

Village of Fox Lake, Illinois



Annual Financial Report
Year Ended April 30, 2009



VILLAGE OF FOX LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
APRIL 30, 2009**

Prepared by the Finance Department

**Nancy Schuerr
Village Administrator**



VILLAGE OF FOX LAKE, ILLINOIS

Table of Contents

	PAGE
INTRODUCTORY SECTION	
Officers and Officials	i
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-13
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	14-15
Statement of Activities	16-17
Fund Financial Statements	
Balance Sheet -- Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances -- Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual -- General Fund	22
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual -- Fire Protection Fund	23
Statement of Net Assets -- Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Net Assets -- Proprietary Funds	25
Statement of Cash Flows -- Proprietary Funds	26
Statement of Fiduciary Net Assets -- Pension Trust Funds	27
Statement of Changes in Fiduciary Net Assets -- Pension Trust Funds	28
Notes to the Financial Statements	29-55

VILLAGE OF FOX LAKE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION	
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Analysis of Funding Progress	
Illinois Municipal Retirement Fund	56
Police Pension Fund	56
Firefighters' Pension Fund	56
Employer Contributions	
Illinois Municipal Retirement Fund	57
Police Pension Fund	57
Firefighters' Pension Fund	57
 <u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</u>	
<u>GOVERNMENTAL FUND TYPES</u>	
GENERAL FUND	
Schedule of Revenues – Budget and Actual	58-59
Schedule of Expenditures – Budget and Actual	60-61
NONMAJOR SPECIAL REVENUE FUND	
Tax Increment Financing Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	62
 <u>PROPRIETARY FUNDS</u>	
MAJOR ENTERPRISE FUNDS	
Water and Sewer Fund	
Schedule of Net Assets	63
Schedule of Revenues, Expenses and Changes in Net Assets	64
Schedule of Changes in Net Assets – Restricted – Debt Service	65
Schedule of Operating Expenses – Budget and Actual	66

VILLAGE OF FOX LAKE, ILLINOIS

Table of Contents

PAGE

FINANCIAL SECTION

PROPRIETARY FUNDS (CONT.)

ENTERPRISE FUNDS (CONT.)

MAJOR ENTERPRISE FUNDS (CONT.)

Northwest Region Water Reclamation Fund

Schedule of Net Assets 67

Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual 68

Schedule of Changes in Net Assets – Restricted – Debt Service 69

Schedule of Operating Expenses – Budget and Actual 70

NONMAJOR ENTERPRISE FUND

Commuter Parking Lot Fund

Schedule of Revenues, Expenses and Changes in Net Assets 71

Schedule of Operating Expenses – Budget and Actual 72

INTERNAL SERVICE FUND

Motor Fuel Fund

Schedule of Revenues, Expenses and Changes in Net Assets 73

FIDUCIARY FUNDS

TRUST FUNDS

Combining Statement of Fiduciary Net Assets – Pension Trust Funds 74

Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds 75

VILLAGE OF FOX LAKE, ILLINOIS

Table of Contents

	PAGE
FINANCIAL SECTION	
<u>SUPPLEMENTARY INFORMATION</u>	
Long-Term Debt Requirements	
Debt Certificate Series 2002	76
Debt Certificate Series 2006	77
Debt Certificate Series 2007	78
Debt Certificate Series 2002B	79
Debt Certificate Series 2002C	80
2002 Installment Note	81
2003 Installment Note	82
2004 Installment Note	83
2005 Installment Note	84
Revenue Refunding Bonds, Series 2003	85
Refunding Revenue Bonds, Series 2007	86

INTRODUCTORY SECTION



VILLAGE OF FOX LAKE, ILLINOIS

Officers and Officials
April 30, 2009

LEGISLATIVE

Village Board of Trustees

Edward Bender, Village President

Kevin Burt
Valerie Griseta
Jack Kiesgen

Nancy Koske
Jon Mumford
Greg Murrey

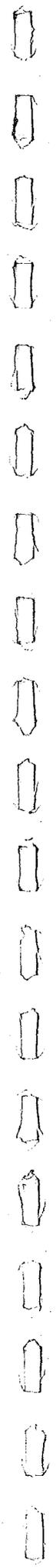
Samantha Weeks, Village Clerk

ADMINISTRATION

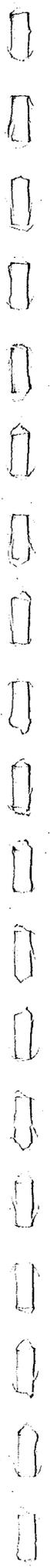
Nancy Schuerr, Village Administrator



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, budgetary comparisons of the General and Fire Protection Funds, and the aggregate remaining fund information for the Village of Fox Lake, Illinois, (Village), as of and for the year ended April 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Fox Lake, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, budgetary comparisons of the General and Fire Protection Funds, and the aggregate remaining fund information of the Village of Fox Lake, Illinois, as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 2 through 13), and pension related information (pages 56 and 57) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Village of Fox Lake, Illinois. The accompanying information listed as combining and individual fund statements, schedules, and supplementary information in the table of contents is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Oak Brook, Illinois
December 9, 2009

Wolf & Company LLP



VILLAGE OF FOX LAKE, ILLINOIS

Management's Discussion and Analysis April 30, 2009

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Fox Lake's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 14-17 of this report.

The Statement of Net Assets reports information on all of the Village of Fox Lake's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Fox Lake is improving or deteriorating. Consideration of other non-financial factors, such as changes in the Village of Fox Lake's property tax base and the condition of the Village of Fox Lake's roads, is needed to assess the overall health of the Village of Fox Lake.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Fox Lake that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Fox Lake include general government, public safety, streets, sanitation, economic development, and culture and recreation. The business-type activities of the Village of Fox Lake include waterworks and sewerage and parking operations.

The Village of Fox Lake includes two separate legal entities in its report: the Village of Fox Lake Police Pension Fund and the Village of Fox Lake Fire Pension Fund. Although legally separate, these "component units" are important because the Village of Fox Lake is financially accountable for them. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village of Fox Lake's near-term financing requirements.

VILLAGE OF FOX LAKE, ILLINOIS

Management's Discussion and Analysis April 30, 2009

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village of Fox Lake maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Fire Protection Fund, and in the aggregate for all nonmajor funds, which in this case is only the Special Revenue Fund.

The Village of Fox Lake passes an annual appropriation budget for the General and Fire Protection Funds. The annual appropriation is based on the Village budget; however, since it demonstrates the maximum amount that can be expended per fund, it is passed at 120% of the working budget. The annual appropriation ordinance, by law, is the legal budget for the Village of Fox Lake and has been included in budgetary comparison statements.

The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary Funds

The Village of Fox Lake maintains two different types of proprietary funds, enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Fox Lake utilizes enterprise funds to account for its waterworks, sewerage, and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village of Fox Lake's various functions.

The Village of Fox Lake uses its internal service fund to account for the maintenance of its fleet of vehicles and equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, Northwest Region Water Reclamation Facility Fund (NWRWRF), and for the Parking Fund.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.



VILLAGE OF FOX LAKE, ILLINOIS

Management's Discussion and Analysis April 30, 2009

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Fox Lake's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The Village of Fox Lake maintains two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Both of these funds have been set up to pay for the retirement of their respective members.

Although the resources accumulated in these funds are not available to support the Village of Fox Lake's programs, they do reflect future obligations that may be required of the Village of Fox Lake's financial resources. The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Fox Lake, assets exceed liabilities by \$93.6 million, which represents a \$.5 million dollar increase from the prior year. (SNA)

As identified in the table on the next page, the largest portion of assets held by the Village of Fox Lake is its capital assets, 86% of governmental activities and 64% of business-type activities. This reflects the Village of Fox Lake's continued commitment to the purchase of capital equipment to provide services to its citizens. It should be noted that although these capital assets are an integral part of the Village of Fox Lake's total assets, they cannot be readily converted into cash to pay current operating expenses, including any debt payment that may have been issued.



VILLAGE OF FOX LAKE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2009**

Net Assets (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$ 5.6	\$ 6.2	24.8	26.0	30.4	32.2
Capital and Other Assets	34.0	34.2	43.4	41.9	77.4	76.1
Total Assets	39.6	40.4	68.2	67.9	107.8	108.3
Liabilities						
Long-Term Debt	3.7	4.2	5.1	5.2	8.8	9.4
Other Liabilities	4.7	4.8	0.7	1.0	5.4	5.8
Total Liabilities	8.4	9.0	5.8	6.2	14.2	15.2
Net Assets						
Invested in Capital Assets, Net of Debt	29.9	29.6	38.0	36.6	67.9	66.2
Restricted	0.5	1.0	0.7	2.3	1.2	3.3
Unrestricted	0.8	0.8	23.7	22.8	24.5	23.6
Total Net Assets	31.2	31.4	62.4	61.7	93.6	93.1

As a portion of total net assets, 1.6% of governmental activities assets and 1.1% of business-type activities assets are restricted to specific uses. In the governmental activities, these restricted assets are typically restricted due to Illinois State Law setting out specifically how these funds can be used. These restrictions include assets designated to pay for road maintenance, liability insurance, retirement payments, park improvements, fire and ambulance service, and emergency 911 communications. The restricted assets in the business-type activities are typically set out by bond ordinances and are put in place primarily to protect bondholders' interests.

Net assets of the Village of Fox Lake governmental activities were reduced slightly by 0.6% from the prior year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraint remain basically unchanged at \$0.8 million. The main capital asset acquisition was the renovation/reconfiguration of one of the fire department's stations.

Net assets in the business-type activities increased 1.2% or \$0.8 million. This increase is primarily the result of connection fees that are being accumulated to meet future expansion and maintenance needs of the Village of Fox Lake's Water and Sewer System.



VILLAGE OF FOX LAKE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2009**

Change in Net Assets (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	\$ 4.0	\$ 4.4	7.8	9.8	11.8	14.2
Grants/Contributions	0.4	0.6			0.4	0.6
General Revenues						
Property Taxes	3.1	2.9			3.1	2.9
Sales Taxes	2.6	2.9			2.6	2.9
Income Tax	1.0	1.0			1.0	1.0
Intergovernmental	0.6	0.6			0.6	0.6
Other General Revenues	0.1	0.2	0.3	1.3	0.4	1.5
Total Revenues	11.8	12.6	8.1	11.1	19.9	23.7
Expenses:						
General Government	1.7	1.8			1.7	1.8
Public Safety	7.3	7.7			7.3	7.7
Public Works	2.6	2.8			2.6	2.8
Culture and Recreation	0.2	0.3			0.2	0.3
Interest on Long-Term Debt	0.2	0.2			0.2	0.2
Water and Sewer			2.3	2.5	2.3	2.5
Water Reclamation			5.0	5.1	5.0	5.1
Parking Facilities			0.1	0.1	0.1	0.1
Total Expenses	12.0	12.8	7.4	7.7	19.4	20.5
Increase (Decrease) in Net Assets	(0.2)	(0.2)	0.7	3.4	0.5	3.2
Net Assets - Beginning	31.4	31.6	61.7	58.3	93.1	89.9
Net Assets - Ending	31.2	31.4	62.4	61.7	93.6	93.1

Total revenue decreased to \$19.9 million in fiscal 2009 from \$23.7 million last year or 16.0%. Village-wide interest income decreased \$975,000. This is partly due to expending cash for capital projects, but also a marked decrease in interest rates. Sales taxes collected were down \$333,000. We expect this significant downtrend to continue in fiscal 2010.



