
| Contributions - employer | \$ 401,722 | \$ 362,209 | \$ 361,301 | \$ 403,865 | \$ 292,014 | \$ 338,412 | \$ 357,368 | \$ 277,069 |
| Contributions - member | 169,778 | 152,436 | 152,950 | 159,118 | 197,198 | 183,477 | 188,309 | 200,452 |
| Net investment income | 72,277 | 953,436 | 2,618,669 | (945,553) | 3,085,579 | 2,697,895 | 3,525,168 | (2,988,749) |
| Benefit payments, including refunds of member contributions | (527,684) | (685,657) | (807,975) | (892,769) | (909,143) | (995,375) | (1,055,109) | (970,476) |
| Other | (276,527) | 180,704 | (281,034) | 317,902 | (15,912) | (198,097) | (125,266) | (228,738) |
| 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 | (3,710,442) |
| 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 | 23,889,227 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 14,273,107 | \$ 15,236,235 | \$ 17,280,146 | \$ 16,322,709 | \$ 18,972,445 | \$ 20,998,757 | \$ 23,889,227 | \$ 20,178,785 |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | \$ 1,603,455 | \$ 1,389,114 | \$ (560,754) | \$ 1,910,242 | \$ 517,035 | \$ (1,380,484) | \$ (3,027,226) | \$ 1,381,578 |

| MEASUREMENT DATE DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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% | 93.59% |
| Covered payroll | \$ 3,784,712 | \$ 3,387,465 | \$ 3,398,881 | \$ 3,535,943 | \$ 4,177,461 | \$ 4,077,251 | \$ 4,184,644 | \$ 4,454,479 |
| 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%) | 31.02% |

There was a change in the actuarial assumptions in 2015 and 2016 for the discount rate. There was a change in actuarial assumptions in 2017 for price inflation, salary increases, retirement age and mortality rates. There was a change in assumptions related to the discount rate in 2018. There was a change in actuarial assumptions in 2020 for price inflation, salary increases, retirement age and mortality rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Nine Fiscal Years

| FISCAL YEAR ENDED APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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%) | 1.00% |

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, 2023

BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue (with the exception of Tax Increment Financing #2, Tax Increment Financing #3, Tax Increment Financing #4, and Tax Increment Financing #5), Enterprise (with the exception of Tall Oaks) 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 of Trustees.

During the year ended April 30, 2023, expenditures exceeded budget in the following departments:

| Department | Budget | Expenditures |
|----------------------|------------|--------------|
| Streets | \$ 743,600 | \$ 768,429 |
| Motor Pool | 317,815 | 324,574 |
| Economic Development | 608,985 | 614,286 |

