

**THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA**

Monday, November 5, 2018, 6:30pm
City Hall Council Chambers
220 E. Deerpath, Lake Forest

Honorable Mayor, Robert Lansing

Prudence R. Beidler, Alderman First Ward
James E. Morris, Alderman First Ward
Timothy Newman, Alderman Second Ward
Melanie Rummel, Alderman Second Ward

Jack Reisenberg, Alderman Third Ward
James Preschlack, Alderman Third Ward
Michelle Moreno, Alderman Fourth Ward
Raymond Buschmann, Alderman Fourth Ward

CALL TO ORDER AND ROLL CALL

6:30p.m.

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

1. COMMENTS BY MAYOR

A. Report on North Beach Access Road Donations

2. COMMENTS BY CITY MANAGER

A. Community Spot Light

- Lake Forest College
- Stephen Schutt, President

3. COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

1. Audit Committee Report-Fiscal Year 2018 Annual Financial Report

PRESENTED BY: Vincent Sparrow, Audit Committee Chairman
STAFF CONTACT: Elizabeth Holleb, Finance Director (847-810-3612)

PURPOSE AND ACTION REQUESTED: The Audit Committee and Staff requests receipt of the audit report for the fiscal year ended April 30, 2018.

BACKGROUND/DISCUSSION: The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2018 is provided beginning on **page 15**. A bound copy of the CAFR is available upon request and an electronic copy will be made available on the City web site following City Council acceptance of the report. The document has been reviewed by the

Audit Committee with Baker Tilly Virchow Krause, the City's independent audit firm, and has been accepted by the Audit Committee. The City has received an unmodified opinion on its Fiscal Year 2018 financial statements.

The City has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for thirty-nine consecutive years. This year's report will once again be submitted to GFOA for consideration of this award.

The Audit Committee met four times in 2018 and highlights of those meetings as well as the audit report will be presented this evening by Audit Committee Chairman Sparrow.

COUNCIL ACTION: Receipt of the audit report for the fiscal year ended April 30, 2018

FINANCE COMMITTEE

- 1. Determination of Non-Binding Estimate of the Amount of Revenue to be generated from Property Taxes for the 2018 Calendar Year in Accordance with the Truth in Taxation Statute and Establishment of a Public Hearing Date for the 2018 Tax Levy (if required)**

PRESENTED BY: Elizabeth Holleb, Finance Director (847-810-3612)

PURPOSE AND ACTION REQUESTED: Staff requests City Council approval of a non-binding estimate of the amount of revenue to be generated from property taxes in calendar year 2018 and setting of a public hearing date if this estimate exceeds 105% of the prior year's tax extension in accordance with State Statutes.

BACKGROUND/DISCUSSION: Under the Truth in Taxation Act, the City Council is required to determine the estimated amount of money to be raised by taxation twenty (20) days prior to the adoption of the annual tax levy. The amount determined is an estimate, and may be increased or decreased under the statute, provided that any increase does not exceed 105% of the prior year's tax extension without the required notice and public hearing. This estimate is preliminary and initiates the public process for the 2018 tax levy by establishing an estimated amount from which staff can prepare a proposed levy ordinance. A discussion regarding the 2018 tax levy is scheduled for the November 26 Finance Committee budget workshop. The tax levy ordinance will be considered by the City Council on November 19 and again on December 3, 2018.

The 2018 property tax levy estimate, as considered by the Finance Committee on October 15, is as follows:

Levy	2017 Extended	2018 Levy Estimate	% Increase (Decr.)
Aggregate Levy	\$ 29,776,420	\$ 30,630,085	2.87%
Debt Service Levy	1,536,807	1,653,115	7.57%
TOTAL LEVY	\$ 31,313,227	\$ 32,283,200	3.10%

The increase in the aggregate levy is comprised primarily of the following:

- 2.10% overall increase in compliance with the tax cap applicable to 2018 levies under the Property Tax Extension Limitation Law (PTELL),

- an increase due to new construction as estimated by the Lake County Assessor's Office,
- an increase in funding requirements for police and fire pension as established by a 4/30/18 independent actuarial valuation, and
- Required debt service levy amounts as established by bond ordinances approved at the time of debt issuance.

The total levy as estimated above would result in a projected \$87 (2.64%) increase in the tax bill of an average home (\$800,000 market value). A public hearing would not be required under the Truth in Taxation Act.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Finance Committee	10/15/18	Approval of 2018 Tax Levy Estimate
City Council Workshop	9/17/18	Preliminary discussion of 2018 Tax Levy

COUNCIL ACTION: Approval of Determination of an Estimate of the Amount of Revenue to be generated from Property Taxes for the 2018 Calendar Year and establishment of December 3, 2018 as a public hearing date (if required) in Accordance with the Truth in Taxation Statute

4. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON NON-AGENDA ITEMS

5. ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. Approval of the October 15, 2018 City Council Meeting Minutes

A copy of the minutes can be found beginning on **page 223**

COUNCIL ACTION: Approval of the October 15, 2018 City Council Meeting Minutes.

2. Approval of the Check Register for Period of September 22 – October 26, 2018

STAFF CONTACT: *Elizabeth Holleb, Finance Director (847-810-3612)*

BACKGROUND/DISCUSSION: City Code Section 38.02 sets forth payment procedures of the City. The Director of Finance is to prepare a monthly summary of all warrants to be drawn on the City treasury for the payment of all sums due from the City (including all warrants relating to payroll and invoice payments) by fund and shall prepare a detailed list of invoice payments which denotes the person to whom the warrant is payable. The warrant list detail of invoice payments shall be presented for review to the Chairperson of the City Council Finance Committee for review and recommendation. All items on the warrant list detail recommended for payment by the Finance Committee Chairperson shall be presented in summary form to the City Council for approval or ratification. Any member of the City

Council shall, upon request to the City Manager or Director of Finance, receive a copy of the warrant list detail as recommended by the Finance Committee Chairperson. The City Council may approve the warrant list as so recommended by the Finance Committee Chairperson by a concurrence of the majority of the City Council as recorded through a roll call vote.

The Council action requested is to ratify the payments as summarized below. The associated payroll and invoice payments have been released during the check register period noted.

Following is the summary of warrants as recommended by the Finance Committee Chairperson:

Check Register for September 22 - October 26, 2018

	Fund	Invoice	Payroll	Total
101	General	538,798	1,125,468	1,664,266
501	Water & Sewer	130,446	129,488	259,934
220	Parks & Recreation	132,727	344,102	476,828
311	Capital Improvements	188,864	0	188,864
202	Motor Fuel Tax	0	0	0
230	Cemetery	37,933	20,543	58,477
210	Senior Resources	13,532	20,619	34,152
510	Deerpath Golf Course	29,216	2,068	31,284
601	Fleet	116,384	38,545	154,929
416 - 433	Debt Funds	750	0	750
248	Housing Trust	0	0	0
201	Park & Public Land	0	0	0
	All other Funds	437,203	130,800	568,003
		\$1,625,853	\$1,811,633	\$3,437,487

The total for "All Other Funds" includes \$139,000 from the Special Recreation Fund, \$86,000 from the Library Fund and \$75,000 in the Insurance Fund.

COUNCIL ACTION: Approval of the Check Register for the Period of September 22 – October 26, 2018

3. Approval of Health Insurance Contract Renewals

STAFF CONTACT: *DeSha Kalmar, Director of Human Resources (847-810-3530)*

PURPOSE AND ACTION REQUESTED: PCA Committee and Staff are recommending retaining current health plan providers. Benefit changes and modifications to the City's Think Healthy wellness program effective this year are meeting expectations.

BACKGROUND/DISCUSSION: The City provides a self-funded medical and dental plan and insured life insurance, transplant coverage, and reinsurance for large claims and total liability. The cost is determined by forecasts based on actual claims, fixed costs for administration, reinsurance, and costs for life insurance. Human Resources, through a collaborative process with employee work groups, is recommending no changes to the health insurance benefits

for employees. Staff requested bids for Stop Loss coverage and evaluated proposals for Pharmacy providers. Staff is recommending renewing with current providers for January of 2019.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
PCA Committee	11/5/18	Reviewed prior to the City Council meeting

BUDGET/FISCAL IMPACT: Recommendations based on renewal quotes:

- **Retain Serve You Rx Pharmacy Benefit Administration for Prescription Drug Card.** Serve You Pharmacy Card services were evaluated against similar services from two leading providers. Serve You terms are the most favorable, with better coverage of national and local pharmacies for our plan. Serve You has proposed an increase to the contractual drug discount, and higher manufacturer rebates refunded to the Plan:

Summary Pricing Serve You	Current	Proposed
Dispensing Fees	\$2,753	\$2,590
Generic Discount Retail/Mail Order	74%/78%	76%/81%
Rebates Paid to Plan	\$(24,120)	\$(87,290)

- **Retain Professional Benefit Administrators (PBA) for administration and billing services** PBA medical administration fees increased slightly, offset by other PBA fees which did not change, and reduced federal taxes and fees:

Summary Pricing PBA	Current	Proposed
Total Cost	\$109,843	\$93,736

- **Retain preferred provider network administration with CIGNA through PBA**

Summary Pricing CIGNA	Current	Proposed
Total Annual Costs	\$46,469	\$48,262

- **Retain Voya for stop loss coverage and retain Optum Health for Transplant coverage.** Staff requested bids for stop loss coverage, and received qualified bids from three major carriers. Voya was the lowest cost carrier providing full coverage for ongoing conditions without exclusions:

Summary Pricing Voya	Current	Proposed
Specific Premium	\$656,323	\$689,737
Aggregate Premium	\$12,498	\$12,820
Transplant Premium (Optum)	\$29,127	\$28,262
Total	\$697,948	\$731,240

COUNCIL ACTION: Authorize the City Manager to execute contracts retaining Professional Benefit Administrators (PBA) for administration and billing services, retain preferred provider network administration with CIGNA through PBA, retain Voya for stop loss coverage, renew with Optum Health for transplant coverage, a component of stop loss coverage, and retain CIGNA for life insurance, and Approve changes to the City contract with Serve You

4. Consideration of an Ordinance Amending Lake Forest City Code Relating to the Promotion of Police Sergeants

STAFF CONTACT: *Karl Walldorf, Chief of Police (847-810-3803)*

PURPOSE AND ACTION REQUESTED: On July 17, 2018, the Board of Fire and Police Commissioners approved several revisions to its rules and regulations, one of which would allow the police department to conduct examinations for the position of Sergeant more frequently than the Statute states. This change requires an amendment to the local ordinance governing the Board in Chapter 32 of the City Code. The proposed amendment is found on **page 227** of this packet.

BACKGROUND/DISCUSSION: Throughout 2018 the Board of Police and Fire Commissioners has met on several occasions to revise and update its rules and regulations. In addition to alterations made to conform to recent legal changes, the police department requested to be allowed to test for the position of Sergeant every two years instead of every three. The Board approved this change, which also requires an amendment to the accompanying local ordinance under the City's home rule authority.

In the past, the police department has tested every three years for the position of sergeant. Once this eligibility list is finalized, the Chief of Police may select any of the top three candidates to promote to a vacant Sergeant position. In the past, some lists have had as few as three candidates. At times, no openings appeared during the duration of the list and on some lists, all of the available candidates were promoted.

The department's current list expires in July 2020. It is expected that nearly all of the department's current ten supervisors will retire within a few years of the establishment of the following list, leaving the possibility that more candidates may be needed than are available on one or both of the following promotional lists. Testing more frequently will allow for new lists at more frequent intervals. It will also allow more officers to compete for these positions since an officer must have completed probation to sit for the exam.

Additionally, testing every two years, beginning in 2020, would allow the City to undertake its new officer hiring process and its promotional process, both of which are labor-intensive events, in alternating years.

Importantly, while it requires the use of home rule authority to make this change, it is not dramatically different from statutory language that already allows municipalities to create a Fire Lieutenant list for either 2 or 3 years in duration. This essentially creates the same authority in both areas covered by the Board of Fire and Police Commissioners.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Board of Fire and Police Commissioners	7/17/18	Approval and recommendation that the Council approve the change.
PCA Committee	11/5/18	Being reviewed prior to the City Council meeting

BUDGET/FISCAL IMPACT: NA

COUNCIL ACTION: Consideration of an Ordinance Amending Lake Forest City Code Relating to the Promotion of Police Sergeants (first reading and if appropriate final approval).

5. **Award of contract with Advanced Tree Care, for an amount not to exceed \$38,000, as part of the MPI Tree Pruning Services Joint Bid for FY2019.**

STAFF CONTACT: *Corey Wierema, City Forester/Forestry Supervisor*
847-810-3564

PURPOSE AND ACTION REQUESTED: Staff is requesting City Council approval for the City of Lake Forest to join the Municipal Partnership Initiative (MPI) Tree Pruning contract, and enter into a contract with Advance Tree Care Inc.

BACKGROUND/DISCUSSION: Tree pruning is one the most important components in maintaining a healthy urban forest. Pruning removes dead and/or competing branches to encourage healthy new growth and maturation. The process maximizes a tree's value and maintains numerous environmental and community benefits.

City staff has previously briefed the City Council on MPI, a program that takes advantage of economies of scale for securing low bid prices among neighboring municipalities which bid similar projects each year.

The City plans to contractually prune approximately 1,500 trees under this contract for FY2019. This work will extend the functional lifespan of the City's trees and delay long-term expenses associated with the removal and replacement of unhealthy trees.

BUDGET/FISCAL IMPACT: The MPI Tree Pruning contract has been in place since 2015 and is renewable for three years with the option to renew for two additional one-year periods. If awarded, work on this project is expected to be completed in one month. City Forestry staff will provide daily oversight and quality control.

Has competitive pricing been obtained for proposed goods/services? **No**

If no, indicate the specific waiver requested:

Administrative Directive 3-5, Section 9.0F – Government Joint Purchases

FY2019 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
Fund 220 Forestry Operations	\$38,000	\$38,000	Y

COUNCIL ACTION Award of contract with Advanced Tree Care, for an amount not to exceed \$38,000, as part of the MPI Tree Pruning Services Joint Bid for FY2019

6. Approval of Contract with NuToys Leisure Products, for an amount not to exceed \$50,000, for the Waveland Park Playground Expansion and Surfacing Project

STAFF CONTACT: *Chuck Myers, Superintendent of Parks & Forestry (810-3565)*

PURPOSE AND ACTION REQUESTED: Staff and Parks & Recreation Board requests approval to award a contract to NuToys Leisure Products to purchase additional swing bay equipment and Poured-in-Place surfacing material for the Waveland Park playground, as part of the approved FY2019 Capital Improvement Program.

BACKGROUND/DISCUSSION: New playground equipment and surfacing was installed at Waveland Park in the summer of 2011. The playground has been heavily used and is a very popular amenity in the park. The playground was originally built with two swing bays (with a total of four swing seats) that are inadequate for the amount of use on the playground. At the time of original construction, only a portion of the playground was surfaced with Poured-in-Place, due to budgetary restraints. This project will expand the playground in the swing area to accommodate a new swing bay and includes the installation of Poured-in-Place surfacing in the entire swing area. We have installed Poured-in-Place surfacing in many of our new playground installations and have found that the new surface provides maintenance cost savings annually and provides a safer and ADA compliant surface.

In order to provide a consistent appearance of playgrounds in our parks, and because residents have communicated strong support for our recent playground designs and surfacing material at other parks, City staff again worked with NuToys Leisure Products to design the addition to the Waveland Park playground. NuToys is an approved vendor through HGACBuy, a national procurement service, which competitively bids playground equipment to offer time and cost savings for governmental entities and is compliant with the City of Lake Forest purchasing policies and State of Illinois procurement statutes. In addition, costs for construction will be reduced by having the playground equipment installed by our trained City staff.

PROJECT REVIEW/RECOMMENDATIONS:

Reviewed	Date	Comments
Parks and Recreation Board	10/16/18	Recommended Approval

BUDGET/FISCAL IMPACT: The total cost for this project; including equipment, site work and Poured-in-Place rubber surfacing is \$48,167. Staff is also seeking \$1,833 for contingency for the project. Funding for the project is budgeted in the FY'19 CIP (Parks & Public Land Fund).

Has competitive pricing been obtained for proposed goods/services? **No**

If no, indicate the specific waiver requested:

Administrative Directive 3-5, Section 9.0F – Government Joint Purchases

Below is an estimated summary of Project budget:

FY2019 Funding Source	Amount Budgeted	Amount Requested	Budgeted? Y/N
Parks & Public Land Fund	\$50,000	\$50,000	Y

COUNCIL ACTION: Approval of Contract with NuToys Leisure Products, for an amount not to exceed \$50,000, for the Waveland Park Playground Expansion and Surfacing Project

7. Consideration of an Ordinance Amending Section 134.05, titled “Criminal Trespass to Land” of the City Code, as recommended by Staff, (First Reading and if desired Grant Final Approval)

STAFF CONTACT: *Deputy Chief R.D. Copeland (847-309-8775)*

PURPOSE AND ACTION REQUESTED: Staff requests approval of an amendment to Section 134.05, titled “Criminal Trespass to Land” of the City Code with recommended changes as shown in the proposed Ordinance beginning on **page 229** of your packet.

BACKGROUND/DISCUSSION: This year, the Police Department staff reviewed the language of the current Trespass to Land ordinance (134.05) and compared it to Illinois State Statute (720 ILCS 5/21-3) titled “Criminal Trespass to Real Property”. The review was prompted by several recent incidents involving offenders entering buildings and residences without permission as well as climbing on the roof of one building. The Police Department is requesting an amendment to the current ordinance after determining the Lake Forest local ordinance is missing an important section of the state statute that is important to the enforcement of this ordinance.

BUDGET/FISCAL IMPACT: N/A

COUNCIL ACTION: Consideration of an Ordinance Amending Section 134.05, titled “Criminal Trespass to Land” of the City Code, as recommended by Staff, (First Reading and if desired Grant Final Approval)

8. Consideration of an Ordinance Approving a Recommendation from the Historic Preservation Commission. (First Reading and if Desired by the City Council, Final Approval)

*STAFF CONTACT: Catherine Czerniak,
Director of Community Development (810-3504)*

The following recommendation from the Historic Preservation Commission is presented to the City Council for consideration as part of the Omnibus Agenda.

395 Woodland Road - The Historic Preservation Commission recommended approval of a building scale variance to allow construction of a new garage to replace an original garage which is not functional for today's vehicles. The project also includes a breezeway between the house and new garage, and related alterations. The Preservation Foundation provided testimony in support of the petition and a neighboring property owner submitted a letter requesting that consideration be given to potential drainage impacts and that existing vegetation be preserved to screen the new garage from the streetscape. The Commission confirmed that the City Engineer will review drainage and grading plans prior to the issuance of a building permit and that the trees and vegetation in the front yard will be protected during construction. (Commission vote: 7 - 0, approved)

The ordinance approving the petition, with key exhibits attached, is included in the Council's packet beginning on **page 232**. The Ordinance with complete exhibits is available for review in the Community Development Department.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading and grant final approval of the Ordinance approving the petition in accordance with the Historic Preservation Commission's recommendation.

9. Consideration of an Ordinance Approving a Recommendation from the Building Review Board. (First Reading and if Desired by the City Council, Final Approval)

*STAFF CONTACT: Catherine Czerniak,
Director of Community Development (810-3504)*

The following recommendation from the Building Review Board is presented to the City Council for consideration as part of the Omnibus Agenda.

20 N. Western Avenue - The Building Review Board recommended approval of a new residence and attached garage on the site of a previous demolition in an established neighborhood. Approval of the landscape plan is also recommended. The Preservation Foundation submitted a letter in support of the project. (Board vote: 5-0, approved)

The Ordinance approving the petition as recommended by the Building Review Board, with key exhibits attached, is included in the Council packet beginning on **page 243**. The Ordinance, complete with all exhibits, is available for review in the Community Development Department.

COUNCIL ACTION: If determined to be appropriate by the City Council, waive first reading and grant final approval of the Ordinance in accordance with the Building Review Board's recommendation.

10. Consideration of a Resolution to Extend the Encouragement and Facilitation of the Replacement of Lead Water Services. (Approve by Motion)

STAFF CONTACT: *Jim Lockfeer, Public Works Management Analyst (810-3542)*

PURPOSE AND ACTION REQUESTED: The Council is asked to consider a Resolution to extend the encouragement and facilitation of the replacement of lead water services. This is an effort to continue to increase awareness of lead water service lines and to continue to offer encouragement and support to the owners of properties which have lead services to remove and replace those services.

BACKGROUND AND DISCUSSION: In 2016, staff in the Public Works Department reviewed City files and identified about 300 properties that, based on available information, may have lead water services. Letters were sent to alert owners of those properties that lead service may be present and to offer no cost City inspections to verify whether or not lead services exist. A total of 190 inspections have been conducted and in some cases, City inspectors found that lead services no longer exist. In other cases, where lead services were found, some owners expressed interest in replacing the lead services.

On September 19, 2016, the Public Works Committee directed staff to present a Resolution for Council consideration in an effort to encourage and facilitate the full replacement of lead water services, from the point of connection at the water main, to the connection at the water meter or foundation. The Resolution directs that, for a period of two years, standard permit fees for the replacement of lead service lines will be waived. The Resolution was approved by City Council at the October 3, 2016 City Council Meeting.

On October 30, 2018, the Public Works Committee reviewed the existing resolution. Since the Resolution was approved by City Council, 12 lead service line replacements have occurred. In an effort to continue to encourage the replacements of lead service lines, the Public Works Committee is recommending that the Resolution is approved to extend the waiving of the standard permit fees for the replacement of lead service lines for an additional two years. A copy of the proposed 2018 Resolution is included in the Council packet beginning on **page 253**. The Resolution was drafted utilizing the 2016 Resolution as the base template.

Importantly, the City's Water Plant and the water quality are regularly monitored and consistently meet all IEPA standards. In addition, the City has a corrosion control program through which lead pipes are coated to reduce the likelihood of exposure to lead. Nevertheless, the City is working to raise awareness of lead water service lines out of an abundance of caution.

BUDGET/FISCAL IMPACT: No approval for expenditure of City funds is requested. The proposed two year waiver of permit fees will result in some lost revenues for the City however, without this program, replacement of lead services may not occur. Depending on the specific conditions for each property, the waiver of fees for replacement of a lead water service line ranges from \$600 to \$1,400.

COUNCIL ACTION: Approve a motion in support of a Resolution to continue to encourage and facilitate the replacement of lead water service lines.

COUNCIL ACTION: Approval of the ten (10) Omnibus items as presented

6. ORDINANCES

7. NEW BUSINESS

1. Approval of the Second Amendment to the Kemper Sports Management Agreement.

PRESENTED BY: *Sally Swarthout, Director- Parks, Recreation, Forestry (847-810-3942)*

PURPOSE AND ACTION REQUESTED: Staff requests the approval of the Second Amendment to the Kemper Sports Management Agreement.

BACKGROUND/DISCUSSION: The Kemper Sports Management Agreement, initially signed in January, 2015, provides for the management of Deerpath Golf Course operations and maintenance. The contract called for a management period of five years with the opportunity to renew for an additional five years after the third anniversary of the commencement date, January 1, 2015. Staff is seeking to extend the contract for the additional five years with an ending date of December 31, 2024.

After the success that Kemper Sports Management has brought to Deerpath Golf Course and beach concessions, continuing the partnership is in the best interest of the City at this time. Upon review of the management agreement, Kemper and City Staff have agreed to the following changes reflected in the Second Amendment document that begins on **page 256** of the packet.

The second amendment updates section 2.2 "Term" to reflect the new termination date and provides the opportunity for either Kemper Sports Management or The City of Lake Forest to terminate with 90 days' notice after the seventh anniversary(January 1, 2022) of the commencement date..

Additional changes include:

- Section 3.4.1 "Operating Budget" to better reflect the City's budget calendar deadlines
- Section 3.6 "Food and Beverage Concessions" to include the opening and closing dates of the Beach Concessions as determined by the Director of Parks, Recreation, and Forestry.
- Accounting Services Review on an annual basis with amendments made with a mutual agreement on an as needed basis.

- Full Force and Effect. Except as otherwise specifically modified, all other provisions of the Kemper Sports Management Agreement shall remain in full force and effect.

BUDGET/FISCAL IMPACT: N/A

COUNCIL ACTION: Approval of the Second Amendment to the Kemper Sports Management Agreement

8. ADDITIONAL ITEMS FOR DISCUSSION/ COMMENTS BY COUNCIL MEMBERS
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1. Welcome Home Update
 - Alderman Prue Beidler

9. ADJOURNMENT

A copy of the Decision Making Parameters can be found beginning on **page 14** of this packet.

Office of the City Manager

October 31, 2018

The City of Lake Forest is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are required to contact City Manager Robert R. Kiely, Jr., at (847) 234-2600 promptly to allow the City to make reasonable accommodations for those persons.





THE CITY OF LAKE FOREST

DECISION-MAKING PARAMETERS FOR CITY COUNCIL, AND APPOINTED BOARDS & COMMISSIONS

Adopted June 18, 2018

The City of Lake Forest Mission Statement:

"Be the best-managed, fiscally-responsible and appealing community and promote a community spirit of trust, respect and citizen involvement."

The Lake Forest City Council, with the advice and recommendations of its appointed advisory Boards and Commissions, Lake Forest Citizens, and City Staff, is responsible for policy formulation and approval. Implementation of adopted strategy, policy, budgets, and other directives of Council is the responsibility of City Staff, led by the City Manager and Senior Staff. The Mayor and Aldermen, and appointed members of Boards and Commissions should address matters in a timely, deliberate, objective and process-driven manner, making decisions guided by the City of Lake Forest Strategic and Comprehensive Plans, the City's Codes, policies and procedures, and the following parameters:

- Motions and votes should comprise what is in the best long-term interests of all Lake Forest citizens, measured in decades, being mindful of proven precedents and new precedents that may be created.
- All points of view should be listened to and considered in making decisions with the long-term benefit to Lake Forest's general public welfare being the highest priority.
- Funding decisions should support effectiveness and economy in providing services and programs, while mindful of the number of citizens benefitting from such expenditures.
- New initiatives should be quantified, qualified, and evaluated for their long-term merit and overall fiscal impact and other consequences to the community.
- Decision makers should be proactive and timely in addressing strategic planning initiatives, external forces not under control of the City, and other opportunities and challenges to the community.