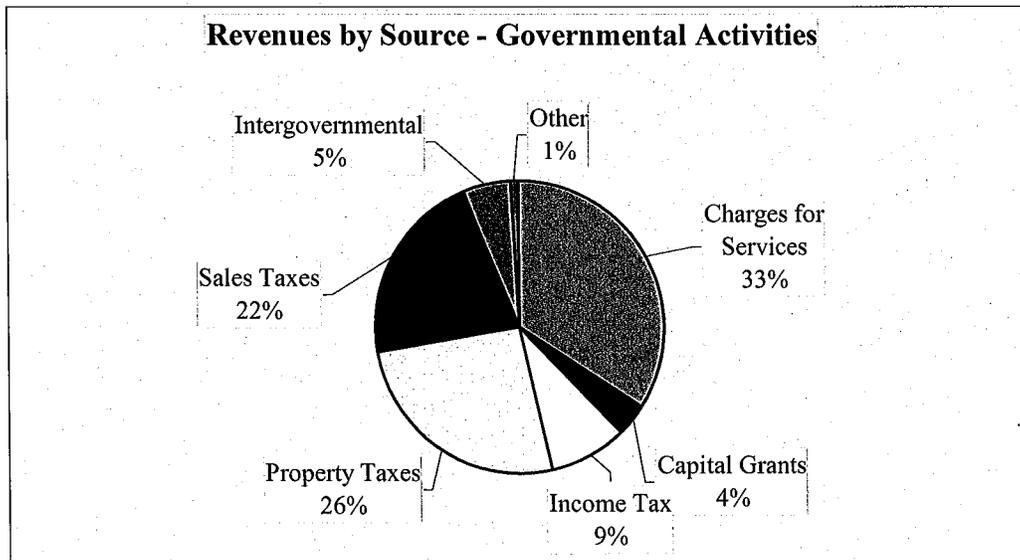
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Management's Discussion and Analysis April 30, 2009

While total revenue decreased by \$3.8 million from fiscal 2008 to fiscal 2009, total expenses decreased by \$1.1 million. For Governmental Activities, revenue decreased by \$0.8 million, and expenses decreased by \$0.7 million. For Business-Type Activities, revenue decreased by \$3 million and expenses decreased by \$0.3 million. This trend in Governmental Activities deficits has continued for several years, and is a significant concern for the Board of Trustees and appointed officials of the Village.

Governmental Activities

From the Statement of Activities on pages 17-18, we see that the Village of Fox Lake governmental activities showed a net asset decrease of \$271,691. Revenues decreased \$.8 million and expenses decreased \$.7 million from last year, which resulted in the decrease in net assets. Decreases in expenses have come from General Government (\$158,000 or .9%), Public Safety (\$360,000 or 4.7%), Public Works (\$164,000 or 5.8%), and finally Culture and Recreation (\$37,000 or 12.4%). Program revenue decreases came from General Government (\$220,000 or 15.3%), Public Safety (\$500,000 or 17.1%), and Culture and Recreation (\$124,000 or 21.1%). Year to year revenue increases were reported by Public Works (\$185,000 or 37.0%).



(Source: Statement of Activities)

As the pie chart above illustrates, the Village of Fox Lake is very dependent on sales and property taxes.

Business-Type Activities



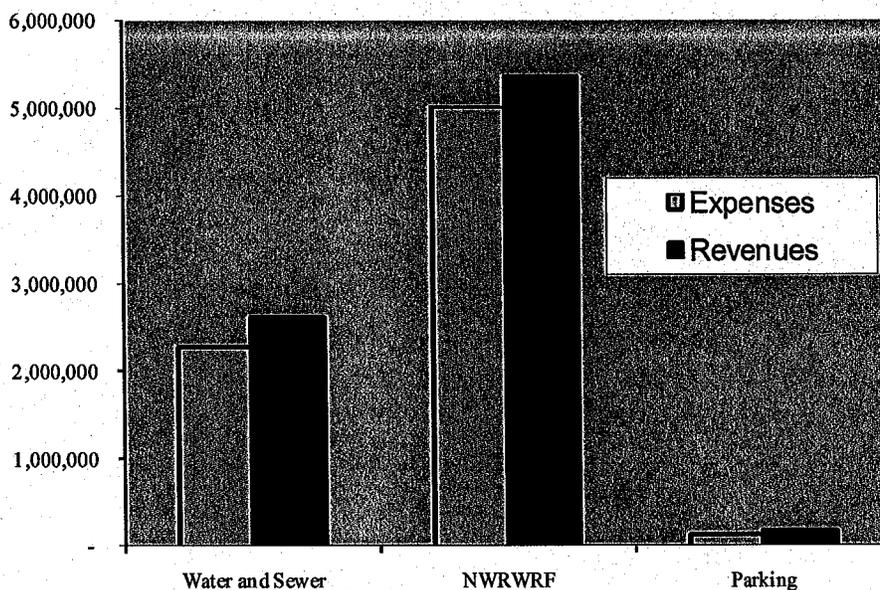
VILLAGE OF FOX LAKE, ILLINOIS

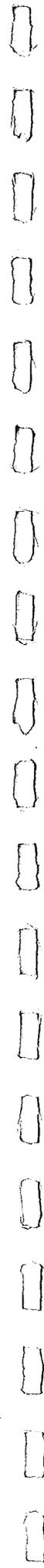
Management's Discussion and Analysis April 30, 2009

The Village of Fox Lake operates three business type activities, Water and Sewer, Northwest Regional Water Reclamation Facility (NWRWRF), and Commuter Parking Lots. During this past year, these activities increased their net assets by \$0.7 million. (SNA - Proprietary Funds)

All three of the Business-Type Activity Funds operate at or near breakeven, with expenses closely matching revenue. The surplus of funds in the NWRWRF fund has been placed in reserve for major future repairs and improvements.

**Expenses and Revenues - Business-Type Activities
(Excluding Contributed Capital)**





VILLAGE OF FOX LAKE, ILLINOIS

Management's Discussion and Analysis April 30, 2009

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Fox Lake uses fund accounting to insure and demonstrate compliance with finance-related requirements.

Governmental Funds

The Village of Fox Lake General Fund ended the year with a net reduction in fund balance of \$80,225 (REC-GF). While the Village continues to lose sales tax revenue (\$332,588 down from 2008), the Village has reacted and has controlled expenditures and seek new avenues of revenue to compensate for this downward trend. This includes bidding intergovernmental contracts for shared services in Dispatch and Motor Pool.

Proprietary Funds

The Village of Fox Lake proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail.

In the long term, the Village of Fox Lake intends to operate the Water and Sewer System and the NWRWRF at a break-even rate. However, in the short term, there will be a period of surpluses and deficits based on the timing of the capital outlay projects.

During the current year, the NWRWRF began development of major capital expansion.

GENERAL FUND BUDGETARY HIGHLIGHTS

As was noted earlier, the Village of Fox Lake uses an appropriation ordinance as its legal budget, which is presented throughout the financial statements. This appropriation ordinance is based on 120% of expenditures from the working budget. It is inflated to 120% because the appropriation ordinance is the legal spending limit of the Village of Fox Lake. These amounts are not the amount the Village of Fox Lake intends to spend, but instead a legal limit.



VILLAGE OF FOX LAKE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2009**

Expenditures to Working Budget General Fund:

General Fund Expenditures Appropriation Ordinance to Actual (in Millions)

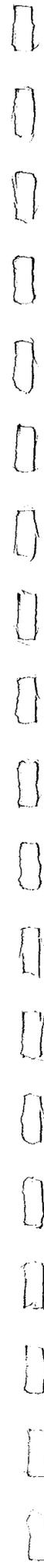
	Appropriation Ordinance	Actual	(Over) Under
General Government	\$ 2.44	1.62	0.82
Public Safety	5.51	4.29	1.22
Public Works	2.59	2.22	0.37
Culture and Recreation	0.26	0.22	0.04
Capital Outlay	0.57	0.36	0.21
Debt	0.77	0.64	0.13
Total	12.14	9.35	2.79

As demonstrated in the table above, actual expenditures were under the appropriation ordinance by \$2.8 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of April 30, 2009, the Village of Fox Lake has invested in capital assets \$77,037,923 (net of accumulated depreciation) in its governmental and business-type activities, which represents a 1.2% increase over the prior year. (See Note to Financial Statements #6) Additional information related to the Village of Fox Lake's capital asset policy is contained on pages 38 and 39 of this report. This investment in capital assets includes buildings and improvements, land and land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The Village of Fox Lake remains committed to the purchase of capital assets to provide services to its citizens.



VILLAGE OF FOX LAKE, ILLINOIS

**Management's Discussion and Analysis
April 30, 2009**

Capital Assets - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 12,254,707	\$ 12,254,707	642,368	615,968	12,897,075	12,870,675
Buildings and Improvements	5,546,301	5,267,316	15,727,600	16,361,200	21,273,901	21,628,516
Equipment and Vehicles	3,146,114	3,506,136	3,073,146	3,314,967	6,219,260	6,821,103
Infrastructure	13,065,425	13,176,692	20,217,006	20,756,205	33,282,431	33,932,897
Construction in Progress			3,365,254	845,682	3,365,254	845,682
Total	34,012,547	34,204,851	43,025,374	41,894,022	77,037,921	76,098,873

This year's major non-enterprise additions are as follows:

- \$67,531 was spent this fiscal year on the purchase of new police patrol vehicles.
- \$241,628 was spent repaving various roads throughout the Village.
- \$456,845 was spent to renovate and reconfigure Fire Station #2.

Debt

At year-end, the Village of Fox Lake had a total outstanding debt of \$4,151,237 in the Governmental Activities' funds and \$5,255,000 in the Business-type Activities' funds. This is presented in more detail in the Notes to Financial Statements #7 on pages 40-47.

