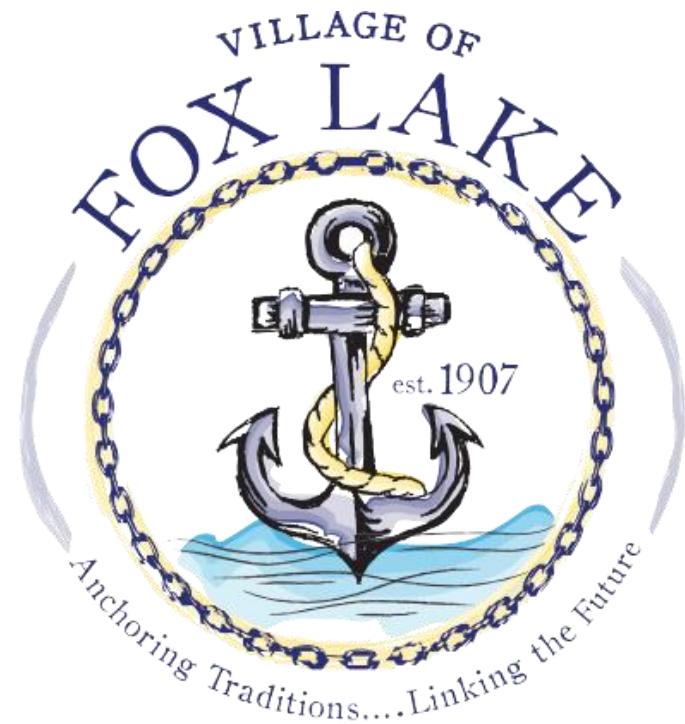


# Village of Fox Lake, Illinois

## 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**  
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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

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

**SIKICH.COM**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Fox Lake, Illinois (the Village), as of and for the year ended April 30, 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

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

**SIKICH.COM**

**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

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#### **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

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#### **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**

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The Village of Fox Lake (the “Village”) Management’s Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the Village’s financial activity, (3) identify changes in the Village’s financial position and its ability to address the next and subsequent year challenges, (4) identify any material deviations from the financial plan, and (5) identify individual fund issues or concerns at and for the year ended April 30, 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**

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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**

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*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**

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**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
<b>Assets</b>						
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
<b>Total Assets</b>	<b>77,360,757</b>	<b>72,017,626</b>	<b>104,869,412</b>	<b>105,756,574</b>	<b>182,230,169</b>	<b>177,774,200</b>
 <b>Deferred outflows of resources</b>	 2,934,090	 1,618,029	 1,364,336	 619,861	 4,298,426	 2,237,890
 <b>Liabilities</b>	 	 	 	 	 	 
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
<b>Total Liabilities</b>	<b>26,772,086</b>	<b>26,030,673</b>	<b>25,847,112</b>	<b>24,279,178</b>	<b>52,619,198</b>	<b>50,309,851</b>
 <b>Deferred inflows of resources</b>	 5,413,526	 4,454,102	 203,903	 1,729,496	 5,617,429	 6,183,598
 <b>Net Position</b>	 	 	 	 	 	 
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
<b>Total Net Position</b>	<b>\$ 48,109,235</b>	<b>\$ 43,150,880</b>	<b>\$ 80,182,733</b>	<b>\$ 80,367,761</b>	<b>\$ 128,291,968</b>	<b>\$ 123,518,641</b>

**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**

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**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**

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**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		2022	2021
	2023	2022	2023	2022		
<b>Revenues</b>						
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
<b>Expenses</b>						
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**

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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.

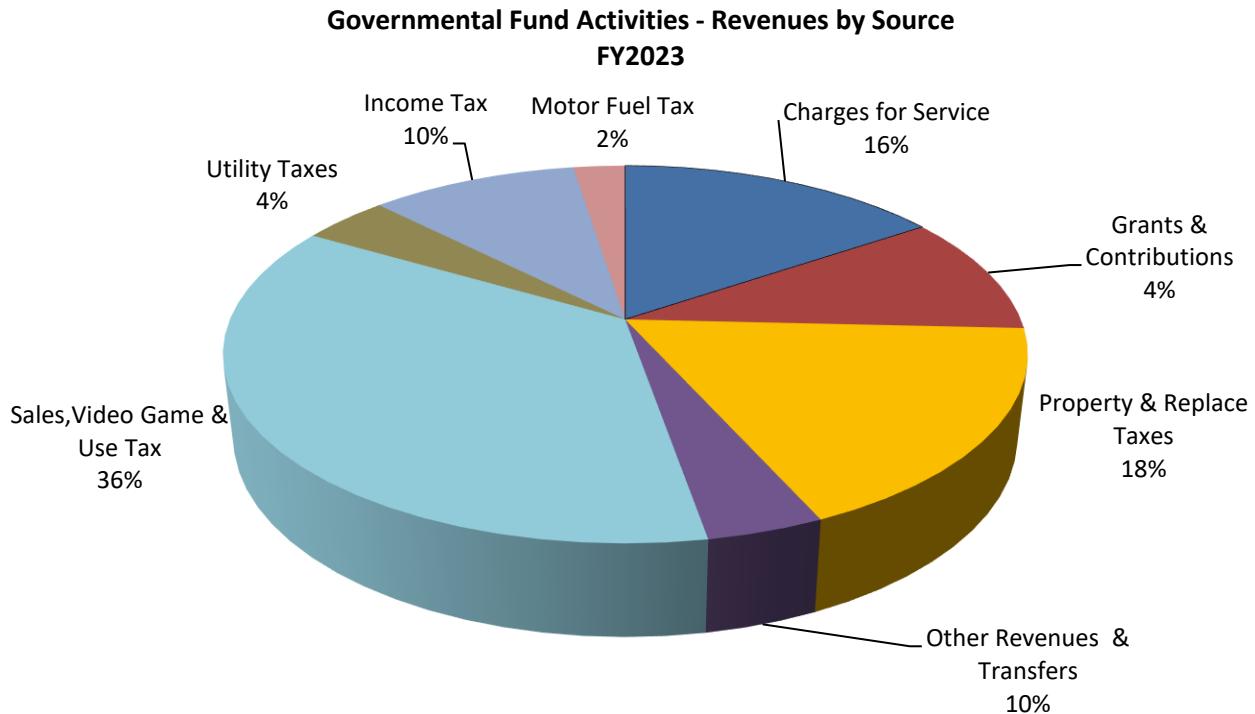
Salary increases (annual adjustments and merit) - The Village has three separate bargaining units representing approximately 50% of the employee population.