**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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|----------------------------|-------------------------|---------------|--------------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | | | | |
| General | \$ 2,334,936 | \$ 2,358,905 | \$ 2,353,711 | \$ (5,194) |
| IMRF | 146,262 | 148,846 | 145,449 | (3,397) |
| Insurance | 177,002 | 180,132 | 168,118 | (12,014) |
| Fire | - | - | 245 | 245 |
| Utility tax - electricity | 410,000 | 450,000 | 411,183 | (38,817) |
| Utility tax - natural gas | 135,000 | 210,000 | 246,615 | 36,615 |
| Utility tax - telephone | 80,000 | 100,000 | 82,884 | (17,116) |
| Use tax | 405,000 | 420,000 | 453,721 | 33,721 |
| Hotel/motel taxes | 20,000 | 22,000 | 29,507 | 7,507 |
| Road and bridge taxes | 134,805 | 142,000 | 141,740 | (260) |
| Rental car taxes | 100 | 100 | 156 | 56 |
| Places for eating taxes | 180,000 | 185,000 | 172,211 | (12,789) |
| Video gaming proceeds | 375,000 | 440,000 | 428,806 | (11,194) |
| Total taxes | 4,398,105 | 4,656,983 | 4,634,346 | (22,637) |
| Intergovernmental revenues | | | | |
| Income taxes | 1,400,000 | 1,700,000 | 1,773,808 | 73,808 |
| Personal property replacement tax | 100,000 | 150,000 | 235,656 | 85,656 |
| Sales taxes | 3,550,000 | 4,100,000 | 3,862,991 | (237,009) |
| Cannabis excise tax | 15,000 | 20,000 | 17,042 | (2,958) |
| Total intergovernmental revenues | 5,065,000 | 5,970,000 | 5,889,497 | (80,503) |
| Franchise fees | 160,000 | 175,000 | 173,578 | (1,422) |
| Building and zoning fees | | | | |
| Building permits | 150,000 | 155,000 | 160,978 | 5,978 |
| Zoning permits | 12,000 | 12,000 | 7,250 | (4,750) |
| Impact fees | 10,000 | - | 2,000 | 2,000 |
| Permit fees - tree removal | 1,500 | 3,000 | 1,450 | (1,550) |
| Ordinance fine - building | 2,500 | 2,500 | 200 | (2,300) |
| Total building and zoning fees | 176,000 | 172,500 | 171,878 | (622) |
| Licenses and fees | | | | |
| Vehicle stickers | 160,000 | 170,000 | 190,550 | 20,550 |
| Vacant property registration | 12,000 | 12,000 | 15,915 | 3,915 |
| Licenses - animals | 1,000 | 1,000 | 355 | (645) |
| Licenses - liquor | 40,000 | 44,000 | 58,930 | 14,930 |
| Licenses - business | 18,000 | 12,000 | 14,085 | 2,085 |
| Licenses - video gaming | 35,000 | 35,000 | 40,930 | 5,930 |
| Licenses - vending | 2,400 | 3,000 | 7,735 | 4,735 |
| Total licenses and fees | 268,400 | 277,000 | 328,500 | 51,500 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|-------------------------|---------------|--------------------------------------|
| REVENUES (Continued) | | | | |
| Park and recreation fees | | | | |
| Program fees | \$ 30,000 | \$ 45,000 | \$ 48,507 | \$ 3,507 |
| Sponsorship | 10,000 | 15,000 | 7,200 | (7,800) |
| Pace fees | 2,000 | 1,000 | 1,492 | 492 |
| Total park and recreation fees | 42,000 | 61,000 | 57,199 | (3,801) |
| Public safety fines and fees | | | | |
| Court fines | 150,000 | 150,000 | 126,284 | (23,716) |
| Court fines - DUI | 7,500 | 5,000 | 12,561 | 7,561 |
| Red light fines | 200,000 | 200,000 | 22,286 | (177,714) |
| Administrative seizure fines | 55,000 | 60,000 | 63,500 | 3,500 |
| Ordinance and parking fines | 20,000 | 25,000 | 22,665 | (2,335) |
| Public safety fines and fees | 432,500 | 440,000 | 247,296 | (192,704) |
| Public safety special revenue | | | | |
| Forfeitures - seized assets | 10,000 | 10,000 | 5,631 | (4,369) |
| Police revenue - SRO | 68,000 | 68,000 | - | (68,000) |
| Police revenue - gaming tax | 600 | 600 | 1,027 | 427 |
| Police revenue - reports | 1,200 | 1,200 | 1,190 | (10) |
| Total public safety special revenue | 79,800 | 79,800 | 7,848 | (71,952) |
| Reimbursable income | | | | |
| Credit card incentives | 7,500 | 2,000 | - | (2,000) |
| Engineering reimbursable fees | 10,000 | 15,000 | 4,080 | (10,920) |
| Attorney reimbursable fees | 42,500 | 5,000 | - | (5,000) |
| Motor pool reimbursable expense | 20,000 | 15,000 | 30,525 | 15,525 |
| Fire protection district reimbursable expense | 50,000 | 50,000 | 97,322 | 47,322 |
| Insurance reimbursable | 5,000 | 5,000 | 79,044 | 74,044 |
| Public safety reimbursable expense | 5,000 | 5,000 | 2,780 | (2,220) |
| Street reimbursable expense | - | - | 2,731 | 2,731 |
| Building/zoning reimbursable expense | 1,200 | 1,200 | - | (1,200) |
| Workers comp reimbursable | - | - | 21,920 | 21,920 |
| Employee/elected official reimbursable expense | - | 1,000 | 1,708 | 708 |
| Total reimbursable income | 141,200 | 99,200 | 240,110 | 140,910 |
| Grant revenue | | | | |
| Grant revenue | 945,805 | 945,805 | 1,663,913 | 718,108 |
| Grant revenue - traffic | 21,600 | 21,600 | 9,439 | (12,161) |
| Grant revenue - vest | 1,200 | 1,200 | 3,676 | 2,476 |
| Grant revenue - tobacco | 2,500 | 2,500 | 1,210 | (1,290) |
| Total grant revenue | 971,105 | 971,105 | 1,678,238 | 707,133 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|-----------------------------|----------------------------|-------------------------|----------------------|--------------------------------------|
| REVENUES (Continued) | | | | |
| Garbage revenues | | | | |
| Garbage fees | \$ 1,035,000 | \$ 1,035,000 | \$ 1,071,587 | \$ 36,587 |
| Garbage penalties | 20,000 | 20,000 | 21,042 | 1,042 |
| Recycling rebate | 400 | 400 | 481 | 81 |
| Total garbage revenues | 1,055,400 | 1,055,400 | 1,093,110 | 37,710 |
| Contractual revenue | | | | |
| Lease revenue | - | - | 7,364 | 7,364 |
| Rental income | 150,000 | 150,000 | 139,904 | (10,096) |
| Rental income 911 center | 18,480 | 18,480 | 18,480 | - |
| Externality fee | 265,000 | 265,000 | 240,636 | (24,364) |
| Total contractual revenue | 433,480 | 433,480 | 406,384 | (27,096) |
| Other revenue | | | | |
| Interest income | 50,000 | 93,686 | 331,917 | 238,231 |
| Lease interest income | - | - | 42,293 | 42,293 |
| Shop with a cop | 1,000 | 1,000 | - | (1,000) |
| Sale of capital assets | 10,000 | 10,000 | 1,034 | (8,966) |
| Other revenue | 2,000 | 2,000 | 146,981 | 144,981 |
| Total other revenue | 63,000 | 106,686 | 522,225 | 415,539 |
| TOTAL REVENUES | \$ 13,285,990 | \$ 14,498,154 | \$ 15,450,209 | \$ 952,055 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|-------------------------------|----------------------------|-------------------------|---------------|--------------------------------------|
| GENERAL GOVERNMENT | | | | |
| Current | | | | |
| General government | | | | |
| Administration | | | | |
| Wages | \$ 595,800 | \$ 553,600 | \$ 548,988 | \$ (4,612) |
| Wages - elected officials | 47,300 | 45,000 | 45,002 | 2 |
| Overtime | 1,000 | 1,000 | - | (1,000) |
| Health insurance | 107,000 | 81,500 | 100,738 | 19,238 |
| Life insurance | 700 | 700 | 546 | (154) |
| Social Security and Medicare | 49,300 | 45,043 | 42,097 | (2,946) |
| IMRF | 42,700 | 33,000 | 27,589 | (5,411) |
| Building maintenance | 32,000 | 20,000 | 35,981 | 15,981 |
| Professional services | 80,000 | 80,000 | 97,648 | 17,648 |
| Audit services | - | 28,200 | 13,460 | (14,740) |
| Accounting services | 40,000 | - | 874 | 874 |
| Payroll service fees | 1,800 | 1,800 | 3,025 | 1,225 |
| Engineering services | 1,500 | - | 1,906 | 1,906 |
| Legal services | 55,000 | 50,000 | 37,259 | (12,741) |
| Labor attorney | - | - | 6,056 | 6,056 |
| Billable attorney fees | - | - | 3,350 | 3,350 |
| Technology | 123,500 | 100,000 | 112,671 | 12,671 |
| Postage | 10,000 | 7,000 | 11,667 | 4,667 |