Outstanding Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
G.O. Debt Certificates	\$ 1,859,800	\$ 2,032,900	2,480,000	2,600,000	4,339,800	4,632,900
Installment Notes	2,291,437	2,554,571			2,291,437	2,554,571
Revenue Bonds and Notes			2,775,000	2,940,000	2,775,000	2,940,000
Total	4,151,237	4,587,471	5,255,000	5,540,000	9,406,237	10,127,471



VILLAGE OF FOX LAKE, ILLINOIS

Management's Discussion and Analysis April 30, 2009

ECONOMIC FACTORS

During fiscal 2009, the Village of Fox Lake saw a decrease in current resources (e.g., cash) in the governmental funds of \$766,863. This was mainly due to a reduction in sales tax revenue and the renovation/reconfiguration of a fire station.

The Village citizens and businesses have been affected by the economic slowdown that started in December 2007, and continued throughout the end of this fiscal year and beyond. Property values are down, unemployment is up, and citizens are turning much more cautious in spending, no matter what their employment status. The fall in consumer confidence has been precipitous, and is hurting business revenues in Fox Lake, around the region and the country. There was extensive flooding in the area during the summer of 2008 which further reduced sales tax revenue as businesses were unable to draw customers when the area's waterways were not open to boating traffic.

Village management understands the urgency of expense control for the near-term balancing of revenues and expenses. Longer term, developing new revenue sources assumes greater importance. For fiscal 2010, target areas for expense improvements are overtime, utility expenses and renegotiating expiring contracts.

The Thomas Place, a 100 unit senior housing project, broke ground in September 2009. While this did not affect revenue for fiscal 2009, it will be a positive influence for the Village in the future years.

For the longer term, in the revenue areas the Village is working to strengthen its sales tax and motel/hotel tax. The Village of Fox Lake is in the process of bringing a 80-room hotel complex to the Village. Though the stagnating economy is slowing the project, the goal is to increase revenue by attracting new visitors to the Village. The Village has a TIF district in place to facilitate long-term financing. Although this hotel will not solve the current revenue shortfall, it does show the commitment of the Board to restore the village's financial reserves.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Fox Lake's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Treasurer's Office, Village of Fox Lake, 66 Thillen Drive, Fox Lake, IL 60020.

VILLAGE OF FOX LAKE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2009

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Northwest Region Water Reclamation Fund	Nonmajor Commuter Parking Lot Fund		Activities Internal Service Fund
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 2,572,688	5,583,013	162,292	8,317,993	490,591
Payments to Employees	(595,376)	(1,423,820)	(23,319)	(2,042,515)	(231,197)
Payments to Suppliers	(1,112,697)	(2,181,751)	(85,391)	(3,379,839)	(247,315)
	<u>864,615</u>	<u>1,977,442</u>	<u>53,582</u>	<u>2,895,639</u>	<u>12,079</u>
Cash Flows from Capital Financing Activities					
Purchase of Capital Assets	(297,006)	(2,585,473)		(2,882,479)	
Interest Paid	(351,669)			(351,669)	(544)
Debt Certificates Principal Paid	(245,000)			(245,000)	
Revenue Bonds Principal Paid	(335,000)			(335,000)	
	<u>(1,228,675)</u>	<u>(2,585,473)</u>	<u>-</u>	<u>(3,814,148)</u>	<u>(544)</u>
Cash Flows from Investing Activities					
Interest Received	36,040	486,628	1,014	523,682	
Net Increase (Decrease) in Cash and Cash Equivalents	(328,020)	(121,403)	54,596	(394,827)	11,535
Cash and Cash Equivalents Beginning	2,648,118	21,238,668	80,126	23,966,912	
Ending	<u>2,320,098</u>	<u>21,117,265</u>	<u>134,722</u>	<u>23,572,085</u>	<u>11,535</u>
Consisting of:					
Cash and Investments	\$ 1,597,089	21,117,265	134,722	22,849,076	11,535
Restricted Cash and Investments	723,009			723,009	
	<u>2,320,098</u>	<u>21,117,265</u>	<u>134,722</u>	<u>23,572,085</u>	<u>11,535</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 345,753	(895,656)	39,117	(510,786)	12,635
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Amortization	473,338	1,279,188	29,044	1,781,570	2,177
Connection Fees and Misc. Income	199,554	925,380		1,124,934	
Current Assets	(43,097)	540,347	(32)	497,218	2,132
Current Liabilities	(110,933)	128,183	(14,547)	2,703	(4,865)
Total Adjustments	<u>518,862</u>	<u>2,873,098</u>	<u>14,465</u>	<u>3,406,425</u>	<u>(556)</u>
Cash Flows Provided by Operating Activities	<u>864,615</u>	<u>1,977,442</u>	<u>53,582</u>	<u>2,895,639</u>	<u>12,079</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF FOX LAKE, ILLINOIS

Statement of Fiduciary Net Assets - Pension Trust Funds

April 30, 2009

Assets	
Cash and Cash Equivalents	\$ 271,997
Investments, at Fair Value	
Certificates of Deposit	385,316
U.S. Government and Agency Securities	2,631,901
Money Market Funds	549,054
Mutual Funds	1,993,418
Insurance Contracts	1,244,829
Receivables	
Accrued Interest	20,827
Due from Other Funds	<u>19,641</u>
Held in Trust for Pension Benefits	<u>7,116,983</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF FOX LAKE, ILLINOIS

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds

Year Ended April 30, 2009

Additions	
Contributions	
Employer	\$ 421,896
Participants	169,294
	<u>591,190</u>
Investment Income (Loss)	
Interest and Net Change in Fair Value	(958,649)
Less Investment Expenses	(1,425)
	<u>(960,074)</u>
Total Additions	<u>(368,884)</u>
Deductions	
Administration	16,449
Benefits and Refunds	335,809
	<u>352,258</u>
Total Deductions	<u>352,258</u>
Change in Net Assets	(721,142)
Net Assets	
Beginning	<u>7,838,125</u>
Ending	<u>7,116,983</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies

The Village of Fox Lake (Village) is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewer services, parking services and general administrative services.

The accounting policies of the Village of Fox Lake conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the differences reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net assets' use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

Government-wide Financial Statements (Cont.)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Certain interfund charges for services are not eliminated, so that the full cost of a function may be presented.

Fiduciary Funds are excluded from the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (pension) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds – General Fund and the Fire Protection Fund. The remaining governmental fund is reported as a nonmajor governmental fund. The Village has the following major enterprise funds – Water and Sewer Fund and the Northwest Region Water Reclamation Facility Fund. The remaining enterprise fund (Commuter Parking Fund) is reported as a nonmajor enterprise fund.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the General Fund include general government, public safety and public works.

Fire Protection Fund – This fund accounts for the tax levy and other revenues and costs to provide emergency fire and medical services to Fox Lake residents. In addition, emergency services are provided to residents of the Fox Lake Fire Protection District, a separate entity, through an inter-governmental agreement.

The Village also reports the Tax Increment Financing Fund as a nonmajor governmental fund.

The Village administers the following major proprietary funds:

Water and Sewer Fund – This fund accounts for the provision of potable water and wastewater treatment services to residents of the Village.

Northwest Region Water Reclamation Facility Fund – This fund is used to account for revenues earned and expenses incurred in the operations of the wastewater facility. The facility treats wastewater for the Village and other local governments under intergovernmental agreements.

The Village also reports the Commuter Parking Lot Fund as a nonmajor proprietary fund.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

Government-wide Financial Statements (Cont.)

The Village's Internal Service Fund, the Motor Pool Fund, is used to account for the operations of a maintenance facility for vehicular equipment used by other Village departments. A monthly charge to other funds is assessed which provides for the cost of mechanics, fuel, repair parts, replacements, etc.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

C. Measurement Focus and 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 are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State-shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State-shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and propriety fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charged to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first; the unrestricted resources are used as they are needed.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies (Cont.)

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

E. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

F. Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities), the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20-50 years
Vehicles	4-25 years
Equipment	5-25 years
Infrastructure	45 years

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies (Cont.)

H. Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

I. Vacation and Sick Leave

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds, and in the governmental activities, is recorded as an expense and liability of those funds/activities as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

L. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers. No capital contributions were reported in fiscal year 2009.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

1. Summary of Significant Accounting Policies (Cont.)

M. Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

N. Interfund Transactions

The Village has the following types of transactions between funds:

Interfund balances are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Assets, except for amounts between similar activities, which have been eliminated.

Services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund Balance Sheets or as internal balances in the government-wide Statement of Net Assets.

Reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

2. Legal Compliance

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets to the Village's treasurer so that a budget may be prepared. The budget is prepared by fund, function and activity, and included information on the past year, current year estimates, and requested appropriations for the next fiscal year. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

The treasurer is authorized to transfer budgeted amounts between departments within the fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year, no supplementary appropriation was necessary.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

3. Fund Equity

There were no funds that had a deficit in fund balance as of April 30, 2009.

4. Deposits and Investments

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

Statutes authorize the Village to make deposits/invest in interest-bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipated warrants of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

A. Deposits

At year-end the carrying amount of the Village's deposits totaled \$7,596,998 and the bank balances totaled \$8,189,229. This includes certificates of deposit totaling \$6,357,495. At April 30, 2009, the average life on this portfolio was 718 days and the average interest rate was 5.10%.

At April 30, 2009, the Police Pension Fund's deposits, including a Certificate of Deposit for \$196,562, totaled \$455,244, which is covered by federal depository insurance.

At April 30, 2009, the Firefighters' Pension Fund's deposits, including Certificates of Deposit for \$188,754, totaled \$202,069, which is covered by federal depository insurance and collateralization agreement.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

4. Deposits and Investments (Cont.)

B. Investments

At April 30, 2009, the Village's investments were as follows:

	Fair Value	Maturities			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Governmental Activities					
Illinois Funds Money Market Fund	\$ 1,795,394	1,795,394			
Business-type Activities					
Illinois Funds Money Market Fund	13,765,907	13,765,907			
Illinois Metropolitan Investment Fund	1,277,316	1,277,316			
	15,043,223	15,043,223	-	-	-
Fiduciary Fund - Police Pension					
U.S. Treasuries	1,716,868		368,157	1,348,711	
U.S. Agencies	915,033		915,033		
Money Market Funds	549,054	549,054			
Mutual Funds	1,993,418				1,993,418
Insurance Contracts	1,244,829				1,244,829
	6,419,202	549,054	1,283,190	1,348,711	3,238,247
	23,257,819	17,387,671	1,283,190	1,348,711	3,238,247

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the position of this pool is the same as the value of the pool shares. The yield on the Illinois Funds Money Market Fund was .268% at April 30, 2009. The Fund issues a publicly available financial report. That report may be obtained by writing to Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

The Illinois Metropolitan Investment Fund (IMET) is a depository which is 110% collateralized with obligations of the U.S. Treasury and its agencies. IMET is not registered with the SEC. The IMET Board provides oversight for IMET. The Board is responsible for policy formulation, as well as policy and administrative oversight. The fair value of the position in the pool is the same as the value of the pool shares. IMET offers two separate investment vehicles to public entities. The yield on the fund was 1.06% at April 30, 2009. IMET has received an affirmed rating of AAAf/S1 from Standard & Poor's credit quality rating. IMET issues a publicly available financial report. That report may be obtained at www.investimet.com or by writing to IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

4. Deposits and Investments (Cont.)

B. Investments (Cont.)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. At year-end, the Village's investment in U.S. Government Agencies were rated AAA by Standard & Poor's, and the Village's investment in the Illinois Funds and the Illinois Metropolitan Fund were rated AAAM by Standard & Poor's.