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**

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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	\$ 71,502      Subtotal: \$2,739.026
Road and Bridge	\$141,740      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.

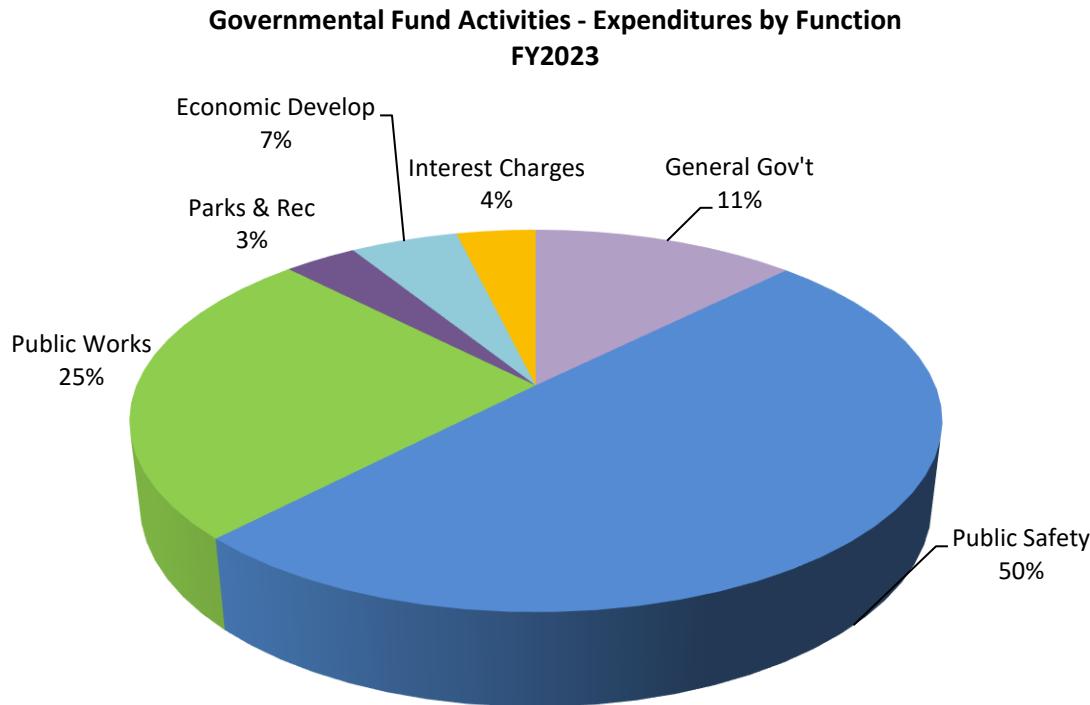
Other Revenues & Transfers of \$1,754,207 increased 2743% due to recognition of \$1.0 million of ARPA funds for the 2022 Roadway Program. Investment income of \$561,734 increased by \$539,907 from the prior year due to an overall increase of interest rates and an increase in cash. Interest received as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

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## 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**

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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

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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
<b>Total Governmental Funds</b>			<b>\$ 33,563,030</b>	<b>\$ 30,461,643</b>	<b>\$ 3,101,387</b>

***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

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**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		Business-type		Total	
	<u>Activities</u>	2023	<u>Activities</u>	2023	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
<b>Total capital assets</b>	<b>\$ 35,727,151</b>	<b>\$ 34,131,036</b>	<b>\$ 75,656,657</b>	<b>\$ 75,400,215</b>	<b>\$ 111,383,808</b>	<b>\$ 109,531,251</b>

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 in the table below less depreciation of \$2,832,296.