| Photocopy | 9,200 | 9,200 | 6,566 | (2,634) |
| Printing | 13,600 | 12,000 | 13,935 | 1,935 |
| Publishing | 5,000 | 4,000 | 4,213 | 213 |
| Memberships | 25,000 | 21,000 | 28,406 | 7,406 |
| Travel | 500 | 4,500 | 1,921 | (2,579) |
| Training | 11,150 | 5,500 | 5,761 | 261 |
| Tuition reimbursement | 1,000 | - | - | - |
| Meetings | 1,000 | - | 1,973 | 1,973 |
| Utilities | 11,500 | 11,500 | 8,793 | (2,707) |
| Credit card and bank charges | 32,500 | 27,000 | 21,211 | (5,789) |
| Property taxes | 5,000 | 5,000 | - | (5,000) |
| Building incentives | 185,000 | 185,000 | 150,826 | (34,174) |
| Building maintenance supplies | 3,000 | 3,000 | 5,941 | 2,941 |
| Office supplies | 7,000 | 5,500 | 7,945 | 2,445 |
| Operating supplies | 3,000 | - | 2,958 | 2,958 |
| Software | 10,000 | 72,000 | 13,505 | (58,495) |
| Computer equipment | 3,000 | - | 83 | 83 |
| Computer replacement program | - | - | 899 | 899 |
| Special events | 1,000 | 100 | 700 | 600 |
| Employee recognition | 3,000 | 3,000 | 5,044 | 2,044 |
| Donations | 5,000 | 5,000 | 4,896 | (104) |
| Refunds | - | - | 171 | 171 |
| Miscellaneous | - | - | 22,361 | 22,361 |
| Externality fee refund - RLB | 25,000 | 100,000 | 64,282 | (35,718) |
| Allocated charges | (615,633) | (505,633) | (582,998) | (77,365) |
| Total administration | 932,417 | 1,014,510 | 878,249 | (136,261) |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------------|---------------|--------------------------------------|
| GENERAL GOVERNMENT (Continued) | | | | |
| Current (Continued) | | | | |
| General government (Continued) | | | | |
| Insurance | | | | |
| Liability and workers' compensation insurance | \$ 291,500 | \$ 291,500 | \$ 266,877 | \$ (24,623) |
| Insurance deductible | 11,000 | 11,000 | 96,661 | 85,661 |
| Total insurance | 302,500 | 302,500 | 363,538 | 61,038 |
| Total general government | 1,234,917 | 1,317,010 | 1,241,787 | (75,223) |
| PUBLIC SAFETY | | | | |
| Current | | | | |
| Police department | | | | |
| Wages - administration | 875,100 | 835,000 | 758,247 | (76,753) |
| Wages - part-time | 26,800 | 20,000 | 12,862 | (7,138) |
| Wages - sworn officers | 2,411,400 | 2,411,400 | 2,212,910 | (198,490) |
| Wages - police commission | 5,100 | 5,100 | 1,200 | (3,900) |
| Overtime | 227,000 | 200,000 | 138,975 | (61,025) |
| Health insurance | 420,595 | 415,000 | 429,731 | 14,731 |
| Life insurance | 3,150 | 3,150 | 3,711 | 561 |
| Social Security and Medicare | 81,700 | 85,300 | 71,702 | (13,598) |
| IMRF | 39,100 | 17,000 | 13,733 | (3,267) |
| Police pension - taxes | 807,215 | 807,215 | 859,029 | 51,814 |
| Police pension - Village portion | 255,240 | 255,240 | 203,426 | (51,814) |
| Building maintenance | 33,300 | 31,800 | 15,645 | (16,155) |
| Equipment maintenance | 15,950 | 15,950 | 3,507 | (12,443) |
| Vehicle maintenance | 5,000 | 3,500 | 11,949 | 8,449 |
| Professional services | 76,056 | 65,200 | 47,079 | (18,121) |
| Accounting services | 3,500 | - | 1,962 | 1,962 |
| Payroll services | - | 3,500 | 4,845 | 1,345 |
| HR recruiting/testing | 8,500 | 8,500 | 11,916 | 3,416 |
| Legal services | 116,000 | 75,000 | 61,855 | (13,145) |
| Labor attorney | 30,001 | 55,000 | 35,612 | (19,388) |
| Dispatching | 600,000 | 525,415 | 465,005 | (60,410) |
| Prisoner meals | 1,500 | 1,200 | 722 | (478) |
| Animal care and control | 500 | 250 | - | (250) |
| Technology | 119,780 | 116,800 | 97,782 | (19,018) |
| Janitorial services | 14,800 | 14,800 | 10,562 | (4,238) |
| Postage | 3,000 | 3,000 | 1,917 | (1,083) |
| Photocopy | 3,300 | 3,300 | 4,093 | 793 |
| Printing | 3,000 | 2,000 | 496 | (1,504) |
| Publishing | - | - | 25 | 25 |
| Memberships | 27,120 | 27,120 | 27,193 | 73 |
| Police commission | 2,975 | 2,975 | 375 | (2,600) |
| Travel | 1,000 | 1,000 | 422 | (578) |
| Training | 40,860 | 40,860 | 35,847 | (5,013) |
| Training-police commission | - | - | 127 | 127 |
| Meetings | 100 | - | 159 | 159 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------------|---------------|--------------------------------------|
| PUBLIC SAFETY (Continued) | | | | |
| Current (Continued) | | | | |
| Police department (Continued) | | | | |
| Utilities | \$ 30,000 | \$ 25,000 | \$ 20,834 | \$ (4,166) |
| Janitorial and building supplies | - | - | 4,902 | 4,902 |
| Office supplies | 8,000 | 8,000 | 8,724 | 724 |
| Operating supplies | 32,350 | 20,000 | 18,289 | (1,711) |
| Community relations | 5,000 | 5,000 | 4,878 | (122) |
| Shop with a cop | 2,500 | 1,875 | 1,875 | - |
| Small tools and noncapital equipment | 29,000 | 29,000 | 19,309 | (9,691) |
| Uniforms | 40,000 | 30,800 | 39,160 | 8,360 |
| Fuel | 65,000 | 50,000 | 51,832 | 1,832 |
| Software licenses | 2,780 | 2,780 | 3,000 | 220 |
| Computer equipment | 23,500 | 15,000 | 612 | (14,388) |
| Employee recognition | 1,000 | 1,000 | 401 | (599) |
| DUI enforcement | 2,000 | 2,000 | - | (2,000) |
| Narcotics expense | 3,200 | 3,200 | - | (3,200) |
| Seized asset expense | - | - | 500 | 500 |
| Equipment-police | - | 120,170 | - | (120,170) |
| Investigations | 1,500 | 1,500 | - | (1,500) |
| Total police department | 6,504,472 | 6,366,900 | 5,718,937 | (647,963) |
| Fire protection district reimbursable items | 50,000 | 50,000 | 82,415 | 32,415 |
| Total public safety | 6,554,472 | 6,416,900 | 5,801,352 | (615,548) |
| PUBLIC WORKS | | | | |
| Current | | | | |
| Streets | | | | |
| Wages | 695,800 | 650,000 | 647,812 | (2,188) |
| Wages-part-time | 9,600 | 9,600 | - | (9,600) |
| Overtime | 25,000 | 22,000 | 22,352 | 352 |
| Health insurance | 113,800 | 68,700 | 96,718 | 28,018 |
| Life insurance | 1,100 | 1,100 | 1,086 | (14) |
| Social Security and Medicare | 55,900 | 52,000 | 52,478 | 478 |
| IMRF | 51,600 | 41,000 | 43,232 | 2,232 |
| Building maintenance | 14,500 | 13,000 | 4,594 | (8,406) |
| Equipment maintenance | 1,500 | 1,500 | 3,010 | 1,510 |
| Street maintenance | 25,000 | 25,000 | 18,934 | (6,066) |
| Parks maintenance | 20,000 | - | 8,929 | 8,929 |
| Community beautification | 30,000 | 30,000 | 41,226 | 11,226 |
| Professional services | 35,800 | 34,700 | 50,188 | 15,488 |
| Accounting services | 1,200 | - | 2,170 | 2,170 |
| Engineering services | 8,000 | 800 | 19,049 | 18,249 |
| Legal services | 4,000 | 2,000 | 2,657 | 657 |
| Technology | 2,800 | 2,000 | 1,829 | (171) |
| Postage | 100 | 100 | 6 | (94) |
| Memberships | 850 | 800 | 967 | 167 |
| Training | 2,500 | 2,500 | 1,301 | (1,199) |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---------------------------------|----------------------------|-------------------------|---------------|--------------------------------------|
| PUBLIC WORKS (Continued) | | | | |
| Current (Continued) | | | | |
| Streets (Continued) | | | | |
| Utilities | \$ 8,000 | \$ 8,000 | \$ 12,840 | \$ 4,840 |
| Electricity charges | 150,000 | - | 48,626 | 48,626 |
| Building maintenance supplies | 500 | 500 | 986 | 486 |
| Equipment maintenance supplies | 3,000 | 3,000 | 3,413 | 413 |
| Office supplies | 900 | 750 | 483 | (267) |
| Operating supplies | 50,000 | 50,000 | 38,802 | (11,198) |
| Small tools | 15,700 | 13,000 | 16,168 | 3,168 |
| Uniforms | 5,000 | 5,200 | 5,549 | 349 |
| Stone and concrete | 7,200 | 6,000 | 9,042 | 3,042 |
| Tree replacement | 6,250 | 5,000 | - | (5,000) |
| Sign program | 8,000 | 8,000 | 8,788 | 788 |
| Fuel | 50,000 | 50,000 | 55,501 | 5,501 |
| Computer equipment | 1,500 | - | 1,056 | 1,056 |