The Police Pension Fund's investment policy states that each investment transaction shall seek to first insure that capital losses are minimized, whether they be from securities defaults or erosion of market value. At year-end, the Fund's investments in U.S. Government Treasuries and Agencies were all rated AAA rated by Standard & Poor's. Mutual funds in the Police Pension have a rating of 2-5 stars.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated within each of the Village's individual funds.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that funds on deposit in excess of FDIC insurable limits be secured by some form of collateral. The Village will accept any of the following asset collateralization ratios (market value divided by deposit):

U.S. Government Securities	110%
Obligations of Federal Agencies	110%
Obligations of Federal Instrumentalities	110%
Obligations of the State of Illinois	110%
Village General Obligation Bonds	110%

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that securities will be held by an independent third party custodian evidenced by a safekeeping agreement. At year-end, the Village's investments in U.S. Government Agencies are all insured or registered with the Village or its agent in the Village's name and the Village's investment in the Illinois Fund and the Illinois Metropolitan Investment Trust are noncategorizable.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified so that potential losses on individual securities and/or financial institutions do not exceed the income generated from the remainder of the portfolio. At year-end, the Village's investment in the Illinois Funds of \$15,561,301 represents more than 5% of the total cash and investment portfolio.

In the Police Pension Fund, the following investments other than U.S. Treasury securities represent more than 5% of total assets.

Nationwide GAP	\$ 416,896
Vanguard Growth	424,809

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

5. Property Taxes

The Village's property tax is levied each calendar year on all taxable real property located in the Village. Since the 2008 property tax levy is levied to finance the operations of fiscal year 2009-10, the 2008 property tax levy is recorded as a receivable and the entire 2008 property tax revenue is deferred. The 2007 property tax levy is recorded as revenue by the Village in accordance with the applicable measurement focus and basis of accounting for fiscal year 2009. For governmental funds, the Village uses an availability period of 60 days for revenue recognition. The Village must file its tax levy by the last Tuesday of December each year.

The County Assessor is responsible for assessment of all taxable real property within Lake and McHenry Counties, except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2008 become due and payable in two installments in June 2009 and September 2009. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. The allowance for uncollectible taxes has been stated at .5% of the taxes extended to reflect actual collection experience.

6. Capital Assets

A. Governmental Activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 12,254,707			12,254,707
Capital Assets Being Depreciated				
Buildings and Improvements	7,449,356	456,845		7,906,201
Equipment	2,040,939			2,040,939
Vehicles	5,150,159	71,775	199,964	5,021,970
Infrastructure	17,403,100	241,628		17,644,728
	32,043,554	770,248	199,964	32,613,838
Less Accumulated Depreciation For				
Buildings and Improvements	2,182,040	177,860		2,359,900
Equipment	633,462	139,849		773,311
Vehicles	3,051,500	291,948	199,964	3,143,484
Infrastructure	4,226,408	352,895		4,579,303
	10,093,410	962,552	199,964	10,855,998
Total Capital Assets Being Depreciated, Net	21,950,144	(192,304)	-	21,757,840
Governmental Activities Capital Assets, Net	34,204,851	(192,304)	-	34,012,547

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

6. Capital Assets (Cont.)

B. Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 615,968	26,400		642,368
Construction in Progress	845,682	2,549,372	29,800	3,365,254
	<u>1,461,650</u>	<u>2,575,772</u>	<u>29,800</u>	<u>4,007,622</u>
Capital Assets Being Depreciated				
Water/Sewer System	33,144,792	232,867		33,377,659
Buildings and Improvements	27,830,131			27,830,131
Equipment and Vehicles	5,364,800	103,641	14,852	5,453,589
	<u>66,339,723</u>	<u>336,508</u>	<u>14,852</u>	<u>66,661,379</u>
Less Accumulated Depreciation For				
Water/Sewer System	12,388,587	772,065		13,160,652
Buildings and Improvements	11,468,931	633,600		12,102,531
Equipment and Vehicles	2,049,833	341,218	10,609	2,380,442
	<u>25,907,351</u>	<u>1,746,883</u>	<u>10,609</u>	<u>27,643,625</u>
Total Capital Assets Being Depreciated, Net	<u>40,432,372</u>	<u>(1,410,375)</u>	<u>4,243</u>	<u>39,017,754</u>
Business-Type Activities Capital Assets, Net	<u>41,894,022</u>	<u>1,165,397</u>	<u>34,043</u>	<u>43,025,376</u>

C. Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 37,362	
Public Safety	429,196	
Public Works	444,249	
Culture and Recreation	41,568	
Motor Pool	10,177	
Water and Sewer		438,651
Northwest Region Water Reclamation Facility		1,279,188
Commuter Parking Lot		29,044
	<u>962,552</u>	<u>1,746,883</u>

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

7. Long-Term Obligations

A. Governmental Activities

The following is a summary of long-term obligation activities of the Village associated with governmental activities for the year ended April 30, 2009:

	Balance May 1	Additions	Reductions	Balance April 30	Due Within One Year
Compensated Absences	\$ 235,532	276,577	235,532	276,577	55,315
Net Pension Obligation	165,238	2,972		168,210	
General Obligation Certificates	2,032,900		173,100	1,859,800	179,100
Installment Notes	2,554,571		263,134	2,291,437	272,335
	<u>4,988,241</u>	<u>279,549</u>	<u>671,766</u>	<u>4,596,024</u>	<u>506,750</u>

Compensated absences are being paid from the General Fund and charged to General Government, Public Safety, Public Works, and Culture and Recreation functions. The Pension Obligation is a Public Safety Expense to be paid by the General Fund.

B. Business-Type Activities

The following is a summary of long-term obligation activities of the Village associated with business-type activities for the year ended April 30, 2009:

	Balance May 1	Additions	Reductions	Balance April 30	Due Within One Year
Compensated Absences	\$ 89,475	91,282	89,475	91,282	18,256
General Obligation Certificates	2,600,000		120,000	2,480,000	125,000
Revenue Bonds	2,940,000		165,000	2,775,000	170,000
	<u>5,629,475</u>	<u>91,282</u>	<u>374,475</u>	<u>5,346,282</u>	<u>313,256</u>

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

C. Changes in Long-Term Obligations

Debt Certificates

The Village has issued general obligation debt certificates to refund prior debt and to fund capital improvements. General obligation debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
<i>Governmental Debt:</i>						
\$2,170,000 General Obligation Debt Certificates of 2002, due in annual installments of \$135,000 to \$195,000 plus interest at 3.0% to 5.3% through September 1, 2017.	General	\$ 1,605,000		130,000	1,475,000	135,000
\$249,000 General Obligation Debt Certificates of 2006, due in annual installments of \$16,700 to \$33,100 plus interest at 4.4% through May 15, 2016.	General	215,900		33,100	182,800	33,100
\$212,000 General Obligation Debt Certificates of 2007, due in annual installments of \$11,000 to \$19,000 plus interest at 4.4% through January 1, 2023.	General	212,000		10,000	202,000	11,000
Total Governmental Debt		2,032,900	-	173,100	1,859,800	179,100

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

C. Changes in Long-Term Obligations (Cont.)

Debt Certificates (Cont.)

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
<i>Business-type Debt:</i>						
\$2,030,000 General Obligation Debt Certificates of 2002B, due in annual installments of \$85,000 to \$150,000 plus interest at 3.0% to 5.3% through May 1, 2022.	Water and Sewer	1,675,000		80,000	1,595,000	85,000
\$1,110,000 General Obligation Debt Certificates of Series 2002, due in annual installments of \$40,000 to \$260,000 plus interest at 3.25% to 6.75% through May 1, 2022.	Water and Sewer	925,000		40,000	885,000	40,000
Total Business-Type Debt		2,600,000	-	120,000	2,480,000	125,000
		4,632,900	-	293,100	4,339,800	304,100

As of April 30, 2009, the Village had deposited May 1, 2009 payments with paying agent.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

C. Changes in Long-Term Obligations (Cont.)

Installment Notes

The Village entered into installment notes payable to provide financing for capital purchases. The installment notes payable are as follows:

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,400,000 installment note payable, dated July 2002, due in annual installments of \$127,627, including interest at 4.5% through December 1, 2016.	General	\$ 924,912		85,325	839,587	89,320
\$1,300,000 installment note payable dated June 2003, due in annual installments of \$120,534, including interest at 4.375% through June 30, 2019.	General	1,102,904		71,486	1,031,418	74,782
\$260,000 installment note payable, dated July 2004, due in annual installments of \$51,757 in fiscal year 2010 and \$13,436 thereafter, including interest at 4.125% through July 1, 2012.	General	131,755		46,323	85,432	48,233
\$500,000 installment note payable, dated November 2005, due in annual installments of \$60,000 to \$75,000, plus interest at 3.95% through November 15, 2013.	General	395,000		60,000	335,000	60,000
		<u>2,554,571</u>	-	<u>263,134</u>	<u>2,291,437</u>	<u>272,335</u>

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

C. Changes in Long-Term Obligations (Cont.)

Revenue Bonds

The Village also issues bonds for which the Village pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$2,325,000 Revenue Bond Refunding Series of 2003, due in annual installments of \$125,000 to \$190,000 plus interest at 2.0% to 3.875% through May 1, 2021.	Water and Sewer	\$ 2,090,000		120,000	1,970,000	125,000
\$850,000 Revenue Bond Refunding Series of 2007, due in annual installments of \$45,000 to \$75,000 plus interest at 4.20% through May 1, 2021.	Water and Sewer	850,000		45,000	805,000	45,000
		<u>2,940,000</u>	-	<u>165,000</u>	<u>2,775,000</u>	<u>170,000</u>