**Change in Capital Assets**

	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>	
	2023	2023	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	(1,213,254)	(2,832,296)	(4,045,550)
<b>Ending Balance</b>	<b>\$ 35,727,151</b>	<b>\$ 75,656,657</b>	<b>\$ 111,383,808</b>

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

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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**

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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	<u>\$ 12,426,074</u>	<u>\$ 13,327,952</u>	<u>\$ 22,592,670</u>	<u>\$ 21,741,964</u>	<u>\$ 35,018,744</u>	<u>\$ 35,069,916</u>

**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

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
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
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
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
<b>LIABILITIES</b>			
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
<b>DEFERRED INFLOWS OF RESOURCES</b>			
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
<b>NET POSITION</b>			
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
 <b>TOTAL NET POSITION</b>	 \$ 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

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<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
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	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 25,028,910</b>	<b>\$ 14,311,025</b>	<b>\$ 443,431</b>	<b>\$ 800,104</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (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)	
<b>General Revenues</b>			
<b>Taxes</b>			
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
<b>Intergovernmental</b>			
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
<b>Total</b>	<b>13,813,930</b>	<b>433,747</b>	<b>14,247,677</b>
<b>CHANGE IN NET POSITION</b>			
	4,958,355	(185,028)	4,773,327
<b>NET POSITION, MAY 1</b>	<b>43,150,880</b>	<b>80,367,761</b>	<b>123,518,641</b>
<b>NET POSITION, APRIL 30</b>	<b>\$ 48,109,235</b>	<b>\$ 80,182,733</b>	<b>\$ 128,291,968</b>

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
<b>ASSETS</b>				
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
<b>TOTAL ASSETS</b>	<b>\$ 32,344,024</b>	<b>\$ 11,924,720</b>	<b>\$ 6,850,448</b>	<b>\$ 51,119,192</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
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
<b>DEFERRED INFLOWS OF RESOURCES</b>				
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
<b>FUND BALANCES</b>				
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	<u>16,210,677</u>	<u>11,657,245</u>	<u>5,695,108</u>	<u>33,563,030</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
	<u><u>\$ 32,344,024</u></u>	<u><u>\$ 11,924,720</u></u>	<u><u>\$ 6,850,448</u></u>	<u><u>\$ 51,119,192</u></u>

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

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 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	<u>(286,140)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 48,109,235</u>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

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	<b>General</b>	<b>Lakefront Park Project</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
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
<b>EXPENDITURES</b>				
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
 <b>FUND BALANCES, APRIL 30</b>	 \$ 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

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<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 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	<u>(217,628)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 4,958,355</u>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2023

	<b>Water and Sewer</b>	<b>Northwest Region Water Reclamation</b>	<b>911 Dispatch Services</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>CURRENT ASSETS</b>					
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	<u>13,225,252</u>	<u>20,400,562</u>	<u>1,084,866</u>	<u>20,850</u>	<u>34,731,530</u>
<b>NONCURRENT ASSETS</b>					
Capital assets, net of accumulated depreciation	42,200,796	32,848,751	337,032	270,078	75,656,657
Total noncurrent assets	<u>42,200,796</u>	<u>32,848,751</u>	<u>337,032</u>	<u>270,078</u>	<u>75,656,657</u>
Total assets	<u>55,426,048</u>	<u>53,249,313</u>	<u>1,421,898</u>	<u>290,928</u>	<u>110,388,187</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
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	<u>503,634</u>	<u>507,938</u>	<u>335,823</u>	<u>16,941</u>	<u>1,364,336</u>
Total assets and deferred outflows of resources	<u>55,929,682</u>	<u>53,757,251</u>	<u>1,757,721</u>	<u>307,869</u>	<u>111,752,523</u>
<b>CURRENT LIABILITIES</b>					
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	<u>1,908,854</u>	<u>4,295,616</u>	<u>1,617,185</u>	<u>189,545</u>	<u>8,011,200</u>
<b>NONCURRENT LIABILITIES</b>					
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	<u>22,007,297</u>	<u>812,406</u>	<u>508,886</u>	<u>26,098</u>	<u>23,354,687</u>
Total liabilities	<u>23,916,151</u>	<u>5,108,022</u>	<u>2,126,071</u>	<u>215,643</u>	<u>31,365,887</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related deferred outflows of resources	44,718	93,942	62,110	3,133	203,903
Total deferred inflows of resources	<u>44,718</u>	<u>93,942</u>	<u>62,110</u>	<u>3,133</u>	<u>203,903</u>
Total liabilities and deferred inflows of resources	<u>23,960,869</u>	<u>5,201,964</u>	<u>2,188,181</u>	<u>218,776</u>	<u>31,569,790</u>
<b>NET POSITION</b>					
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
<b>TOTAL NET POSITION (DEFICIT)</b>	<b><u>\$ 31,968,813</u></b>	<b><u>\$ 48,555,287</u></b>	<b><u>\$ (430,460)</u></b>	<b><u>\$ 89,093</u></b>	<b><u>\$ 80,182,733</u></b>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

	<b>Water and Sewer</b>	<b>Northwest Region Water Reclamation</b>	<b>911 Dispatch Services</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Water/sewer fees	\$ 4,723,211	\$ -	\$ -	\$ -	\$ 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
<b>OPERATING EXPENSES</b>					
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)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
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
 <b>NET POSITION (DEFICIT), APRIL 30</b>	 <b>\$ 31,968,813</b>	 <b>\$ 48,555,287</b>	 <b>\$ (430,460)</b>	 <b>\$ 89,093</b>	 <b>\$ 80,182,733</b>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