| Software license/support | 1,000 | - | 206 | 206 |
| Employee recognition | 350 | 350 | 461 | 111 |
| Equipment-streets | - | 42,000 | - | (42,000) |
| Allocated charges | (400,000) | (405,000) | (452,030) | (47,030) |
| Total streets | 1,006,450 | 743,600 | 768,429 | 24,829 |
| Motor pool | | | | |
| Wages | 139,500 | 146,000 | 130,439 | (15,561) |
| Overtime | 1,500 | 1,000 | 431 | (569) |
| Health insurance | 3,000 | 3,500 | 3,000 | (500) |
| Life insurance | 190 | 190 | 169 | (21) |
| Social Security and Medicare | 10,800 | 12,000 | 11,074 | (926) |
| IMRF | 10,100 | 9,000 | 8,422 | (578) |
| Building maintenance | 8,000 | 8,000 | 12,464 | 4,464 |
| Equipment maintenance | 7,000 | 2,500 | 108 | (2,392) |
| Professional services | 4,300 | 2,000 | 1,773 | (227) |
| Accounting services | 250 | - | 114 | 114 |
| Payroll services | - | 250 | 281 | 31 |
| Motor pool reimbursable charges | 5,000 | 15,000 | 11,019 | (3,981) |
| Technology | 3,500 | 3,500 | 914 | (2,586) |
| Memberships | 105 | - | - | - |
| Travel expenses | - | 900 | - | (900) |
| Training | 2,900 | 2,000 | 4,584 | 2,584 |
| Utilities | 850 | 850 | 813 | (37) |
| Building maintenance supplies | 250 | 250 | 121 | (129) |
| Office supplies | 350 | 350 | 352 | 2 |
| Operating supplies | 105,000 | 95,000 | 125,912 | 30,912 |
| Small tools | 9,000 | 9,000 | 3,308 | (5,692) |
| Uniforms | 1,000 | 1,000 | 813 | (187) |
| Fuel | 1,725 | 1,725 | 2,234 | 509 |
| Software license/support | 3,600 | 3,600 | 4,383 | 783 |
| Computer equipment | 2,000 | - | 1,783 | 1,783 |
| Employee recognition | 200 | 200 | 63 | (137) |
| Total motor pool | 320,120 | 317,815 | 324,574 | 6,759 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--------------------------------------|----------------------------|-------------------------|---------------|--------------------------------------|
| PUBLIC WORKS (Continued) | | | | |
| Current (Continued) | | | | |
| Garbage | | | | |
| Postage | \$ 1,000 | \$ - | \$ 1,464 | \$ 1,464 |
| Garbage disposal | 1,035,000 | 1,035,000 | 1,024,261 | (10,739) |
| Total garbage | 1,036,000 | 1,035,000 | 1,025,725 | (9,275) |
| Total public works | 2,362,570 | 2,096,415 | 2,118,728 | 22,313 |
| PARKS AND RECREATION | | | | |
| Current | | | | |
| Parks and recreation | | | | |
| Wages | 110,100 | 90,000 | 90,001 | 1 |
| Wages - part-time | 25,200 | 26,100 | 20,600 | (5,500) |
| Overtime | 5,000 | 5,000 | 7,243 | 2,243 |
| Health insurance | 28,800 | 1,500 | 6,298 | 4,798 |
| Life insurance | 200 | 100 | 85 | (15) |
| Social Security and Medicare | 10,800 | 7,500 | 9,395 | 1,895 |
| IMRF | 11,200 | 3,500 | 6,552 | 3,052 |
| Building maintenance | 13,000 | 11,000 | 13,290 | 2,290 |
| Equipment maintenance | 8,500 | 2,000 | 158 | (1,842) |
| Professional services | 3,000 | 52,000 | 53,976 | 1,976 |
| Parks maintenance | - | 15,000 | 694 | (14,306) |
| Vehicle repair and maintenance | 1,000 | 1,350 | - | (1,350) |
| Accounting services | 350 | - | 493 | 493 |
| Payroll services | - | 350 | - | (350) |
| HR recruiting/employee testing | - | 1,675 | 285 | (1,390) |
| Legal services | - | - | 150 | 150 |
| Janitorial services | 13,100 | 13,100 | 10,814 | (2,286) |
| Postage | 1,500 | 500 | 6 | (494) |
| Photocopy | 3,500 | 3,500 | 3,943 | 443 |
| Printing | 2,500 | 1,500 | 120 | (1,380) |
| Advertising | 1,000 | 1,000 | 1,074 | 74 |
| Memberships | 7,650 | 12,340 | 8,005 | (4,335) |
| Travel | 900 | 900 | - | (900) |
| Training | 1,620 | 1,625 | 213 | (1,412) |
| Meetings | 100 | - | 43 | 43 |
| Utilities | 16,000 | 12,000 | 13,422 | 1,422 |
| Pace program - rental fee | 2,000 | 1,000 | 1,715 | 715 |
| Community programs | 19,855 | 14,255 | 17,314 | 3,059 |
| Senior programs | 26,736 | 26,736 | 18,720 | (8,016) |
| Special events | 83,086 | 52,000 | 40,378 | (11,622) |
| Building maintenance supplies | 7,000 | 3,500 | 4,164 | 664 |
| Office supplies | 2,000 | 2,000 | 773 | (1,227) |
| Operating supplies | 1,500 | 1,500 | 2,054 | 554 |
| Small tools and noncapital equipment | 1,300 | 1,300 | 89 | (1,211) |
| Fuel | 4,000 | 1,000 | 2,035 | 1,035 |
| Software licenses | 1,135 | 1,000 | 174 | (826) |
| Special events - other | 42,000 | 42,000 | 42,000 | - |
| Employee recognition | 200 | 200 | - | (200) |
| Refunds | - | - | 1,908 | 1,908 |
| Total parks and recreation | 455,832 | 410,031 | 378,184 | (31,847) |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------------|---------------|--------------------------------------|
| ECONOMIC DEVELOPMENT | | | | |
| Current | | | | |
| Economic development | | | | |
| Wages | \$ 224,400 | \$ 175,000 | \$ 99,455 | \$ (75,545) |
| Wages - part-time | - | - | 4,800 | 4,800 |
| Wages - P&Z board | - | 3,900 | - | (3,900) |
| Overtime | 2,000 | 1,000 | 1,266 | 266 |
| Health insurance | 79,000 | 39,000 | 23,332 | (15,668) |
| Life insurance | 500 | 500 | 116 | (384) |
| Social Security and Medicare | 17,400 | 13,675 | 6,961 | (6,714) |
| IMRF | 16,200 | 11,000 | 7,701 | (3,299) |
| Equipment maintenance | 5,500 | 5,500 | 5,561 | 61 |
| Professional services | 175,000 | 190,000 | 310,103 | 120,103 |
| Accounting services | 500 | - | 171 | 171 |
| Payroll services | - | 500 | 421 | (79) |
| Professional services- bldg demo | 30,000 | 30,000 | - | (30,000) |
| Professional services - studies/reports | 15,000 | - | 18,899 | 18,899 |
| Engineering services | 5,000 | 5,000 | 13,169 | 8,169 |
| Billable engineering fees | 15,000 | 15,000 | 13,513 | (1,487) |
| Billable building and zoning items | 4,000 | 2,000 | 5,679 | 3,679 |
| Legal services | 75,000 | 60,000 | 51,419 | (8,581) |
| Billable attorney fees | 5,000 | 5,000 | 3,598 | (1,402) |
| Technology | 5,000 | 5,000 | 4,797 | (203) |
| Postage | 2,000 | 2,000 | 2,255 | 255 |
| Printing | 1,500 | 1,500 | 1,310 | (190) |
| Publishing | 2,000 | 2,000 | 5,869 | 3,869 |
| Memberships | 9,507 | 8,210 | 2,277 | (5,933) |
| Training | 1,000 | 2,000 | 1,822 | (178) |
| Meetings | 200 | - | 241 | 241 |
| Utilities | 3,500 | 4,200 | 2,835 | (1,365) |
| BMO loc fee | - | - | 3,578 | 3,578 |
| Office supplies | 2,500 | 2,500 | 2,276 | (224) |
| Operating supplies | - | - | 16 | 16 |
| Community programs | 16,000 | 18,500 | 16,870 | (1,630) |
| Uniforms | 300 | 300 | - | (300) |
| Fuel | 1,500 | 1,500 | 239 | (1,261) |
| Software licenses and maintenance | 5,000 | 4,000 | 3,348 | (652) |
| Computer equipment | 3,000 | - | - | - |
| Employee recognition | 500 | 200 | 211 | 11 |
| Refunds | - | - | 177 | 177 |
| Total economic development | 723,007 | 608,985 | 614,285 | 5,300 |
| CAPITAL OUTLAY | | | | |
| Capital outlay - parks | 6,000,000 | - | - | - |
| Capital outlay - public safety | 274,553 | 129,998 | 201,030 | 71,032 |
| Capital outlay - parks | 15,000 | 15,000 | 20,235 | 5,235 |
| Capital outlay - streets | 2,524,222 | 328,330 | 1,853,366 | 1,525,036 |
| Total capital outlay | 8,813,775 | 473,328 | 2,074,631 | 1,601,303 |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---------------------------|----------------------|----------------------|----------------------|-----------------------------|
| DEBT SERVICE | | | | |
| Principal | \$ 901,875 | \$ 860,534 | \$ 901,878 | \$ 41,344 |
| Interest | 304,887 | 352,937 | 311,599 | (41,338) |
| Total debt service | 1,206,762 | 1,213,471 | 1,213,477 | 6 |
| TOTAL EXPENDITURES | <u>\$ 21,351,335</u> | <u>\$ 12,536,140</u> | <u>\$ 13,442,444</u> | <u>\$ 906,304</u> |