Community trust in, and support of, government is fostered by maintaining the integrity of these decision-making parameters.

The City of Lake Forest's Decision-Making Parameters shall be reviewed by the City Council on an annual basis and shall be included on all agendas of the City Council and Boards and Commissions.

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF LAKE FOREST, ILLINOIS**
As of and for the Year Ended April 30, 2018

City of Lake Forest Finance Department

Elizabeth Holleb, Finance Director
Diane Hall, Assistant Finance Director

CITY OF LAKE FOREST

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CITY OF LAKE FOREST

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October 18, 2018

The Honorable Mayor Lansing
Members of the City Council
Members of the Audit Committee
Residents of the City of Lake Forest, Illinois

The Comprehensive Annual Financial Report of the City of Lake Forest (City) for the year ended April 30, 2018, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the City of Lake Forest. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Lake Forest's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

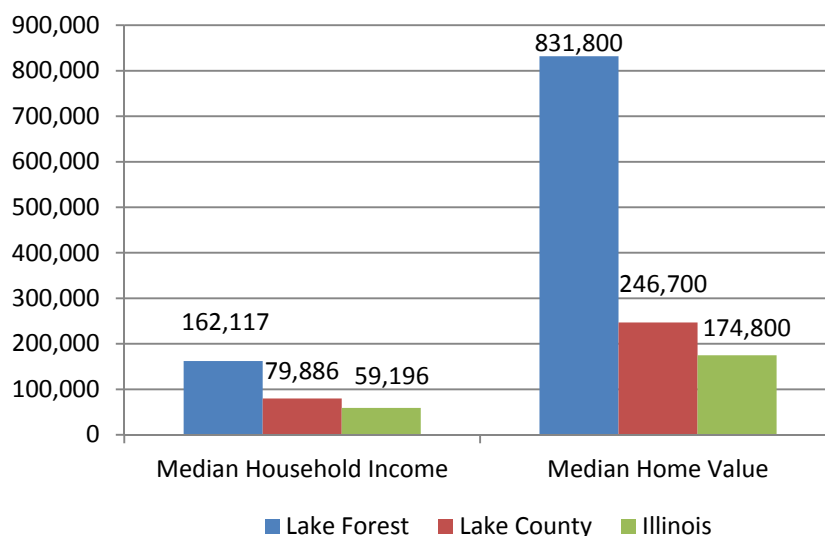
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Lake Forest for the fiscal year ended April 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the report of the independent auditors.

Profile of The City of Lake Forest

The City of Lake Forest was incorporated as a city under a charter granted by the Illinois State Legislature in 1861 and amended in 1869. Lake Forest is a residential community of 19,375 people and has a land area of 17.18 square miles. It is situated on Lake Michigan, thirty miles north of downtown Chicago in Lake County. In its American Community Survey, 2012-2016 estimates, the U.S. Census Bureau reported the City had a median household income and median home value significantly higher than comparable figures for Lake County and the State of Illinois:



The City adopted the Council-Manager form of government in 1956. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and an eight-member Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for hiring the heads of the City's departments. The Council members are elected to two-year staggered terms with three Council members elected every two years. Aldermen serve a maximum of three terms. The Mayor is elected to a two-year term and serves a maximum of two terms.

The City provides a full range of services, including police protection, fire protection, paramedic service, refuse disposal, commuter parking, compost center, recreation center, senior center, community parks, golf course, street maintenance, forestry, cemetery and a water production facility.

The financial reporting entity of The City of Lake Forest includes all City funds as well as its component unit, the Lake Forest Library. Component units are legally separate entities for which the primary government is financially accountable.

Each year the City of Lake Forest prepares an annual budget document. This plan contains the following sections: the budget message and fiscal policy; summary tables of revenues, expenditures and fund balance for the fiscal year; operating budgets for each department; pay plan and personnel data; and debt and statistical information. The budget message highlights the significant expenditure events that will occur and the objectives to accomplish these events. It justifies the planned capital expenditures and also lists the goals that are to be achieved during the budget year.

While the annual municipal budget represents the City's financial plan for expenditures over the course of the fiscal year, the annual Appropriation Ordinance is the formal legal mechanism by which the City Council authorizes the actual expenditure of funds budgeted in the annual budget. It appropriates specific sums of money by object and purpose of expenditure.

In addition, the Appropriation Ordinance provides for a 10% contingency above those expenditures actually budgeted. Each separate fund includes an item labeled contingency, with an appropriated amount equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency line item, the City Council and City staff follow the adopted budget as its spending guideline and not the Appropriation Ordinance. This practice has been followed for more than thirty years and has worked very efficiently as a mechanism to address unanticipated items that may arise throughout the fiscal year.

Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Parks and Recreation Fund, considered major funds, this comparison is presented beginning on page 88 as required supplementary information. For the Capital Improvements Fund (major fund), Debt Service Fund (non-major fund) and non-major special revenue funds with appropriated annual budgets, this comparison is presented in the Other Supplementary Information section of this report, which starts on page 108.

Factors Affecting Financial Condition

Local Economy. The City of Lake Forest is not immune to challenges brought on by national and state economic conditions, but has been proactive in identifying mitigation strategies.

- Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2017, the City's annual average unemployment rate was estimated to be 3.9%, compared to 4.4% for Lake County and 5.0% for the State of Illinois.
- The consumer confidence index is closely monitored by economists because consumer spending accounts for 70% of the United States' economic activity. In July 2018, the index was 127.4, up from 127.1 in June, and comparing favorably to the August 2017 index of 120.4. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.

As revenues declined in recent years due to national economic conditions, the City has proactively reduced operating expenses to ensure a balanced budget and compliance with the City's fiscal policies. Since personnel costs represent approximately 70% of the General Fund operating budget, it has been necessary to achieve cost savings through reduced personnel. In fiscal years (FY) 2004-2019, the City has reduced budgeted full time employees by 48 positions (19%), returning the City's total employee count below FY1992 levels.

In February 2011, the City Council approved an organizational restructuring and Early Retirement Incentive (ERI) program which is offered and regulated by the Illinois Municipal Retirement Fund (IMRF). Twenty-six (26) employees participated in the ERI program, which is projected to generate net savings of \$4.5 million over the initial ten year period. In December 2012, the City Council approved the use of excess fund balance reserves to pay off the ERI liability in its entirety, rather than amortizing over ten years as initially anticipated. This early payoff allowed the City to avoid \$1.8 million in interest costs over the amortization period.

In September 2014, the City transitioned to a consolidated dispatch operation with the Villages of Glenview and Lake Bluff, as well as the City of Highland Park. The consolidation of dispatch operations resulted in the reduction of ten (10) full-time positions and is saving the City more than \$350,000 per year while improving the infrastructure providing this vital service to residents.

Approximately half of the City's General Fund revenues come from property taxes, which continue to be a stable revenue source. The other major funding sources of sales tax, income tax, utility taxes and building permit revenues met FY2018 budget estimates in aggregate. Effective May 1, 2014, the City implemented a new sanitation fee that generates \$620,000 per year. This revenue is currently deposited to the Capital Improvements Fund. Effective May 1, 2017, the City implemented a new Public Safety Pension Fee to increase public awareness of the challenges in meeting police and fire pension obligations.

The financial condition of the State of Illinois continues to be a significant concern although the City has taken measures to limit its reliance on the State for direct funding. The City is vigilant in monitoring

legislation that may be introduced that could have a negative impact on the City's budget and vigorously opposes such legislation. The State Budget for its fiscal year ended June 30, 2018, negatively impacted the City's fiscal year 2018 due to a reduction in income tax distributions and a newly imposed administration fee of 2% on home rule sales tax collections. No immediate expenditure reductions were necessary due to a budgeted operating surplus in the General Fund for FY2018. The City's FY2019 budget anticipated a continuation of the State's FY18 measures. The State has subsequently adopted a FY2019 budget that reduces the income tax diversion from 10% to 5% and reduces the home rule sales tax administration fee from 2% to 1.5%, which will have a positive impact on the City's FY19 budget. The City Council and staff continue to discuss fiscal scenarios for future years should the State continue to tap local revenues to balance its budget or in the event the State imposes property tax limitations on local units of government.

In order to assist the business community and enhance sales tax revenues, economic development initiatives are conducted through the Community Development Department. The City works with the Lake Forest/Lake Bluff Chamber of Commerce and representatives of the business districts in Lake Forest. The City is committed to attracting desired businesses and to promote the viability of the business districts. More information can be found on the main page of the City's website under Economic Development.

In an effort to proactively address budgetary issues that may arise throughout the year, City staff monitors revenues and expenses on a monthly basis. Monthly financial "flash" reports are provided to the City Council Finance Committee.

In addition, the City follows the fiscal policy approved annually by the City Council. The Fiscal Policy is designed to establish guidelines for the fiscal stability of the City and to provide guidelines for the City's chief executive officer, the City Manager. Effective fiscal policy:

- Contributes significantly to the City's ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the City rather than single issue areas,
- Promotes the view of linking long-term financial planning with day-to-day operations, and
- Provides the Council and the citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

In Fiscal Year 2016, the City Council adopted revisions to the Fiscal Policy effective for FY2017 and continuing in FY2018 and FY2019. The revised policy clarified the applicability of the Property Tax Extension Limitation Law to the City, established a policy for setting aside reserves to meet the City's Other Post-Employment Benefits (OPEB) liability, revised the financing parameters for establishment of Special Service Areas, and committed to minimizing reliance on State and/or Federal revenues to fund core services.

Long-Term Financial Planning. The City is funding infrastructure expenditures primarily with a real estate transfer tax that was approved by voter referendum. This real estate transfer tax is imposed on residential and commercial real estate transactions. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate. FY2018 real estate transfer tax revenue totaled \$1.6 million. Significant fluctuations occur in this revenue source due to changes in economic conditions, and more specifically the housing market. The City will remain conservative in projecting this revenue source and in spending monies on capital projects.

In FY2017, the City took advantage of one-time proceeds from the sale of City property to call general obligation bonds issued in 2008. To provide an additional annual funding source for the Capital Improvement Program, the City Council approved the creation of a Capital Improvements property tax levy that would mirror the debt service maturities associated with the 2008 bonds. Beginning in FY2018, this measure provided an additional \$820,000 to the Capital Improvements Fund.

A Public Works Committee consisting of three City Council members was created to oversee capital improvement projects and programs. Annually in October, the Public Works Committee and city staff

finalize the draft of the Five Year Capital Improvement Program. This draft is discussed at a City Council Finance Committee budget meeting, typically held in November.

Five-year fund balance forecasts are prepared for major funds of the City each year as part of the budget development process to assist the City in identifying budget challenges on the horizon and ensure that a proactive approach is taken to addressing these challenges. In recent years, a ten-year forecast has been developed for the General Fund.

Pension Benefits. Escalating costs for employee pension benefits will continue to pose financial challenges to the City. Sworn police and fire personnel receive retirement and disability benefits from the Police Pension Fund and Firefighters' Pension Fund, respectively. Both of these plans are defined benefit, single-employer plans administered by boards of trustees. The defined benefits and employee contribution levels are governed by Illinois Compiled Statutes and may only be amended by the Illinois General Assembly. Police participants are required to contribute 9.91% of their base salaries and fire participants are required to contribute 9.455% of their base salaries. The City is required to contribute the remaining amounts necessary to finance each plan as determined by an independent actuary. As of April 30, 2018, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 54.2% and for the Firefighters' Pension Plan is 70.6%.

All other employees of the City who work over 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. Benefit provisions and funding requirements are established by State statutes and may only be changed by the Illinois General Assembly. Employees participating are required to contribute 4.5% of their annual wages and the City is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan. As of December 31, 2017, the funded ratio for IMRF is 98.8%, including the actuarial accrued liability for retirees which is 100% funded.

In early 2010, a bill was signed by the Governor with an effective date of January 1, 2011, approving a "two-tier" system, where current employees keep their existing pension plans, but new hires will join a less expensive new system. IMRF was included in the bill but not the Police and Firefighters' pension plans. By the end of 2010, the Illinois General Assembly approved police and firefighter pension reform legislation effective January 1, 2011. The law does not affect the pensions of all employed police officers and firefighters - only those hired after January 1, 2011. Although cost savings from both bills will not be seen immediately, it does provide the City long-term financial relief.

Implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*, for Fiscal Year 2015 and No. 68, *Accounting and Financial Reporting for Pensions*, for Fiscal Year 2016 has resulted in significant changes to the reporting of pension obligations in the City's financial statements. In anticipation of these statements taking effect, the City made adjustments to the mortality table and interest rate assumptions for its police and fire pension fund actuarial valuations. These changes reduced the funded ratio of the plans, but were intended to put the City in an even stronger position going forward. These changes are in addition to historically overfunding the annual pension cost compared to minimum requirements per State Statutes.

The City Council has continued deliberations on the funding of public safety pensions with the support of staff, the fire and police pension boards, and the City's independent actuary. Significant changes to actuarial assumptions were made for the 4/30/17 actuarial valuations, increasing the funding requirement for FY2019 by a combined \$800,000. A public safety pension fee was implemented effective May 1, 2017 as noted previously. A public pension subcommittee established by the Mayor continues to discuss alternatives for future consideration by the City Council.

Additional information on the City's pension obligations, as well as other postemployment benefits, may be found in Note IV of the financial statements, as well as in the Required Supplementary Information.

Major Initiatives

The City is committed to maintaining the quality of life and preserving the character and heritage of Lake Forest. The City must continue to adhere to its prudent financial management practices and remain focused on sustaining long-term financial stability. For FY2018, the most significant initiatives were as follows:

- In January 2015, the City Council approved ordinances adopting a Tax Increment Financing (TIF) District on a 10-acre site at the north end of the Commercial Business District. In FY2016, the City completed required demolition of existing structures and remediation of the site. In April 2016, the City Council approved a First Amendment to the Purchase/Sale Agreement, redevelopment agreement, final plat of subdivision and Final Development Planned Development Ordinance. The plan includes 165 total units – 12 single family homes, 42 condominium units and 111 apartments. Significant construction progress was made in FY2018, with 40% of the apartments leased, 8 condos sold and 3 single family homes sold as of July 2018.
- Construction of a new \$190 million replacement hospital on the campus of the existing Northwestern Lake Forest Hospital was completed with the new hospital opening in March 2018.



- In February 2016, the City Council authorized final design of water plant improvements that will increase the plant capacity to 14 MGD (million gallons per day) and utilize GE membrane filters. In FY2018, construction commenced with a significant portion of the project funded from bonds issued in May 2017.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Lake Forest for its comprehensive annual financial report for the fiscal year ended April 30, 2017. This was the 39th consecutive year that the City of Lake Forest has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report. We would also like to thank the Mayor, members of the City Council and the Audit Committee for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert R. Kiely, Jr.".

Robert R. Kiely, Jr.
City Manager

A handwritten signature in black ink, appearing to read "Elizabeth A. Holleb".

Elizabeth A. Holleb
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**City of Lake Forest
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morrill

Executive Director/CEO

List of Principal Officials

Year Ended April 30, 2018

LEGISLATIVE

City Council

Robert Lansing, Mayor

Prue R. Beidler

Melanie Rummel

James E. Morris

Timothy Newman

Stanford Tack

Jack Reisenberg

Raymond P. Buschmann

Michelle Moreno

AUDIT COMMITTEE

Vince Sparrow, Chairman

Andrew Logan

William McFadden

William Smith

Dean Stieber

Robert Lansing, Mayor (ex-officio)

James E. Morris, Finance Committee Chairman (ex-officio)

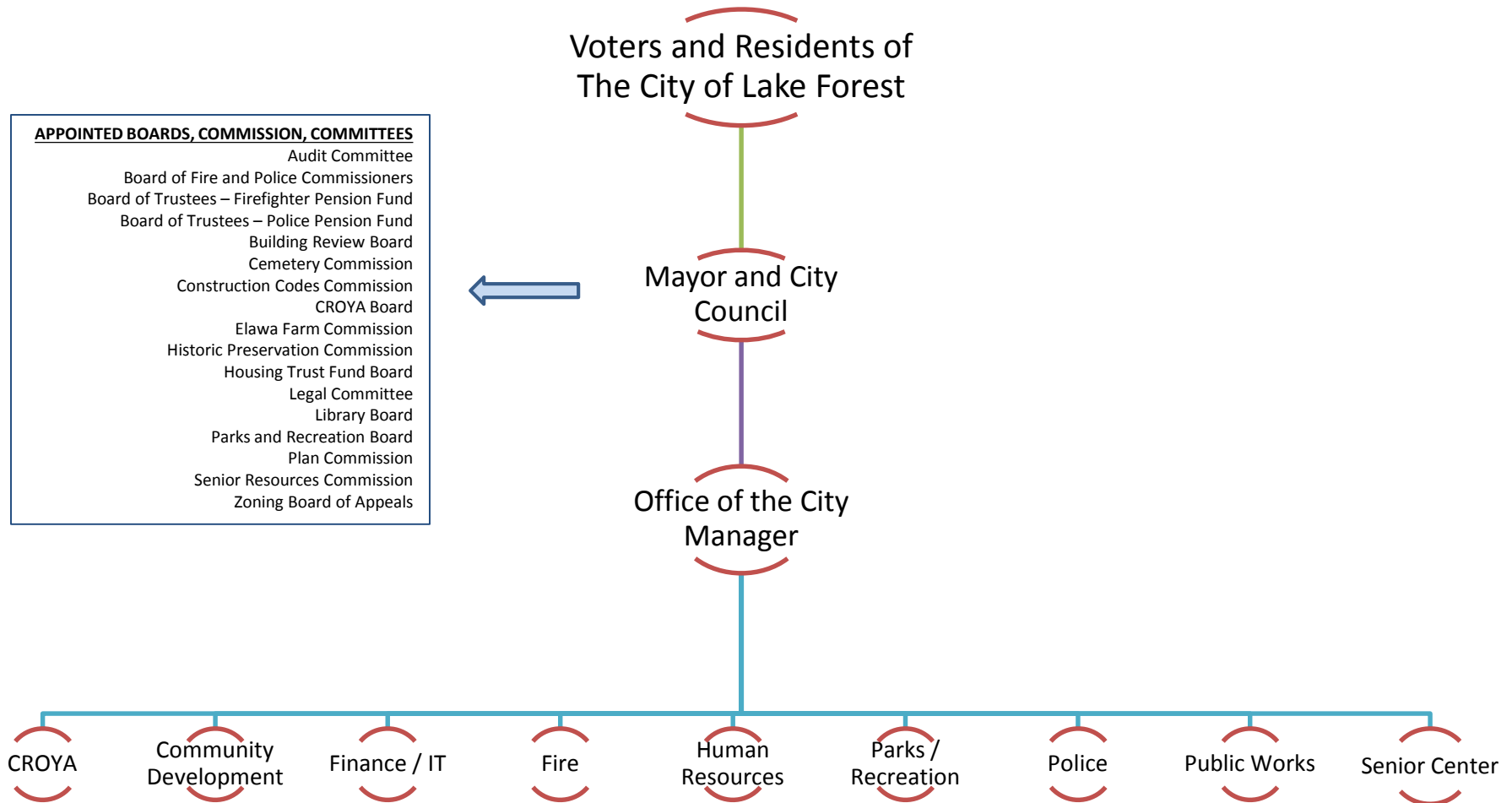
EXECUTIVE

Robert R. Kiely Jr., City Manager

DEPARTMENT OF FINANCE

Elizabeth Holleb, Director of Finance

Diane Hall, Assistant Finance Director



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Lake Forest, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Forest, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Lake Forest's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Lake Forest's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Forest's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and City Council
City of Lake Forest, Illinois

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Forest, Illinois, as of April 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Forest's basic financial statements. The supplementary information as listed 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Forest's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 18, 2018

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2018

The City of Lake Forest's (the City) management's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year's challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the City's financial statements (beginning on page 16).

Financial Highlights

- The City's net position increased \$3.3 million for the fiscal year ending April 30, 2018 (FY18). Governmental net position decreased \$1.2 million and business-type net position increased \$4.5 million.
- The governmental activities revenue decreased by \$1.4 million (2.6%) due to reduced charges for services and capital grants/contributions, increased intergovernmental taxes and increased investment income. The expenses decreased by \$8.6 million (14.6%) due primarily to adjustments related to pensions and a temporary loss on the sale of assets in the prior year. Transfers increased by \$3.9 million related to one time permit fees transferred for capital improvements and a capital contribution from the Capital Improvements Fund to the Water and Sewer Fund.
- The business-type activities revenue increased by \$.4 million (4.2%) primarily due to an increase in charges for services in the Water and Sewer Fund, as well as investment income. The City's business-type activity expenses decreased by \$.9 million (8.5%) due primarily to pension adjustments and non-capitalized improvements in FY17. Transfers increased by \$3.9 million as discussed above.
- The total cost of all City programs decreased from \$69.6 million in FY17 to \$60.1 million in FY18 – a decrease of \$8.5 million or 14.6% - attributable to pension adjustments, non-capitalized improvements and a temporary loss of the sale of capital assets in FY17.

**USING THE FINANCIAL SECTION OF THE
COMPREHENSIVE ANNUAL REPORT**

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 16-18) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The Statement of Net Position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 17-18) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2018

The Governmental Activities reflect the City's basic services, including highways and streets, sanitation, culture and recreation, public safety and general government. Property taxes, sales tax, income taxes and local utility taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Waterworks and Sewerage, Golf) where the fee for service is intended to cover all or most of the costs of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental Major Funds (see pages 19 and 21) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension, Firefighters' Pension, Cemetery Trust, and Special Assessment Funds). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities total column on the Business-type Fund Financial Statements (see pages 23 - 27) is essentially the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 20 and 22). The flow of current financial resources will reflect debt proceeds and inter-fund transfers as other financing sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) was not reported nor depreciated in governmental financial statements. Generally accepted accounting principles now require that these assets be valued and reported within the Governmental Activities column of the government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year) by category measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

CITY OF LAKE FOREST, ILLINOIS
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GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The City's combined net position increased by \$3.3 million for FY18 – from \$222.2 million to \$225.5 million. The analysis following will look at net position and net expenses of governmental and business-type activities separately. The total net position for the governmental activities decreased by \$1.2 million – from \$177.0 million to \$175.8 million. The business-type activities net position increased by \$4.5 million – from \$45.2 million to \$49.7 million. Table 1 reflects the condensed Statement of Net Position compared to FY17. Table 2 will focus on the changes in net position of the governmental and business-type activities.

Table 1
Statement of Net Position
As of April 30, 2017 and 2018
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Current and Other Assets	\$91.3	\$92.7	\$9.6	\$15.2	\$100.9	\$107.9
Capital Assets	200.6	199.0	50.9	58.7	251.5	257.7
Total Assets	291.9	291.7	60.5	73.9	352.4	365.6
Deferred Outflows	8.9	3.2	1.1	0.4	10.0	3.6
Long- Term Liabilities	88.3	78.3	15.4	21.5	103.7	99.8
Other Liabilities	7.5	7.2	0.9	2.3	8.4	9.5
Total Liabilities	95.8	85.5	16.3	23.8	112.1	109.3
Deferred Inflows	28.0	33.6	0.1	0.8	28.1	34.4
Net Position:						
Net Investment in						
Capital Assets	170.6	166.6	37.5	40.7	208.1	207.3
Restricted	15.5	20.2	0.0	0.0	15.5	20.2
Unrestricted	(9.1)	(11.0)	7.7	9.0	(1.4)	(2.0)
Total Net Position	\$177.0	\$175.8	\$45.2	\$49.7	\$222.2	\$225.5

For more detailed information see the Statement of Net Position (page 16).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities will impact (increase/decrease) current assets and unrestricted net position.

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

Spending Borrowed Proceeds on New Capital will reduce current assets and increase capital assets. There is a second impact, an increase in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Principal Payment on Debt will (a) reduce current assets and reduce long-term debt; and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation will reduce capital assets and net investment in capital assets.

Current Year Impacts

The City's \$3.3 million increase in combined net position (which is the City's bottom line) was the result of the governmental activities net position decreasing by \$1.2 million and the business-type activities net position increasing by \$4.5 million.

The governmental activities total assets decreased by \$.2 million (<.10%) while the governmental activities total liabilities decreased by \$10.3 million (10.75%). With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, long-term liabilities now include the net pension liability previously only disclosed in the notes to the financial statements. The decrease in total assets is primarily due to depreciation on capital assets. The decrease in total liabilities is due primarily to the reduction in Net Pension Liability for the Illinois Municipal Retirement Fund (IMRF). See additional information in the Long-Term Obligations and Employees' Retirement System sections of the Notes to Financial Statements and the Debt Outstanding section of the MD&A.

A decrease in deferred outflows of \$5.7 million related to pensions, while an increase in deferred inflows of \$5.6 million related to pensions and an increase in property taxes levied for future periods.

Net investment in capital assets decreased by \$4.0 million (2.3%) due to the expenditure of prior year bond proceeds and depreciation and the paydown of G.O. Bonds that funded the capital assets. Restricted net position increased \$4.7 million largely due to bond proceeds expended for capital improvements. Unrestricted net position decreased by \$1.9 million primarily due to the net effect of GASB 68 reporting of pension obligations.

The net position of business-type activities increased by \$4.5 million, from \$45.2 million to \$49.7 million. The primary change in assets of the business-type activities was an increase in capital assets as well as unspent bond proceeds at year end.

Long-term liabilities increased by \$6.1 million due to a new bond issue for water plant improvements, offset in part by scheduled maturities of debt obligations. Net investment in capital assets increased by \$ 3.2 million due to bond-funded capital improvements, and unrestricted net position increased by \$1.3 million. The majority of the unrestricted net position can be used by the City to finance water and sanitary sewer operations. The City has a policy of maintaining 33% of revenue plus one year's debt service plus \$500,000 as a reserve in its water fund. The annual operating cost for this program is approximately \$7.5 million per year and interest expense on bonds is \$.6 million.