	<b>Water and Sewer</b>	<b>Northwest Region Water Reclamation</b>	<b>911 Dispatch Services</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 4,874,898	\$ 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	<u>2,475,502</u>	<u>199,971</u>	<u>(175,533)</u>	<u>(92,431)</u>	<u>2,407,509</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund activity	(5,047,265)	511,152	165,974	91,327	(4,278,812)
Net cash from noncapital financing activities	<u>(5,047,265)</u>	<u>511,152</u>	<u>165,974</u>	<u>91,327</u>	<u>(4,278,812)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	117,963	301,291	14,240	253	433,747
Net cash from investing activities	<u>117,963</u>	<u>301,291</u>	<u>14,240</u>	<u>253</u>	<u>433,747</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
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	<u>(1,900,005)</u>	<u>(901,256)</u>	<u>26,157</u>	<u>-</u>	<u>(2,775,104)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	(4,353,805)	111,158	30,838	(851)	(4,212,660)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<b>7,176,987</b>	<b>18,321,668</b>	<b>875,666</b>	<b>19,858</b>	<b>26,394,179</b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b><u>\$ 2,823,182</u></b>	<b><u>\$ 18,432,826</u></b>	<b><u>\$ 906,504</u></b>	<b><u>\$ 19,007</u></b>	<b><u>\$ 22,181,519</u></b>

(This statement is continued on the following page.)

**VILLAGE OF FOX LAKE, ILLINOIS**

**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**

For the Year Ended April 30, 2023

	<b>Water and Sewer Fund</b>	<b>Northwest Region Water Reclamation Fund</b>	<b>911 Dispatch Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)					
\$ 1,650,574	\$ (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
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 2,475,502</b>	<b>\$ 199,971</b>	<b>\$ (175,533)</b>	<b>\$ (92,431)</b>	<b>\$ 2,407,509</b>
<b>NONCASH TRANSACTIONS</b>					
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)
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 384,252</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 384,252</b>

See accompanying notes to financial statements.

**VILLAGE OF FOX LAKE, ILLINOIS**

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

April 30, 2023

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**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

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#### **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>\$ 20,753,377</u>

# **VILLAGE OF FOX LAKE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

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

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

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

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

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

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

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

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

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

**b. Fund Accounting**

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

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

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

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

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

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

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

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

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

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

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

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

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

The Village reports the following major governmental funds:

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

The 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).

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

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

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

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)

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

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

f. Interfund Receivables/Payables

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

g. Prepaid Items/Expenses

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

h. Inventory

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

i. Capital Assets

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

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

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

i. Capital Assets (Continued)

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

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

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

j. Compensated Absences

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

k. Fund Balance/Net Position

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

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

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

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

**k. Fund Balance/Net Position (Continued)**

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

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

**l. Long-Term Obligations**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**m. Interfund Transactions**

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

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

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

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

n. Deferred Outflows/Inflows of Resources

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

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type's portion of this pool is displayed as "cash and investments." In addition, deposits and investments are separately held by several of the Village's funds.

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

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

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

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

**Village Deposits with Financial Institutions**

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

**Village Investments**

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

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

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Village Investments (Continued)

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

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

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

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**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
<b>GOVERNMENTAL ACTIVITIES</b>				
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	<u>14,750,953</u>	<u>2,632,423</u>	<u>1,308,202</u>	<u>16,075,174</u>
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	<u>39,885,481</u>	<u>1,485,148</u>	-	<u>41,370,629</u>
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	<u>20,505,398</u>	<u>1,213,254</u>	-	<u>21,718,652</u>
Total capital assets being depreciated, net	<u>19,380,083</u>	<u>271,894</u>	-	<u>19,651,977</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 34,131,036</b>	<b>\$ 2,904,317</b>	<b>\$ 1,308,202</b>	<b>\$ 35,727,151</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
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	<u>15,693,438</u>	<u>2,449,490</u>	<u>14,330,106</u>	<u>3,812,822</u>
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	<u>117,344,758</u>	<u>14,969,354</u>	-	<u>132,314,112</u>
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	<u>57,637,981</u>	<u>2,832,296</u>	-	<u>60,470,277</u>
Total capital assets being depreciated, net	<u>59,706,777</u>	<u>12,137,058</u>	-	<u>71,843,835</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 75,400,215</b>	<b>\$ 14,586,548</b>	<b>\$ 14,330,106</b>	<b>\$ 75,656,657</b>

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

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**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 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)

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**5. RISK MANAGEMENT (Continued)**

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

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

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

	Fund Debt Retired By	Balances April 30	Current Portion
\$1,543,275 Illinois EPA low interest loan due in semiannual installments of principal and interest 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
<b>TOTAL OUTSTANDING DEBT</b>		<b>\$ 35,018,744</b>	<b>\$ 1,939,091</b>