As of April 30, 2009, the Village had deposited May 1, 2009 payments with paying agent.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

D. Debt Service Requirements to Maturity

Governmental Activities

Annual debt service requirements to maturity for the Village, including principal and interest, are as follows:

Fiscal Year Ending April 30	Installment Notes		Debt Certificates	
	Principal	Interest	Principal	Interest
2010	\$ 272,335	100,815	179,100	85,544
2011	248,397	89,062	189,100	77,406
2012	256,614	78,288	195,100	68,715
2013	270,032	67,294	183,700	59,884
2014	270,724	56,881	194,700	50,859
2015-2019	857,930	127,620	848,100	106,511
2020-2023	115,405	5,129	70,000	7,920
	<u>2,291,437</u>	<u>525,089</u>	<u>1,859,800</u>	<u>456,839</u>

Business-Type Activities

Annual debt service requirements to maturity for the Village, including principal and interest, are as follows:

Fiscal Year Ending April 30	Debt Certificates		Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 125,000	130,483	170,000	97,334
2011	130,000	124,595	175,000	91,979
2012	135,000	118,298	185,000	86,028
2013	145,000	111,516	190,000	79,658
2014	155,000	103,995	195,000	73,139
2015-2019	890,000	386,307	1,100,000	253,044
2020-2023	900,000	124,965	760,000	45,588
	<u>2,480,000</u>	<u>1,100,159</u>	<u>2,775,000</u>	<u>726,770</u>

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

7. Long-Term Obligations (Cont.)

E. Refunding of Revenue Bond Series of 1996

On December 10, 2007, the Village issued Waterworks and Sewerage Refunding Series 2007 bonds in the amount of \$850,000. Proceeds of the issuance were used to purchase U.S. Treasury – State and Local Government Securities (SLGS) which were placed in an irrevocable trust for the purpose of providing remaining debt service payments of the Senior Revenue Bond Series of 1996. As a result, those bonds are considered defeased and the liability has been removed from the business-type activities on the Statement of Net Assets, and the Balance Sheet of the Water and Sewer Fund. At April 30, 2009, \$775,000 of refunded bonds remain outstanding to be paid from escrow.

F. Revenue Bond Ordinance Disclosures

Water and Sewer Fund

The revenue bond ordinance requires that all monies held in the Water and Sewer Fund be segregated and restricted in separate special revenue accounts in the priority indicated by the order of the following:

<u>Accounts</u>	<u>Amounts</u>	<u>Nature of Authorized Expenditures</u>
Operations and Maintenance	Sufficient to pay costs of operations and maintenance for one month.	Costs and operations and maintenance.
Bond and Interest	Amount sufficient to pay a portion of the current bond and interest.	Paying principal and interest on the bonds.
Bond Reserve	Amount sufficient to cover the maximum annual debt service.	Paying principal and interest on the bond, if needed.
Depreciation, Repair and Replacement	\$8,500 per month to a maximum \$185,000.	Provide an allowance for depreciation and pay for extraordinary repair and maintenance costs.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

7. Long-Term Obligations (Cont.)

F. Revenue Bond Ordinance Disclosures (Cont.)

Water and Sewer Fund (Cont.)

Supplemental information required under bond ordinance provision, not subject to audit:

Number of sewer customers served by North Sewer Plant	1,381
Number of water customers metered, North and South	3,784
Number of water customers unmetered, North and South	479
Quantity of sewerage treated (gallons), North only	66,539,000
Quantity of water pumped (gallons), North only	67,429,000
Quantity of water pumped (gallons), South only	241,469,000
Quantity of water billed	279,370,838
South System (every two months)	
Water rates first 7,000 gallons	51.38
Sewer rates first 15,000 gallons	46.52
Water rates per 1,000 gallons over 7,000	3.88
Sewer rates per 1,000 gallons over 15,000	0.68
North System (every two months)	
Water rates first 6,000 gallons	41.22
Sewer rates first 15,000 gallons	46.14
Water rates per 1,000 gallons over 6,000	3.45
Sewer rates per 1,000 gallons over 15,000	3.20

8. Restricted Net Assets/Reserved Fund Balances

Restricted Net Assets and Reserved Fund Balances in the General Fund, Fire Protection Fund and the Tax Increment Financing Fund consist of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Drug Seizure	\$ 3,952	12,490	8,435	8,007
Charitable Games	8,457	3,212		11,669
DUI	25,290	5,927	3,851	27,366
Parks	188,259	14,498	147,775	54,982
Motor Fuel Tax	127,806	369,864	404,921	92,749
Garbage	191,577	687,005	731,781	146,801
Retirement	23,491	345,701	274,405	94,787
Subtotal General Fund	568,832	1,438,697	1,571,168	436,361
Fire Protection Fund	455,382	2,547,492	2,995,051	7,823
Tax Increment Financing Fund	15,842	40,260	3,454	52,648
	<u>1,040,056</u>	<u>4,026,449</u>	<u>4,569,673</u>	<u>496,832</u>

The Water and Sewer Fund Net Assets include \$52,700 which the Board has designated for upgrades in the Tall Oaks project.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

9. Defined Benefit Pension Plans

A. Illinois Municipal Retirement

Plan Description

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement (including early retirement), annual cost-of-living adjustments, disability and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy

Employees participating in the IMRF plan are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute the remaining amounts necessary to fund the benefits of its own employees in the system using an actuarially determined rate. The Village's rate for calendar year 2008 was 8.62%. The rate for calendar year 2009 is 8.40%.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For December 31, 2008, the Village's annual pension cost of \$309,658 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year attributable to inflation; (c) additional projected salary increases ranging from .4% to 11.6% per year, depending on age and service attributable to seniority/merit; and (d) post-retirement benefit increases of 3.00% annually.

The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 24 years.

IMRF conducts annual actuarial valuations as of December 31 of each year. The valuation determines the actuarial liabilities for the year of the valuation. Employer contribution rates are based on the valuation two years prior. For example, the December 31, 2006 valuation determined the liabilities for calendar year 2007 and the employer rate for calendar year 2008.

In accordance with GASB Statement No. 27, "Accounting for Pension by State and Local Governmental Employers," the Village determined that there were no pension obligations at April 30, 2009.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

A. Illinois Municipal Retirement (Cont.)

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 79.40% funded. The actuarial accrued liability for benefits was \$6,554,367 and the actuarial value of assets was \$5,204,427, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,349,940. The covered payroll (annual payroll of active employees covered by the plan) was \$3,592,319 and the ratio of the UAAL to the covered payroll was 37.58%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Police Pension

Plan Description and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The Village payroll for employees covered by the Police Pension Plan for the year ended April 30, 2008 was \$1,584,171. At April 30, 2008, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated	
Employees Entitled to Benefits but Not Yet Receiving Them	9
Current Employees	
Vested	15
Nonvested	<u>10</u>
Total	<u>34</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 pension shall be increased by 2.5% 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension 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 will be paid upon reaching the age of at least 55 years, by 3% of the pension payable at the time of the increase.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

B. Police Pension (Cont.)

Funding Policy

Covered 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 plan as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually. Administrative expenses are generally paid from Plan assets.

Annual Pension Cost, Net Pension Obligations (Asset) and Reserves

For the year ended April 30, 2008, the Village's contributions were as follows:

Annual Required Contributions	\$ 481,993
Interest on Net Pension Obligation	11,567
Adjustment to Net Pension Obligation	<u>(7,647)</u>
Annual Pension Cost	485,913
Contribution Made	<u>482,941</u>
Increase in Net Pension Obligation	2,972
Net Pension Obligation, Beginning	<u>165,238</u>
Net Pension Obligation, Ending	<u><u>168,210</u></u>

The net pension obligation at April 30, 2008 of \$168,210 has been reported on the Statement of Net Assets.

Funded Status and Funding Progress

As of April 30, 2008, the most recent actuarial valuation date, the Police Pension plan was 63.01% funded. The actuarial accrued liability for benefits was \$12,124,112 and the actuarial value of assets was \$7,639,294, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,484,818. The covered payroll (annual payroll of active employees covered by the plan) was \$1,584,171 and the ratio of the UAAL to the covered payroll was 283.10%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. See Note 4.B for investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of net assets available for benefits.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

C. Firefighters' Pension

Plan Description

The Village's Firefighter's Pension Plan is a single-employer plan that covers all sworn fire personnel. There are no current covered employees of the Village. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial statement.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held in the fire service at the date of retirement. The monthly pension is increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 is increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the amount of the pension payable at the time of the increase.

Funding Policy

The Village was required to contribute amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2020 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. Actuarial valuations are performed annually. The Village is not required to make current contributions.

Annual Pension Cost, Net Pension Obligations (Asset) and Reserves

2005 Annual Pension Cost and Net Pension Obligation (most recent available)

There are no current contribution obligations to the Plan. There is no pension obligation or asset resulting from funding of the Plan. Administrative expenses are paid from Plan assets.

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions.

Two Certificates of Deposit in a bank represent 5% or more of net assets available for benefits.

D. Summary of Significant Accounting Policies and Plan Asset Matters

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

E. Financial Statement Information

Statement of Net Assets

	Police Pension	Firefighters' Pension
Assets		
Deposits	\$ 455,244	13,315
Investments	6,419,202	188,754
Interest Receivable	18,340	2,487
Due from Other Funds	19,641	
	<u>6,912,427</u>	<u>204,556</u>
Net Assets		
Held in Trust for Pension Benefits	<u>6,912,427</u>	<u>204,556</u>

Statement of Changes in Net Assets

	Police Pension	Firefighters' Pension
Additions		
Contributions		
Employer	\$ 421,896	
Participants	169,294	
	<u>591,190</u>	<u>-</u>
Investment Income (Loss)		
Interest and Net Change in Fair Value	(966,394)	7,745
Less: Investment Expenses	(1,425)	
	<u>(967,819)</u>	<u>7,745</u>
Total Additions	<u>(376,629)</u>	<u>7,745</u>
Deductions		
Administration	14,429	2,020
Pension Benefits and Refunds	335,809	
	<u>350,238</u>	<u>2,020</u>
Total Deductions	<u>350,238</u>	<u>2,020</u>
Change in Net Assets	<u>(726,867)</u>	<u>5,725</u>
Net Assets		
Beginning	<u>7,639,294</u>	<u>198,831</u>
Ending	<u>6,912,427</u>	<u>204,556</u>

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

F. Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2008	April 30, 2008	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value
Amortization Method	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis
Significant Actuarial Assumptions			
(a) Remaining Amortization Period (Years)	26	25	28
(b) Rate of Return on Investment of Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.50% Compounded Annually
(c) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
(d) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 11.6%	<i>(Note: Separate Information for (c) and (d) not available)</i>	
(e) Postretirement Benefit Increases	3.00%	3.00% Compounded Annually	3.00% Compounded Annually

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
April 30, 2009

9. Defined Benefit Pension Plans (Cont.)

G. Trend Information

	Year	Illinois Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost	2008	\$ 309,658	485,913	N/A
	2007	322,131	385,653	N/A
	2006	318,068	369,033	N/A
Actual Contributions	2008	309,658	482,941	
	2007	322,131	380,291	
	2006	318,068	367,967	
Percent Contributed	2008	100%	99.4%	
	2007	100%	99.0%	
	2006	100%	98.6%	
Net Pension Obligation	2008		168,210	
	2007		165,238	
	2006		159,876	

10. Contingent Liabilities

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position of the Village.