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2023

| | Special Revenue | | | | | | | | | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------|--|--|--------------|--|
| | Tax Increment Financing #1 | Tax Increment Financing #2 | Tax Increment Financing #3 | Tax Increment Financing #4 | Tax Increment Financing #5 | Motor Fuel Tax | Business Development District South | Business Development District Central | Total | |
| ASSETS | | | | | | | | | | |
| Cash and investments | \$ 69,761 | \$ - | \$ - | \$ - | \$ - | \$ 2,359,438 | \$ 2,163,191 | \$ 1,270,237 | \$ 5,862,627 | |
| Receivables, net | | | | | | | | | | |
| Property taxes | 89,139 | 22,363 | 24,622 | 17,149 | 15,707 | - | - | - | 168,980 | |
| Intergovernmental | - | - | - | - | - | 58,639 | 175,160 | 157,946 | 391,745 | |
| Inventories | - | - | - | - | - | 138,936 | - | - | 138,936 | |
| Due from other funds | - | - | - | - | - | 165,660 | - | 2,500 | 168,160 | |
| Advances to other funds | - | - | - | - | - | - | - | 120,000 | 120,000 | |
| TOTAL ASSETS | \$ 158,900 | \$ 22,363 | \$ 24,622 | \$ 17,149 | \$ 15,707 | \$ 2,722,673 | \$ 2,338,351 | \$ 1,550,683 | \$ 6,850,448 | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,224 | \$ 1,492 | \$ 13,764 | \$ 17,480 | |
| Due to other funds | 30,878 | - | - | - | - | 532,443 | 70,703 | 214,856 | 848,880 | |
| Advances from other funds | 120,000 | - | - | - | - | - | - | - | 120,000 | |
| Total liabilities | 150,878 | - | - | - | - | 534,667 | 72,195 | 228,620 | 986,360 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Unavailable property taxes | 89,139 | 22,363 | 24,622 | 17,149 | 15,707 | - | - | - | 168,980 | |
| Total deferred inflows of resources | 89,139 | 22,363 | 24,622 | 17,149 | 15,707 | - | - | - | 168,980 | |
| Total liabilities and deferred inflows of resources | 240,017 | 22,363 | 24,622 | 17,149 | 15,707 | 534,667 | 72,195 | 228,620 | 1,155,340 | |
| FUND BALANCES | | | | | | | | | | |
| Nonspendable for inventory | - | - | - | - | - | 138,936 | - | - | 138,936 | |
| Restricted for economic development | - | - | - | - | - | - | 2,266,156 | 1,322,063 | 3,588,219 | |
| Restricted for maintenance of roadways | - | - | - | - | - | 2,049,070 | - | - | 2,049,070 | |
| Unrestricted (deficit) | (81,117) | - | - | - | - | - | - | - | (81,117) | |
| Total fund balances (deficit) | (81,117) | - | - | - | - | 2,188,006 | 2,266,156 | 1,322,063 | 5,695,108 | |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 158,900 | \$ 22,363 | \$ 24,622 | \$ 17,149 | \$ 15,707 | \$ 2,722,673 | \$ 2,338,351 | \$ 1,550,683 | \$ 6,850,448 | |