Changes in Net Position

The City's combined change in net position was an increase of \$3.3 million in FY18. The City's total revenues decreased by \$1.0 million, primarily driven by reduced charges for services offset in part by increased interest income. The City's cost of all programs decreased by \$9.5 million, largely attributable to pension adjustments, as well as non-capitalized improvements and a temporary loss on the sale of capital assets in the prior year.

The chart on the following page compares the revenue and expenses for the current and previous fiscal year.

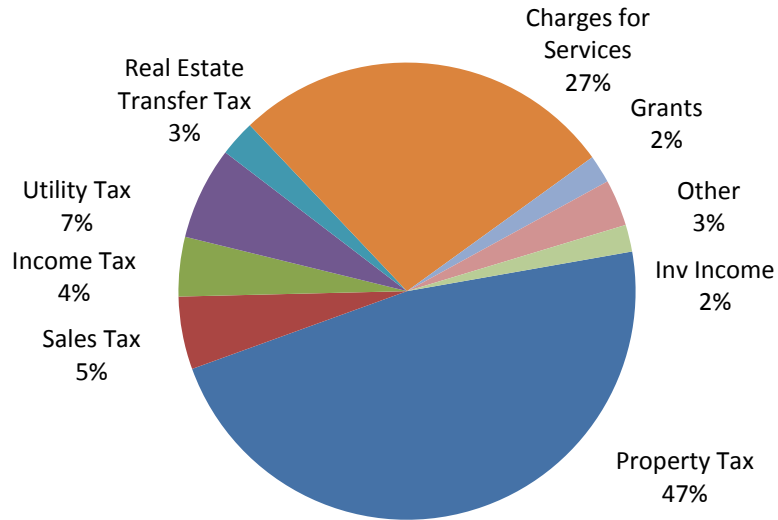
CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2018

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2017 and 2018
(in millions)

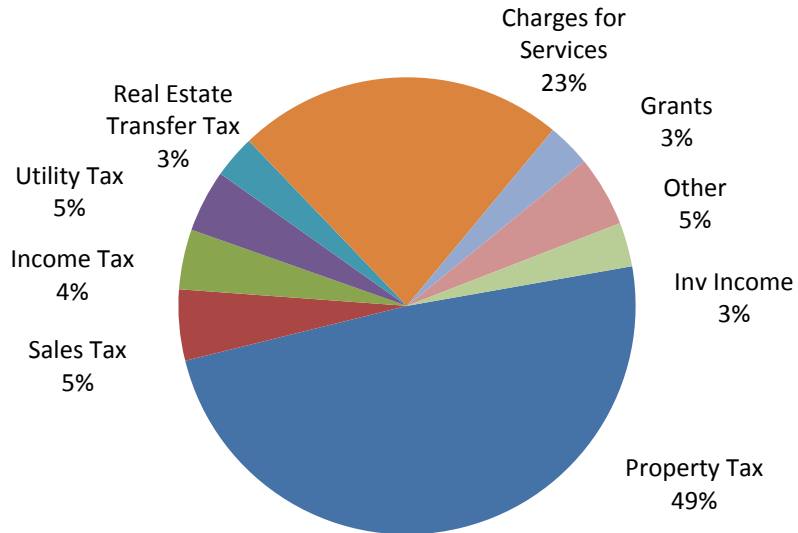
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
REVENUE						
Program Revenue						
Charges for Services	\$14.9	\$12.4	\$9.5	\$9.6	\$24.4	\$22.0
Grants and Contributions						
Operating	1.1	1.3			1.1	1.3
Capital	1.2	0.4			1.2	0.4
General Revenue						
Property Taxes	25.9	26.2			25.9	26.2
Other Taxes	4.7	4.7			4.7	4.7
Intergovernmental - Taxes	6.1	6.8			6.1	6.8
Interest Revenue	1.0	1.7			1.0	1.7
Other	0.0	0.0		0.3	0.0	0.3
Total Revenue	54.9	53.5	9.5	9.9	64.4	63.4
EXPENSES						
Governmental Activities						
General Government	16.9	10.0			16.9	10.0
Highways and Streets	10.9	9.6			10.9	9.6
Sanitation	2.6	2.5			2.6	2.5
Culture and Recreation	10.0	10.0			10.0	10.0
Public Safety	17.0	17.0			17.0	17.0
Interest	1.6	1.3			1.6	1.3
Business-Type Activities						
Water and Sewer			8.5	8.1	8.5	8.1
Golf			2.1	1.6	2.1	1.6
Total Expenses	59.0	50.4	10.6	9.7	69.6	60.1
Excess before Transfers	(4.1)	3.1	(1.1)	0.2	(5.2)	3.3
Transfers In (out)	(0.4)	(4.3)	0.4	4.3	0.0	0.0
Change in Net Position	(4.5)	(1.2)	(0.7)	4.5	(5.2)	3.3
Net Position - Beginning	181.5	177.0	45.9	45.2	227.4	222.2
Net Position - Ending	\$177.0	\$175.8	\$45.2	\$49.7	\$222.2	\$225.5

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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FY2017 Governmental Activities Revenue

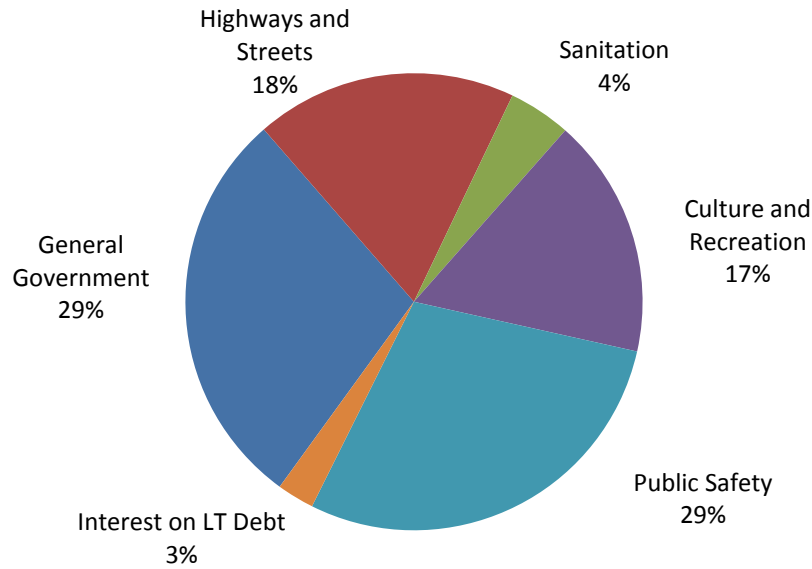


FY2018 Governmental Activities Revenue

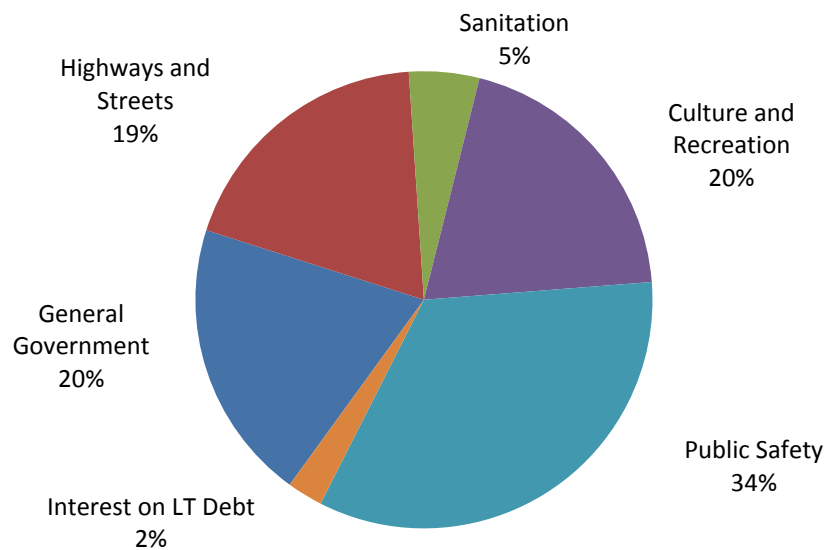


CITY OF LAKE FOREST, ILLINOIS
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FY2017 Governmental Activities Expenses



FY2018 Governmental Activities Expenses



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below.

Revenues

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

Increase/Decrease in City approved rates – while certain tax rates are set by statute, the City Council has authority to impose and periodically increase/decrease rates (water, sewer, building fees, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – investment income on the City's investment portfolio may fluctuate based on market conditions.

Expenses

Introduction of New Programs – within the functional expense categories (Public Safety, Highways and Streets, General Government, etc.), individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent nearly 70% of the City's general fund operating costs.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

Revenue

For the fiscal year ended April 30, 2018, revenues from governmental activities totaled \$53.5 million, decreasing \$1.4 million compared to FY17. The primary changes occurred in Charges for Services (down \$2.5 million), Capital Grants (down \$.8 million), Intergovernmental Taxes (up \$.7 million) and Interest Revenue (up \$.7 million). The decrease in Charges for Services was largely due to one-time permit fees collected in FY17. Intergovernmental Taxes increase was due primarily to a \$650,000 payment to the Housing Trust Fund. Investment income increased due to rising interest rates. Property tax revenue continues to be the City's single largest revenue source, contributing \$26.2 million (49%) of governmental activities revenue.

Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$35.1 million and represent 66% of the total governmental activities revenue.

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The real estate transfer tax became effective July 5, 2006 with a 58% voter approval via referendum. The tax is imposed upon buyers of any residential or commercial real estate at a rate of \$4.00 per \$1,000 of value. The revenue is used strictly to improve the City's infrastructure.

The City's 2017 equalized assessed valuation increased 3.7% compared to the prior year and totaled \$2,532,266,902. Although the City became a home rule municipality in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Laws (PTELL), otherwise known as the tax cap, to the extent possible. The increase of approximately 1.6% over FY17 in property taxes was generated as a result of the City Council adopting a 1.45% increase in the levy and new growth. While the tax cap applicable to this levy was .70%, the levies for debt service and capital improvements combined exceeded the tax cap.

Investment income increased by \$0.7 million, from \$1.0 million to \$1.7 million. The City's strategy for investing did not change but the City benefited from improved market conditions.

Expenses

For the fiscal year ended April 30, 2018, expenses for governmental activities totaled \$50.4 million, a decrease of \$8.6 million (14.6%). The decrease is due in large part to pension adjustments and a temporary loss on the sale of the property associated with the prior Municipal Services facility in FY17. Increases in personnel costs, which represent nearly 70% of the General Fund operating costs, continue to outpace revenue growth. With high demand for skilled employees in both the public and private sectors in this region, it is important that the City provide competitive compensation levels for our employees. The FY18 expenses included funding for the City's performance based employee compensation package plus a 2.5% general salary adjustment.

Business-type Activities

Revenue

Total revenue for the business-type activities increased by \$.4 million (4.2%) primarily due to an increase in charges for services in the Water and Sewer Fund, as well as investment income.

Expenses

The City's business-type activity expenses decreased by \$.9 million (8.5%) due primarily to pension adjustments and non-capitalized improvements in FY17.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2018, the governmental funds (as presented on the balance sheet on page 19) reported a combined fund balance of \$50.1 million which is a \$.6 million (1.2%) increase from the beginning of the year (\$49.5 million). This modest increase was largely driven by excess of revenues over expenditures in the General Fund. Of the total fund balance of \$50.1 million, \$.2 million is not available for continuing City services and capital projects, and \$20.8 million is restricted in its use. The unassigned fund balance for the total of all governmental funds is \$29.1 million, which is a \$.3 million (1.2%) increase over the prior year.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total Fund Balance of the General Fund decreased by \$.3 million or 1% from FY17 (from \$29.6 million to \$29.3 million). The General Fund revenues decreased by \$1 million (2.5%) due primarily to one time permit fees received in the prior year. The General Fund expenditures increased by \$.8 million (2.7%) due to personnel costs and increased principal retirement. The excess of revenues over expenditures (before transfers) for FY18 of \$5.6 million was \$1.8 million less than FY17 (\$7.4 million). The other financing sources (uses) for FY18 of \$(5.9) million was significantly higher than FY17 \$(1.6) million due to one-time revenues being transferred to other funds for capital improvements.

Property taxes increased \$.3 million, while other taxes increased \$.2 million. Although the City became a home rule unit in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Law (PTELL), otherwise known as the tax cap. As noted previously, the 2016 levy extension (FY18 revenue) allowed for a 1.45% increase as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government decreased .5%, highways and streets increased 3.4% (personnel; snow and ice control), sanitation decreased 1%, and public safety increased 2.8%. In addition, General Fund principal retirement increased \$310,000 compared to FY17.

Table 3			
General Fund Budgetary Highlights			
(in millions)			
General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$21.4	\$21.4	\$21.3
Intergovernmental	6.1	6.1	5.8
Other	7.1	7.1	8.7
Total	34.6	34.6	35.8
Expenditures and Transfers:			
Expenditures	36.1	36.4	30.2
Transfers (Net)	4.8	4.8	5.9
Total	40.9	41.2	36.1
Change in Fund Balance	(\$6.3)	(\$6.6)	(\$0.3)

Actual General Fund revenues were higher than budgeted revenues by \$.8 million during FY18. The primary variance resulted from building permit revenues exceeding projections. Actual General Fund expenditures and transfers were lower than the final budget by \$5.1 million. It is the City's policy to add

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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10%, which is \$3.3 million, of contingency funding to the budget appropriation. The contingency amount is only for specific uses as determined by the City Council and was not expended in FY18. Additional information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 88.

The Parks and Recreation Fund accounts for the parks and recreation programs. Services include forestry and parks maintenance operations, a fitness center, dance academy, and a variety of other indoor and outdoor programs. The Fund Balance of the Parks and Recreation Fund decreased by \$.8 million, from \$2.8 million to \$2.0 million. The Parks and Recreation Fund revenues and expenditures were consistent with the prior year. Total other financing sources (uses) were \$6,498 in FY17, but \$(.5) million in FY18, due to increased transfers to the Golf Course Fund for capital improvements.

The Capital Improvements Fund is reported as a Major Fund for FY18 and is used to account for revenues associated with City building and infrastructure projects. Fund balance of this fund increased by \$1.4 million in FY18. Compared to FY17, revenue increased by \$.5 million due to increases in property and real estate transfer taxes. Total expenditures increased by \$.5 million in the capital outlay category. Transfers in of \$3.1 million for FY18 consisted of one time permit fees and fund balance of the General Fund for one-time capital improvements.

The Debt Service Fund is reported as a Nonmajor Fund for FY18 and is used to account for revenues used to retire non-Enterprise Fund obligations. Fund balance for FY18 increased by \$83,065, from \$1.4 million to \$1.5 million.

CAPITAL ASSETS

Table 4						
Capital Assets at Year End - 2017 and 2018						
Net of Depreciation						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2017	2018	2017	2018	2017	2018
Land and Improvements	\$38.2	\$38.2	\$0.5	\$0.5	\$38.7	\$38.7
Infrastructure - Land	66.7	66.7			66.7	66.7
Construction in Progress	0.0	0.0	0.0	8.6	0.0	8.6
Infrastructure	54.3	54.9			54.3	54.9
Buildings	19.0	18.3	12.4	11.4	31.4	29.7
Improvements	18.2	16.9	23.3	23.5	41.5	40.4
Machinery and Equipment	4.2	4.0	1.6	1.7	5.8	5.7
Sanitary Sewers	0.0	0.0	13.1	13.0	13.1	13.0
Total	\$200.6	\$199.0	\$50.9	\$58.7	\$251.5	\$257.7

At the end of FY18, the City had a combined total of \$257.7 million invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$6.2 million. The net increase is attributable to a \$1.6 million decrease in governmental activities and a \$7.8 million increase in the business-type activities.

The decrease in the governmental activities was due to depreciation exceeding additions by \$1.6 million. The increase in business-type activities was due primarily to \$8.6 million of construction in progress associated with water plant improvements.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2018

The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 56-58 of the Notes.

Table 5			
Change in Capital Assets			
(in millions)			
	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$200.6	\$50.9	\$251.5
Additions			
Depreciable	4.2	2.0	6.2
Construction in Progress		8.7	8.7
Retirements			
Depreciable	(1.2)	(0.1)	(1.3)
Depreciation	(5.8)	(2.9)	(8.7)
Retirements	1.2	0.1	1.3
Ending Balance	\$199.0	\$58.7	\$257.7

Debt Outstanding

The City had \$54.3 million of general obligation bonds outstanding at April 30, 2018. Of this amount \$24.2 million were payable from property taxes and the remainder were self-supporting. The City abates the property tax levies for these debt issues annually.

The City's per capita debt ratio for all direct and overlapping debt with other governmental units was \$5,735 and \$4,181 if self-supporting debt is excluded.

The City operated as a home rule community for FY18. The City was granted home rule status via a referendum held on November 2, 2004. Under home rule authority, the City does not have a legal debt limit. For more detailed information on long-term debt activity, see pages 61-63.

The City issued \$9.3 million in general obligation bonds in FY18. The proceeds are being used to fund water plant improvements, and the debt service on this issue will be paid from water utility revenues.

As of April 30, 2018, the City's net pension liability is \$42.9 million, a decrease of \$9.5 million compared to the \$52.4 million balance as of April 30, 2018. Additional information regarding the net pension liability can be found in Note IV.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Economic Factors

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2017, the City's annual average unemployment rate was estimated to be 3.9%, compared to 4.4% for Lake County and 5.0% for the State of Illinois.

The City maintains a Aaa bond rating from Moody's Investors Service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Elizabeth Holleb, Finance Director, City of Lake Forest, 800 N. Field Drive, Lake Forest, IL 60045 or by email at HollebE@cityoflakeforest.com.

BASIC FINANCIAL STATEMENTS

CITY OF LAKE FOREST

STATEMENT OF NET POSITION As of April 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Lake Forest Library
ASSETS				
Cash and cash equivalents	\$ 52,586,986	\$ 13,228,149	\$ 65,815,135	\$ 3,701,986
Investments	6,065,340	-	6,065,340	-
Receivables (net)				
Property taxes	27,134,875	-	27,134,875	4,010,981
Other taxes	383,312	-	383,312	7,332
Accounts	1,826,593	1,372,866	3,199,459	-
Loans	311,283	-	311,283	-
Other	2,427,752	3,921	2,431,673	1,135
Due from other governments	1,358,723	-	1,358,723	-
Internal balances	(583,562)	583,562	-	-
Inventories	396,478	69,321	465,799	-
Prepaid items	667,413	6,580	673,993	43,999
Due from fiduciary funds	87,136	-	87,136	-
Capital Assets				
Capital assets not being depreciated	104,945,459	9,120,983	114,066,442	238,500
Capital assets being depreciated, net of accumulated depreciation	94,038,770	49,546,224	143,584,994	2,886,301
Total Assets	<u>291,646,558</u>	<u>73,931,606</u>	<u>365,578,164</u>	<u>10,890,234</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	21,789	265,762	287,551	-
Deferred outflows of resources related to pensions	3,247,934	89,350	3,337,284	82,127
Total Deferred Outflows of Resources	<u>3,269,723</u>	<u>355,112</u>	<u>3,624,835</u>	<u>82,127</u>
LIABILITIES				
Accounts payable	1,672,002	1,327,657	2,999,659	87,290
Accrued liabilities	1,764,767	432,464	2,197,231	79,256
Accrued interest payable	360,188	219,119	579,307	-
Deposits	948,296	-	948,296	-
Unearned revenue	2,349,957	301,680	2,651,637	-
Due to fiduciary funds	43,663	-	43,663	-
Noncurrent Liabilities				
Due within one year	1,549,625	1,992,000	3,541,625	33,333
Due in more than one year	76,818,472	19,497,053	96,315,525	420,951
Total Liabilities	<u>85,506,970</u>	<u>23,769,973</u>	<u>109,276,943</u>	<u>620,830</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	6,480,158	836,363	7,316,521	722,555
Property taxes levied for future periods	27,134,875	-	27,134,875	4,010,981
Total Deferred Inflows of Resources	<u>33,615,033</u>	<u>836,363</u>	<u>34,451,396</u>	<u>4,733,536</u>
NET POSITION				
Net investment in capital assets	166,607,491	40,729,712	207,337,203	3,094,112
Restricted for				
Culture and recreation	3,170,905	-	3,170,905	-
Highways and streets	514,629	-	514,629	-
Public safety	643,857	-	643,857	-
Cemetery purposes	6,945,742	-	6,945,742	-
Affordable housing	1,417,922	-	1,417,922	-
Capital projects	6,338,753	-	6,338,753	-
Debt service	1,161,697	-	1,161,697	-
Unrestricted	(11,006,718)	8,950,670	(2,056,048)	2,523,883
TOTAL NET POSITION	<u>\$ 175,794,278</u>	<u>\$ 49,680,382</u>	<u>\$ 225,474,660</u>	<u>\$ 5,617,995</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 9,884,646	\$ 5,203,210	\$ 358,419	\$ 356,178
Highway and streets	9,621,569	1,006,644	510,249	-
Sanitation	2,585,940	721,276	-	-
Culture and recreation	10,003,119	3,491,365	418,269	-
Public safety	17,017,092	1,992,985	11,069	-
Interest on long-term debt	1,271,181	-	-	-
Total Governmental Activities	<u>50,383,547</u>	<u>12,415,480</u>	<u>1,298,006</u>	<u>356,178</u>
Business-type Activities				
Waterworks and Sewerage	8,122,998	8,083,554	-	-
Deerpath Golf Course	<u>1,604,261</u>	<u>1,480,618</u>	-	-
Total Business-type Activities	<u>9,727,259</u>	<u>9,564,172</u>	-	-
Total Primary Government	<u>\$ 60,110,806</u>	<u>\$ 21,979,652</u>	<u>\$ 1,298,006</u>	<u>\$ 356,178</u>
Component Unit				
Lake Forest Library	<u>\$ 3,763,808</u>	<u>\$ 72,987</u>	<u>\$ 182,817</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property				
Home rule sales				
Utility				
Real estate transfer				
Other				
Intergovernmental				
Sales				
Income				
Telecommunication				
Replacement				
Other				
Investment income				
Total General Revenues				
Gain (loss) on sale of assets				
Transfers				
Total General Revenues and Transfers				

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Lake Forest Library
\$ (3,966,839)	\$ -	\$ (3,966,839)	\$ -
(8,104,676)	-	(8,104,676)	-
(1,864,664)	-	(1,864,664)	-
(6,093,485)	-	(6,093,485)	-
(15,013,038)	-	(15,013,038)	-
(1,271,181)	-	(1,271,181)	-
<u>(36,313,883)</u>	<u>-</u>	<u>(36,313,883)</u>	<u>-</u>
-	(39,444)	(39,444)	-
-	<u>(123,643)</u>	<u>(123,643)</u>	-
-	<u>(163,087)</u>	<u>(163,087)</u>	-
<u>(36,313,883)</u>	<u>(163,087)</u>	<u>(36,476,970)</u>	<u>-</u>
-	-	-	(3,508,004)
26,193,444	-	26,193,444	3,948,138
583,101	-	583,101	-
2,358,448	-	2,358,448	-
1,622,900	-	1,622,900	-
222,057	-	222,057	-
2,105,736	-	2,105,736	-
2,272,639	-	2,272,639	-
1,081,917	-	1,081,917	-
135,417	-	135,417	37,364
1,237,671	61,835	1,299,506	-
<u>1,665,391</u>	<u>236,990</u>	<u>1,902,381</u>	<u>69,186</u>
<u>39,478,721</u>	<u>298,825</u>	<u>39,777,546</u>	<u>4,054,688</u>
(3,874)	-	(3,874)	-
<u>(4,343,841)</u>	<u>4,343,841</u>	<u>-</u>	<u>-</u>
<u>35,131,006</u>	<u>4,642,666</u>	<u>39,773,672</u>	<u>4,054,688</u>
(1,182,877)	4,479,579	3,296,702	546,684
<u>176,977,155</u>	<u>45,200,803</u>	<u>222,177,958</u>	<u>5,071,311</u>
<u>\$ 175,794,278</u>	<u>\$ 49,680,382</u>	<u>\$ 225,474,660</u>	<u>\$ 5,617,995</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2018

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 30,715,101	\$ 2,412,704	\$ 6,422,944	\$ 5,845,637	\$ 45,396,386
Investments	-	-	-	6,065,340	6,065,340
Receivables (net)					
Property taxes	18,979,072	5,588,969	814,116	1,752,718	27,134,875
Other taxes	383,312	-	-	-	383,312
Accounts	604,395	268,502	953,696	-	1,826,593
Loans	311,283	-	-	-	311,283
Other	-	-	-	533,677	533,677
Due from other governments	1,306,270	8,098	-	44,355	1,358,723
Advances to other funds	-	-	-	380,000	380,000
Due from other funds	-	261,005	-	-	261,005
Due from fiduciary funds	-	-	-	87,136	87,136
Inventories	64,027	-	-	-	64,027
Prepaid items	86,011	-	-	28,689	114,700
TOTAL ASSETS	\$ 52,449,471	\$ 8,539,278	\$ 8,190,756	\$ 14,737,552	\$ 83,917,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 563,045	\$ 222,757	\$ 243,173	\$ 76,123	\$ 1,105,098
Accrued liabilities	847,525	187,728	-	23,326	1,058,579
Deposits	897,448	4,848	28,000	18,000	948,296
Unearned revenue	1,837,836	503,497	8,624	-	2,349,957
Advances from other funds	-	-	380,000	-	380,000
Due to fiduciary funds	43,663	-	-	-	43,663
Total Liabilities	<u>4,189,517</u>	<u>918,830</u>	<u>659,797</u>	<u>117,449</u>	<u>5,885,593</u>
Deferred Inflows of Resources					
Property taxes levied for a future period	18,979,072	5,588,969	814,116	1,752,718	27,134,875
Unavailable revenues	-	-	778,796	1,344	780,140
Total Deferred Inflows of Resources	<u>18,979,072</u>	<u>5,588,969</u>	<u>1,592,912</u>	<u>1,754,062</u>	<u>27,915,015</u>
Fund Balances					
Nonspendable	150,038	-	-	28,688	178,726
Restricted	-	2,031,479	5,938,047	12,837,353	20,806,879
Unassigned	29,130,844	-	-	-	29,130,844
Total Fund Balances	<u>29,280,882</u>	<u>2,031,479</u>	<u>5,938,047</u>	<u>12,866,041</u>	<u>50,116,449</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 52,449,471	\$ 8,539,278	\$ 8,190,756	\$ 14,737,552	\$ 83,917,057

See accompanying notes to financial statements.