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities			Business-Type Activities		
	General Obligation Debt (direct placement)					
	Principal	Interest	Principal	Interest		
2024	\$ 97,650	\$ 32,335	\$ 57,350	\$ 18,990		
2025	126,000	28,980	74,000	17,020		
2026	129,150	24,507	75,850	14,393		
2027	129,150	19,341	75,850	11,359		
2028	135,450	14,049	79,550	8,251		
2029	138,600	8,568	81,400	5,032		
2030	144,909	2,898	85,100	1,702		
<b>TOTAL</b>	<b>\$ 900,909</b>	<b>\$ 130,678</b>	<b>\$ 529,100</b>	<b>\$ 76,747</b>		

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

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

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	General Obligation Debt			
	Principal	Interest	Principal	Interest
2024	\$ 595,165	\$ 459,155	\$ 114,835	\$ 3,445
2025	425,000	437,200	-	-
2026	445,000	420,200	-	-
2027	460,000	402,400	-	-
2028	480,000	384,000	-	-
2029	500,000	364,800	-	-
2030	520,000	344,800	-	-
2031	540,000	324,000	-	-
2032	560,000	302,400	-	-
2033	585,000	280,000	-	-
2034	605,000	256,600	-	-
2035	630,000	232,400	-	-
2036	655,000	207,200	-	-
2037	680,000	181,000	-	-
2038	710,000	153,800	-	-
2039	740,000	125,400	-	-
2040	765,000	95,800	-	-
2041	800,000	65,200	-	-
2042	830,000	33,200	-	-
<b>TOTAL</b>	<b>\$ 11,525,165</b>	<b>\$ 5,069,555</b>	<b>\$ 114,835</b>	<b>\$ 3,445</b>

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

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

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Business-Type Activities	
	IEPA Loan	
	Principal	Interest
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
<b>TOTAL</b>	<b>\$ 21,948,735</b>	<b>\$ 2,555,230</b>

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)**

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

**c. Changes in Long-Term Liabilities**

The following is a summary of changes in bonds, installment notes payable, debt certificates and other long-term liabilities during fiscal year 2023:

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
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	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 22,891,264</b>	<b>\$ 1,650,351</b>	<b>\$ 959,196</b>	<b>\$ 23,582,419</b>	<b>\$ 785,214</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
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	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 22,985,191</b>	<b>\$ 2,850,479</b>	<b>\$ 1,200,388</b>	<b>\$ 24,635,282</b>	<b>\$ 1,280,595</b>

\*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)

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

d. Pledged Revenues

The Village has pledged a portion of future revenues from externality fees, gaming taxes, utility taxes, sales taxes, water fund revenues and 911 surcharges to repay the principal and interest on the General Obligation Bonds Series 2022A and General Obligation Refunding Bonds, Series 2022C. Proceeds from the bonds provided financing for certain park improvements in the Village as well as repayment of debt certificate obligations. For the current year, 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:

	<u>Due From (positive)</u>	<u>Due To (negative)</u>
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)

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**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	38,079
Northwest Region Water Reclamation Fund	- 55,842	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	69
Water	55,842	-
Police Pension Fund		
General Fund	203,426	-
<b>TOTAL INTERFUND BALANCES</b>	<b><u>\$15,087,787</u></b>	<b><u>\$15,087,787</u></b>

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

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**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
<b>TOTAL</b>		<b>\$ 120,000</b>

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.

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

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**8. CONTINGENT LIABILITIES (Continued)**

b. Grants

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

**9. DEFINED BENEFIT PENSION PLANS**

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

Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*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>218</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)

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**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)

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

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

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

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
<b>BALANCES AT JANUARY 1, 2022</b>	<b>\$ 20,862,001</b>	<b>\$ 23,889,227</b>	<b>\$ (3,027,226)</b>
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
<b>BALANCES AT DECEMBER 31, 2022</b>	<b>\$ 21,560,363</b>	<b>\$ 20,178,785</b>	<b>\$ 1,381,578</b>

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

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 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	-
 <b>TOTAL</b>	 <u>\$ 1,979,695</u>	 <u>\$ 366,140</u>

\$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:

Year Ending  
April 30,

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

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

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

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 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	28
 TOTAL	 57

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

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

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

*Contributions*

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

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Contributions* (Continued)

Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040; however, the Village has elected to fund 100% of the past service cost over the next 13 years using a layered amortization approach. The Village's contribution rate for the year was 40.09%.

*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](http://www.ipopif.org).

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

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Fair Value 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)

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**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)

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 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:

	Current		
	1% Decrease (5.75%)	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)

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

Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 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	<u>1,176,349</u>	-
<b>TOTAL</b>	<b><u>\$ 2,056,882</u></b>	<b><u>\$ 123,903</u></b>

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

Year Ending  
April 30,

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

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

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**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At April 30, 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	88
 TOTAL	 93

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

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

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 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)

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

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
<b>BALANCES AT MAY 1, 2022</b>	<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>
<b>BALANCES AT APRIL 30, 2023</b>	<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:

	Current	1% Decrease (2.53%)	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)

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

f. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.40% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 6.40%) or 1 percentage point higher (6.00% to 8.40%) than the current rate:

	1% Decrease (4.00% to 6.40%)	Current Healthcare Rate (5.00% to 7.40%)	1% Increase (6.00% to 8.40%)
Total OPEB liability	\$ 1,744,193	\$ 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)

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**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 ACTIVITES**

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	-
BEGINNING NET POSITION, AS RESTATED	<u>\$ 43,150,879</u>

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

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**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>
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**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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
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
<b>EXPENDITURES</b>				
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
<b>OTHER FINANCING SOURCES (USES)</b>				
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	
 <b>FUND BALANCE, APRIL 30</b>			 \$ 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

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL OPEB LIABILITY</b>						
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
<b>TOTAL OPEB LIABILITY - ENDING</b>						
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.