(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, 2023

| | Special Revenue | | | | Total |
|--|---|-------------------------------|--|--|---------------------|
| | Tax Increment Financing #1 | Motor Fuel Tax | Business Development District South | Business Development District Central | |
| REVENUES | | | | | |
| Taxes | \$ 71,502 | \$ - | \$ - | \$ - | \$ 71,502 |
| Intergovernmental | - | 649,125 | 779,327 | 685,050 | 2,113,502 |
| Investment income | 1,152 | 67,448 | 71,876 | 41,719 | 182,195 |
| Total revenues | 72,654 | 716,573 | 851,203 | 726,769 | 2,367,199 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public works | - | 173,113 | - | - | 173,113 |
| Economic development | 24,465 | - | 88,492 | 138,368 | 251,325 |
| Capital outlay | - | 5,511 | - | - | 5,511 |
| Total expenditures | 24,465 | 178,624 | 88,492 | 138,368 | 429,949 |
| NET CHANGE IN FUND BALANCES | 48,189 | 537,949 | 762,711 | 588,401 | 1,937,250 |
| FUND BALANCES (DEFICIT), MAY 1 | (129,306) | 1,650,057 | 1,503,445 | 733,662 | 3,757,858 |
| FUND BALANCES (DEFICIT), APRIL 30 | \$ (81,117) | \$ 2,188,006 | \$ 2,266,156 | \$ 1,322,063 | \$ 5,695,108 |

(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 #1**

For the Year Ended April 30, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|----------------------------------|----------------------------|-------------------------|--------------------|--------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 60,000 | \$ 70,000 | \$ 71,502 | \$ 1,502 |
| Investment income | 445 | 800 | 1,152 | 352 |
| Total revenues | 60,445 | 70,800 | 72,654 | 1,854 |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel services | - | - | 24,035 | 24,035 |
| Community development | 6,800 | 70,125 | 430 | (69,695) |
| Debt | | | | |
| Loan payment | 30,000 | 30,000 | - | (30,000) |
| Total expenditures | 36,800 | 100,125 | 24,465 | (75,660) |
| NET CHANGE IN FUND BALANCE | 23,645 | (29,325) | 48,189 | 77,514 |
| FUND BALANCE (DEFICIT), MAY 1 | | | (129,306) | |
| FUND BALANCE (DEFICIT), APRIL 30 | | | <u>\$ (81,117)</u> | |

(See independent auditor's report.)

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

For the Year Ended April 30, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|----------------------------|-------------------------|---------------------|--------------------------------------|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Allotments earned | \$ 425,000 | \$ 425,000 | \$ 442,706 | \$ 17,706 |
| REBUILD Illinois | 666,200 | 254,334 | 206,419 | (47,915) |
| Investment income | 500 | 850 | 67,448 | 66,598 |
| | | | | |
| Total revenues | 1,091,700 | 680,184 | 716,573 | 36,389 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works | | | | |
| Public works | 307,000 | 539,500 | 173,113 | (366,387) |
| Capital outlay | 32,500 | 650,000 | 5,511 | (644,489) |
| | | | | |
| Total expenditures | 339,500 | 1,189,500 | 178,624 | (1,010,876) |
| NET CHANGE IN FUND BALANCE | <u>\$ 752,200</u> | <u>\$ (509,316)</u> | 537,949 | <u>\$ 1,047,265</u> |
| FUND BALANCE, MAY 1 | | | <u>1,650,057</u> | |
| FUND BALANCE, APRIL 30 | | | <u>\$ 2,188,006</u> | |

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|----------------------------|----------------------------|-------------------------|---------------------|--------------------------------------|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Sales tax | \$ 725,000 | \$ 725,000 | \$ 779,327 | \$ 54,327 |
| Investment income | 500 | - | 71,876 | 71,876 |
| Total revenues | 725,500 | 725,000 | 851,203 | 126,203 |
| EXPENDITURES | | | | |
| Economic development | | | | |
| Administration | | | | |
| Personnel services | - | - | 33,896 | 33,896 |
| Professional services | 376,000 | 523,328 | 54,596 | (468,732) |
| Total expenditures | 376,000 | 523,328 | 88,492 | (434,836) |
| NET CHANGE IN FUND BALANCE | <u>\$ 349,500</u> | <u>\$ 201,672</u> | 762,711 | <u>\$ 561,039</u> |
| FUND BALANCE, MAY 1 | | | <u>1,503,445</u> | |
| FUND BALANCE, APRIL 30 | | | <u>\$ 2,266,156</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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|----------------------------|----------------------------|-------------------------|---------------------|--------------------------------------|
| REVENUES | | | | |
| Intergovernmental | | | | |
| Sales tax | \$ 575,000 | \$ 575,000 | \$ 685,050 | \$ 110,050 |
| Investment income | 500 | - | 41,719 | 41,719 |
| Miscellaneous | 30,000 | 30,000 | - | (30,000) |
| Total revenues | 605,500 | 605,000 | 726,769 | 121,769 |
| EXPENDITURES | | | | |
| Economic development | | | | |
| Administration | | | | |
| Personnel services | - | - | 33,896 | 33,896 |
| Professional services | 244,000 | 194,328 | 104,472 | (89,856) |
| Capital outlay | 200,000 | - | - | - |
| Total expenditures | 444,000 | 194,328 | 138,368 | (55,960) |
| NET CHANGE IN FUND BALANCE | <u>\$ 161,500</u> | <u>\$ 410,672</u> | 588,401 | <u>\$ 177,729</u> |
| FUND BALANCE, MAY 1 | | | <u>733,662</u> | |
| FUND BALANCE, APRIL 30 | | | <u>\$ 1,322,063</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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|-------------------------|---------------|--------------------------------------|
| OPERATING REVENUES | | | | |
| Water/sewer fees | \$ 4,500,000 | \$ 4,500,000 | \$ 4,723,211 | \$ 223,211 |
| Tap-on fees | 25,000 | 25,000 | 24,484 | (516) |
| Miscellaneous | 58,000 | 58,000 | 151,257 | 93,257 |
| Total operating revenues | 4,583,000 | 4,583,000 | 4,898,952 | 315,952 |
| OPERATING EXPENSES | | | | |
| Personnel services | 819,800 | 819,800 | 843,924 | 24,124 |
| Contractual services/commodities | 1,381,125 | 1,381,125 | 1,256,612 | (124,513) |
| Depreciation and amortization | 859,132 | 859,132 | 1,147,842 | 288,710 |
| Total operating expenses | 3,060,057 | 3,060,057 | 3,248,378 | 188,321 |
| OPERATING INCOME | 1,522,943 | 1,522,943 | 1,650,574 | 127,631 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 15,000 | 15,000 | 117,963 | 102,963 |
| Interest expense | (229,571) | (229,571) | (283,085) | (53,514) |
| Principal expense | - | - | (1,156,850) | (1,156,850) |
| Total non-operating revenues (expenses) | (214,571) | (214,571) | (1,321,972) | (1,107,401) |
| CHANGE IN NET POSITION (BUDGETARY BASIS) | \$ 1,308,372 | \$ 1,308,372 | 328,602 | \$ (979,770) |
| ADJUSTMENTS TO GAAP BASIS | | | | |
| Principal expense | | | 1,156,850 | |
| Total adjustments to GAAP basis | | | 1,156,850 | |
| CHANGE IN NET POSITION (GAAP BASIS) | | | 1,485,452 | |
| NET POSITION, MAY 1 | | | 30,483,361 | |
| NET POSITION, APRIL 30 | | | \$ 31,968,813 | |