CITY OF LAKE FOREST

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2018

Total Fund Balances - Governmental Funds	\$ 50,116,449
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III. C.	198,984,229
Less amount reported in internal service funds below.	(8,913)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	780,140
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	3,247,934
Less amount reported in internal service funds below.	(34,421)

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(6,480,158)
Less amount reported in internal service funds below.	283,868

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(33,358,409)
Compensated absences	(1,867,706)
Accrued interest	(360,188)
Unamortized debt discount	22,443
Unamortized debt premium	(124,572)
Net pension liabilities	(42,740,885)
Other post-employment obligation	(298,968)
Less amount reported in internal service funds below.	84,190

A deferred charge on refunding represents a consumption of net position that applies to a future period and, therefore, is not reported in the funds.	21,789
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The net position of the internal service funds are included in the governmental activities in the Statement of Net Position.	<u>7,527,456</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 175,794,278</u>
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CITY OF LAKE FOREST

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

For the Year Ended April 30, 2018

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes:					
Property	\$ 18,186,629	\$ 5,517,237	\$ 827,728	\$ 1,661,850	\$ 26,193,444
Other	3,115,606	-	1,646,900	24,000	4,786,506
Intergovernmental	5,781,763	42,607	-	506,813	6,331,183
Licenses and permits	3,232,276	-	-	-	3,232,276
Fines, forfeitures and penalties	345,438	-	-	-	345,438
Charges for services	3,568,354	2,675,688	725,624	1,863,413	8,833,079
Grants and contributions	18,950	266,629	274,408	437,302	997,289
Investment income	486,609	63,656	82,955	919,947	1,553,167
Miscellaneous	1,110,893	5,165	64,254	650,840	1,831,152
Total Revenues	<u>35,846,518</u>	<u>8,570,982</u>	<u>3,621,869</u>	<u>6,064,165</u>	<u>54,103,534</u>
EXPENDITURES					
Current					
General government	9,851,906	-	30,339	587,495	10,469,740
Highways and streets	2,354,587	-	-	-	2,354,587
Sanitation	2,290,986	-	-	-	2,290,986
Culture and recreation	-	8,295,942	-	557,605	8,853,547
Public safety	15,181,216	-	-	339,563	15,520,779
Capital Outlay	51,489	492,996	5,330,350	2,872,046	8,746,881
Debt Service					
Principal retirement	483,360	-	-	1,298,796	1,782,156
Interest and fiscal charges	-	-	-	1,277,596	1,277,596
Total Expenditures	<u>30,213,544</u>	<u>8,788,938</u>	<u>5,360,689</u>	<u>6,933,101</u>	<u>51,296,272</u>
Excess (deficiency) of revenues over expenditures	<u>5,632,974</u>	<u>(217,956)</u>	<u>(1,738,820)</u>	<u>(868,936)</u>	<u>2,807,262</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	308,500	3,076,762	1,414,012	4,799,274
Proceeds from capital asset sales	-	1,485	24,591	-	26,076
Transfers out	(5,929,540)	(837,000)	-	(283,480)	(7,050,020)
Total Other Financing Sources (Uses)	<u>(5,929,540)</u>	<u>(527,015)</u>	<u>3,101,353</u>	<u>1,130,532</u>	<u>(2,224,670)</u>
Net Change in Fund Balances	(296,566)	(744,971)	1,362,533	261,596	582,592
FUND BALANCES - Beginning of Year	<u>29,577,448</u>	<u>2,776,450</u>	<u>4,575,514</u>	<u>12,604,445</u>	<u>49,533,857</u>
FUND BALANCES - END OF YEAR	<u>\$ 29,280,882</u>	<u>\$ 2,031,479</u>	<u>\$ 5,938,047</u>	<u>\$ 12,866,041</u>	<u>\$ 50,116,449</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2018

Net change in fund balances - total governmental funds	\$ 582,592
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,185,055
Depreciation is reported in the government-wide financial statements	(5,806,783)
Loss on sale or retirement of capital assets	(3,874)
Less amount reported in internal service funds below	4,805
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Unavailable revenue	(666,683)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	1,782,156
Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt discount	(3,345)
Debt premium	19,553
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(51,443)
Accrued interest on debt	11,607
Amortization of deferred charge on refunding	(21,400)
Net pension liability	8,218,394
Deferred outflows of resources related to pensions	(5,627,009)
Deferred inflows of resources related to pensions	(4,392,128)
Other post-employment benefits	(4,599)
Less amount reported in internal service funds below	16,972
Internal service funds are used by management to charge self insurance costs and fleet charges to individual funds. The change in net position of the internal service fund reported with governmental activities	573,253
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (1,182,877)

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
		Nonmajor Enterprise Fund -		Activities -
	<u>Waterworks and Sewerage</u>	<u>Deerpath Golf Course</u>	<u>Totals</u>	<u>Internal Service Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 12,449,594	\$ 778,555	\$ 13,228,149	\$ 7,190,600
Receivables				
Accounts	1,369,595	3,271	1,372,866	-
Other	3,921	-	3,921	1,894,075
Inventories	-	69,321	69,321	332,451
Prepaid items	-	6,580	6,580	552,713
Total Current Assets	<u>13,823,110</u>	<u>857,727</u>	<u>14,680,837</u>	<u>9,969,839</u>
Noncurrent Assets				
Capital Assets				
Capital assets not being depreciated	7,744,324	1,376,659	9,120,983	-
Capital assets being depreciated	105,271,525	4,075,843	109,347,368	48,047
Less: Accumulated depreciation	<u>(56,884,585)</u>	<u>(2,916,559)</u>	<u>(59,801,144)</u>	<u>(39,134)</u>
Total Noncurrent Assets	<u>56,131,264</u>	<u>2,535,943</u>	<u>58,667,207</u>	<u>8,913</u>
Total Assets	<u>69,954,374</u>	<u>3,393,670</u>	<u>73,348,044</u>	<u>9,978,752</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	253,153	12,609	265,762	-
Deferred outflows of resources related to pensions	<u>87,937</u>	<u>1,413</u>	<u>89,350</u>	<u>34,421</u>
Total Deferred Outflows of Resources	<u>341,090</u>	<u>14,022</u>	<u>355,112</u>	<u>34,421</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	1,131,740	195,917	1,327,657	566,904
Accrued liabilities	410,938	21,526	432,464	706,188
Accrued interest payable	213,465	5,654	219,119	-
Unearned revenue	17,801	283,879	301,680	-
General obligation bonds	1,909,000	78,000	1,987,000	-
Compensated absences	4,981	19	5,000	-
Due to other funds	-	261,005	261,005	-
Total Current Liabilities	<u>3,687,925</u>	<u>846,000</u>	<u>4,533,925</u>	<u>1,273,092</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	18,637,357	487,507	19,124,864	-
Compensated absences	223,998	593	224,591	34,094
Net pension liability	145,247	2,351	147,598	50,096
Total Noncurrent Liabilities	<u>19,006,602</u>	<u>490,451</u>	<u>19,497,053</u>	<u>84,190</u>
Total Liabilities	<u>22,694,527</u>	<u>1,336,451</u>	<u>24,030,978</u>	<u>1,357,282</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	<u>823,044</u>	<u>13,319</u>	<u>836,363</u>	<u>283,868</u>
Total Deferred Inflows of Resources	<u>823,044</u>	<u>13,319</u>	<u>836,363</u>	<u>283,868</u>
NET POSITION				
Net investment in capital assets	38,746,668	1,983,044	40,729,712	8,913
Unrestricted	<u>8,031,225</u>	<u>74,878</u>	<u>8,106,103</u>	<u>8,363,110</u>
TOTAL NET POSITION	<u>\$ 46,777,893</u>	<u>\$ 2,057,922</u>	48,835,815	<u>\$ 8,372,023</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>844,567</u>	
Net Position of Business-type Activities reported in the government-wide statement of net position.			<u>\$ 49,680,382</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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

For the Year Ended April 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
		Nonmajor Enterprise Fund -		Activities -
	<u>Waterworks and Sewerage</u>	<u>Deerpath Golf Course</u>	<u>Totals</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 7,970,710	\$ 1,480,618	\$ 9,451,328	\$ 8,487,566
Connection fees	90,635	-	90,635	-
Miscellaneous	<u>22,209</u>	<u>-</u>	<u>22,209</u>	<u>-</u>
Total Operating Revenues	<u>8,083,554</u>	<u>1,480,618</u>	<u>9,564,172</u>	<u>8,487,566</u>
OPERATING EXPENSES				
General and administrative	2,511,247	598,558	3,109,805	7,970,475
Operations and maintenance	2,203,728	853,619	3,057,347	-
Depreciation and amortization	<u>2,733,517</u>	<u>171,288</u>	<u>2,904,805</u>	<u>4,805</u>
Total Operating Expenses	<u>7,448,492</u>	<u>1,623,465</u>	<u>9,071,957</u>	<u>7,975,280</u>
Operating Income (Loss)	<u>635,062</u>	<u>(142,847)</u>	<u>492,215</u>	<u>512,286</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	229,492	7,498	236,990	112,224
Loss on disposal of capital assets	16,704	-	16,704	-
Interest expense	(633,279)	(14,576)	(647,855)	-
Paying agent fees	(57,908)	-	(57,908)	-
Other	<u>11,352</u>	<u>32,983</u>	<u>44,335</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(433,639)</u>	<u>25,905</u>	<u>(407,734)</u>	<u>112,224</u>
Income (Loss) Before Transfers	<u>201,423</u>	<u>(116,942)</u>	<u>84,481</u>	<u>624,510</u>
TRANSFERS				
Capital contributions	2,093,095	-	2,093,095	-
Transfers in	<u>752,508</u>	<u>1,498,238</u>	<u>2,250,746</u>	<u>-</u>
Total Transfers	<u>2,845,603</u>	<u>1,498,238</u>	<u>4,343,841</u>	<u>-</u>
Change in Net Position	<u>3,047,026</u>	<u>1,381,296</u>	<u>4,428,322</u>	<u>624,510</u>
NET POSITION - Beginning of Year	<u>43,730,867</u>	<u>676,626</u>	<u>44,407,493</u>	<u>7,747,513</u>
NET POSITION- END OF YEAR	<u>\$ 46,777,893</u>	<u>\$ 2,057,922</u>	<u>\$ 48,835,815</u>	<u>\$ 8,372,023</u>
Adjustment to change in net position to reflect the consolidation of internal service funds activities related to enterprise funds			<u>51,257</u>	
Change in Net Position of Business-type Activities reported in the government-wide statement of activities.			<u>\$ 4,479,579</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise Fund - Deerpath Golf Course	Totals	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 8,072,783	\$ 1,475,001	\$ 9,547,784	\$ 8,336,059
Paid to suppliers for goods and services	(2,343,380)	(889,405)	(3,232,785)	(7,361,155)
Paid to employees	(2,353,115)	(596,711)	(2,949,826)	(747,888)
Net Cash Flows From Operating Activities	<u>3,376,288</u>	<u>(11,115)</u>	<u>3,365,173</u>	<u>227,016</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold and matured	<u>229,492</u>	<u>7,498</u>	<u>236,990</u>	<u>112,224</u>
Net Cash Flows From Investing Activities	<u>229,492</u>	<u>7,498</u>	<u>236,990</u>	<u>112,224</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	752,508	1,634,243	2,386,751	-
Miscellaneous	<u>11,352</u>	<u>32,983</u>	<u>44,335</u>	-
Net Cash Flows From Noncapital Financing Activities	<u>763,860</u>	<u>1,667,226</u>	<u>2,431,086</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	9,295,000	-	9,295,000	-
Principal paid	(1,872,000)	(80,000)	(1,952,000)	-
Interest paid	(411,623)	(11,817)	(423,440)	-
Acquisition and construction of capital assets	(5,877,517)	(1,273,566)	(7,151,083)	-
Other - paying agent fees	<u>(57,908)</u>	<u>-</u>	<u>(57,908)</u>	-
Net Cash Flows From Capital and Related Financing Activities	<u>1,075,952</u>	<u>(1,365,383)</u>	<u>(289,431)</u>	-
Net Change in Cash and Cash Equivalents	5,445,592	298,226	5,743,818	339,240
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,004,002</u>	<u>480,329</u>	<u>7,484,331</u>	<u>6,851,360</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,449,594</u>	<u>\$ 778,555</u>	<u>\$ 13,228,149</u>	<u>\$ 7,190,600</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 635,062	\$ (142,847)	\$ 492,215	\$ 512,286
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	2,733,517	171,288	2,904,805	4,805
Changes in assets and liabilities				
Accounts receivable	(10,776)	5,209	(5,567)	(150,293)
Inventories	-	936	936	11,815
Prepaid items	-	29,074	29,074	(37,230)
Deferred outflows related to pensions	624,002	10,277	634,279	204,215
Accounts payable	(139,652)	(65,796)	(205,448)	43,015
Accrued liabilities	-	-	-	(213,235)
Accrued salaries	5,328	118	5,446	40,095
Net pension liability	(1,245,812)	(20,468)	(1,266,280)	(419,068)
Deferred inflows related to pensions	742,391	11,995	754,386	256,666
Unearned revenue	5	(10,826)	(10,821)	(1,214)
Compensated absences	<u>32,223</u>	<u>(75)</u>	<u>32,148</u>	<u>(24,841)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 3,376,288</u>	<u>\$ (11,115)</u>	<u>\$ 3,365,173</u>	<u>\$ 227,016</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Property contributed by governmental activities	<u>\$ 2,093,095</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2018

	Private Purpose Trust	Pension Trusts	Agency Fund
ASSETS			
Cash	\$ -	\$ 898,409	\$ 60,174
Money markets	12,302	76,883	-
Investments			
U.S. treasury obligations	-	12,948,174	-
U.S. government agencies	-	2,900,472	-
Municipal/corporate bonds	-	7,440,861	-
Equity securities	309,579	-	-
Mutual funds	303,726	40,043,470	-
Real estate investment fund	-	3,421,996	-
Interest receivable	-	150,846	-
Prepaid items	-	9,840	-
Due from primary government	-	43,663	-
Total Assets	<u>625,607</u>	<u>67,934,614</u>	<u>60,174</u>
LIABILITIES			
Accounts payable	199	27,194	-
Due to primary government	87,136	-	-
Due to special assessment districts	-	-	60,174
Total Liabilities	<u>87,335</u>	<u>27,194</u>	<u>60,174</u>
NET POSITION			
Restricted for pension benefits	-	67,907,420	-
Restricted for other purposes	<u>538,272</u>	<u>-</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 538,272</u>	<u>\$ 67,907,420</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2018

	Private Purpose Trust	Pension Trusts
ADDITIONS		
Contributions		
Employer	\$ -	\$ 3,402,473
Employee	-	675,702
Miscellaneous	-	50
Total Contributions	<u>-</u>	<u>4,078,225</u>
Investment income		
Interest	11,306	1,338,569
Net appreciation in fair value of investments	<u>73,814</u>	<u>3,764,823</u>
Total Investment Income	85,120	5,103,392
Less Investment expense	-	<u>201,682</u>
Net Investment Income	<u>85,120</u>	<u>4,901,710</u>
Total Additions	<u>85,120</u>	<u>8,979,935</u>
DEDUCTIONS		
Pension benefits and refunds	-	5,031,547
Other administrative expenses	<u>36,049</u>	<u>9,480</u>
Total Deductions	<u>36,049</u>	<u>5,041,027</u>
 Change in Net Position	 49,071	 3,938,908
NET POSITION - Beginning of Year	<u>489,201</u>	<u>63,968,512</u>
 NET POSITION - END OF YEAR	 <u>\$ 538,272</u>	 <u>\$ 67,907,420</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lake Forest, Illinois (the City) was incorporated in 1861 under a charter granted by the Illinois State Legislature that was amended in 1869. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The City provides the following services as authorized by its charter: public safety (police and fire protection), water and sewer, recreation, refuse collection, a senior center, public library, a cemetery, and a golf course.

The accounting policies of the City of Lake Forest, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor with the approval of the City Council, one pension beneficiary elected by the beneficiaries, and two police employees elected by the active police constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor with the approval of the City Council, one pension beneficiary elected by the beneficiaries; and two fire employees elected by the active firefighters' constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the FPERS.

Discretely Presented Component Unit

Lake Forest Library

The government-wide financial statements include the Lake Forest Library (Library) as a component unit. The Library is a legally separate organization governed by a seven-member Board of Trustees. The board of the Library is appointed by the Mayor of the City. The Library is financially accountable to the City as the City's approval is needed for the Library to issue bonded debt. Complete financial statements of the Library are available at the City's Administrative Office, 800 North Field Drive, Lake Forest, Illinois 60045. The Library follows the same accounting policies as the City.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Parks and Recreation Fund - used to account for the maintenance of parks and recreation programs. Services include a fitness center, dance academy, and a variety of other indoor and outdoor programs. Principal revenue sources for this fund include a dedicated tax levy, grants, contributions, and program fees.

Capital Improvements Fund - used to account for revenues to be used to fund City building and infrastructure projects.

The City reports the following major enterprise fund:

Waterworks and Sewerage Fund - accounts for operations of the waterworks and sewerage system for the residents of the City.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Police Restricted
- Foreign Fire Insurance Tax
- Emergency Telephone
- Parks and Public Land
- Motor Fuel Tax
- General Cemetery
- Senior Resources Commission
- Housing Trust

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- Laurel/Western Redevelopment TIF
- Improvements

Enterprise Fund - used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

- Deerpath Golf Course

In addition, the City reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

- Fleet
- Self Insurance
- Liability Insurance

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Private-Purpose Trust Fund - used to account for monies provided by private donations on which the investment earnings are expected to be used for the maintenance of each individual's cemetery plot.

Pension (and Other Employee Benefit) Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Firefighters' Pension
Police Pension

Agency Fund - used to account for and report assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues, except for property taxes and income taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year. Revenues for income taxes are considered to be available if they are collected within 120 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Waterworks and Sewerage Fund and the Deerpath Golf Course Fund are charges to customers for sales and services. Operating expenses for proprietary funds 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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The City and Library are authorized to invest in the following types of securities under Illinois law and the City's investment policy:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of U.S. Government or its agencies;
- Interest bearing bonds of any county, township, city, incorporated town, municipal corporation, or school district, and the bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank, provided the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of both states and their political subdivisions;
- Interest bearing savings accounts, interest bearing certificates of deposit, interest bearing deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et. seq.), provided, however, that such investments may be made in only banks which are insured by the Federal Deposit Insurance Corporation;
- Commercial Paper - issuer must be a United States corporation with more than \$500 million in assets, rating must be within the highest tier (e.g. A-1, P-1, F-1, D-1, or higher) by two standard rating services, must mature within 180 days of purchase, such purchases cannot exceed 10% of the corporation's outstanding obligations, and such purchases cannot exceed one-third of funds;

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

- Money Market Mutual Funds - registered under the Investment Company Act of 1940 (15 U.S.C.A. § 80a-1 et. seq.), provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the full faith and credit of the federal government as to principal and interest;
- Short term discount obligations of the Federal National Mortgage Association (established by or under the National Housing Act (1201 U.S.C. 1701 et. seq.)), or in shares or other forms of securities legally issuable by savings banks or savings and loans associations incorporated under the laws of Illinois or any other state or under the laws of the United States, provided, however, that the shares or investment certificates of such savings banks or savings and loans associations are insured by the Federal Deposit Insurance Corporation;
- Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the law of the State of Illinois or the laws of the United States; provided, however, the principal office of the credit unions must be located within the State of Illinois; and, provided further, that such investments may be made only in those credit union accounts of which are insured by applicable law;
- The Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act (15 ILCS 505/17) or in a fund managed, operated, and administered by a bank subsidiary of a bank, or subsidiary of a bank holding company, or use the services of such an entity to hold and invest or advise regarding the investment of any public funds; and
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (15 U.S.C.A § 780-5) subject to the provisions of that Act and the regulations issued there under, provided, however, that such government securities, unless registered or inscribed in the name of the City, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the City's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the City.

The Lake Forest Cemetery Investment Fund is also permitted to invest in the following instruments:

- Common and preferred stock authorized for investments of trust funds under the laws of the State of Illinois limited to 60% of the fund's investments.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

In addition, Pension Funds are also permitted to invest in the following instruments:

- Common and preferred stock authorized for investments of trust funds under the laws of the State of Illinois limited to 35% of the fund's investments;
- General accounts of Illinois-licensed life insurance companies;
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate limited to 10% of the fund's investments;
- Bonds issued by any county, city, township, village, incorporated town, municipal corporation, or school district in Illinois; and
- Tax anticipation warrants issued by any city, township, village, incorporated town, or fire protection district in Illinois.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The Police Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.70%
Domestic Equities	36%	5.20%
International Equities	18%	5.60%
Real Estate	10%	5.40%
Cash	1%	-%

Illinois Compiled Statutes (ILCS) limit the Police Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Police Pension Fund's target asset allocation are listed in the table above.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The Firefighters' Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Ultra-Short Fixed Income	3.90%	1.5%
US Fixed Income	32.40%	3.0%
US Large Cap Growth Equity	25.80%	8.5%
US Large Cap Value Equity	24.60%	8.2%
US Mid Cap Growth Equity	3.50%	9.7%
US Mid Cap Value Equity	2.60%	9.0%
US Small Cap Value Equity	1.60%	9.7%
Europe Equity	0.70%	6.8%
Japan Equity	3.20%	7.5%
Equity Return Assets	1.70%	5.7%

Illinois Compiled Statutes (ILCS) limit the Firefighters' Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Firefighters' Pension Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Firefighters' Pension Fund's target asset allocation are listed in the table above.

See Note III. A. for further information.

2. Receivables

Tax bills for levy year 2017 are prepared by Lake County and issued in May 2018 and are payable in two installments, on or about June 1, 2018 and September 1, 2018 or within 30 days of the tax bills being issued.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

The county collects such taxes and remits them periodically. The 2017 property tax levy is recognized as a receivable and deferral in fiscal 2018, net the 1.5% allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2018, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2017 levy.

Property taxes for levy year 2018 attaches as an enforceable lien on January 1, 2018, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2018 tax levy, which attached as an enforceable lien on the property as of January 1, 2018, has not been recorded as a receivable as of April 30, 2018, as the tax has not yet been levied by the City and will not be levied until December 2018, and therefore, the levy is not measurable at April 30, 2018.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Inventories and Prepaid Items

Inventories are recorded at cost and are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

4. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Public domain infrastructure	20 - 60	Years
Buildings	30 - 50	Years
Improvements other than buildings	40 - 80	Years
Vehicles, machinery, equipment, and software	3 - 20	Years
Water mains	40	Years
Sanitary sewers	50	Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

6. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

7. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, net pension liability, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent is expressed by: a) The City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Annually, the City Council approves the fiscal policy which delegates this authority to the City's Finance Director. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

In the General Fund, it is the City's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned, or unassigned) fund balances are available, followed by committed, and then assigned fund balances. Unassigned amounts are only used after the other resources have been used. In other governmental funds (special revenue, capital projects, and debt service fund types), it is the City's policy to consider restricted resources to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City first uses any assigned amounts, followed by committed and then restricted amounts.