11. 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; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the Illinois Municipal League Risk Management Association and private insurance coverage. The Village has purchased insurance from private insurance companies, covered risks included medical, dental, life and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Illinois Municipal League Risk Management Association (IMLRMA)

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities and special districts in Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Each member appoints on delegate to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Association beyond its representation on the Board of Directors.

VILLAGE OF FOX LAKE, ILLINOIS

Notes to the Financial Statements
 April 30, 2009

11. Risk Management (Cont.)

Illinois Municipal League Risk Management Association (IMLRMA) (Cont.)

The Village participates in the minimum/maximum program with the Association. Initial contributions are determined each year based on administrative expenses plus 80% of the normal loss fund. Annually the claims of members participating in the program are reviewed and when the Village's paid claims dollars exceed 100% of the loss fund, additional amounts will be due from the Village up to, but not to exceed 120% of the normal loss fund. The Village's payments of IMLRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

12. Post-Employment Benefits

In addition to providing pension benefits, the Village provides certain health care insurance benefits for retired employees. In accordance with the personnel policy, substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The retirees pay an annual premium that is equal to the actuarially determined costs for each plan year. Accordingly, no liability has been recorded for post-retirement health care benefits. The Village also provides COBRA health and dental benefits for all prior employees as required by federal law. The prior employee pays 100% of the premium. No post-employment benefits are currently being provided.

13. Interfund Transactions

A. Interfund Balances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from Other Funds</u>		
General	Debt Service	\$ 3,399
Fire	General	46,600
Police Pension	General	<u>19,641</u>
Total		<u>69,640</u>

The interfund balance between the Fiduciary Fund and the General Fund resulted from in-transit contributions at year-end.

B. Transfers

<u>Receiving Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
Fire Protection	General	\$ 46,600
General	Fire Protection	<u>63,138</u>
Total		<u>109,738</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



VILLAGE OF FOX LAKE, ILLINOIS

Required Supplementary Information

Analysis of Funding Progress

April 30, 2009

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2008	\$ 5,204,427	6,554,367	1,349,940	79.40 %	3,592,319	37.58 %
12/31/2007	7,007,141	7,063,320	56,179	99.20	3,611,339	1.56
12/31/2006	6,571,912	6,757,516	185,604	97.25	3,348,087	5.54
12/31/2005	5,884,449	6,170,140	285,691	95.37	3,037,503	9.41
12/31/2004	5,581,336	6,007,170	425,834	92.91	2,912,298	14.62
12/31/2003	5,065,789	5,074,193	8,404	99.83	2,635,085	0.32

Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2008	\$ 7,639,294	12,124,112	4,484,818	63.01 %	1,584,171	283.10 %
4/30/2007	7,123,348	11,171,246	4,047,898	63.77	1,555,779	260.18
4/30/2006	6,527,593	11,754,460	5,226,867	55.53	1,437,545	363.60
4/30/2005	5,827,122	10,026,294	4,199,172	58.12	1,375,769	305.22
4/30/2004	5,196,055	9,302,565	4,106,510	55.86	1,300,187	315.84
4/30/2003	4,532,368	8,608,874	4,076,506	52.65	1,221,039	333.86

Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2008	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2005	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2004	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2003	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is presented for as many of the six prior years as information according to the disclosure parameters is available. Information for these years is not available.

VILLAGE OF FOX LAKE, ILLINOIS

Required Supplementary Information

Employer Contributions

April 30, 2009

Illinois Municipal Retirement Fund

Calendar Year	Employer Contributions	Annual Required Contribution	Percentage Contributed
2008	\$ 309,658	309,658	100.00 %
2007	322,131	322,131	100.00
2006	318,068	318,068	100.00
2005	263,351	263,351	100.00
2004	221,043	221,043	100.00
2003	105,403	105,403	100.00

Police Pension Fund

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percentage Contributed
2008	\$ 482,941	481,993	100.20 %
2007	380,291	381,634	99.65
2006	367,967	364,831	100.86
2005	378,107	364,831	103.64
2004	358,769	359,957	99.67
2003	313,943	312,337	100.51

Firefighters' Pension Fund

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percentage Contributed
2008	N/A	N/A	N/A
2007	N/A	N/A	N/A
2006	N/A	N/A	N/A
2005	N/A	N/A	N/A
2004	N/A	N/A	N/A
2003	N/A	N/A	N/A

N/A - Information is presented for as many of the six prior years as information according to the disclosure parameters is available. Information for these years is not available.

GOVERNMENTAL FUND TYPES



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



GENERAL FUND



VILLAGE OF FOX LAKE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Taxes		
General	\$ 824,276	909,052
Police Pension	507,247	421,896
Illinois Municipal Retirement	345,210	344,581
Insurance	225,443	224,992
	<u>1,902,176</u>	<u>1,900,521</u>
Licenses and Permits		
Licenses		
Liquor	35,000	45,167
Business	34,800	28,647
Animal	1,800	1,455
Permits		
Motor Vehicle	90,000	88,431
Building	200,000	138,733
	<u>361,600</u>	<u>302,433</u>
Intergovernmental		
Income Tax	991,797	1,011,792
Sales Tax	2,970,000	2,564,783
Replacement Tax	70,102	68,845
Road and Bridge	113,300	128,300
Telecommunication Tax	294,000	276,210
Use Tax	141,762	152,545
Charitable Games Tax	3,090	3,212
Hotel/Motel Tax	6,000	7,601
Auto Rental Tax	52	41
Motor Fuel Tax Allotments	296,897	288,305
E-911 Telecommunications Tax	210,000	297,827
Grants	101,000	132,698
	<u>5,198,000</u>	<u>4,932,159</u>
Charges for Services		
Administrative Charge	463,500	431,888
Impact Fees	40,000	12,000
Franchise Fees	123,600	95,346
Alarm Services	6,000	6,415
Program Fees	60,000	78,667
PACE Contract	1,000	1,062
Photocopies, Maps and Zoning Books	150	387
Police Service and Reports	63,250	62,739
Rental	64,800	61,740
Reimbursed Engineering Fees	88,000	36,783
Waste Collection Fees	676,800	683,858
Emergency Surcharge	430,031	378,631
	<u>2,017,131</u>	<u>1,849,516</u>

(Cont.)

VILLAGE OF FOX LAKE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Cont.)
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>
Fines and Forfeitures		
Court Fines	186,180	158,371
Ordinance Fines	25,000	24,037
Drug Forfeitures	5,000	12,490
	<u>216,180</u>	<u>194,898</u>
Interest	<u>19,500</u>	<u>20,776</u>
Miscellaneous		
Contributions	8,000	11,126
Other	17,105	42,529
Sale of Capital Assets	7,000	4,139
	<u>32,105</u>	<u>57,794</u>
Total Revenues	<u>9,746,692</u>	<u>9,258,097</u>

VILLAGE OF FOX LAKE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
General Government		
Administration		
Personal Services	\$ 535,601	405,256
Contractual Services	656,394	480,854
Commodities	19,200	9,481
Capital Outlay	6,221	5,178
	1,217,416	900,769
Building Department		
Personal Services	310,068	221,680
Contractual Services	226,265	126,551
Commodities	10,440	7,421
	546,773	355,652
Community Development		
Personal Services	252	207
Contractual Services	7,080	1,127
Commodities	780	64
	8,112	1,398
Retirement Contributions		
Personal Services		
Illinois Municipal Retirement Fund Contributions	154,986	121,478
Social Security Contributions	196,037	152,928
	351,023	274,406
Insurance		
Contractual Services	319,175	96,215
	319,175	96,215
Total General Government	2,442,499	1,628,440
Public Safety		
Police Department		
Personal Services	3,076,574	2,461,382
Police Pension	507,247	421,896
Contractual Services	501,618	335,202
Commodities	208,740	113,153
Capital Outlay	170,808	80,498
	4,464,987	3,412,131
Police and Fire Commission		
Personal Services	5,280	1,800
Contractual Services	18,060	3,261
Commodities	180	
	23,520	5,061

(Cont.)

VILLAGE OF FOX LAKE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 Year Ended April 30, 2009

	Original and Final Budget	Actual
Public Safety (Cont.)		
911 Emergency System		
Personal Services	976,012	806,610
Contractual Services	200,244	136,294
Commodities	14,220	5,897
Capital Outlay	50,155	33,945
	<u>1,240,631</u>	<u>982,746</u>
 Total Public Safety	 <u>5,729,138</u>	 <u>4,399,938</u>
 Public Works		
Highways and Streets		
Personal Services	952,614	846,881
Contractual Services	432,720	375,704
Commodities	169,020	100,345
Capital Outlay	101,040	
	<u>1,655,394</u>	<u>1,322,930</u>
 Motor Fuel Tax		
Contractual Services	12,000	15,116
Commodities	142,800	148,175
Capital Outlay	238,526	241,628
	<u>393,326</u>	<u>404,919</u>
 Garbage Collection		
Contractual Services	877,800	729,462
Commodities	1,800	2,318
	<u>879,600</u>	<u>731,780</u>
 Total Public Works	 <u>2,928,320</u>	 <u>2,459,629</u>
 Culture and Recreation		
Parks and Recreation		
Personal Services	116,393	92,186
Contractual Services	57,068	49,470
Commodities	90,312	81,090
	<u>263,773</u>	<u>222,746</u>
 Debt Service		
Principal Retirement	707,925	436,234
Interest and Fiscal Charges	62,843	207,873
	<u>770,768</u>	<u>644,107</u>
 Total Debt Service	 <u>770,768</u>	 <u>644,107</u>
 Total Expenditures	 <u>12,134,498</u>	 <u>9,354,860</u>