**VILLAGE OF FOX LAKE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Nine Fiscal Years

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<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
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
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (124,360)</b>	<b>\$ (126,909)</b>	<b>\$ (12,887)</b>	<b>\$ 48,648</b>	<b>\$ (5,574)</b>	<b>\$ 73,654</b>	<b>\$ (17,357)</b>	<b>\$ 6,633</b>	<b>\$ (5)</b>
Covered payroll	\$ 2,017,470	\$ 1,740,188	\$ 1,711,427	\$ 1,697,568	\$ 1,913,541	\$ 1,948,675	\$ 2,433,225	\$ 2,497,066	\$ 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

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
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
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 24,870</b>	<b>\$ (239)</b>	<b>\$ 38,866</b>	<b>\$ -</b>				
Covered payroll	\$ 3,578,855	\$ 3,364,019	\$ 3,376,467	\$ 3,810,384	\$ 4,213,590	\$ 4,110,198	\$ 4,343,261	\$ 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.

**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

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL PENSION LIABILITY</b>									
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
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 19,990,165</b>	<b>\$ 21,162,966</b>	<b>\$ 21,092,445</b>	<b>\$ 22,572,443</b>	<b>\$ 23,658,395</b>	<b>\$ 25,090,415</b>	<b>\$ 26,506,096</b>	<b>\$ 27,845,120</b>	<b>\$ 28,984,791</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 684,444	\$ 692,803	\$ 718,995	\$ 656,677	\$ 642,245	\$ 726,728	\$ 843,405	\$ 1,020,495	\$ 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
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 14,081,905</b>	<b>\$ 13,991,405</b>	<b>\$ 15,351,067</b>	<b>\$ 16,505,064</b>	<b>\$ 17,197,196</b>	<b>\$ 16,859,865</b>	<b>\$ 21,483,344</b>	<b>\$ 20,573,274</b>	<b>\$ 20,753,377</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 5,908,260</b>	<b>\$ 7,171,561</b>	<b>\$ 5,741,378</b>	<b>\$ 6,067,379</b>	<b>\$ 6,461,199</b>	<b>\$ 8,230,550</b>	<b>\$ 5,022,752</b>	<b>\$ 7,271,846</b>	<b>\$ 8,231,414</b>

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan fiduciary net position as a percentage of the total pension liability	70.44%	66.11%	72.78%	73.12%	72.69%	67.20%	81.05%	73.88%	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.

**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

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>								
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
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 15,876,562</b>	<b>\$ 16,625,349</b>	<b>\$ 16,719,392</b>	<b>\$ 18,232,951</b>	<b>\$ 19,489,480</b>	<b>\$ 19,618,273</b>	<b>\$ 20,862,001</b>	<b>\$ 21,560,363</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
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
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 14,273,107</b>	<b>\$ 15,236,235</b>	<b>\$ 17,280,146</b>	<b>\$ 16,322,709</b>	<b>\$ 18,972,445</b>	<b>\$ 20,998,757</b>	<b>\$ 23,889,227</b>	<b>\$ 20,178,785</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 1,603,455</b>	<b>\$ 1,389,114</b>	<b>\$ (560,754)</b>	<b>\$ 1,910,242</b>	<b>\$ 517,035</b>	<b>\$ (1,380,484)</b>	<b>\$ (3,027,226)</b>	<b>\$ 1,381,578</b>

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

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<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual money-weighted rate of return, net of investment expense	7.60%	(2.75%)	9.40%	7.43%	5.04%	(1.27%)	27.13%	(3.92%)	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

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#### **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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
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	<u>4,398,105</u>	<u>4,656,983</u>	<u>4,634,346</u>	<u>(22,637)</u>
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	<u>5,065,000</u>	<u>5,970,000</u>	<u>5,889,497</u>	<u>(80,503)</u>
Franchise fees				
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	<u>176,000</u>	<u>172,500</u>	<u>171,878</u>	<u>(622)</u>
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	<u>268,400</u>	<u>277,000</u>	<u>328,500</u>	<u>51,500</u>

(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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>				
Park and recreation fees				
Program fees	\$ 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
	<hr/>	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>
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)
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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