See Note III. G. for further information.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The budget amounts represent the operating budget for the City and the appropriations represent the City's legal expenditure limit. The City Council follows these procedures in establishing the budgetary and appropriations data reflected in the financial statements:

- (1) The City Manager submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and estimated revenues.
- (2) Public budget and appropriations meetings are conducted by the City to obtain taxpayer comments.
- (3) The budget and the appropriation ordinance, which is 10% higher than the budget, are both legally enacted through action of the City Council. Once enacted, the budget cannot be amended without approval from the City Council. Funds may have expenditures in excess of budgeted amounts, but legally may not have expenditures in excess of appropriations.
- (4) The legal level of budgetary control is the fund level. Management may make transfers of appropriations within a fund. Any expenditures that exceed the total appropriations at the fund level must be approved by the City Council.
- (5) Formal budgetary integration and legally adopted budgets are employed as a management control device during the year for the General and Special Revenue Funds, through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year. Formal encumbrance accounting is not used, and appropriations not used by the end of the fiscal year lapse.
- (6) Governmental fund budgets are adopted for all funds and are on a basis consistent with generally accepted accounting principles (GAAP). All proprietary funds have budgets and are generally in accordance with GAAP except that principal retirement is budgeted and depreciation expense is not budgeted. Additionally, the Pension Trust Funds adopted budgets which are generally in accordance with GAAP.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City's and Library's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 55,820,005	\$ 56,175,215	Custodial Credit Risk - Deposits
Money markets	185,862	185,862	Custodial Credit Risk - Deposits
U.S. government agencies - implicitly guaranteed	2,900,472	2,900,472	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Mutual funds - other than bonds	41,572,237	41,572,237	N/A
U.S. treasury obligations	12,948,174	12,948,174	Custodial Credit Risk - Investments, Interest Rate Risk
Real estate investment fund	3,421,996	3,421,996	Custodial Credit Risk - Investments
Corporate bonds	7,165,838	7,165,838	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk, Foreign Currency Risk
Municipal bonds	275,023	275,023	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Illinois funds	14,727,839	14,727,839	Credit Risk
Equity securities	4,364,265	4,364,265	Custodial Credit Risk - Investments, Foreign Currency Risk
Mutual funds - bond funds	606,271	606,271	Credit Risk, Interest Rate Risk, Foreign Currency Risk
Petty cash	10,525	-	N/A
Total Deposits and Investments	<u>\$143,998,507</u>	<u>\$144,343,192</u>	

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Cash and cash equivalents - primary government	\$ 65,815,135
Investments - primary government	6,065,340
Cash and cash equivalents - Lake Forest Library	3,701,986

Per statement of net position - fiduciary funds

Private Purpose Trust - money markets	12,302
Private Purpose Trust - equity securities	309,579
Private Purpose Trust - mutual funds	303,726
Agency Fund - cash	60,174
Pension Trusts - cash	898,409
Pension Trusts - money markets	76,883
Pension Trusts - U.S. treasury obligations	12,948,174
Pension Trusts - U.S. government agencies	2,900,472
Pension Trusts - Municipal/corporate bonds	7,440,861
Pension Trusts - mutual funds	40,043,470
Pension Trusts - real estate investment fund	<u>3,421,996</u>

Total Deposits and Investments	<u><u>\$143,998,507</u></u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

As of April 30, 2018, the City's investments were measured using the market value approach and the valuation inputs as follows:

Investment Type	April 30, 2018			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 4,054,686	\$ -	\$ -	\$ 4,054,686
Mutual funds - bond funds	495,986	-	-	495,986
Mutual funds - other than bond funds	1,335,326	-	-	1,335,326
Total	<u>\$ 5,885,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,885,998</u>

Private Purpose Trust

Investment Type	April 30, 2018			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 309,579	\$ -	\$ -	\$ 309,579
Mutual funds - bond funds	110,285	-	-	110,285
Mutual funds - other than bond funds	193,441	-	-	193,441
Total	<u>\$ 613,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,305</u>

Police Pension Fund

Investment Type	April 30, 2018			
	Level 1	Level 2	Level 3	Total
U.S. treasury obligations	\$ 9,015,857	\$ -	\$ -	\$ 9,015,857
U.S. government agencies	-	249,362	-	249,362
Mutual funds - other than bond funds	17,503,515	-	-	17,503,515
Corporate bonds	-	1,270,914	-	1,270,914
Real estate investment fund	-	-	3,421,996	3,421,996
Total	<u>\$ 26,519,372</u>	<u>\$ 1,520,276</u>	<u>\$ 3,421,996</u>	<u>\$ 31,461,644</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Firefighter's Pension Fund

Investment Type	April 30, 2018			
	Level 1	Level 2	Level 3	Total
U.S. treasury obligations	\$ 3,932,317	\$ -	\$ -	\$ 3,932,317
U.S. government agencies	-	2,651,110	-	2,651,110
Municipal bonds	-	275,023	-	275,023
Corporate bonds	-	5,894,924	-	5,894,924
Mutual funds - other than bond funds	<u>22,539,955</u>	<u>-</u>	<u>-</u>	<u>22,539,955</u>
Total	<u>\$ 26,472,272</u>	<u>\$ 8,821,057</u>	<u>\$ -</u>	<u>\$ 35,293,329</u>

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. The City's investment policy requires that deposits that exceed the amount insured by FDIC, NCUA, and/or SPIC insurance should be collateralized at the rate of 110% of such deposits, by U.S. Government Securities, obligations of Federal instrumentalities, obligations of the state of Illinois, or general obligation bonds of the City. The Cemetery Investment Fund and the Pension Funds do not have a deposit policy for custodial credit risk.

The City does not have any deposits exposed to custodial credit risk.

Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The investment policies for the City, Cemetery, and Pension Funds require investment securities be held by an authorized custodial bank pursuant to a written custodial agreement.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligation. The City's investment policy limits the City's exposure to credit risk by limiting investments to the safest types as described above.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

The Cemetery and Pension Funds' general investment policy is to follow the prudent person rule subject to specific restrictions of the Illinois Cemetery Care Act, the Illinois Pension Code, and the respective Cemetery and Pension Fund's asset allocation policy. Under the prudent person rule, investments shall be made with care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in similar capacity and familiar with such matters would use in the investment of a fund or like character and with like aims.

The Cemetery and Police Pension Funds' investment policy further limits the investment in any one company or issuer to 5% of the funds' total assets. The Cemetery fund also limits the investment in any one equity industry group to no more than 15% of the Fund's assets.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2018, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Illinois funds	AAA	Not rated
U.S. government agencies - implicitly guaranteed	AA+	Aaa
Municipal bonds	Not rated to AA	Aa2 to Aaa
Corporate bonds	BBB- to AAA	Not rated to Aaa
Mutual funds - bond funds	Not Rated to AAA	N/A

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. Although the City and Cemetery Fund's investment policy does not specifically limit the length of maturity of investments, it requires that the City and Cemetery Fund to minimize the interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools.

The Police Pension Fund's investment policy does not limit the length of maturity of investments since it is passively managing its fixed income exposure to the Barclays Capital Intermediate Government Index. Although the Firefighters' Pension Fund's investment policy does not specifically limit the length of maturity of investments, it manages interest rate risk by investing fixed income assets in proportion to the present value of the Fund's projected liabilities.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of April 30, 2018, the City's investments were as follows:

Police Pension Fund

Investment Type	Fair Value	Maturity		
		Less than one year	1 - 5 years	6-10 years
U.S. treasury obligations	\$ 9,015,857	\$ 104,311	\$ 5,684,839	\$ 3,226,707
U.S. government agencies	249,362	-	249,362	-
Corporate bonds	<u>1,270,914</u>	<u>301,093</u>	<u>851,093</u>	<u>118,292</u>
Totals	<u>\$ 10,536,133</u>	<u>\$ 405,404</u>	<u>\$ 6,785,294</u>	<u>\$ 3,344,999</u>

Firefighters' Pension Fund

Investment Type	Fair Value	Maturity			
		Less than one year	1 - 5 years	6 - 10 years	More than 10 years
U.S. treasury obligation	\$ 3,932,317	\$ 1,492,427	\$ 1,098,348	\$ 1,341,542	\$ -
U.S. government agencies	2,651,110	131,728	379,407	771,666	1,368,309
Municipal bonds	275,023	60,127	174,991	39,905	-
Corporate bonds	<u>5,894,924</u>	<u>388,220</u>	<u>4,045,104</u>	<u>1,410,873</u>	<u>50,727</u>
Totals	<u>\$ 12,753,374</u>	<u>\$ 2,072,502</u>	<u>\$ 5,697,850</u>	<u>\$ 3,563,986</u>	<u>\$ 1,419,036</u>

The City has \$606,271 invested in mutual funds - bond funds that have a maturity of less than one year.

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2018, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 7.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

***Money-Weighted Rate of Return* (cont.)**

Firefighters' Pension Fund

For the year ended April 30, 2018, the annual money-weighted rate of return on the firefighters' pension plan investments, net of pension plan investment expense, was 8.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year, with the exception of the City's loans receivables. The City receives annual principal payments on the loans through fiscal year 2020.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and land improvements	\$ 38,155,383	\$ -	\$ 3,874	\$ 38,151,509
Infrastructure - land	66,740,770	-	-	66,740,770
Construction in progress	19,560	33,620	-	53,180
Total Capital Assets Not Being Depreciated	104,915,713	33,620	3,874	104,945,459
Capital assets being depreciated				
Infrastructure	181,930,852	3,059,778	180,196	184,810,434
Buildings	30,002,059	-	-	30,002,059
Improvements other than buildings	33,550,327	168,892	18,594	33,700,625
Machinery and equipment	17,662,552	922,765	1,025,388	17,559,929
Total Capital Assets Being Depreciated	263,145,790	4,151,435	1,224,178	266,073,047
Total Capital Assets	368,061,503	4,185,055	1,228,052	371,018,506
Less: Accumulated depreciation for				
Infrastructure	(127,563,985)	(2,494,345)	(180,196)	(129,878,134)
Buildings	(11,030,681)	(690,033)	-	(11,720,714)
Improvements other than buildings	(15,324,782)	(1,524,369)	(18,594)	(16,830,557)
Machinery and equipment	(13,532,224)	(1,098,036)	(1,025,388)	(13,604,872)
Total Accumulated Depreciation	(167,451,672)	(5,806,783)	(1,224,178)	(172,034,277)
Net Capital Assets Being Depreciated	95,694,118	(1,655,348)	-	94,038,770
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 200,609,831	\$ (1,621,728)	\$ 3,874	\$ 198,984,229

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 1,846,062
Highways and streets	2,647,100
Sanitation	155,367
Culture and recreation	984,767
Public safety	173,487
Total Governmental Activities Depreciation Expense	<u>\$ 5,806,783</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 441,413	\$ -	\$ -	\$ 441,413
Construction in progress	44,587	8,679,570	44,587	8,679,570
Total Capital Assets Not Being Depreciated	486,000	8,679,570	44,587	9,120,983
Capital assets being depreciated				
Buildings	27,021,790	-	1,555	27,020,235
Improvements other than buildings	45,140,064	1,172,212	10,200	46,302,076
Machinery and equipment	4,922,573	456,827	133,084	5,246,316
Sanitary sewers and related property	30,337,241	441,500	-	30,778,741
Total Capital Assets Being Depreciated	107,421,668	2,070,539	144,839	109,347,368
Total Capital Assets	107,907,668	10,750,109	189,426	118,468,351
Less: Accumulated depreciation for				
Buildings	(14,600,398)	(1,003,571)	(1,555)	(15,602,414)
Improvements other than buildings	(21,780,424)	(1,054,801)	(9,404)	(22,825,821)
Machinery and equipment	(3,392,946)	(274,043)	(133,083)	(3,533,906)
Sanitary sewers and related property	(17,266,613)	(572,390)	-	(17,839,003)
Total Accumulated Depreciation	(57,040,381)	(2,904,805)	(144,042)	(59,801,144)
Net Capital Assets Being Depreciated	50,381,287	(834,266)	797	49,546,224
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 50,867,287	\$ 7,845,304	\$ 45,384	\$ 58,667,207

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit - Lake Forest Library				
Capital assets not being depreciated				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	149,000	19,500	-	168,500
Total Capital Assets Not Being Depreciated	<u>219,000</u>	<u>19,500</u>	<u>-</u>	<u>238,500</u>
Capital assets being depreciated				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	2,271,093	-	-	2,271,093
Machinery and equipment	4,020,374	328,300	357,898	3,990,776
Total Capital Assets Being Depreciated	<u>7,472,374</u>	<u>328,300</u>	<u>357,898</u>	<u>7,442,776</u>
Total Capital Assets	<u>7,691,374</u>	<u>347,800</u>	<u>357,898</u>	<u>7,681,276</u>
Less: Accumulated depreciation for				
Buildings	(700,842)	(23,338)	-	(724,180)
Improvements other than buildings	(1,278,512)	(139,294)	-	(1,417,806)
Machinery and equipment	(2,393,885)	(378,502)	(357,898)	(2,414,489)
Total Accumulated Depreciation	<u>(4,373,239)</u>	<u>(541,134)</u>	<u>(357,898)</u>	<u>(4,556,475)</u>
Net Capital Assets Being Depreciated	<u>3,099,135</u>	<u>(212,834)</u>	<u>-</u>	<u>2,886,301</u>
Total Component Unit Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,318,135</u>	<u>\$ (193,334)</u>	<u>\$ -</u>	<u>\$ 3,124,801</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Parks and Recreation	Deerpath Golf Course	\$ 261,005
Total - Fund Financial Statements		261,005
Less: Interfund receivables created with internal service fund eliminations		<u>(844,567)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ (583,562)</u></u>

All amounts are due within one year.

The principal purpose of these interfunds is for operating transactions between funds and will be paid within the normal course of business.

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Laurel/Western Redevelopment TIF	Capital Improvements	\$ 380,000	\$ 380,000
Total - Fund Financial Statements		380,000	
Less: Fund eliminations		<u>(380,000)</u>	
Total - Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ -</u></u>	

The principal purpose of the advance between the Laurel/Western Redevelopment TIF Fund and the Capital Improvements Fund is to repay the Laurel/Western Redevelopment TIF Fund for a parcel of land it owned that was sold during the fiscal year and the receipts were recorded within the Capital Improvements Fund.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Parks and Recreation	General	\$ 308,500	Transfer for operations
Nonmajor Enterprise	Parks and Recreation	462,000	Transfer for operations
Water and Sewer	General	752,508	Transfer for operations
Nonmajor government	General	228,853	Transfer for operations
Nonmajor government	General	619,193	Transfer for debt service
Nonmajor government	Nonmajor government	241,600	Transfer for debt service
Nonmajor government	General	324,366	Transfer for capital outlay
Capital Improvement	General	3,034,882	Transfer for capital outlay
Capital Improvement	Debt Service	41,880	Transfer for capital outlay
Nonmajor enterprise	General	661,238	Transfer for capital outlay
Golf Course	Parks and Recreation	<u>375,000</u>	Transfer for capital outlay
Total - Fund Financial Statements		7,050,020	
Less: Government-wide eliminations		(4,799,274)	
Plus: Capital contribution from Governmental Activities to Business-type Activities		<u>2,093,095</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 4,343,841</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation bonds	\$ 34,657,205	\$ -	\$ 1,298,796	\$ 33,358,409	\$ 1,429,625
Notes payable	483,360	-	483,360	-	-
Premiums	144,125	-	19,553	124,572	-
Discount	(25,788)	-	(3,345)	(22,443)	-
Sub-totals	<u>35,258,902</u>	<u>-</u>	<u>1,798,364</u>	<u>33,460,538</u>	<u>1,429,625</u>
Other Liabilities					
Compensated absences	1,816,263	2,304,529	2,253,086	1,867,706	120,000
Other postemployment benefits	294,369	206,060	201,461	298,968	-
Net pension liability	50,959,279	3,652,009	11,870,403	42,740,885	-
Total Other Liabilities	<u>53,069,911</u>	<u>6,162,598</u>	<u>14,324,950</u>	<u>44,907,559</u>	<u>120,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 88,328,813</u>	<u>\$ 6,162,598</u>	<u>\$ 16,123,314</u>	<u>\$ 78,368,097</u>	<u>\$ 1,549,625</u>
Business-type Activities					
Bonds Payable					
General obligation bonds	\$ 13,619,000	\$ 9,295,000	\$ 1,952,000	\$ 20,962,000	\$ 1,987,000
Premium	118,111	71,875	40,122	149,864	-
Sub-totals	<u>13,737,111</u>	<u>9,366,875</u>	<u>1,992,122</u>	<u>21,111,864</u>	<u>1,987,000</u>
Other Liabilities					
Compensated absences	197,443	246,109	213,961	229,591	5,000
Net pension liability	1,413,878	-	1,266,280	147,598	-
Total Other Liabilities	<u>1,611,321</u>	<u>246,109</u>	<u>1,480,241</u>	<u>377,189</u>	<u>5,000</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 15,348,432</u>	<u>\$ 9,612,984</u>	<u>\$ 3,472,363</u>	<u>\$ 21,489,053</u>	<u>\$ 1,992,000</u>
Component Unit - Lake Forest Library					
Compensated absences	\$ 191,493	\$ 165,782	\$ 152,720	\$ 204,555	\$ 5,000
Capital leases	58,736	-	28,051	30,685	28,333
Other postemployment benefits	70,709	31,537	10,716	91,530	-
Net pension liability	1,320,867	-	1,193,353	127,514	-
Total Other Liabilities	<u>1,641,805</u>	<u>197,319</u>	<u>1,384,840</u>	<u>454,284</u>	<u>33,333</u>
Total Component Unit Long-Term Liabilities	<u>\$ 1,641,805</u>	<u>\$ 197,319</u>	<u>\$ 1,384,840</u>	<u>\$ 454,284</u>	<u>\$ 33,333</u>

General Obligation Bonds

All general obligation bonds payable are backed by the full faith and credit of the City. Bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. Business-type activities bonds are payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Bonds (cont.)

On June 5, 2017, the City issued general obligation bonds in the amount of \$9,295,000 with an interest range of 2.00% - 3.50%. This amount will be used for the purpose of financing certain capital improvements to the City's water treatment plant.

Governmental Activities

<u>General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance April 30, 2018</u>
Special Service Area 25	5/1/2003	12/15/2022	1.95-2.95%	\$ 1,050,000	\$ 350,000
Special Service Area 26	10/7/2003	12/15/2022	2.50-3.40%	276,500	94,478
Special Service Area 29	12/20/2004	12/15/2023	2.55-3.65%	2,000,000	805,931
2009 Series	5/14/2009	12/15/2028	2.00-4.10%	3,680,000	2,500,000
2010 Series B	5/12/2010	12/15/2032	5.75%	3,000,000	3,000,000
2010 Series C	5/12/2010	12/15/2029	3.00-5.50%	5,425,000	4,720,000
2011 Series B	9/6/2011	12/15/2023	1.00-3.00%	4,470,000	2,908,000
2013 Series	9/16/2013	12/15/2032	2.00-4.00%	9,715,000	9,435,000
2015 Series	8/3/2015	12/15/2036	2.50-3.75%	9,780,000	<u>9,545,000</u>
Total Governmental Activities - General Obligation Bonds					<u><u>\$ 33,358,409</u></u>

Business-type Activities

<u>General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance April 30, 2018</u>
2011 Series A	9/6/2011	12/15/2020	1.50-3.00%	\$ 1,195,000	\$ 400,000
2011 Series B	9/6/2011	12/15/2023	1.00-3.00%	20,355,000	11,267,000
2017 Series	6/5/2017	12/15/2037	2.00-3.50%	9,295,000	<u>9,295,000</u>
Total Business-type Activities - General Obligation Bonds					<u><u>\$ 20,962,000</u></u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Bonds (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Bonds		Business-type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 1,429,625	\$ 1,242,488	\$ 1,987,000	\$ 580,023
2020	1,730,850	1,202,720	2,067,000	530,673
2021	2,037,502	1,154,978	2,132,000	478,349
2022	2,119,613	1,093,130	2,037,000	425,398
2023	2,182,208	1,024,470	2,097,000	374,473
2024-2028	8,568,611	4,109,937	4,037,000	1,275,098
2029-2033	12,740,000	2,136,030	3,055,000	864,628
2034-2038	2,550,000	164,850	3,550,000	368,900
Totals	<u>\$ 33,358,409</u>	<u>\$ 12,128,603</u>	<u>\$ 20,962,000</u>	<u>\$ 4,897,542</u>

Other Debt Information

Estimated payments of compensated absences, other post employment benefits, and net pension liability are not included in the debt service requirement schedules. Compensated absences and the IMRF net pension liability will be liquidated by the applicable governmental funds (primarily the General, Parks and Recreation, Senior Commission, and Cemetery Funds) that account for the salaries and wages for the related employees. Other post employment benefits and the Police and Firefighters' net pension liability will be liquidated by the General Fund.

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2017 the Library acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$84,225, which are included in capital assets in the discretely presented component unit activities. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2018, are as follows:

Years	Component Unit		
	Principal	Interest	Totals
2019	\$ 28,333	\$ 177	\$ 28,510
2020	<u>2,352</u>	<u>2</u>	<u>2,354</u>
Totals	<u>\$ 30,685</u>	<u>\$ 179</u>	<u>\$ 30,864</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2018, include the following:

	General Fund	Parks and Recreation Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Totals
Fund Balances					
Nonspendable:					
Prepaid items	\$ 86,011	\$ -	\$ -	\$ 28,688	\$ 114,699
Inventories	64,027	-	-	-	64,027
Sub-total	<u>150,038</u>	<u>-</u>	<u>-</u>	<u>28,688</u>	<u>178,726</u>
Restricted for:					
Culture and recreation	-	2,031,479	-	1,139,426	3,170,905
Highway and streets	-	-	-	513,285	513,285
Public safety - fire	-	-	-	181,450	181,450
Public safety - police	-	-	-	433,720	433,720
Cemetery perpetual care	-	-	-	6,945,742	6,945,742
Affordable housing	-	-	-	1,417,922	1,417,922
Capital projects	-	-	5,938,047	683,921	6,621,968
Debt service	-	-	-	1,521,887	1,521,887
Sub-total	<u>-</u>	<u>2,031,479</u>	<u>5,938,047</u>	<u>12,837,353</u>	<u>20,806,879</u>
Unassigned:	<u>29,130,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,130,844</u>
Total Fund Balances	<u>\$ 29,280,882</u>	<u>\$ 2,031,479</u>	<u>\$ 5,938,047</u>	<u>\$ 12,866,041</u>	<u>\$ 50,116,449</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan description. All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter to a maximum of 75% of their final rate of earnings.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate of earnings for the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Under the employer number within IMRF, both the City and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

Plan membership. At December 31, 2017, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	268
Inactive, non-retired members	175
Active members	190
Total	633

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. As set by statute, City and Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City and Library's actuarially determined contribution rate for calendar year 2017 was 12.57% of annual covered payroll for IMRF. The City and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.50%
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Price inflation	2.75%

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	8.30%	6.85%
International equities	18.00%	8.45%	6.75%
Fixed income	28.00%	3.05%	3.00%
Real estate	9.00%	6.90%	5.75%
Alternatives	7.00%		
Private equity		12.45%	7.35%
Hedge funds		5.35%	5.05%
Commodities		4.25%	2.65%
Cash equivalents	1.00%	2.25%	2.25%

Discount rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents net pension liability/(asset) of the City calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<i>City:</i>			
Total pension liability	\$ 100,757,256	\$ 90,081,074	\$ 81,257,583
Plan fiduciary net pension	89,012,730	89,012,730	89,012,730
Net pension liability/(asset)	<u>\$ 11,744,526</u>	<u>\$ 1,068,344</u>	<u>\$ (7,755,147)</u>
<i>Library:</i>			
Total pension liability	\$ 13,301,567	\$ 11,892,140	\$ 10,727,298
Plan fiduciary net pension	11,764,626	11,764,626	11,764,626
Net pension liability/(asset)	<u>\$ 1,536,941</u>	<u>\$ 127,514</u>	<u>\$ (1,037,328)</u>
<i>Total:</i>			
Total pension liability	\$ 114,058,823	\$ 101,973,214	\$ 91,984,881
Plan fiduciary net pension	100,777,356	100,777,356	100,777,356
Net pension liability/(asset)	<u>\$ 13,281,467</u>	<u>\$ 1,195,858</u>	<u>\$ (8,792,475)</u>

Changes in net pension liability/(asset). The changes in net pension liability/(asset) for the calendar year ended December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>City:</i>			
Balances at December 31, 2016	\$ 89,528,501	\$ 78,725,947	\$ 10,802,554
Service cost	1,230,871	-	1,230,871
Interest on total pension liability	6,690,906	-	6,690,906
Differences between expected and actual experience of the total pension liability	79,717	-	79,717
Change of assumptions	(2,740,693)	-	(2,740,693)
Benefit payments, including refunds of employee contributions	(4,708,228)	(4,708,228)	-
Contributions - employer	-	1,485,109	(1,485,109)
Contributions - employee	-	532,665	(532,665)
Net investment income	-	14,307,003	(14,307,003)
Other (net transfer)	-	(1,329,766)	1,329,766
Balances at December 31, 2017	<u>\$ 90,081,074</u>	<u>\$ 89,012,730</u>	<u>\$ 1,068,344</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
<i>Library:</i>			
Balances at December 31, 2016	\$ 11,857,696	\$ 10,536,829	\$ 1,320,867
Service cost	146,913	-	146,913
Interest on total pension liability	767,094	-	767,094
Differences between expected and actual experience of the total pension liability	9,515	-	9,515
Change of assumptions	(327,120)	-	(327,120)
Benefit payments, including refunds of employee contributions	(561,958)	(561,958)	-
Contributions - employer	-	177,258	(177,258)
Contributions - employee	-	63,577	(63,577)
Net investment income	-	1,707,636	(1,707,636)
Other (net transfer)	-	(158,716)	158,716
Balances at December 31, 2017	<u>\$ 11,892,140</u>	<u>\$ 11,764,626</u>	<u>\$ 127,514</u>
<i>Total:</i>			
Balances at December 31, 2016	\$ 101,386,197	\$ 89,262,776	\$ 12,123,421
Service cost	1,377,784	-	1,377,784
Interest on total pension liability	7,458,000	-	7,458,000
Differences between expected and actual experience of the total pension liability	89,232	-	89,232
Change of assumptions	(3,067,813)	-	(3,067,813)
Benefit payments, including refunds of employee contributions	(5,270,186)	(5,270,186)	-
Contributions - employer	-	1,662,367	(1,662,367)
Contributions - employee	-	596,242	(596,242)
Net investment income	-	16,014,639	(16,014,639)
Other (net transfer)	-	(1,488,482)	1,488,482
Balances at December 31, 2017	<u>\$ 101,973,214</u>	<u>\$ 100,777,356</u>	<u>\$ 1,195,858</u>
Plan fiduciary net position as a percentage of the total pension liability			98.83 %

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the City recognized pension expense of \$2,304,146. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>City:</i>		
Difference between expected and actual experience	\$ 113,696	\$ 257,375
Assumption changes	7,451	2,014,559
Net difference between projected and actual earnings on pension plan investments	-	3,781,816
Contributions subsequent to the measurement date	<u>510,820</u>	<u>-</u>
Total	<u>\$ 631,967</u>	<u>\$ 6,053,750</u>
<i>Library:</i>		
Difference between expected and actual experience	\$ 13,570	\$ 30,719
Assumption changes	889	240,451
Net difference between projected and actual earnings on pension plan investments	-	451,385
Contributions subsequent to the measurement date	<u>67,668</u>	<u>-</u>
Total	<u>\$ 82,127</u>	<u>\$ 722,555</u>
<i>Total:</i>		
Difference between expected and actual experience	\$ 127,266	\$ 288,094
Assumption changes	8,340	2,255,010
Net difference between projected and actual earnings on pension plan investments	-	4,233,201
Contributions subsequent to the measurement date	<u>578,488</u>	<u>-</u>
Total	<u>\$ 714,094</u>	<u>\$ 6,776,305</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$6,640,699) will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2019	\$ (1,113,620)	\$ (132,918)	\$ (1,246,538)
2020	(1,191,336)	(142,194)	(1,333,530)
2021	(1,932,267)	(230,629)	(2,162,896)
2022	(1,695,380)	(202,355)	(1,897,735)
Total	<u>\$ (5,932,603)</u>	<u>\$ (708,096)</u>	<u>\$ (6,640,699)</u>

Police Pension

Plan description. 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 contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered 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 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 retirement benefit. 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Plan membership. At April 30, 2018, the Police Pension membership consisted of:

Retirees and beneficiaries	40
Inactive, non-retired members	10
Active members	<u>38</u>
Total	<u><u>88</u></u>

Contributions. 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 City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2018 was 55.10% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	Service Based
Cost-of-living adjustments	Tier 1: 3.00% Tier 2: 1.25%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 66,363,732	\$ 58,400,246	\$ 51,850,749
Plan fiduciary net position	31,650,935	31,650,935	31,650,935
Net pension liability	<u>\$ 34,712,797</u>	<u>\$ 26,749,311</u>	<u>\$ 20,199,814</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Changes in net pension liability/(asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at April 30, 2017	\$ 56,248,128	\$ 29,758,448	\$ 26,489,680
Service cost	895,320	-	895,320
Interest on total pension liability	3,908,626	-	3,908,626
Differences between expected and actual experience of the total pension liability	(39,964)	-	(39,964)
Benefit payments, including refunds of employee contributions	(2,611,864)	(2,611,864)	-
Contributions - employer	-	2,094,124	(2,094,124)
Contributions - employee	-	379,500	(379,500)
Net investment income	-	2,064,885	(2,064,885)
Administration	-	(34,158)	34,158
Balances at April 30, 2018	<u>\$ 58,400,246</u>	<u>\$ 31,650,935</u>	<u>\$ 26,749,311</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the City recognized pension expense of \$2,669,760. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 183,618	\$ 1,096,492
Assumption changes	749,258	-
Net difference between projected and actual earnings on pension plan investments	<u>539,651</u>	<u>-</u>
Total	<u>\$ 1,472,527</u>	<u>\$ 1,096,492</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$376,035) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2019	\$ 288,210
2020	288,210
2021	(194,826)
2022	(5,559)
Total	<u>\$ 376,035</u>

Firefighters' Pension

Plan description. Fire sworn personnel are covered by the Firefighters' 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 contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

Tier 1 - Covered 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 monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be 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 retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Plan membership. At April 30, 2018, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	39
Inactive, non-retired members	3
Active members	<u>33</u>
Total	<u><u>75</u></u>

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2018, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2018 was 40.41% of annual covered payroll.