NONMAJOR SPECIAL REVENUE FUND



VILLAGE OF FOX LAKE, ILLINOIS

Tax Increment Financing Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended April 30, 2009**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$	40,122
Interest Income		138
Total Revenues		<u>40,260</u>
Expenditures		
Miscellaneous		<u>3,454</u>
Net Change in Fund Balance	<u>-</u>	36,806
Fund Balance		
Beginning		<u>15,842</u>
Ending		<u><u>52,648</u></u>



PROPRIETARY FUND TYPE



ENTERPRISE FUNDS



VILLAGE OF FOX LAKE, ILLINOIS

Water and Sewer Fund - Major Enterprise Fund

Schedule of Net Assets
April 30, 2009

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation	
ASSETS					
Current Assets					
Cash and Investments	\$ 1,597,089				1,597,089
Accounts Receivable, Net of Allowances	504,989				504,989
Prepays	12,697				12,697
Restricted Assets					
Cash and Investments	135,000		403,009	185,000	723,009
Deposit with Paying Agent	125,000	170,000			295,000
Total Current Assets	2,374,775	170,000	403,009	185,000	3,132,784
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	510,805				510,805
Depreciable Capital Assets	20,120,743				20,120,743
Accumulated Depreciation	(7,290,339)				(7,290,339)
Other Assets					
Unamortized Bond Issue Costs	326,351				326,351
Total Noncurrent Assets	13,667,560	-	-	-	13,667,560
Total Assets	16,042,335	170,000	403,009	185,000	16,800,344
LIABILITIES					
Current Liabilities					
Accounts Payable	106,654				106,654
Accrued Payroll	22,383				22,383
Compensated Absences Payable	4,400				4,400
Debt Certificates Payable	125,000				125,000
	258,437	-	-	-	258,437
Restricted Liabilities					
Revenue Bonds Payable		170,000			170,000
Total Current Liabilities	258,437	170,000	-	-	428,437
Long-Term Liabilities					
Compensated Absences Payable	17,602				17,602
Debt Certificates Payable	2,355,000				2,355,000
Revenue Bonds Payable	2,605,000				2,605,000
Unamortized Loss on Defeasance	(190,957)				(190,957)
	4,786,645	-	-	-	4,786,645
Total Liabilities	5,045,082	170,000	-	-	5,215,082
NET ASSETS					
Invested in Capital Assets - Net of Related Debt					
	8,447,166	(170,000)			8,277,166
Restricted - Debt Service	135,000		403,009	185,000	723,009
Unrestricted	2,415,087	170,000			2,585,087
Total Net Assets	10,997,253	-	403,009	185,000	11,585,262

VILLAGE OF FOX LAKE, ILLINOIS

Water and Sewer Fund - Major Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water and Sewer Charges	\$ 2,250,000	2,314,657
Meter Sales	7,000	21,220
Remedial Waste	70,000	60,161
Miscellaneous	5,000	20,981
Total Operating Revenues	<u>2,332,000</u>	<u>2,417,019</u>
Operating Expenses		
Administration	180,000	112,032
Operations	2,029,601	1,485,896
Depreciation and Amortization		473,338
Total Operating Expenses	<u>2,209,601</u>	<u>2,071,266</u>
Operating Income	<u>122,399</u>	<u>345,753</u>
Nonoperating Revenues (Expenses)		
Connection Fees	200,000	199,554
Interest Income	70,000	36,040
Interest and Fiscal Charges	(286,237)	(202,910)
Loss on Disposal of Assets		(3,098)
	<u>(16,237)</u>	<u>29,586</u>
Change in Net Assets	<u>106,162</u>	375,339
Net Assets - Beginning		<u>11,209,923</u>
Net Assets Ending		<u>11,585,262</u>

VILLAGE OF FOX LAKE, ILLINOIS

Water and Sewer Fund - Major Enterprise Fund

Schedule of Changes in Net Assets - Restricted - Debt Service
 Year Ended April 30, 2009

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases					
Intrafund Transfers In	\$ 15,000	487,910			502,910
Decreases					
Bond Principal		285,000			285,000
Bond Interest		202,910			202,910
Total Decreases	-	487,910	-	-	487,910
Net Change	15,000	-	-	-	15,000
Account Balances					
Beginning	120,000		403,009	185,000	708,009
Ending	135,000	-	403,009	185,000	723,009

VILLAGE OF FOX LAKE, ILLINOIS

Water and Sewer Fund - Major Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Administration		
Contractual Services	\$ 180,000	112,032
Operations		
South System		
Personal Services	536,578	436,523
Contractual Services	706,020	472,715
Commodities	204,924	154,544
	<u>1,447,522</u>	<u>1,063,782</u>
Leisure Tech		
Personal Services	191,815	164,039
Contractual Services	237,300	181,316
Commodities	152,964	76,759
	<u>582,079</u>	<u>422,114</u>
Total Operations	<u>2,029,601</u>	<u>1,485,896</u>
Capital Outlay		
Capital Outlay	793,200	297,006
Less Nonoperating Items Capitalizations	<u>(793,200)</u>	<u>(297,006)</u>
Net Capital Outlay	<u>-</u>	<u>-</u>
Debt Service		
Principal Retirement	342,000	580,000
Interest and Fiscal Charges	286,237	202,910
	<u>628,237</u>	<u>782,910</u>
Less Nonoperating Items Debt Service	<u>(628,237)</u>	<u>(782,910)</u>
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation and Amortization		<u>473,338</u>
Total Operating Expenses	<u>2,209,601</u>	<u>2,071,266</u>

VILLAGE OF FOX LAKE, ILLINOIS

Northwest Region Water Reclamation Facility Fund - Major Enterprise Fund

Schedule of Net Assets
 April 30, 2009

	Operations and Maintenance	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation	
Assets					
Current Assets					
Cash and Investments	\$ 21,117,265				21,117,265
Receivables, Net of Allowances					
Accounts	202,198				202,198
Accrued Interest	257,438				257,438
Prepays	28,304				28,304
Total Current Assets	21,605,205	-	-	-	21,605,205
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	3,350,967				3,350,967
Depreciable Capital Assets	45,796,199				45,796,199
Accumulated Depreciation	(19,822,988)				(19,822,988)
Total Noncurrent Assets	29,324,178	-	-	-	29,324,178
Total Assets	50,929,383	-	-	-	50,929,383
Liabilities					
Current Liabilities					
Accounts Payable	343,134				343,134
Accrued Payroll	56,381				56,381
Due to Other Governments	116,593				116,593
Compensated Absences Payable	13,856				13,856
Total Current Liabilities	529,964	-	-	-	529,964
Long-Term Liabilities					
Compensated Absences Payable	55,424				55,424
Total Liabilities	585,388	-	-	-	585,388
Net Assets					
Invested in Capital Assets - Net of Related Debt	29,324,178				29,324,178
Restricted - Debt Service					
Unrestricted	21,019,817				21,019,817
Total Net Assets	50,343,995	-	-	-	50,343,995

VILLAGE OF FOX LAKE, ILLINOIS

Northwest Region Water Reclamation Facility Fund - Major Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 725,000	760,812
County Sewer Charges	4,623,000	3,266,801
Remedial Waste	70,000	60,442
Miscellaneous	40,000	30,900
Total Operating Revenues	<u>5,458,000</u>	<u>4,118,955</u>
Operating Expenses		
Administration	336,000	300,322
Operations	4,596,762	3,268,764
Pre-treatment Operations	259,675	166,337
Depreciation and Amortization		1,279,188
Total Operating Expenses	<u>5,192,437</u>	<u>5,014,611</u>
Operating Income (Loss)	<u>265,563</u>	<u>(895,656)</u>
Nonoperating Revenues (Expenses)		
Connection Fees	1,300,000	925,380
Interest Income	650,000	317,309
Interest and Fiscal Charges	(576,000)	
Loss on Disposal of Assets		(1,145)
	<u>1,374,000</u>	<u>1,241,544</u>
Change in Net Assets	<u>1,639,563</u>	345,888
Net Assets - Beginning		<u>49,998,107</u>
Net Assets Ending		<u>50,343,995</u>

VILLAGE OF FOX LAKE, ILLINOIS

Northwest Region Water Reclamation Facility Fund - Major Enterprise Fund

Schedule of Changes in Net Assets - Restricted - Debt Service
 Year Ended April 30, 2009

	Operations and Maintenance	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases					
Intrafund Transfers Out	\$ (320,000)		(1,054,033)	(239,879)	(1,613,912)
Decreases					
Bond Principal					
Bond Interest					
Total Decreases	-	-	-	-	-
Net Decrease	(320,000)	-	(1,054,033)	(239,879)	(1,613,912)
Account Balances					
Beginning	320,000		1,054,033	239,879	1,613,912
Ending	-	-	-	-	-

Note: Revenue bonds requiring these restricted accounts were retired during fiscal year 2007-2008.

VILLAGE OF FOX LAKE, ILLINOIS

Northwest Region Water Reclamation Facility Fund - Major Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Administration		
Contractual Services	\$ 336,000	300,322
Operations		
Northwest Region Operations		
Personal Services	1,742,520	1,298,343
Contractual Services	2,264,422	1,514,055
Commodities	589,820	456,366
	<u>4,596,762</u>	<u>3,268,764</u>
Pre-treatment Operations		
Personal Services	161,549	131,278
Contractual Services	78,484	26,304
Commodities	19,642	8,755
	<u>259,675</u>	<u>166,337</u>
Total Operations	<u>4,856,437</u>	<u>3,435,101</u>
Capital Outlay		
Capital Outlay - Northwest Region	9,193,108	2,557,873
Less Nonoperating Items		
Capitalizations	<u>(9,193,108)</u>	<u>(2,557,873)</u>
Total Capital Outlay	<u>-</u>	<u>-</u>
Other Expenses		
Host Fee	<u>576,000</u>	
Depreciation and Amortization		<u>1,279,188</u>
Total Operating Expenses	<u>5,768,437</u>	<u>5,014,611</u>

VILLAGE OF FOX LAKE, ILLINOIS

Commuter Parking Lot Fund - Nonmajor Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets -
Budget and Actual
Year Ended April 30, 2009**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking Fees	\$ 153,600	162,292
Operating Expenses		
Administration	26,400	19,534
Operations	114,456	74,597
Depreciation and Amortization		29,044
Total Operating Expenses	140,856	123,175
Operating Income	12,744	39,117
Nonoperating Revenues		
Interest Income	2,000	1,014
Change in Net Assets	14,744	40,131
Net Assets - Beginning		454,810
Net Assets Ending		494,941

VILLAGE OF FOX LAKE, ILLINOIS

Commuter Parking Lot Fund - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2009