(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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|-------------------------|----------------------|--------------------------------------|
| OPERATING REVENUES | | | | |
| Sewer fees | \$ 4,710,000 | \$ 4,710,000 | \$ 4,969,516 | \$ 259,516 |
| Tap-on fees | 530,000 | 530,000 | 428,560 | (101,440) |
| Miscellaneous | 21,400 | 21,400 | 3,400 | (18,000) |
| Total operating revenues | 5,261,400 | 5,261,400 | 5,401,476 | 140,076 |
| OPERATING EXPENSES | | | | |
| Personnel services | 1,901,650 | 1,901,650 | 1,933,532 | 31,882 |
| Contractual services/commodities | 3,919,783 | 3,919,783 | 3,464,287 | (455,496) |
| Depreciation | 1,800,000 | 1,800,000 | 1,617,908 | (182,092) |
| Total operating expenses | 7,621,433 | 7,621,433 | 7,015,727 | (605,706) |
| OPERATING INCOME (LOSS) | (2,360,033) | (2,360,033) | (1,614,251) | 745,782 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 50,000 | 50,000 | 301,291 | 251,291 |
| Total non-operating revenues (expenses) | 50,000 | 50,000 | 301,291 | 251,291 |
| CHANGE IN NET POSITION (BUDGETARY BASIS) | <u>\$ (2,310,033)</u> | <u>\$ (2,310,033)</u> | (1,312,960) | <u>\$ 997,073</u> |
| NET POSITION, MAY 1 | | | 49,868,247 | |
| NET POSITION, APRIL 30 | | | <u>\$ 48,555,287</u> | |

(See independent auditor's report.)

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

For the Year Ended April 30, 2023

| | Original Budget | Final Budget | Actual | Variance Over Under |
|--|----------------------------|-------------------------|---------------------|------------------------------------|
| OPERATING REVENUES | | | | |
| 911 fees | \$ 190,000 | \$ 190,000 | \$ 193,057 | \$ 3,057 |
| Fees for services | 1,106,000 | 1,106,000 | 1,024,860 | (81,140) |
| Total operating revenues | 1,296,000 | 1,296,000 | 1,217,917 | (78,083) |
| OPERATING EXPENSES | | | | |
| Personnel services | 1,084,250 | 1,084,250 | 1,176,433 | 92,183 |
| Contractual services/commodities | 409,188 | 409,188 | 248,627 | (160,561) |
| Capital outlay | - | - | 23,997 | 23,997 |
| Depreciation | 65,000 | 65,000 | 71,306 | 6,306 |
| Total operating expenses | 1,558,438 | 1,558,438 | 1,520,363 | (38,075) |
| OPERATING INCOME (LOSS) | (262,438) | (262,438) | (302,446) | (40,008) |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 686 | 686 | 14,240 | 13,554 |
| Intergovernmental | 56,900 | 56,900 | 30,734 | (26,166) |
| Interest expense | (140) | (140) | (348) | (208) |
| Principal expense | (4,218) | (4,218) | (4,218) | - |
| Total non-operating revenues (expenses) | 53,228 | 53,228 | 40,408 | (12,820) |
| CHANGE IN NET POSITION (BUDGETARY BASIS) | <u>\$ (209,210)</u> | <u>\$ (209,210)</u> | <u>(262,038)</u> | <u>\$ (52,828)</u> |
| ADJUSTMENTS TO GAAP BASIS | | | | |
| Principal expense | | | 4,218 | |
| Total adjustments to GAAP basis | | | 4,218 | |
| CHANGE IN NET POSITION (GAAP BASIS) | | | (257,820) | |
| NET POSITION (DEFICIT), MAY 1 | | | (172,640) | |
| NET POSITION (DEFICIT), APRIL 30 | | | <u>\$ (430,460)</u> | |

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

April 30, 2023

| | Commuter Parking | Tall Oaks | Total |
|---|-----------------------------|----------------------|--------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 19,007 | \$ - | \$ 19,007 |
| Prepaid items | 290 | - | 290 |
| Due from other funds | 1,553 | - | 1,553 |
| Total current assets | 20,850 | - | 20,850 |
| NONCURRENT ASSETS | | | |
| Capital assets, net of accumulated depreciation | 270,078 | - | 270,078 |
| Total noncurrent assets | 270,078 | - | 270,078 |
| Total assets | 290,928 | - | 290,928 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows of resources | 16,941 | - | 16,941 |
| Total deferred outflows of resources | 16,941 | - | 16,941 |
| Total assets and deferred outflows of resources | 307,869 | - | 307,869 |
| CURRENT LIABILITIES | | | |
| Accounts payable | 350 | - | 350 |
| Accrued payroll | 618 | - | 618 |
| Due to other funds | 188,354 | - | 188,354 |
| Current portion of compensated absences | 25 | - | 25 |
| Current portion of long-term debt | 198 | - | 198 |
| Total current liabilities | 189,545 | - | 189,545 |
| NONCURRENT LIABILITIES | | | |
| Compensated absences | 469 | - | 469 |
| Net Pension Liability | 11,823 | - | 11,823 |
| Total OPEB Liability | 13,806 | - | 13,806 |
| Total noncurrent liabilities | 26,098 | - | 26,098 |
| Total liabilities | 215,643 | - | 215,643 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferred inflows of resources | 3,133 | - | 3,133 |
| Total deferred inflows of resources | 3,133 | - | 3,133 |
| Total liabilities and deferred inflows of resources | 218,776 | - | 218,776 |
| NET POSITION | | | |
| Net investment in capital assets | 270,078 | - | 270,078 |
| Unrestricted (deficit) | (180,985) | - | (180,985) |
| TOTAL NET POSITION | \$ 89,093 | \$ - | \$ 89,093 |