Net pension liability/(asset). The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of significant accounting policies. The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age
Asset valuation method	5-year average Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	2.50%
Projected salary increases	5.50%
Cost-of-living adjustments	Tier 1: 3.00% Tier 2: 1.25%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 58,335,393	\$ 51,327,313	\$ 45,577,983
Plan fiduciary net position	36,256,485	36,256,485	36,256,485
Net pension liability	<u>\$ 22,078,908</u>	<u>\$ 15,070,828</u>	<u>\$ 9,321,498</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Changes in net pension liability/(asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2018 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at April 30, 2017	\$ 49,290,987	\$ 34,210,064	\$ 15,080,923
Service cost	854,245	-	854,245
Interest on total pension liability	3,425,477	-	3,425,477
Differences between expected and actual experience of the total pension liability	176,286	-	176,286
Benefit payments, including refunds of employee contributions	(2,419,682)	(2,419,682)	-
Contributions - employer	-	1,308,348	(1,308,348)
Contributions - employee	-	296,202	(296,202)
Net investment income	-	2,897,100	(2,897,100)
Administration	-	(35,547)	35,547
Balances at April 30, 2018	<u>\$ 51,327,313</u>	<u>\$ 36,256,485</u>	<u>\$ 15,070,828</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the City recognized pension expense of \$2,078,485. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 298,725	\$ 93,237
Assumption changes	934,065	-
Net difference between projected and actual earnings on pension plan investments	-	73,042
Total	<u>\$ 1,232,790</u>	<u>\$ 166,279</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$1,066,511) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2019	\$ 424,348
2020	424,348
2021	(5,985)
2022	194,419
2023	29,381
Total	<u>\$ 1,066,511</u>

PENSION SEGMENT INFORMATION

Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets			
Cash	\$ 52,313	\$ 846,096	\$ 898,409
Money markets	76,883	-	76,883
Investments			
U.S. treasury obligations	9,015,857	3,932,317	12,948,174
U.S. government agencies	249,362	2,651,110	2,900,472
Municipal/corporate bonds	1,270,914	6,169,947	7,440,861
Mutual funds	17,503,515	22,539,955	40,043,470
Real estate investment fund	3,421,996	-	3,421,996
Prepays	-	9,840	9,840
Interest receivable	56,575	94,271	150,846
Due from primary government	26,675	16,988	43,663
Total Assets	<u>31,674,090</u>	<u>36,260,524</u>	<u>67,934,614</u>
Liabilities			
Accounts payable	23,155	4,039	27,194
Total Liabilities	<u>23,155</u>	<u>4,039</u>	<u>27,194</u>
Net Position			
Restricted for pensions	<u>\$ 31,650,935</u>	<u>\$ 36,256,485</u>	<u>\$ 67,907,420</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 2,094,125	\$ 1,308,348	\$ 3,402,473
Employee	379,500	296,202	675,702
Miscellaneous	50	-	50
Total Contributions	<u>2,473,675</u>	<u>1,604,550</u>	<u>4,078,225</u>
Investment Income			
Interest	539,854	798,715	1,338,569
Net appreciation in fair value of investments	<u>1,605,296</u>	<u>2,159,527</u>	<u>3,764,823</u>
Total Investment income	2,145,150	2,958,242	5,103,392
Less investment expense	<u>109,734</u>	<u>91,948</u>	<u>201,682</u>
Net investment income	<u>2,035,416</u>	<u>2,866,294</u>	<u>4,901,710</u>
Total Additions	<u>4,509,091</u>	<u>4,470,844</u>	<u>8,979,935</u>
Deductions			
Pension benefits and refunds	2,611,864	2,419,683	5,031,547
Other administrative expenses	<u>4,740</u>	<u>4,740</u>	<u>9,480</u>
Total Deductions	<u>2,616,604</u>	<u>2,424,423</u>	<u>5,041,027</u>
Change in net position	1,892,487	2,046,421	3,938,908
Net position, beginning of year	<u>29,758,448</u>	<u>34,210,064</u>	<u>63,968,512</u>
Net position, end of year	<u>\$ 31,650,935</u>	<u>\$ 36,256,485</u>	<u>\$ 67,907,420</u>

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk of loss in the Liability Insurance Fund through payments to the Intergovernmental Risk Management Agency.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

IRMA

The City participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Co-operations Statute to pool their 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.

The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. The City assumes the first \$25,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to any membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2016-2017	\$ 155,664	\$ 301,093	\$ 318,724	\$ 138,033
2017-2018	138,033	139,722	183,202	94,553

City of Lake Forest Medical and Dental Plan

The City established the City of Lake Forest Medical and Dental Plan, a self-insurance plan providing health insurance for all employees of the City, effective January 1, 2000. Administration of the Plan is provided by Professional Benefit Administrators, Inc. (an outside agency). Liabilities are reported when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers total claims in excess of \$100,000 per participant in a plan year. Liabilities include all amounts for claims, including incremental costs that have been incurred but not reported (IBNR) and are reported in the Self Insurance Fund (internal service fund). The City has not had significant reductions in insurance coverage in any of the last three years.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Changes in the balances of claims liabilities for the years ended April 30, 2018 and 2017 are as follows:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2016-2017	\$ 580,817	\$ 4,749,766	\$ 4,589,080	\$ 741,503
2017-2018	741,503	4,326,092	4,472,225	595,370

The City has also purchased insurance from private insurance companies. For insured programs, there have been no significant reductions in insurance coverage. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years.

C. JOINT VENTURES

Solid Waste Agency of Lake County

The City of Lake Forest, the Great Lakes Naval Training Center, Lake County, and 41 other municipalities jointly operate the Solid Waste Agency of Lake County, (the Agency). The purpose of the Agency is to implement a regional approach to solid waste management which addresses the economic, political, and environmental issues in Lake County.

The Agency is governed by a Board of Directors consisting of one official elected by each member. Each director has one vote. The governing body has authority to adopt its own budget and control the financial affairs of the the Agency. The Executive Committee of the Agency consists of nine members of the Board of Directors elected by the Board. Each member is entitled to one vote on the committee. The Executive Committee may take any action not specifically reserved on the Board of Directors by the Act, the Agency agreement, or the by-laws.

The City does not have an equity interest in the Agency.

To obtain the Agency's financial statements, contract the Solid Waste Agency of Lake County, Illinois, at 1311 N. Estes Street, Gurnee, Illinois 60031.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

C. JOINT VENTURES (cont.)

Northern Suburban Special Recreation Association

The City is a member of the Northern Suburban Special Recreation Association (NSSRA), which was organized by ten organizations in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member's 1999 contribution was determined based upon the ratio of the members' assessed valuations.

The NSSRA is governed by a Board of Directors which consists of one representative from each participating organization. Each Director has an equal vote. The representatives of NSSRA are appointed by the Board of Directors. The Board of Directors is the governing body of the NSSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming, and master plans.

The City does not have an equity interest in NSSRA although there does exist a residual interest in NSSRA's assets upon dissolution of the joint venture. The City has an ongoing financial responsibility for its share of the NSSRA's liabilities. Each participant is liable for their share of any of the NSSRA contracts entered into while bound by the intergovernmental agreement until those contracts are paid off.

To obtain NSSRA's financial statements, contact Northern Suburban Special Recreation Association at 3105 MacArthur Blvd., Northbrook, Illinois 60062.

D. COMMITMENTS AND CONTINGENCIES

The City has outstanding construction contracts with contractors totaling \$3,038,082 at April 30, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

E. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described in Note IV. A., the City and Library (hereinafter City) provide post-employment health care benefits (OPEB) for retired employees. Hereinafter, the medical and dental plan benefits offered are referred to as the "Plan." The Plan offers several medical and dental insurance benefits options to eligible retirees and their dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the City Council and can only be amended by the City Council. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The City does not issue a Plan financial report.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council and are detailed in the various plan benefit booklets provided to employees. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018 the City contributed \$212,177, representing current premiums.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

	<u>City</u>	<u>Library</u>
Annual required contribution	\$ 204,097	\$ 31,066
Interest on net OPEB obligation	11,775	2,828
Adjustment to annual required contribution	<u>(9,812)</u>	<u>(2,357)</u>
Annual OPEB cost	206,060	31,537
Contributions made	<u>(201,461)</u>	<u>(10,716)</u>
Increase in net OPEB obligation	4,599	20,821
Net OPEB Obligation - Beginning of Year	<u>294,369</u>	<u>70,709</u>
Net OPEB Obligation - End of Year	<u><u>\$ 298,968</u></u>	<u><u>\$ 91,530</u></u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
City:			
April 30, 2016	\$ 233,865	76.46%	\$ 284,538
April 30, 2017	198,144	95.04%	294,369
April 30, 2018	206,060	97.77%	298,968
Library:			
April 30, 2016	\$ 24,039	26.55%	\$ 48,771
April 30, 2017	30,196	27.35%	70,709
April 30, 2018	31,537	33.98%	91,530

The funded status of the plan as of April 30, 2017, the most recent actuarial valuation date, was as follows:

	<u>City</u>	<u>Library</u>
Actuarial accrued liability (AAL)	\$ 3,736,584	\$ 286,873
Actuarial value of plan assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 3,736,584</u>	<u>\$ 286,873</u>
Funded ratio (actuarial value of plan assets/AAL)	-%	-%
Covered payroll (active plan members)	\$ 21,743,897	\$ 1,778,891
UAAL as a percentage of covered payroll	17.18%	16.13%

The projection of future benefit payments for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2017, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5.5 percent ultimately. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets were determined using market value. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017 was 30 years.

F. LAUREL AND WESTERN TAX INCREMENT FINANCING (TIF) DISTRICT

The City approved the Laurel and Western TIF in January 2015. The TIF district is comprised of 10.6 acres. The City acquired the single parcel not previously owned by the City and prepared the site for a mix of housing options. Demolition of the seven structures was completed in preparation for the development of the site. The City entered into a Property Purchase Agreement with Focus Acquisition Company LLC for the sale and redevelopment of all the developable land within the district. Following environmental remediation and site preparation required by the City, as well as the completion of contingency and inspection periods under the agreement, the sale of the property was closed in September 2016. The purchase price of the City property was \$12 million, consisting of \$5.625 million paid to the City at closing and a TIF Note of \$6.375 million executed between the City and the developer. The TIF Note was subsequently assigned by the developer to the City to allow repayment of the note from future TIF increment. As of April 30, 2018, the City has not received any TIF increment and anticipates the TIF increment to begin with the 2017 levy year, collected in 2018 (City's FY2019). Because the TIF Note does not meet the definition of an asset pursuant to GASB Concept Statement 4 as of the financial statement date, the Note receivable has not been reported on the City's financial statements. Revenue will be recognized as payments on the TIF Note are made. No payments on the TIF Note have been made as of April 30, 2018.

A redevelopment agreement between the City and developer was also executed in September 2016. As of April 30, 2018, the City has received the development fees of \$2,368,712 (FY17), as well as a payment in lieu of affordable housing in the amount of \$650,000 (FY18). Construction is in progress, with the apartments available for lease beginning in January 2018. As of April 30, 2018, eight (8) condominiums and three (3) single family homes have been sold. The development plan calls for a mix of housing consisting of 12 single family homes, 42 condominium units and 111 apartments.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2018

NOTE IV - OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 18,263,327	\$ 18,263,327	\$ 18,186,629	\$ (76,698)
Other taxes	3,103,112	3,103,112	3,115,606	12,494
Intergovernmental	6,116,002	6,116,002	5,781,763	(334,239)
Licenses and permits	2,660,085	2,660,085	3,232,276	572,191
Fines, forfeitures and penalties	206,500	206,500	345,438	138,938
Charges for services	3,017,546	3,017,546	3,568,354	550,808
Grants and contributions	-	-	18,950	18,950
Investment income	210,874	210,874	486,609	275,735
Miscellaneous	980,672	980,672	1,110,893	130,221
Total Revenues	<u>34,558,118</u>	<u>34,558,118</u>	<u>35,846,518</u>	<u>1,288,400</u>
EXPENDITURES				
Current				
General government	11,482,289	11,572,965	9,851,906	1,721,059
Highways and streets	2,410,776	2,535,571	2,354,587	180,984
Sanitation	2,322,544	2,322,544	2,290,986	31,558
Public safety	15,670,488	15,726,240	15,181,216	545,024
Capital Outlay	484,000	484,000	51,489	432,511
Debt Service				
Contingency	3,743,194	3,743,194	-	3,743,194
Principal retirement	-	-	483,360	(483,360)
Total Expenditures	<u>36,113,291</u>	<u>36,384,514</u>	<u>30,213,544</u>	<u>6,170,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,555,173)</u>	<u>(1,826,396)</u>	<u>5,632,974</u>	<u>7,459,370</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(4,758,960)</u>	<u>(4,758,960)</u>	<u>(5,929,540)</u>	<u>(1,170,580)</u>
Total Other Financing Sources (Uses)	<u>(4,758,960)</u>	<u>(4,758,960)</u>	<u>(5,929,540)</u>	<u>(1,170,580)</u>
Net Change in Fund Balance	<u>\$ (6,314,133)</u>	<u>\$ (6,585,356)</u>	<u>(296,566)</u>	<u>\$ 6,288,790</u>
FUND BALANCE - Beginning of Year			<u>29,577,448</u>	
FUND BALANCE - END OF YEAR			<u>\$ 29,280,882</u>	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARKS AND RECREATION FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,544,463	\$ 5,544,463	\$ 5,517,237	\$ (27,226)
Intergovernmental	40,000	40,000	42,607	2,607
Charges for services	3,241,649	3,241,649	2,675,688	(565,961)
Grants and contributions	221,500	221,500	266,629	45,129
Investment income	27,858	27,858	63,656	35,798
Miscellaneous	29,000	29,000	5,165	(23,835)
Total Revenues	<u>9,104,470</u>	<u>9,104,470</u>	<u>8,570,982</u>	<u>(533,488)</u>
EXPENDITURES				
Current				
Culture and recreation	8,619,854	8,625,210	8,295,942	329,268
Capital Outlay	591,050	652,817	492,996	159,821
Contingency	997,803	997,803	-	997,803
Total Expenditures	<u>10,208,707</u>	<u>10,275,830</u>	<u>8,788,938</u>	<u>1,486,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,104,237)</u>	<u>(1,171,360)</u>	<u>(217,956)</u>	<u>953,404</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset sales	-	-	1,485	1,485
Transfers in	305,000	305,000	308,500	3,500
Transfers out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(837,000)</u>	<u>(287,000)</u>
Total Other Financing Sources (Uses)	<u>(245,000)</u>	<u>(245,000)</u>	<u>(527,015)</u>	<u>(282,015)</u>
Net Change in Fund Balance	<u>\$ (1,349,237)</u>	<u>\$ (1,416,360)</u>	<u>(744,971)</u>	<u>\$ 671,389</u>
FUND BALANCE - Beginning of Year			<u>2,776,450</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,031,479</u>	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF LAKE FOREST

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS For the past three fiscal years

	2016		
	City	Library	Total
Total pension liability			
Service cost	\$ 1,549,831	\$ 208,143	\$ 1,757,974
Interest on total pension liability	7,086,670	951,742	8,038,412
Differences between expected and actual experience of the total pension liability	796,382	106,954	903,336
Changes of assumptions	103,436	13,891	117,327
Transfer of liability	(13,798,877)	(1,853,193)	(15,652,070)
Benefit payments, including refunds of member contributions	(4,968,065)	(667,212)	(5,635,277)
Net change in total pension liability	(9,230,623)	(1,239,675)	(10,470,298)
Total pension liability - beginning	96,324,203	12,936,367	109,260,570
Total pension liability - ending (a)	\$ 87,093,580	\$ 11,696,692	\$ 98,790,272
Plan fiduciary net position			
Employer contributions	\$ 1,757,095	\$ 235,978	\$ 1,993,073
Employee contributions	664,444	89,235	753,679
Net investment income	442,808	59,469	502,277
Benefit payments, including refunds of member contributions	(4,968,065)	(667,212)	(5,635,277)
Other (net transfer)	(12,005,830)	(1,612,386)	(13,618,216)
Net change in plan fiduciary net position	(14,109,548)	(1,894,916)	(16,004,464)
Plan fiduciary net position - beginning	89,834,842	12,064,844	101,899,686
Plan fiduciary net position - ending (b)	\$ 75,725,294	\$ 10,169,928	\$ 85,895,222
Employer's net pension liability - ending (a) - (b)	\$ 11,368,286	\$ 1,526,764	\$ 12,895,050
Plan fiduciary net position as a percentage of the total pension liability			86.95%
Covered-employee payroll			\$ 13,391,112
Employer's net pension liability as a percentage of covered-employee payroll			96.30%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

2017			2018		
City	Library	Total	City	Library	Total
\$ 1,315,386	\$ 160,837	\$ 1,476,223	\$ 1,230,871	\$ 146,913	\$ 1,377,784
6,584,652	668,406	7,253,058	6,690,906	767,094	7,458,000
(689,342)	(84,288)	(773,630)	79,717	9,515	89,232
(209,390)	(25,603)	(234,993)	(2,740,693)	(327,120)	(3,067,813)
-	-	-	-	-	-
(4,566,385)	(558,348)	(5,124,733)	(4,708,228)	(561,958)	(5,270,186)
2,434,921	161,004	2,595,925	552,573	34,444	587,017
87,093,580	11,696,692	98,790,272	89,528,501	11,857,696	101,386,197
<u>\$ 89,528,501</u>	<u>\$ 11,857,696</u>	<u>\$ 101,386,197</u>	<u>\$ 90,081,074</u>	<u>\$ 11,892,140</u>	<u>\$ 101,973,214</u>
\$ 1,494,964	\$ 182,795	\$ 1,677,759	\$ 1,485,109	\$ 177,258	\$ 1,662,367
558,977	68,348	627,325	532,665	63,577	596,242
5,250,256	641,968	5,892,224	14,307,003	1,707,636	16,014,639
(4,566,385)	(558,348)	(5,124,733)	(4,708,228)	(561,958)	(5,270,186)
262,841	32,138	294,979	(1,329,766)	(158,716)	(1,488,482)
3,000,653	366,901	3,367,554	10,286,783	1,227,797	11,514,580
75,725,294	10,169,928	85,895,222	78,725,947	10,536,829	89,262,776
<u>\$ 78,725,947</u>	<u>\$ 10,536,829</u>	<u>\$ 89,262,776</u>	<u>\$ 89,012,730</u>	<u>\$ 11,764,626</u>	<u>\$ 100,777,356</u>
<u>\$ 10,802,554</u>	<u>\$ 1,320,867</u>	<u>\$ 12,123,421</u>	<u>\$ 1,068,344</u>	<u>\$ 127,514</u>	<u>\$ 1,195,858</u>
88.04%			98.83%		
\$ 13,135,941			\$ 13,224,884		
92.29%			9.04%		

CITY OF LAKE FOREST

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS For the past three fiscal years

	2016		
	City	Library	Total
Actuarially determined contribution	\$ 1,741,632	\$ 233,902	\$ 1,975,534
Contributions in relation to the actuarially determined contribution	(1,757,095)	(235,978)	(1,993,073)
Contribution deficiency (excess)	\$ (15,463)	\$ (2,076)	\$ (17,539)
Covered-employee payroll			\$ 13,391,112
Contributions as a percentage of covered-employee payroll			14.88%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2016. Information prior to fiscal year 2016 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported. Information is obtained from IMRF. More recent information is not available.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

2017			2018		
City	Library	Total	City	Library	Total
\$ 1,454,901	\$ 177,896	\$ 1,632,797	\$ 1,447,303	\$ 172,745	\$ 1,620,048
(1,494,964)	(182,795)	(1,677,759)	(1,485,109)	(177,258)	(1,662,367)
\$ (40,063)	\$ (4,899)	\$ (44,962)	\$ (37,806)	\$ (4,513)	\$ (42,319)
		\$ 13,135,941			\$ 13,247,776
		12.77%			12.55%

CITY OF LAKE FOREST

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Four Fiscal Years

	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 845,979	\$ 883,178	\$ 931,083	\$ 895,320
Interest on total pension liability	3,219,893	3,657,765	3,660,514	3,908,626
Differences between expected and actual experience of the total pension liability	2,713	(2,129,040)	306,030	(39,964)
Changes of assumptions	3,568,719	-	1,248,764	-
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)	(2,520,473)	(2,611,864)
Other	(16,057)	-	-	-
Net change in total pension liability	5,427,542	91,315	3,625,918	2,152,118
Total pension liability - beginning	47,103,353	52,530,895	52,622,210	56,248,128
Total pension liability - ending (a)	\$ 52,530,895	\$ 52,622,210	\$ 56,248,128	\$ 58,400,246
Plan fiduciary net position				
Employer contributions	\$ 1,706,203	\$ 1,806,270	\$ 1,895,500	\$ 2,094,124
Employee contributions	360,156	373,216	371,695	379,500
Net investment income	1,669,508	(475,655)	2,635,379	2,064,885
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)	(2,520,473)	(2,611,864)
Administrative expenses	(4,150)	(4,835)	(27,816)	(34,158)
Net change in plan fiduciary net position	1,538,012	(621,592)	2,354,285	1,892,487
Plan fiduciary net position - beginning	26,487,743	28,025,755	27,404,163	29,758,448
Plan fiduciary net position - ending (b)	\$ 28,025,755	\$ 27,404,163	\$ 29,758,448	\$ 31,650,935
City's net pension liability - ending (a) - (b)	\$ 24,505,140	\$ 25,218,047	\$ 26,489,680	\$ 26,749,311
Plan fiduciary net position as a percentage of the total pension liability	53.35%	52.08%	52.91%	54.20%
Covered-employee payroll	\$ 3,590,934	\$ 3,759,611	\$ 3,750,706	\$ 3,800,841
City's net pension liability as a percentage of covered-employee payroll	682.42%	670.76%	706.26%	703.77%

Notes to Schedule:

Changes of assumptions. For Fiscal Year 2015, the mortality, disability, turnover and retirement assumptions were revised to reflect the most recent study conducted by the Illinois Department of Insurance.

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:
 -The healthy mortality table was updated from the RP-2000 Combined Healthy table with a blue collar adjustment to the RP 2000 Combined Healthy table with a blue collar adjustment, projected to the valuation date with Scale BB.
 -The disabled mortality table was updated from the RP-2000 Disabled table to the RP-2000 Disabled table, projected to the valuation date with Scale BB.
 -The salary increase assumption was changed to better reflect our expectation of plan experience.