	Original and Final Budget	Actual
Administration		
Contractual Services	\$ 26,400	19,534
Operations		
Personal Services	29,760	24,671
Contractual Services	80,616	47,566
Commodities	4,080	2,360
Total Operations	114,456	74,597
Capital Outlay		
Capital Outlay - Commuter Parking Lot	30,600	
Depreciation		29,044
Total Operating Expenses	171,456	123,175

INTERNAL SERVICE FUND



VILLAGE OF FOX LAKE, ILLINOIS

Motor Pool Fund - Internal Service Fund

Schedule of Revenues, Expenses and
Changes in Net Assets
Year Ended April 30, 2009

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 477,900	490,591
Operating Expenses		
Operations		
Personal Services	292,571	233,925
Contractual Services	12,176	8,102
Commodities	251,609	233,752
Depreciation		2,177
Total Operating Expenses	556,356	477,956
Operating Income (Loss)	(78,456)	12,635
Nonoperating Revenues		
Interest Expense	(600)	(544)
Change in Net Assets	<u>(79,056)</u>	12,091
Net Assets - Beginning		<u>39,363</u>
Net Assets - Ending		<u>51,454</u>



FIDUCIARY FUND TYPES



TRUST FUNDS



VILLAGE OF FOX LAKE, ILLINOIS

Pension Trust Funds

Combining Statement of Net Plan Assets
April 30, 2009

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and Cash Equivalents	\$ 258,682	13,315	271,997
Investments			
Certificates of Deposit	196,562	188,754	385,316
U.S. Government and Agency Securities	2,631,901		2,631,901
Money Market Funds	549,054		549,054
Mutual Funds	1,993,418		1,993,418
Insurance Contracts	1,244,829		1,244,829
Receivables			
Accrued Interest	18,340	2,487	20,827
Due from Other Funds	19,641		19,641
Net Assets			
Held in Trust for Pension Benefits	6,912,427	204,556	7,116,983

VILLAGE OF FOX LAKE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Assets
Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 421,896		421,896
Participants	169,294		169,294
	<u>591,190</u>	-	<u>591,190</u>
Investment Income			
Interest and Net Change in Fair Value	(966,394)	7,745	(958,649)
Less: Investment Expenses	(1,425)		(1,425)
	<u>(967,819)</u>	<u>7,745</u>	<u>(960,074)</u>
Total Additions	<u>(376,629)</u>	<u>7,745</u>	<u>(368,884)</u>
Deductions			
Administration	14,429	2,020	16,449
Benefits and Refunds	335,809		335,809
Total Deductions	<u>350,238</u>	<u>2,020</u>	<u>352,258</u>
Change in Net Assets	(726,867)	5,725	(721,142)
Net Assets			
Beginning	<u>7,639,294</u>	<u>198,831</u>	<u>7,838,125</u>
Ending	<u>6,912,427</u>	<u>204,556</u>	<u>7,116,983</u>

SUPPLEMENTARY INFORMATION



VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Debt Certificate Series 2002

April 30, 2009

Date of Issue	July 10, 2002
Date of Maturity	September 1, 2017
Authorized Issue	\$2,170,000
Interest Rate	3.0% - 5.3%
Interest Dates	March 1 and September 1
Principal Maturity Date	September 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 135,000	69,341	204,341
2011	145,000	63,143	208,143
2012	150,000	56,393	206,393
2013	155,000	49,185	204,185
2014	165,000	41,423	206,423
2015	170,000	33,130	203,130
2016	175,000	24,418	199,418
2017	185,000	15,145	200,145
2018	195,000	5,168	200,168
	<u>1,475,000</u>	<u>357,346</u>	<u>1,832,346</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Debt Certificate Series 2006
April 30, 2009

Date of Issue May 15, 2006
Date of Maturity May 15, 2016
Authorized Issue \$249,000
Interest Rate 4.4%
Interest Dates May 15 and November 15
Principal Maturity Date May 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 33,100	7,315	40,415
2011	33,100	5,859	38,959
2012	33,100	4,402	37,502
2013	16,700	3,307	20,007
2014	16,700	2,572	19,272
2015	16,700	1,837	18,537
2016	16,700	1,102	17,802
2017	16,700	367	17,067
	<u>182,800</u>	<u>26,761</u>	<u>209,561</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Debt Certificate Series 2007

April 30, 2009

Date of Issue December, 2007
Date of Maturity January 1, 2023
Authorized Issue \$212,000
Interest Rate 4.4%
Interest Dates May 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 11,000	8,888	19,888
2011	11,000	8,404	19,404
2012	12,000	7,920	19,920
2013	12,000	7,392	19,392
2014	13,000	6,864	19,864
2015	13,000	6,292	19,292
2016	14,000	5,720	19,720
2017	15,000	5,104	20,104
2018	15,000	4,444	19,444
2019	16,000	3,784	19,784
2020	16,000	3,080	19,080
2021	17,000	2,376	19,376
2022	18,000	1,628	19,628
2023	19,000	836	19,836
	<u>202,000</u>	<u>72,732</u>	<u>274,732</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Debt Certificate Series 2002B

April 30, 2009

Date of Issue	August 6, 2002
Date of Maturity	May 1, 2022
Authorized Issue	\$2,030,000
Interest Rate	3.0% - 5.3%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 85,000	75,321	160,321
2011	85,000	71,804	156,804
2012	90,000	68,128	158,128
2013	95,000	64,196	159,196
2014	100,000	59,852	159,852
2015	105,000	55,087	160,087
2016	110,000	50,088	160,088
2017	115,000	44,655	159,655
2018	120,000	38,780	158,780
2019	125,000	32,593	157,593
2020	130,000	26,091	156,091
2021	140,000	19,206	159,206
2022	145,000	11,793	156,793
2023	150,000	3,975	153,975
	<u>1,595,000</u>	<u>621,569</u>	<u>2,216,569</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Debt Certificate Series 2002C

April 30, 2009

Date of Issue	August 6, 2002
Date of Maturity	May 1, 2022
Authorized Issue	\$1,110,000
Interest Rate	3.25% - 6.75%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 40,000	55,162	95,162
2011	45,000	52,791	97,791
2012	45,000	50,170	95,170
2013	50,000	47,320	97,320
2014	55,000	44,143	99,143
2015	55,000	40,761	95,761
2016	60,000	37,180	97,180
2017	65,000	33,258	98,258
2018	65,000	29,130	94,130
2019	70,000	24,775	94,775
2020	75,000	20,025	95,025
2021		17,550	17,550
2022		17,550	17,550
2023	260,000	8,775	268,775
	<u>885,000</u>	<u>478,590</u>	<u>1,363,590</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

2002 Installment Note
April 30, 2009

Date of Issue	July 1, 2002
Date of Maturity	December 1, 2016
Authorized Issue	\$1,400,000
Interest Rate	4.5%
Interest Dates	December 1
Principal Maturity Date	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 89,320	38,307	127,627
2011	93,396	34,232	127,628
2012	97,657	29,970	127,627
2013	102,043	25,585	127,628
2014	106,768	20,859	127,627
2015	111,639	15,988	127,627
2016	116,733	10,894	127,627
2017	122,031	5,597	127,628
	<u>839,587</u>	<u>181,432</u>	<u>1,021,019</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

2003 Installment Note
 April 30, 2009

Date of Issue	June 30, 2003
Date of Maturity	June 30, 2019
Authorized Issue	\$1,300,000
Interest Rate	4.5%
Interest Dates	June 30
Principal Maturity Date	June 30

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 74,782	45,752	120,534
2011	78,099	42,434	120,533
2012	81,564	38,970	120,534
2013	85,085	35,449	120,534
2014	88,956	31,578	120,534
2015	92,902	27,632	120,534
2016	97,022	23,512	120,534
2017	101,273	19,260	120,533
2018	105,818	14,715	120,533
2019	110,512	10,022	120,534
2020	115,405	5,129	120,534
	<u>1,031,418</u>	<u>294,453</u>	<u>1,325,871</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

2004 Installment Note
April 30, 2009

Date of Issue	July 15, 2004
Date of Maturity	July 1, 2012
Authorized Issue	\$260,000
Interest Rate	4.125%
Interest Date	July 1
Principal Maturity Date	July 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 48,233	3,524	51,757
2011	11,902	1,534	13,436
2012	12,393	1,044	13,437
2013	12,904	532	13,436
	<u>85,432</u>	<u>6,634</u>	<u>92,066</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

2005 Installment Note
April 30, 2009

Date of Issue Novemebr 15, 2005
Date of Maturity November 15, 2013
Authorized Issue \$500,000
Interest Rate 3.95%
Interest Dates May 15 and November 15
Principal Maturity Date November 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 60,000	13,232	73,232
2011	65,000	10,862	75,862
2012	65,000	8,304	73,304
2013	70,000	5,728	75,728
2014	75,000	4,444	79,444
	<u>335,000</u>	<u>42,570</u>	<u>377,570</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Revenue Refunding Bonds, Series 2003
 April 30, 2009

Date of Issue	June 26, 2003
Date of Maturity	May 1, 2021
Authorized Issue	\$2,325,000
Interest Rates	2.0% -3.875%
Interest Dates	May 1
Principal Maturity Date	May 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 125,000	64,469	189,469
2011	125,000	61,109	186,109
2012	130,000	57,363	187,363
2013	135,000	53,303	188,303
2014	140,000	49,094	189,094
2015	145,000	44,601	189,601
2016	145,000	39,816	184,816
2017	160,000	34,784	194,784
2018	160,000	29,264	189,264
2019	165,000	23,414	188,414
2020	175,000	17,294	192,294
2021	175,000	10,753	185,753
2022	190,000	3,681	193,681
	<u>1,970,000</u>	<u>488,945</u>	<u>2,458,945</u>

VILLAGE OF FOX LAKE, ILLINOIS

Long-Term Debt Requirements

Refunding Revenue Bonds, Series 2007
 April 30, 2009

Date of Issue	December 10, 2007
Date of Maturity	May 1, 2021
Authorized Issue	\$850,000
Interest Rates	4.20%
Interest Dates	May 1 and November 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 45,000	32,865	77,865
2011	50,000	30,870	80,870
2012	55,000	28,665	83,665
2013	55,000	26,355	81,355
2014	55,000	24,045	79,045
2015	60,000	21,630	81,630
2016	65,000	19,005	84,005
2017	65,000	16,275	81,275
2018	65,000	13,545	78,545
2019	70,000	10,710	80,710
2020	75,000	7,665	82,665
2021	70,000	4,620	74,620
2022	75,000	1,575	76,575
	<u>805,000</u>	<u>237,825</u>	<u>1,042,825</u>