(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, 2023

| | Commuter Parking | Tall Oaks | Total |
|--|-----------------------------|----------------------|------------------|
| OPERATING REVENUES | | | |
| Parking fees | \$ 24,965 | \$ - | \$ 24,965 |
| Total operating revenues | 24,965 | - | 24,965 |
| OPERATING EXPENSES | | | |
| Personnel services | 36,174 | - | 36,174 |
| Contractual services/commodities | 27,908 | - | 27,908 |
| Miscellaneous | - | 55,800 | 55,800 |
| Depreciation | 5,036 | - | 5,036 |
| Total operating expenses | 69,118 | 55,800 | 124,918 |
| OPERATING INCOME (LOSS) | (44,153) | (55,800) | (99,953) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Investment income | 253 | - | 253 |
| Total non-operating revenues (expenses) | 253 | - | 253 |
| CHANGE IN NET POSITION | (43,900) | (55,800) | (99,700) |
| NET POSITION, MAY 1 | 132,993 | 55,800 | 188,793 |
| NET POSITION, APRIL 30 | \$ 89,093 | \$ - | \$ 89,093 |

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2023

| | Commuter Parking | Tall Oaks | Total |
|---|-----------------------------|----------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 25,330 | \$ - | \$ 25,330 |
| Payments to suppliers | (36,182) | (55,800) | (91,982) |
| Payments to employees | (25,779) | - | (25,779) |
| Net cash from operating activities | (36,631) | (55,800) | (92,431) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Interfund activity | 35,527 | 55,800 | 91,327 |
| Net cash from noncapital financing activities | 35,527 | 55,800 | 91,327 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 253 | - | 253 |
| Net cash from investing activities | 253 | - | 253 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| None | - | - | - |
| Net cash from capital and related financing activities | - | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (851) | - | (851) |
| CASH AND CASH EQUIVALENTS, MAY 1 | 19,858 | - | 19,858 |
| CASH AND CASH EQUIVALENTS, APRIL 30 | <u>\$ 19,007</u> | <u>\$ -</u> | <u>\$ 19,007</u> |

(This schedule is continued on the following page.)

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

For the Year Ended April 30, 2023

| | Commuter Parking | Tall Oaks | Total |
|--|-----------------------------|----------------------|--------------------|
| <hr/> | | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ (44,153) | \$ (55,800) | \$ (99,953) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | | |
| Depreciation | 5,036 | - | 5,036 |
| (Increase) decrease in | | | |
| Receivables | 365 | - | 365 |
| Prepaid items | (215) | - | (215) |
| Pension items | (11,590) | - | (11,590) |
| Increase (decrease) in | | | |
| Accounts payable | (1,145) | - | (1,145) |
| Accrued payroll | (10) | - | (10) |
| Compensated absences payable | 2 | - | 2 |
| Net pension liability | 37,728 | - | 37,728 |
| Pension items | (23,442) | - | (23,442) |
| Total OPEB liability | 793 | - | 793 |
| | <hr/> | | |
| NET CASH FROM OPERATING ACTIVITIES | \$ (36,631) | \$ (55,800) | \$ (92,431) |
| | <hr/> | | |
| NONCASH TRANSACTIONS | | | |
| None | \$ - | \$ - | \$ - |
| | <hr/> | | |
| TOTAL NONCASH TRANSACTIONS | \$ - | \$ - | \$ - |
| | <hr/> | | |

(See independent auditor's report.)

VILLAGE OF FOX LAKE, ILLINOIS

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

For the Year Ended April 30, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|-------------------------|------------------|--------------------------------------|
| OPERATING REVENUES | | | | |
| Parking fees | \$ 15,000 | \$ 15,000 | \$ 24,965 | \$ 9,965 |
| Total operating revenues | 15,000 | 15,000 | 24,965 | 9,965 |
| OPERATING EXPENSES | | | | |
| Personnel services | 38,350 | 38,350 | 36,174 | (2,176) |
| Contractual services/commodities | 47,150 | 47,150 | 27,908 | (19,242) |
| Depreciation | 5,036 | 5,036 | 5,036 | - |
| Total operating expenses | 90,536 | 90,536 | 69,118 | (21,418) |
| OPERATING INCOME (LOSS) | (75,536) | (75,536) | (44,153) | 31,383 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 25 | 25 | 253 | 228 |
| Total non-operating revenues (expenses) | 25 | 25 | 253 | 228 |
| CHANGE IN NET POSITION (BUDGETARY BASIS) | <u>\$ (75,511)</u> | <u>\$ (75,511)</u> | (43,900) | <u>\$ 31,611</u> |
| NET POSITION, MAY 1 | | | <u>132,993</u> | |
| NET POSITION, APRIL 30 | | | <u>\$ 89,093</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, 2023

| | Original Budget | Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------------|----------------------|--------------------------------------|
| ADDITIONS | | | | |
| Contributions | | | | |
| Employer contributions | \$ 1,062,455 | \$ 1,062,455 | \$ 1,062,460 | \$ 5 |
| Plan members contributions | 250,000 | 250,000 | 320,369 | 70,369 |
| Total contributions | 1,312,455 | 1,312,455 | 1,382,829 | 70,374 |
| Investment income | | | | |
| Net appreciation (depreciation) in fair value of investments | 150,000 | 150,000 | 64,006 | (85,994) |
| Interest and dividends | 400,000 | 400,000 | 213,939 | (186,061) |
| Total investment income (loss) | 550,000 | 550,000 | 277,945 | (272,055) |
| Less investment expense | (43,500) | (43,500) | (31,394) | 12,106 |
| Net investment income (loss) | 506,500 | 506,500 | 246,551 | (259,949) |
| Total additions | 1,818,955 | 1,818,955 | 1,629,380 | (189,575) |
| DEDUCTIONS | | | | |
| Pension benefits and refunds | 1,320,300 | 1,320,300 | 1,402,308 | 82,008 |
| Administration Expenses | 71,995 | 71,995 | 46,969 | (25,026) |
| Total deductions | 1,392,295 | 1,392,295 | 1,449,277 | 56,982 |
| NET INCREASE (DECREASE) | <u>\$ 426,660</u> | <u>\$ 426,660</u> | 180,103 | <u>\$ (246,557)</u> |
| NET POSITION RESTRICTED FOR PENSION BENEFITS | | | | |
| May 1 | | | <u>20,573,274</u> | |
| April 30 | | | <u>\$ 20,753,377</u> | |

(See independent auditor's report.)