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF LAKE FOREST

POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actuarially determined contribution	\$ 1,025,521	\$ 1,128,050	\$ 1,405,652	\$ 1,372,431
Contributions in relation to the actuarially determined contribution	<u>1,038,121</u>	<u>1,128,592</u>	<u>1,412,730</u>	<u>1,515,074</u>
Contribution deficiency (excess)	<u>\$ (12,600)</u>	<u>\$ (542)</u>	<u>\$ (7,078)</u>	<u>\$ (142,643)</u>
Covered-employee payroll	\$ 3,162,441	\$ 3,283,760	\$ 3,322,493	\$ 3,359,679
Contributions as a percentage of covered-employee payroll	32.83%	34.37%	42.52%	45.10%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation date: Actuarially determined contributions are calculated as of May 1, two years prior to the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (as of 05/01/2015 valuation); 23 years (as of 05/01/2016 valuation)
Asset valuation method	Investment gains and losses are smoothed over a 5-
Inflation	2.50%
Salary increases	5.50%
Investment rate of return	7.00%, net of pension plan investment expense
Retirement age	50-70
Mortality	Mortality rates were based on the RP-2000 Mortality Table

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,375,906	\$ 1,384,307	\$ 1,508,450	\$ 1,810,315	\$ 1,737,445	\$ 1,832,059
<u>1,502,075</u>	<u>1,563,964</u>	<u>1,706,203</u>	<u>1,806,270</u>	<u>1,895,500</u>	<u>2,094,124</u>
<u>\$ (126,169)</u>	<u>\$ (179,657)</u>	<u>\$ (197,753)</u>	<u>\$ 4,045</u>	<u>\$ (158,055)</u>	<u>\$ (262,065)</u>
\$ 3,170,518	\$ 3,518,797	\$ 3,590,934	\$ 3,759,611	\$ 3,750,706	\$ 3,800,841
47.38%	44.45%	47.51%	48.04%	50.54%	55.10%

CITY OF LAKE FOREST

POLICE PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
Last Four Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	6.79%	-1.44%	9.67%	7.03%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF LAKE FOREST

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Four Fiscal Years

	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 912,154	\$ 926,420	\$ 860,148	\$ 854,245
Interest on total pension liability	2,754,242	3,072,945	3,190,325	3,425,477
Differences between expected and actual experience				
actual experience of the total pension liability	(213,530)	(186,474)	227,730	176,286
Changes of assumptions	2,024,054	-	1,401,097	-
Benefit payments, including refunds of member contributions	(1,769,849)	(1,931,047)	(2,208,471)	(2,419,682)
Net change in total pension liability	<u>3,707,071</u>	<u>1,881,844</u>	<u>3,470,829</u>	<u>2,036,326</u>
Total pension liability - beginning	<u>40,231,243</u>	<u>43,938,314</u>	<u>45,820,158</u>	<u>49,290,987</u>
Total pension liability - ending (a)	<u>\$ 43,938,314</u>	<u>\$ 45,820,158</u>	<u>\$ 49,290,987</u>	<u>\$ 51,327,313</u>
Plan fiduciary net position				
Employer contributions	\$ 1,168,287	\$ 1,216,585	\$ 1,211,587	\$ 1,308,348
Employee contributions	296,676	297,946	290,383	296,202
Net investment income	1,871,817	60,335	3,053,497	2,897,100
Miscellaneous revenue	-	100	-	-
Benefit payments, including refunds of member contributions	(1,769,849)	(1,931,047)	(2,208,471)	(2,419,682)
Administrative expenses	(4,150)	(4,835)	(34,006)	(35,547)
Net change in plan fiduciary net position	<u>1,562,781</u>	<u>(360,916)</u>	<u>2,312,990</u>	<u>2,046,421</u>
Plan fiduciary net position - beginning	<u>30,695,209</u>	<u>32,257,990</u>	<u>31,897,074</u>	<u>34,210,064</u>
Plan fiduciary net position - ending (b)	<u>\$ 32,257,990</u>	<u>\$ 31,897,074</u>	<u>\$ 34,210,064</u>	<u>\$ 36,256,485</u>
City's net pension liability - ending (a) - (b)	<u>\$ 11,680,324</u>	<u>\$ 13,923,084</u>	<u>\$ 15,080,923</u>	<u>\$ 15,070,828</u>
Plan fiduciary net position as a percentage of the total pension liability	73.42%	69.61%	69.40%	70.64%
Covered-employee payroll	\$ 3,111,216	\$ 2,924,893	\$ 3,071,211	\$ 3,237,410
City's net pension liability as a percentage of covered-employee payroll	375.43%	476.02%	491.04%	465.52%

Notes to Schedule:

Changes of assumptions. For Fiscal Year 2015, the mortality, disability, turnover and retirement assumptions were revised to reflect the most recent study conducted by the Illinois Department of Insurance.

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:
 -The healthy mortality table was updated from the RP-2000 Combined Healthy table with a blue collar adjustment to the RP-2000 Combined Healthy table with a blue collar adjustment, projected to the valuation date with Scale BB.
 -The disabled mortality table was updated from the RP-2000 Disabled table to the RP-2000 Disabled table, projected to the valuation date with Scale BB.
 -The salary increase assumption was changed to better reflect our expectation of plan experience.

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF LAKE FOREST

FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actuarially determined contribution	\$ 662,323	\$ 761,978	\$ 954,946	\$ 862,452
Contributions in relation to the actuarially determined contribution	<u>701,472</u>	<u>810,129</u>	<u>960,850</u>	<u>983,298</u>
Contribution deficiency (excess)	<u>\$ (39,149)</u>	<u>\$ (48,151)</u>	<u>\$ (5,904)</u>	<u>\$ (120,846)</u>
Covered-employee payroll	\$ 2,855,889	\$ 2,926,591	\$ 2,644,320	\$ 2,941,767
Contributions as a percentage of covered-employee payroll	24.56%	27.68%	36.34%	33.43%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

Valuation date: Actuarially determined contributions are calculated as of May 1, two years prior to the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years (as of 05/01/2015 valuation) and 23 years (as of the 05/01/2016 valuation)
Asset valuation method	5-year average market value
Salary increases	5.50%
Investment rate of return	7.00%, net of pension plan investment expense
Retirement age	50-70
Mortality	Mortality rates were based on the RP-2000 Mortality Table

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 894,551	\$ 894,384	\$ 950,325	\$ 1,217,702	\$ 1,137,826	\$ 1,298,188
<u>1,026,345</u>	<u>1,090,695</u>	<u>1,168,287</u>	<u>1,216,585</u>	<u>1,211,587</u>	<u>1,308,348</u>
<u>\$ (131,794)</u>	<u>\$ (196,311)</u>	<u>\$ (217,962)</u>	<u>\$ 1,117</u>	<u>\$ (73,761)</u>	<u>\$ (10,160)</u>
\$ 3,049,732	\$ 3,004,889	\$ 3,111,216	\$ 2,924,893	\$ 3,071,211	\$ 3,237,410
33.65%	36.30%	37.55%	41.59%	39.45%	40.41%

CITY OF LAKE FOREST

FIREFIGHTERS' PENSION FUND SCHEDULE OF INVESTMENT RETURNS Last Four Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	6.48%	0.26%	9.66%	8.65%

Notes to Schedule:

The Pension implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF LAKE FOREST

OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS For the Year Ended April 30, 2018

Schedule of Annual Required Contributions - City

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
04/30/18	\$ 204,097	98.7 %
04/30/17	196,247	96.0 %
04/30/16	232,335	77.0 %
04/30/15	223,399	87.9 %
04/30/14	145,288	101.2 %
04/30/13	94,954	66.9 %

Schedule of Annual Required Contributions - Library

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
04/30/18	\$ 31,066	34.5 %
04/30/17	29,871	27.6 %
04/30/16	23,831	26.8 %
04/30/15	22,915	17.8 %
04/30/14	3,786	0.0 %
04/30/13	2,727	0.0 %

Schedule of Funding Progress - City

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
04/30/17	\$ -	\$ 3,736,584	\$ 3,736,584	0%	\$ 21,743,897	17.18%
04/30/15	-	3,786,380	3,786,380	0%	18,087,734	20.93%
04/30/13	-	2,363,491	2,363,491	0%	16,930,261	13.96%

Schedule of Funding Progress - Library

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
04/30/17	\$ -	\$ 286,873	\$ 286,873	0%	\$ 1,778,891	16.13%
04/30/15	-	272,766	272,766	0%	1,288,196	21.17%
04/30/13	-	34,113	34,113	0%	1,306,979	2.61%

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF LAKE FOREST

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2018

BUDGETARY INFORMATION

Budgets for the General and major special revenue fund are adopted on a basis of accounting consistent with accounting principles generally accepted in the United States of America (GAAP).

SUPPLEMENTARY INFORMATION

Nonmajor Special Revenue Funds

Police Restricted Fund – This fund accounts for revenues received from drug arrests (convicted property). Used solely for drug prevention programs administered by the Lake Forest Police Department.

Foreign Fire Insurance Tax Fund – This fund accounts for revenues received from the 2% tax on fire insurance companies. Administered by members of the Fire Department to benefit the Fire Department.

Emergency Telephone Fund – This fund accounts for the operations and maintenance of the emergency 911 telephone system. Financing is provided by a specific monthly surcharge on customer telephone bills.

Parks and Public Land Fund – This fund accounts for the revenues received from grants, contributions and the collection of open space fees. Such revenues are to be used to purchase or improve land.

Motor Fuel Tax Fund – This fund accounts for the revenues received from the State of Illinois for the local share of the motor fuel tax collections.

General Cemetery Fund – This fund accounts for the operations of the cemetery commission. Financing is provided by the proceeds from cemetery lot sales, user charges, and donations.

Senior Resources Commission Fund – This fund accounts for gifts, activity fees, and investments used to finance senior citizens' programs and activities.

Housing Trust Fund – This fund accounts for half of the revenues received from the demolition tax. Revenues will be used for affordable housing projects in Lake Forest.

Nonmajor Debt Service Fund

Debt Service Fund – This fund accounts for the principal and interest currently due on general obligation bonds.

Nonmajor Capital Projects Funds

Laurel/Western Redevelopment TIF Fund – This fund accounts for tax increment revenues to be used for the improvements in the TIF district.

Major Capital Projects Fund

Capital Improvements Fund – This fund accounts for revenues to be used to fund city building and infrastructure projects.

CITY OF LAKE FOREST

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2018

	Special Revenue Funds				
	Police Restricted	Foreign Fire Insurance Tax	Emergency Telephone	Parks and Public Land	Motor Fuel Tax
ASSETS					
Cash and cash equivalents	\$ 129,362	\$ 2,107	\$ (109,268)	\$ 1,017,532	\$ 468,930
Investments	-	179,343	-	-	-
Receivables (net)					
Property taxes	-	-	-	-	-
Other	1,260	-	414,066	-	1,344
Due from other governments	-	-	-	-	44,355
Advances to other funds	-	-	-	-	-
Due from fiduciary funds	-	-	-	-	-
Prepaid items	-	-	28,689	-	-
TOTAL ASSETS	<u>\$ 130,622</u>	<u>\$ 181,450</u>	<u>\$ 333,487</u>	<u>\$ 1,017,532</u>	<u>\$ 514,629</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,701	\$ 49,700	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,701</u>	<u>49,700</u>	<u>-</u>
Deferred Inflows of Resources					
Property taxes levied for a future period	-	-	-	-	-
Unavailable revenues	-	-	-	-	1,344
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344</u>
Fund Balances					
Nonspendable for prepaid items	-	-	28,688	-	-
Restricted for culture and recreation	-	-	-	967,832	-
Restricted for highways and streets	-	-	-	-	513,285
Restricted for public safety	130,622	181,450	303,098	-	-
Restricted for cemetery perpetual care	-	-	-	-	-
Restricted for affordable housing	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted for debt service purposes	-	-	-	-	-
Total Fund Balances	<u>130,622</u>	<u>181,450</u>	<u>331,786</u>	<u>967,832</u>	<u>513,285</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 130,622</u>	<u>\$ 181,450</u>	<u>\$ 333,487</u>	<u>\$ 1,017,532</u>	<u>\$ 514,629</u>

Special Revenue Funds			Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
General Cemetery	Senior Resources Commission	Housing Trust	Debt Service	Laurel/Western Redevelopment TIF Improvements	
\$ 906,875	\$ 168,369	\$ 1,435,922	\$ 1,521,887	\$ 303,921	\$ 5,845,637
5,885,997	-	-	-	-	6,065,340
-	-	-	1,752,718	-	1,752,718
93,400	23,607	-	-	-	533,677
-	-	-	-	-	44,355
-	-	-	-	380,000	380,000
87,136	-	-	-	-	87,136
-	-	-	-	-	28,689
<u>\$ 6,973,408</u>	<u>\$ 191,976</u>	<u>\$ 1,435,922</u>	<u>\$ 3,274,605</u>	<u>\$ 683,921</u>	<u>\$ 14,737,552</u>
\$ 15,488	\$ 9,234	\$ -	\$ -	\$ -	\$ 76,123
12,178	11,148	-	-	-	23,326
-	-	18,000	-	-	18,000
<u>27,666</u>	<u>20,382</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>117,449</u>
-	-	-	1,752,718	-	1,752,718
-	-	-	-	-	1,344
-	-	-	1,752,718	-	1,754,062
-	-	-	-	-	28,688
-	171,594	-	-	-	1,139,426
-	-	-	-	-	513,285
-	-	-	-	-	615,170
6,945,742	-	-	-	-	6,945,742
-	-	1,417,922	-	-	1,417,922
-	-	-	-	683,921	683,921
-	-	-	1,521,887	-	1,521,887
<u>6,945,742</u>	<u>171,594</u>	<u>1,417,922</u>	<u>1,521,887</u>	<u>683,921</u>	<u>12,866,041</u>
<u>\$ 6,973,408</u>	<u>\$ 191,976</u>	<u>\$ 1,435,922</u>	<u>\$ 3,274,605</u>	<u>\$ 683,921</u>	<u>\$ 14,737,552</u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2018

	Special Revenue Funds				
	Police Restricted	Foreign Fire Insurance Tax	Emergency Telephone	Parks and Public Land	Motor Fuel Tax
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Intergovernmental	12,111	-	-	-	494,702
Charges for services	20,500	121,143	315,145	652,122	-
Grants and contributions	-	-	-	-	-
Investment income	1,991	2,003	2,835	13,077	9,738
Miscellaneous	-	-	-	-	-
Total Revenues	<u>34,602</u>	<u>123,146</u>	<u>317,980</u>	<u>665,199</u>	<u>504,440</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Public safety	-	121,114	218,449	-	-
Capital Outlay	38,759	-	11,997	386,939	1,293,961
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>38,759</u>	<u>121,114</u>	<u>230,446</u>	<u>386,939</u>	<u>1,293,961</u>
Excess (deficiency) of revenues over expenditures	<u>(4,157)</u>	<u>2,032</u>	<u>87,534</u>	<u>278,260</u>	<u>(789,521)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	324,366	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,366</u>	<u>-</u>
Net Change in Fund Balances	(4,157)	2,032	87,534	602,626	(789,521)
FUND BALANCES - Beginning of Year	<u>134,779</u>	<u>179,418</u>	<u>244,252</u>	<u>365,206</u>	<u>1,302,806</u>
FUND BALANCES - END OF YEAR	<u>\$ 130,622</u>	<u>\$ 181,450</u>	<u>\$ 331,786</u>	<u>\$ 967,832</u>	<u>\$ 513,285</u>

Special Revenue Funds			Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
General Cemetery	Senior Resources Commission	Housing Trust	Debt Service Improvements	Laurel/Western Redevelopment TIF Improvements	
\$ -	\$ -	\$ -	\$ 1,661,850	\$ -	\$ 1,661,850
-	-	24,000	-	-	24,000
-	-	-	-	-	506,813
615,378	139,125	-	-	-	1,863,413
89,450	195,840	-	152,012	-	437,302
821,340	3,442	18,043	30,432	17,046	919,947
240	600	650,000	-	-	650,840
<u>1,526,408</u>	<u>339,007</u>	<u>692,043</u>	<u>1,844,294</u>	<u>17,046</u>	<u>6,064,165</u>
571,540	-	-	3,750	12,205	587,495
-	557,605	-	-	-	557,605
-	-	-	-	-	339,563
273,800	-	-	-	866,590	2,872,046
-	-	-	1,298,796	-	1,298,796
-	-	-	1,277,596	-	1,277,596
<u>845,340</u>	<u>557,605</u>	<u>-</u>	<u>2,580,142</u>	<u>878,795</u>	<u>6,933,101</u>
<u>681,068</u>	<u>(218,598)</u>	<u>692,043</u>	<u>(735,848)</u>	<u>(861,749)</u>	<u>(868,936)</u>
-	228,853	-	860,793	-	1,414,012
-	-	-	(41,880)	(241,600)	(283,480)
-	<u>228,853</u>	<u>-</u>	<u>818,913</u>	<u>(241,600)</u>	<u>1,130,532</u>
681,068	10,255	692,043	83,065	(1,103,349)	261,596
<u>6,264,674</u>	<u>161,339</u>	<u>725,879</u>	<u>1,438,822</u>	<u>1,787,270</u>	<u>12,604,445</u>
<u>\$ 6,945,742</u>	<u>\$ 171,594</u>	<u>\$ 1,417,922</u>	<u>\$ 1,521,887</u>	<u>\$ 683,921</u>	<u>\$ 12,866,041</u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE RESTRICTED FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,500	\$ 8,500	\$ 12,111	\$ 3,611
Charges for services	21,100	21,100	20,500	(600)
Fines, forfeitures and penalties	2,100	2,100	-	(2,100)
Investment income	515	515	1,991	1,476
Total Revenues	<u>32,215</u>	<u>32,215</u>	<u>34,602</u>	<u>2,387</u>
EXPENDITURES				
Capital Outlay	125,000	125,000	38,759	86,241
Contingency	<u>12,500</u>	<u>12,500</u>	-	<u>12,500</u>
Total Expenditures	<u>137,500</u>	<u>137,500</u>	<u>38,759</u>	<u>98,741</u>
Net Change in Fund Balance	<u>\$ (105,285)</u>	<u>\$ (105,285)</u>	(4,157)	<u>\$ 101,128</u>
FUND BALANCE - Beginning of Year			<u>134,779</u>	
FUND BALANCE - END OF YEAR			<u>\$ 130,622</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOREIGN FIRE INSURANCE TAX FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 100,000	\$ 100,000	\$ 121,143	\$ 21,143
Investment income	-	-	2,003	2,003
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>123,146</u>	<u>23,146</u>
EXPENDITURES				
Current				
Public safety	<u>185,000</u>	<u>185,000</u>	<u>121,114</u>	<u>63,886</u>
Total Expenditures	<u>185,000</u>	<u>185,000</u>	<u>121,114</u>	<u>63,886</u>
Net Change in Fund Balance	<u><u>\$ (85,000)</u></u>	<u><u>\$ (85,000)</u></u>	2,032	<u><u>\$ 87,032</u></u>
FUND BALANCE - Beginning of Year			<u>179,418</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 181,450</u></u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY TELEPHONE FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 245,000	\$ 245,000	\$ 315,145	\$ 70,145
Investment income	900	900	2,835	1,935
Total Revenues	<u>245,900</u>	<u>245,900</u>	<u>317,980</u>	<u>72,080</u>
EXPENDITURES				
Current				
Public safety	219,800	225,410	218,449	6,961
Capital Outlay	11,997	11,997	11,997	-
Contingency	<u>23,741</u>	<u>23,741</u>	-	<u>23,741</u>
Total Expenditures	<u>255,538</u>	<u>261,148</u>	<u>230,446</u>	<u>30,702</u>
Net Change in Fund Balance	<u>\$ (9,638)</u>	<u>\$ (15,248)</u>	87,534	<u>\$ 102,782</u>
FUND BALANCE - Beginning of Year			<u>244,252</u>	
FUND BALANCE - END OF YEAR			<u>\$ 331,786</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARKS AND PUBLIC LAND FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 62,672	\$ 62,672	\$ 652,122	\$ 589,450
Investment income	2,739	2,739	13,077	10,338
Total Revenues	<u>65,411</u>	<u>65,411</u>	<u>665,199</u>	<u>599,788</u>
EXPENDITURES				
Capital Outlay	445,000	445,000	386,939	58,061
Contingency	<u>44,500</u>	<u>44,500</u>	-	<u>44,500</u>
Total Expenditures	<u>489,500</u>	<u>489,500</u>	<u>386,939</u>	<u>102,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(424,089)</u>	<u>(424,089)</u>	<u>278,260</u>	<u>702,349</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>385,604</u>	<u>385,604</u>	<u>324,366</u>	<u>(61,238)</u>
Total Other Financing Sources (Uses)	<u>385,604</u>	<u>385,604</u>	<u>324,366</u>	<u>(61,238)</u>
Net Change in Fund Balance	<u>\$ (38,485)</u>	<u>\$ (38,485)</u>	602,626	<u>\$ 641,111</u>
FUND BALANCE - Beginning of Year			<u>365,206</u>	
FUND BALANCE - END OF YEAR			<u>\$ 967,832</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 504,029	\$ 504,029	\$ 494,702	\$ (9,327)
Investment income	3,750	3,750	9,738	5,988
Total Revenues	<u>507,779</u>	<u>507,779</u>	<u>504,440</u>	<u>(3,339)</u>
EXPENDITURES				
Capital Outlay	1,300,000	1,360,474	1,293,961	66,513
Contingency	<u>136,047</u>	<u>136,047</u>	-	<u>136,047</u>
Total Expenditures	<u>1,436,047</u>	<u>1,496,521</u>	<u>1,293,961</u>	<u>202,560</u>
Net Change in Fund Balance	<u>\$ (928,268)</u>	<u>\$ (988,742)</u>	(789,521)	<u>\$ 199,221</u>
FUND BALANCE - Beginning of Year			<u>1,302,806</u>	
FUND BALANCE - END OF YEAR			<u>\$ 513,285</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CEMETERY FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants and contributions	\$ 12,000	\$ 12,000	\$ 89,450	\$ 77,450
Charges for services	666,380	666,380	615,378	(51,002)
Investment income	50,000	50,000	821,340	771,340
Miscellaneous	-	-	240	240
Total Revenues	<u>728,380</u>	<u>728,380</u>	<u>1,526,408</u>	<u>798,028</u>
EXPENDITURES				
Current				
General government	615,397	665,397	571,540	93,857
Capital Outlay	210,000	393,787	273,800	119,987
Contingency	<u>100,918</u>	<u>100,918</u>	-	100,918
Total Expenditures	<u>926,315</u>	<u>1,160,102</u>	<u>845,340</u>	<u>314,762</u>
Net Change in Fund Balance	<u>\$ (197,935)</u>	<u>\$ (431,722)</u>	681,068	<u>\$ 1,112,790</u>
FUND BALANCE - Beginning of Year			<u>6,264,674</u>	
FUND BALANCE - END OF YEAR			<u>\$ 6,945,742</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SENIOR RESOURCES COMMISSION FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants and contributions	\$ 194,000	\$ 194,000	\$ 195,840	\$ 1,840
Charges for services	185,940	185,940	139,125	(46,815)
Investment income	744	744	3,442	2,698
Miscellaneous	2,000	2,000	600	(1,400)
Total Revenues	<u>382,684</u>	<u>382,684</u>	<u>339,007</u>	<u>(43,677)</u>
EXPENDITURES				
Current				
Culture and recreation	617,377	617,377	557,605	59,772
Contingency	<u>61,738</u>	<u>61,738</u>	-	61,738
Total Expenditures	<u>679,115</u>	<u>679,115</u>	<u>557,605</u>	<u>121,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,431)</u>	<u>(296,431)</u>	<u>(218,598)</u>	<u>77,833</u>
OTHER FINANCING SOURCES				
Transfers in	<u>238,853</u>	<u>238,853</u>	<u>228,853</u>	<u>(10,000)</u>
Total Other Financing Sources	<u>238,853</u>	<u>238,853</u>	<u>228,853</u>	<u>(10,000)</u>
Net Change in Fund Balance	<u><u>\$ (57,578)</u></u>	<u><u>\$ (57,578)</u></u>	10,255	<u><u>\$ 67,833</u></u>
FUND BALANCE - Beginning of Year			<u>161,339</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 171,594</u></u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HOUSING TRUST FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other taxes	\$ 48,000	\$ 48,000	\$ 24,000	\$ (24,000)
Investment income	5,600	5,600	18,043	12,443
Miscellaneous	-	-	650,000	650,000
Total Revenues	<u>53,600</u>	<u>53,600</u>	<u>692,043</u>	<u>638,443</u>
EXPENDITURES				
Current				
General government	250,000	250,000	-	250,000
Contingency	<u>25,000</u>	<u>25,000</u>	-	<u>25,000</u>
Total Expenditures	<u>275,000</u>	<u>275,000</u>	-	<u>275,000</u>
Net Change in Fund Balance	<u>\$ (221,400)</u>	<u>\$ (221,400)</u>	692,043	<u>\$ 913,443</u>
FUND BALANCE - Beginning of Year			<u>725,879</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,417,922</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - NONMAJOR DEBT SERVICE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 1,652,698	\$ 1,652,698	\$ 1,661,850	\$ 9,152
Grants and contributions	151,697	151,697	152,012	315
Investment income	10,783	10,783	30,432	19,649
Total Revenues	<u>1,815,178</u>	<u>1,815,178</u>	<u>1,844,294</u>	<u>29,116</u>
EXPENDITURES				
Current				
General government	3,750	3,750	3,750	-
Debt service				
Principal retirement	1,298,796	1,298,796	1,298,796	-
Interest and fiscal charges	<u>1,277,590</u>	<u>1,277,590</u>	<u>1,277,596</u>	<u>(6)</u>
Total Expenditures	<u>2,580,136</u>	<u>2,580,136</u>	<u>2,580,142</u>	<u>(6)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(764,958)</u>	<u>(764,958)</u>	<u>(735,848)</u>	<u>29,110</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	886,212	886,212	860,793	(25,419)
Transfers out	<u>-</u>	<u>(41,880)</u>	<u>(41,880)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>886,212</u>	<u>844,332</u>	<u>818,913</u>	<u>(25,419)</u>
Net Change in Fund Balance	<u>\$ 121,254</u>	<u>\$ 79,374</u>	83,065	<u>\$ 3,691</u>
FUND BALANCE - Beginning of Year			<u>1,438,822</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,521,887</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LAUREL/WESTERN REDEVELOPMENT TIF FUND - NONMAJOR CAPITAL PROJECTS FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 17,046	\$ 12,046
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>17,046</u>	<u>12,046</u>
EXPENDITURES				
Current				
General government	51,550	67,276	12,205	55,071
Capital Outlay	1,200,000	1,200,000	866,590	333,410
Contingency	<u>150,888</u>	<u>150,888</u>	-	<u>150,888</u>
Total Expenditures	<u>1,402,438</u>	<u>1,418,164</u>	<u>878,795</u>	<u>539,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,397,438)</u>	<u>(1,413,164)</u>	<u>(861,749)</u>	<u>551,415</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(241,600)</u>	<u>(241,600)</u>	<u>(241,600)</u>	-
Total Other Financing Sources (Uses)	<u>(241,600)</u>	<u>(241,600)</u>	<u>(241,600)</u>	-
Net Change in Fund Balance	<u>\$ (1,639,038)</u>	<u>\$ (1,654,764)</u>	<u>(1,103,349)</u>	<u>\$ 551,415</u>
FUND BALANCE - Beginning of Year			<u>1,787,270</u>	
FUND BALANCE - END OF YEAR			<u>\$ 683,921</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - MAJOR CAPITAL PROJECTS FUND For the Year Ended April 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes				
Property	\$ 831,764	\$ 831,764	\$ 827,728	\$ (4,036)
Other taxes	1,376,480	1,376,480	1,646,900	270,420
Grants and contributions	-	-	274,408	274,408
Charges for services	643,613	643,613	725,624	82,011
Investment income	33,337	33,337	82,955	49,618
Miscellaneous	5,000	5,000	64,254	59,254
Total Revenues	<u>2,890,194</u>	<u>2,890,194</u>	<u>3,621,869</u>	<u>731,675</u>
EXPENDITURES				
Current				
General government	91,180	98,113	30,339	67,774
Capital Outlay	5,692,767	7,042,208	5,330,350	1,711,858
Contingency	695,281	695,281	-	695,281
Total Expenditures	<u>6,479,228</u>	<u>7,835,602</u>	<u>5,360,689</u>	<u>2,474,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,589,034)</u>	<u>(4,945,408)</u>	<u>(1,738,820)</u>	<u>3,206,588</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,834,883	1,834,883	3,076,762	1,241,879
Proceeds from capital asset sales	20,000	20,000	24,591	4,591
Total Other Financing Sources (Uses)	<u>1,854,883</u>	<u>1,854,883</u>	<u>3,101,353</u>	<u>1,246,470</u>
Net Change in Fund Balance	<u>\$ (1,734,151)</u>	<u>\$ (3,090,525)</u>	1,362,533	<u>\$ 4,453,058</u>
FUND BALANCE - Beginning of Year			<u>4,575,514</u>	
FUND BALANCE - END OF YEAR			<u>\$ 5,938,047</u>	

Major Enterprise Fund

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer service to the residents of the City.