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>				
Garbage revenues				
Garbage fees	\$ 1,035,000	\$ 1,035,000	\$ 1,071,587	\$ 36,587
Garbage penalties	20,000	20,000	21,042	1,042
Recycling rebate	400	400	481	81
	<hr/>	<hr/>	<hr/>	<hr/>
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)
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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
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Total other revenue	63,000	106,686	522,225	415,539
<b>TOTAL REVENUES</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 13,285,990</b>	<b>\$ 14,498,154</b>	<b>\$ 15,450,209</b>	<b>\$ 952,055</b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
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)
<b>PUBLIC SAFETY</b>				
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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>				
Current (Continued)				
Police department (Continued)				
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				
Wages-part-time	695,800	650,000	647,812	(2,188)
Overtime	9,600	9,600	-	(9,600)
Health insurance	25,000	22,000	22,352	352
Life insurance	113,800	68,700	96,718	28,018
Social Security and Medicare	1,100	1,100	1,086	(14)
IMRF	55,900	52,000	52,478	478
Building maintenance	51,600	41,000	43,232	2,232
Equipment maintenance	14,500	13,000	4,594	(8,406)
Street maintenance	1,500	1,500	3,010	1,510
Parks maintenance	25,000	25,000	18,934	(6,066)
Community beautification	20,000	-	8,929	8,929
Professional services	30,000	30,000	41,226	11,226
Accounting services	35,800	34,700	50,188	15,488
Engineering services	1,200	-	2,170	2,170
Legal services	8,000	800	19,049	18,249
Technology	4,000	2,000	2,657	657
Postage	2,800	2,000	1,829	(171)
Memberships	100	100	6	(94)
Training	850	800	967	167
	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)
<b>PUBLIC WORKS (Continued)</b>				
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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>				
Current (Continued)				
Garbage				
Postage	\$ 1,000	\$ -	\$ 1,464	\$ 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
<b>PARKS AND RECREATION</b>				
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)
<b>ECONOMIC DEVELOPMENT</b>				
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
<b>CAPITAL OUTLAY</b>				
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

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>DEBT SERVICE</b>				
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
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,351,335</b>	<b>\$ 12,536,140</b>	<b>\$ 13,442,444</b>	<b>\$ 906,304</b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2023

	<b>Special Revenue</b>					Motor Fuel Tax	Business Development District South	Business Development District Central	<b>Total</b>
	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4	Tax Increment Financing #5				
<b>ASSETS</b>									
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
<b>TOTAL ASSETS</b>	<b>\$ 158,900</b>	<b>\$ 22,363</b>	<b>\$ 24,622</b>	<b>\$ 17,149</b>	<b>\$ 15,707</b>	<b>\$ 2,722,673</b>	<b>\$ 2,338,351</b>	<b>\$ 1,550,683</b>	<b>\$ 6,850,448</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
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
<b>DEFERRED INFLOWS OF RESOURCES</b>									
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
<b>FUND BALANCES</b>									
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
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 158,900</b>	<b>\$ 22,363</b>	<b>\$ 24,622</b>	<b>\$ 17,149</b>	<b>\$ 15,707</b>	<b>\$ 2,722,673</b>	<b>\$ 2,338,351</b>	<b>\$ 1,550,683</b>	<b>\$ 6,850,448</b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

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	<b>Special Revenue</b>					<b>Total</b>
	<b>Tax Increment Financing #1</b>	<b>Motor Fuel Tax</b>	<b>Business Development District South</b>	<b>Business Development District Central</b>		
<b>REVENUES</b>						
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	
<b>EXPENDITURES</b>						
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	
 <b>FUND BALANCES (DEFICIT), APRIL 30</b>	 \$ (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

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
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
<b>EXPENDITURES</b>				
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			 <u>(129,306)</u>	
 <b>FUND BALANCE (DEFICIT), APRIL 30</b>			 <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

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
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
<b>EXPENDITURES</b>				
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	 \$ 752,200	 \$ (509,316)	 537,949	 \$ 1,047,265
 FUND BALANCE, MAY 1			 1,650,057	
 <b>FUND BALANCE, APRIL 30</b>			 \$ 2,188,006	

(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

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Sales tax	\$ 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
<b>EXPENDITURES</b>				
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	 \$ 349,500	 \$ 201,672	 762,711	 \$ 561,039
 FUND BALANCE, MAY 1			 1,503,445	
 <b>FUND BALANCE, APRIL 30</b>			 \$ 2,266,156	

(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

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
Sales tax	\$ 575,000	\$ 575,000	\$ 685,050	\$ 110,050
Investment income	500	-	41,719	41,719
Miscellaneous	30,000	30,000	-	(30,000)
Total revenues	<u>605,500</u>	<u>605,000</u>	<u>726,769</u>	<u>121,769</u>
<b>EXPENDITURES</b>				
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	<u>444,000</u>	<u>194,328</u>	<u>138,368</u>	<u>(55,960)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 161,500</u>	<u>\$ 410,672</u>	<u>588,401</u>	<u>\$ 177,729</u>
FUND BALANCE, MAY 1			<u>733,662</u>	
<b>FUND BALANCE, APRIL 30</b>			<b><u>\$ 1,322,063</u></b>	

(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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Water/sewer fees	\$ 4,500,000	\$ 4,500,000	\$ 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
<b>OPERATING EXPENSES</b>				
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
<b>OPERATING INCOME</b>	<b>1,522,943</b>	<b>1,522,943</b>	<b>1,650,574</b>	<b>127,631</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
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)
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<b>\$ 1,308,372</b>	<b>\$ 1,308,372</b>	<b>328,602</b>	<b>\$ (979,770)</b>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal expense			<u>1,156,850</u>	
Total adjustments to GAAP basis			<u>1,156,850</u>	
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>			<b>1,485,452</b>	
<b>NET POSITION, MAY 1</b>			<u>30,483,361</u>	
<b>NET POSITION, APRIL 30</b>			<u>\$ 31,968,813</u>	

(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

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
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
<b>OPERATING EXPENSES</b>				
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)
<b>OPERATING INCOME (LOSS)</b>	<b>(2,360,033)</b>	<b>(2,360,033)</b>	<b>(1,614,251)</b>	<b>745,782</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	50,000	50,000	301,291	251,291
 Total non-operating revenues (expenses)	 50,000	 50,000	 301,291	 251,291
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<b>\$ (2,310,033)</b>	<b>\$ (2,310,033)</b>	<b>(1,312,960)</b>	<b>\$ 997,073</b>
 <b>NET POSITION, MAY 1</b>			 <b>49,868,247</b>	
 <b>NET POSITION, APRIL 30</b>			 <b>\$ 48,555,287</b>	

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
911 fees	\$ 190,000	\$ 190,000	\$ 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)
<b>OPERATING EXPENSES</b>				
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)
<b>OPERATING INCOME (LOSS)</b>	<b>(262,438)</b>	<b>(262,438)</b>	<b>(302,446)</b>	<b>(40,008)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
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)
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<b>\$ (209,210)</b>	<b>\$ (209,210)</b>	<b>\$ (262,038)</b>	<b>\$ (52,828)</b>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Principal expense			4,218	
 Total adjustments to GAAP basis			 4,218	
<b>CHANGE IN NET POSITION (GAAP BASIS)</b>				<b>(257,820)</b>
<b>NET POSITION (DEFICIT), MAY 1</b>				<b>(172,640)</b>
<b>NET POSITION (DEFICIT), APRIL 30</b>			<b>\$ (430,460)</b>	

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

April 30, 2023

	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 19,007	\$ -	\$ 19,007
Prepaid items	290	-	290
Due from other funds	1,553	-	1,553
Total current assets	<u>20,850</u>	<u>-</u>	<u>20,850</u>
<b>NONCURRENT ASSETS</b>			
Capital assets, net of accumulated depreciation	270,078	-	270,078
Total noncurrent assets	<u>270,078</u>	<u>-</u>	<u>270,078</u>
Total assets	<u>290,928</u>	<u>-</u>	<u>290,928</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows of resources	16,941	-	16,941
Total deferred outflows of resources	<u>16,941</u>	<u>-</u>	<u>16,941</u>
Total assets and deferred outflows of resources	<u>307,869</u>	<u>-</u>	<u>307,869</u>
<b>CURRENT LIABILITIES</b>			
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	<u>189,545</u>	<u>-</u>	<u>189,545</u>
<b>NONCURRENT LIABILITIES</b>			
Compensated absences	469	-	469
Net Pension Liability	11,823	-	11,823
Total OPEB Liability	13,806	-	13,806
Total noncurrent liabilities	<u>26,098</u>	<u>-</u>	<u>26,098</u>
Total liabilities	<u>215,643</u>	<u>-</u>	<u>215,643</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	3,133	-	3,133
Total deferred inflows of resources	<u>3,133</u>	<u>-</u>	<u>3,133</u>
Total liabilities and deferred inflows of resources	<u>218,776</u>	<u>-</u>	<u>218,776</u>
<b>NET POSITION</b>			
Net investment in capital assets	270,078	-	270,078
Unrestricted (deficit)	(180,985)	-	(180,985)
<b>TOTAL NET POSITION</b>	<u>\$ 89,093</u>	<u>\$ -</u>	<u>\$ 89,093</u>

(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

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

(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

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

(This schedule is continued on the following page.)

**VILLAGE OF FOX LAKE, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**NONMAJOR ENTERPRISE FUNDS**

For the Year Ended April 30, 2023

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	<b>Commuter Parking</b>	<b>Tall Oaks</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (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
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (36,631)</b>	<b>\$ (55,800)</b>	<b>\$ (92,431)</b>
<b>NONCASH TRANSACTIONS</b>			
None	\$ -	\$ -	\$ -
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(See independent auditor's report.)

**VILLAGE OF FOX LAKE, ILLINOIS**

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

For the Year Ended April 30, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>				
Parking fees	\$ 15,000	\$ 15,000	\$ 24,965	\$ 9,965
Total operating revenues	<u>15,000</u>	<u>15,000</u>	<u>24,965</u>	<u>9,965</u>
<b>OPERATING EXPENSES</b>				
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	<u>90,536</u>	<u>90,536</u>	<u>69,118</u>	<u>(21,418)</u>
<b>OPERATING INCOME (LOSS)</b>	<b>(75,536)</b>	<b>(75,536)</b>	<b>(44,153)</b>	<b>31,383</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	25	25	253	228
Total non-operating revenues (expenses)	<u>25</u>	<u>25</u>	<u>253</u>	<u>228</u>
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<b>\$ (75,511)</b>	<b>\$ (75,511)</b>	<b>(43,900)</b>	<b>\$ 31,611</b>
<b>NET POSITION, MAY 1</b>			<u>132,993</u>	
<b>NET POSITION, APRIL 30</b>			<b><u>\$ 89,093</u></b>	

(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

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

(See independent auditor's report.)