Nonmajor Enterprise Fund

Deerpath Golf Course Fund – This fund accounts for operations of the City golf course. Financing is provided by user charges from utilizing the golf course.

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUES (EXPENSES) - BUDGET AND ACTUAL (BUDGETARY BASIS) WATERWORKS AND SEWERAGE FUND - MAJOR ENTERPRISE FUND For the Year Ended April 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
OPERATING REVENUES				
Charges for services	\$ 7,914,541	\$ 7,914,541	\$ 7,970,710	\$ 56,169
Connection fees	98,500	98,500	90,635	(7,865)
Miscellaneous	<u>8,427</u>	<u>8,427</u>	<u>22,209</u>	<u>13,782</u>
Total Operating Revenues	<u>8,021,468</u>	<u>8,021,468</u>	<u>8,083,554</u>	<u>62,086</u>
OPERATING EXPENSES				
General and administrative	2,291,667	2,291,667	2,511,247	(219,580)
Operations and maintenance	9,160,621	9,695,550	2,203,728	7,491,822
Contingency	<u>1,525,261</u>	<u>1,525,261</u>	<u>-</u>	<u>1,525,261</u>
Total Operating Expenses	<u>12,977,549</u>	<u>13,512,478</u>	<u>4,714,975</u>	<u>8,797,503</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	82,267	82,267	229,492	147,225
Loss on disposal of capital assets	-	-	16,704	16,704
Principal retirement	(1,872,000)	(1,872,000)	-	1,872,000
Interest expense	(340,391)	(340,391)	(633,279)	(292,888)
Paying agent fees	(2,999)	(2,999)	(57,908)	(54,909)
Other	<u>-</u>	<u>-</u>	<u>11,352</u>	<u>11,352</u>
Total Non-Operating Revenues (Expenses)	<u>(2,133,123)</u>	<u>(2,133,123)</u>	<u>(433,639)</u>	<u>1,699,484</u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE (EXPENSES) - BUDGET AND ACTUAL (BUDGETARY BASIS) DEERPATH GOLF COURSE FUND - NONMAJOR ENTERPRISE FUND For the Year Ended April 30, 2018

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>1,680,546</u>	\$ <u>1,680,546</u>	\$ <u>1,480,618</u>	\$ <u>(199,928)</u>
Total Operating Revenues	<u>1,680,546</u>	<u>1,680,546</u>	<u>1,480,618</u>	<u>(199,928)</u>
OPERATING EXPENSES				
General and administrative	631,950	631,950	598,558	33,392
Operations and maintenance	2,139,461	2,146,138	853,619	1,292,519
Contingency	<u>287,556</u>	<u>287,556</u>	<u>-</u>	<u>287,556</u>
Total Operating Expenses	<u>3,058,967</u>	<u>3,065,644</u>	<u>1,452,177</u>	<u>1,613,467</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	2,300	2,300	7,498	5,198
Principal retirement	(80,000)	(80,000)	-	80,000
Interest expense	(16,970)	(16,970)	(14,576)	2,394
Paying agent fees	(500)	(500)	-	500
Other	<u>-</u>	<u>-</u>	<u>32,983</u>	<u>32,983</u>
Total Non-Operating Revenues (Expenses)	<u>(95,170)</u>	<u>(95,170)</u>	<u>25,905</u>	<u>121,075</u>

Internal Service Funds

Fleet Fund – This fund accounts for the costs of operating a maintenance and repairs facility for automotive and other equipment used by other City departments. Such costs are billed to the other departments at actual cost plus an allocation of administrative costs based on actual costs. The automotive and other equipment is acquired by the various user departments.

Self Insurance Fund – This fund accounts for the costs of the self-insured medical and dental plan. Administration of the plan is provided by Professional Benefit Administration, Inc.

Liability Insurance Fund– This fund accounts for the costs of liability insurance.

CITY OF LAKE FOREST

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of April 30, 2018

	Fleet	Self Insurance	Liability Insurance	Totals
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 916,820	\$ 4,857,133	\$ 1,416,647	\$ 7,190,600
Receivables				
Other	2,340	8,813	1,882,922	1,894,075
Inventories	332,451	-	-	332,451
Prepaid items	-	-	552,713	552,713
Total Current Assets	<u>1,251,611</u>	<u>4,865,946</u>	<u>3,852,282</u>	<u>9,969,839</u>
Noncurrent Assets				
Capital assets (net of accumulated depreciation)				
Property and equipment	8,913	-	-	8,913
Total Noncurrent Assets	<u>8,913</u>	<u>-</u>	<u>-</u>	<u>8,913</u>
Total Assets	<u>1,260,524</u>	<u>4,865,946</u>	<u>3,852,282</u>	<u>9,978,752</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	34,421	-	-	34,421
Total Deferred Outflows of Resources	<u>34,421</u>	<u>-</u>	<u>-</u>	<u>34,421</u>
LIABILITIES				
Current Liabilities				
Accounts payable	53,079	469,457	44,368	566,904
Accrued liabilities	60,632	595,370	50,186	706,188
Total Current Liabilities	<u>113,711</u>	<u>1,064,827</u>	<u>94,554</u>	<u>1,273,092</u>
Noncurrent Liabilities				
Compensated absences	34,094	-	-	34,094
Net pension liability	50,096	-	-	50,096
Total Noncurrent Liabilities	<u>84,190</u>	<u>-</u>	<u>-</u>	<u>84,190</u>
Total Liabilities	<u>197,901</u>	<u>1,064,827</u>	<u>94,554</u>	<u>1,357,282</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	283,868	-	-	283,868
Total Deferred Inflows of Resources	<u>283,868</u>	<u>-</u>	<u>-</u>	<u>283,868</u>
NET POSITION				
Net investment in capital assets	8,913	-	-	8,913
Unrestricted	804,263	3,801,119	3,757,728	8,363,110
TOTAL NET POSITION	<u>\$ 813,176</u>	<u>\$ 3,801,119</u>	<u>\$ 3,757,728</u>	<u>\$ 8,372,023</u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended April 30, 2018

	<u>Fleet</u>	<u>Self Insurance</u>	<u>Liability Insurance</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 1,650,312	\$ 5,273,136	\$ 1,564,118	\$ 8,487,566
Total Operating Revenues	<u>1,650,312</u>	<u>5,273,136</u>	<u>1,564,118</u>	<u>8,487,566</u>
OPERATING EXPENSES				
General and administrative	1,852,332	5,171,717	946,426	7,970,475
Depreciation and amortization	<u>4,805</u>	<u>-</u>	<u>-</u>	<u>4,805</u>
Total Operating Expenses	<u>1,857,137</u>	<u>5,171,717</u>	<u>946,426</u>	<u>7,975,280</u>
Operating Income (Loss)	<u>(206,825)</u>	<u>101,419</u>	<u>617,692</u>	<u>512,286</u>
NONOPERATING REVENUES				
Investment income	<u>15,814</u>	<u>73,756</u>	<u>22,654</u>	<u>112,224</u>
Total Nonoperating Revenues	<u>15,814</u>	<u>73,756</u>	<u>22,654</u>	<u>112,224</u>
Change in net position	(191,011)	175,175	640,346	624,510
NET POSITION - Beginning of Year	<u>1,004,187</u>	<u>3,625,944</u>	<u>3,117,382</u>	<u>7,747,513</u>
NET POSITION - END OF YEAR	<u><u>\$ 813,176</u></u>	<u><u>\$ 3,801,119</u></u>	<u><u>\$ 3,757,728</u></u>	<u><u>\$ 8,372,023</u></u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended April 30, 2018

	Fleet	Self Insurance	Liability Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 1,650,680	\$ 5,358,023	\$ 1,327,356	\$ 8,336,059
Paid to suppliers for goods and services	(1,016,867)	(5,317,153)	(1,027,135)	(7,361,155)
Paid to employees for services	(747,888)	-	-	(747,888)
Net Cash Flows From Operating Activities	(114,075)	40,870	300,221	227,016
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	15,814	73,756	22,654	112,224
Net Cash Flows From Investing Activities	15,814	73,756	22,654	112,224
Net Change in Cash and Cash Equivalents	(98,261)	114,626	322,875	339,240
CASH AND CASH EQUIVALENTS - Beginning of Year	1,015,081	4,742,507	1,093,772	6,851,360
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 916,820</u>	<u>\$ 4,857,133</u>	<u>\$ 1,416,647</u>	<u>\$ 7,190,600</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (206,825)	\$ 101,419	\$ 617,692	\$ 512,286
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	4,805	-	-	4,805
Changes in assets and liabilities				
Accounts receivable	1,582	84,887	(236,762)	(150,293)
Inventories	11,815	-	-	11,815
Prepaid items	-	-	(37,230)	(37,230)
Deferred outflows related to pensions	204,215	-	-	204,215
Accounts payable	18,695	697	23,623	43,015
Accrued liabilities	-	(146,133)	(67,102)	(213,235)
Accrued salaries	40,095	-	-	40,095
Net pension liability	(419,068)	-	-	(419,068)
Deferred inflows related to pensions	256,666	-	-	256,666
Deferred revenue	(1,214)	-	-	(1,214)
Compensated absences	(24,841)	-	-	(24,841)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (114,075)</u>	<u>\$ 40,870</u>	<u>\$ 300,221</u>	<u>\$ 227,016</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS) FLEET FUND - INTERNAL SERVICE FUND For the Year Ended April 30, 2018

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>1,649,797</u>	\$ <u>1,649,797</u>	\$ <u>1,650,312</u>	\$ <u>515</u>
Total Operating Revenues	<u>1,649,797</u>	<u>1,649,797</u>	<u>1,650,312</u>	<u>515</u>
OPERATING EXPENSES				
General and administrative	1,844,789	1,853,789	1,852,332	1,457
Depreciation and amortization	-	-	4,805	(4,805)
Contingency	<u>185,379</u>	<u>185,379</u>	<u>-</u>	<u>185,379</u>
Total Operating Expenses	<u>2,030,168</u>	<u>2,039,168</u>	<u>1,857,137</u>	<u>182,031</u>
NON-OPERATING REVENUES				
Investment income	<u>5,000</u>	<u>5,000</u>	<u>15,814</u>	<u>10,814</u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE - BUDGET AND ACTUAL (BUDGETARY BASIS) SELF INSURANCE FUND - INTERNAL SERVICE FUND For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ <u>5,670,000</u>	\$ <u>5,670,000</u>	\$ <u>5,273,136</u>	\$ <u>(396,864)</u>
Total Operating Revenues	<u>5,670,000</u>	<u>5,670,000</u>	<u>5,273,136</u>	<u>(396,864)</u>
OPERATING EXPENSES				
General and administrative	6,160,000	6,160,000	5,171,717	988,283
Contingency	<u>616,000</u>	<u>616,000</u>	<u>-</u>	<u>616,000</u>
Total Operating Expenses	<u>6,776,000</u>	<u>6,776,000</u>	<u>5,171,717</u>	<u>1,604,283</u>
NON-OPERATING REVENUES				
Investment income	<u>27,000</u>	<u>27,000</u>	<u>73,756</u>	<u>46,756</u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE - BUDGET AND ACTUAL
(BUDGETARY BASIS)
LIABILITY INSURANCE FUND - INTERNAL SERVICE FUND
For the Year Ended April 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ <u>1,327,348</u>	\$ <u>1,327,348</u>	\$ <u>1,564,118</u>	\$ <u>236,770</u>
Total Operating Revenues	<u>1,327,348</u>	<u>1,327,348</u>	<u>1,564,118</u>	<u>236,770</u>
OPERATING EXPENSES				
General and administrative	1,267,352	1,267,352	946,426	320,926
Contingency	<u>126,735</u>	<u>126,735</u>	<u>-</u>	<u>126,735</u>
Total Operating Expenses	<u>1,394,087</u>	<u>1,394,087</u>	<u>946,426</u>	<u>447,661</u>
NON-OPERATING REVENUES				
Investment income	<u>11,570</u>	<u>11,570</u>	<u>22,654</u>	<u>11,084</u>

Pension Trust Funds

Police Pension Fund – This fund accounts for the accumulation of resources to be used for disability or retirement annuity payments to uniformed police department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an independent actuary from a specific property tax levy.

Firefighters' Pension Fund – This fund accounts for the accumulation of resources to be used for disability or retirement annuity payments to uniformed fire department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an independent actuary from a specific property tax levy.

Private Purpose Trust Fund

Cemetery Trust Fund – This fund accounts for monies provided by private donations. The investment earnings are expended for the operations of the cemetery.

Agency Fund

Special Assessment Fund – This fund accounts for the collection of special assessments of property owners and payments of related special assessment liabilities. The City does not have any outstanding special assessment. The cash balance is unclaimed rebated special assessments.

CITY OF LAKE FOREST

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of April 30, 2018

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash	\$ 52,313	\$ 846,096	\$ 898,409
Money markets	76,883	-	76,883
Investments			
U.S. treasury obligations	9,015,857	3,932,317	12,948,174
U.S. government agencies	249,362	2,651,110	2,900,472
Municipal/corporate bonds	1,270,914	6,169,947	7,440,861
Mutual funds	17,503,515	22,539,955	40,043,470
Real estate investment fund	3,421,996	-	3,421,996
Interest receivable	56,575	94,271	150,846
Prepaid items	-	9,840	9,840
Due from primary government	26,675	16,988	43,663
Total Assets	<u>31,674,090</u>	<u>36,260,524</u>	<u>67,934,614</u>
LIABILITIES			
Accounts payable	23,155	4,039	27,194
Total Liabilities	<u>23,155</u>	<u>4,039</u>	<u>27,194</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 31,650,935</u>	<u>\$ 36,256,485</u>	<u>\$ 67,907,420</u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2018

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 2,094,125	\$ 1,308,348	\$ 3,402,473
Employee	379,500	296,202	675,702
Miscellaneous	50	-	50
Total Contributions	<u>2,473,675</u>	<u>1,604,550</u>	<u>4,078,225</u>
Interest			
Interest	539,854	798,715	1,338,569
Net appreciation in fair value of investments	<u>1,605,296</u>	<u>2,159,527</u>	<u>3,764,823</u>
Total Investment Income	2,145,150	2,958,242	5,103,392
Less Investment expense	<u>109,734</u>	<u>91,948</u>	<u>201,682</u>
Net Investment Income	<u>2,035,416</u>	<u>2,866,294</u>	<u>4,901,710</u>
Total Additions	<u>4,509,091</u>	<u>4,470,844</u>	<u>8,979,935</u>
DEDUCTIONS			
Pension benefits and refunds	2,611,864	2,419,683	5,031,547
Other administrative expenses	<u>4,740</u>	<u>4,740</u>	<u>9,480</u>
Total Deductions	<u>2,616,604</u>	<u>2,424,423</u>	<u>5,041,027</u>
Change in Net Position	1,892,487	2,046,421	3,938,908
NET POSITION - Beginning of Year	<u>29,758,448</u>	<u>34,210,064</u>	<u>63,968,512</u>
NET POSITION - END OF YEAR	<u><u>\$ 31,650,935</u></u>	<u><u>\$ 36,256,485</u></u>	<u><u>\$ 67,907,420</u></u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL -

POLICE PENSION FUND - PENSION TRUST FUND

For the Year Ended April 30, 2018

	2018			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 2,100,000	\$ 2,100,000	\$ 2,094,125	\$ (5,875)
Employee	383,000	383,000	379,500	(3,500)
Miscellaneous	-	-	50	50
Total contributions	<u>2,483,000</u>	<u>2,483,000</u>	<u>2,473,675</u>	<u>(9,325)</u>
Investment Income				
Interest	500,000	500,000	539,854	39,854
Net appreciation in fair value of investments	<u>1,513,220</u>	<u>1,513,220</u>	<u>1,605,296</u>	<u>92,076</u>
Total investment income	<u>2,013,220</u>	<u>2,013,220</u>	<u>2,145,150</u>	<u>131,930</u>
Less Investment expense	<u>115,000</u>	<u>115,000</u>	<u>109,734</u>	<u>5,266</u>
Net investment income	<u>1,898,220</u>	<u>1,898,220</u>	<u>2,035,416</u>	<u>137,196</u>
Total additions	<u>4,381,220</u>	<u>4,381,220</u>	<u>4,509,091</u>	<u>127,871</u>
Deductions				
Pension benefits and refunds	2,750,000	2,750,000	2,611,864	138,136
Other administrative expenses	5,000	5,000	4,740	260
Contingency	<u>287,000</u>	<u>287,000</u>	-	<u>287,000</u>
Total deductions	<u>3,042,000</u>	<u>3,042,000</u>	<u>2,616,604</u>	<u>425,396</u>
Change in net position	<u>\$ 1,339,220</u>	<u>\$ 1,339,220</u>	1,892,487	<u>\$ 553,267</u>
Net position, beginning of year			<u>29,758,448</u>	
Net position, end of year			<u>\$ 31,650,935</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL -

FIREFIGHTERS' PENSION FUND - PENSION TRUST FUND

For the Year Ended April 30, 2018

	2018			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 1,311,762	\$ 1,311,762	\$ 1,308,348	\$ (3,414)
Employee	297,250	297,250	296,202	(1,048)
Total contributions	<u>1,609,012</u>	<u>1,609,012</u>	<u>1,604,550</u>	<u>(4,462)</u>
Investment Income				
Interest	600,000	600,000	798,715	198,715
Net appreciation in fair value of investments	<u>1,740,930</u>	<u>1,740,930</u>	<u>2,159,527</u>	<u>418,597</u>
Total investment income	<u>2,340,930</u>	<u>2,340,930</u>	<u>2,958,242</u>	<u>617,312</u>
Less Investment expense	<u>93,000</u>	<u>93,000</u>	<u>91,948</u>	<u>1,052</u>
Net investment income	<u>2,247,930</u>	<u>2,247,930</u>	<u>2,866,294</u>	<u>618,364</u>
Total additions	<u>3,856,942</u>	<u>3,856,942</u>	<u>4,470,844</u>	<u>613,902</u>
Deductions				
Pension benefits and refunds	2,450,000	2,450,000	2,419,683	30,317
Other administrative expenses	5,000	5,000	4,740	260
Contingency	<u>254,800</u>	<u>254,800</u>	-	<u>254,800</u>
Total deductions	<u>2,709,800</u>	<u>2,709,800</u>	<u>2,424,423</u>	<u>285,377</u>
Change in net position	<u>\$ 1,147,142</u>	<u>\$ 1,147,142</u>	2,046,421	<u>\$ 899,279</u>
Net position, beginning of year			<u>34,210,064</u>	
Net position, end of year			<u>\$ 36,256,485</u>	

CITY OF LAKE FOREST

Statement of Changes in Assets and Liabilities
Agency Fund - Special Assessment Fund
As of April 30, 2018

	<u>Balance, May 1, 2017</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance, April 30, 2018</u>
Assets				
Cash and cash equivalents	\$ <u>60,174</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>60,174</u>
Liabilities				
Due to special assessment districts	\$ <u>60,174</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>60,174</u>

Discretely Presented Component Unit

Lake Forest Library – General Fund – This fund accounts for the operation and maintenance of the Lake Forest Library. Financing is provided by a specific annual property tax levy, charges for services, fines and forfeits, interest earned on investments and other miscellaneous revenues.

CITY OF LAKE FOREST

Discretely Presented Component Unit - Lake Forest Library Statement of Net Position and General Fund Balance Sheet As of April 30, 2018

	General Fund	Adjustments	Statement of Net Position
Assets and Deferred Outflows of Resources			
Cash and cash equivalents	\$ 3,701,986	\$ -	\$ 3,701,986
Receivables (net of allowance for uncollectibles)			
Property taxes	4,010,981	-	4,010,981
Other taxes	7,332	-	7,332
Other	1,135		1,135
Prepaid items	43,999	-	43,999
Capital assets			
Capital assets not depreciated	-	238,500	238,500
Capital assets depreciated, net of accumulated depreciation	-	2,886,301	2,886,301
Total assets	<u>7,765,433</u>	<u>3,124,801</u>	<u>10,890,234</u>
Deferred outflows of Resources			
Deferred outflows related to pensions	-	82,127	82,127
Total Assets and Deferred Outflows of Resources	<u>\$ 7,765,433</u>	<u>\$ 3,206,928</u>	<u>\$ 10,972,361</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position			
Liabilities			
Accounts payable	\$ 87,290	\$ -	\$ 87,290
Accrued liabilities	79,256	-	79,256
Long-term obligations			
Due within one year	-	33,333	33,333
Due in more than one year	-	420,951	420,951
Total liabilities	<u>166,546</u>	<u>454,284</u>	<u>620,830</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	4,010,981	-	4,010,981
Deferred inflows related to pensions	-	722,555	722,555
Total deferred inflows of resources	<u>4,010,981</u>	<u>722,555</u>	<u>4,733,536</u>
Fund Balance/Net Position			
Nonspendable - prepaids	43,999	(43,999)	-
Unassigned	3,543,907	(3,543,907)	-
Net position			
Net investment in capital assets	-	3,094,112	3,094,112
Unrestricted	-	2,523,883	2,523,883
Total fund balance/net position	<u>3,587,906</u>	<u>2,030,089</u>	<u>5,617,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	<u>\$ 7,765,433</u>	<u>\$ 3,206,928</u>	<u>\$ 10,972,361</u>

CITY OF LAKE FOREST

Discretely Presented Component Unit - Lake Forest Library
Statement of Activities and General Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended April 30, 2018

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 3,948,138	\$ -	\$ 3,948,138
Intergovernmental	37,364	-	37,364
Grants and contributions	182,817	-	182,817
Charges for services	44,795	-	44,795
Fines	28,192	-	28,192
Investment Income	69,186	-	69,186
Total revenues	<u>4,310,492</u>	<u>-</u>	<u>4,310,492</u>
Expenditures/expenses			
Current	3,437,890	325,918	3,763,808
Capital Outlay	54,932	(54,932)	-
Debt Service	28,510	(28,510)	-
Total expenditures/expenses	<u>3,521,332</u>	<u>242,476</u>	<u>3,763,808</u>
Net change in fund balance/net position	789,160	(242,476)	546,684
Fund balance/net position, beginning of year	<u>2,798,746</u>	<u>2,272,565</u>	<u>5,071,311</u>
Fund balance/net position, end of year	<u>\$ 3,587,906</u>	<u>\$ 2,030,089</u>	<u>\$ 5,617,995</u>

CITY OF LAKE FOREST

Summary of Debt Service Requirements to Maturity As of April 30, 2018

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>
2019	\$ 5,239,136
2020	5,531,243
2021	5,802,829
2022	5,675,141
2023	5,678,151
2024	5,278,211
2025	3,187,203
2026	3,189,002
2027	3,165,847
2028	3,170,385
2029	3,767,920
2030	3,755,325
2031	3,824,125
2032	3,753,525
2033	3,694,763
2034	2,402,563
2035	1,149,063
2036	1,150,250
2037	1,145,275
2038	<u>786,600</u>
Total	<u><u>\$ 71,346,551</u></u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2018

Fiscal Year	Special Service Area 25 Tax Bonds		Special Service Area 26 Tax Bonds		Special Service Area 29 Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 65,000	\$ 9,525	\$ 17,203	\$ 3,096	\$ 119,422	\$ 26,855
2020	65,000	7,932	17,993	2,563	124,857	23,213
2021	70,000	6,275	18,839	1,987	130,663	19,280
2022	75,000	4,350	19,743	1,365	136,870	15,034
2023	75,000	2,213	20,700	704	143,508	10,448
2024	-	-	-	-	150,611	5,497
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 350,000</u>	<u>\$ 30,295</u>	<u>\$ 94,478</u>	<u>\$ 9,715</u>	<u>\$ 805,931</u>	<u>\$ 100,327</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2018

Fiscal Year	Series 2009 Obligation Bonds		Series 2010 Series B Obligation Bonds		2010 Series C Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 185,000	\$ 93,745	\$ -	\$ 172,500	\$ 225,000	\$ 236,099
2020	190,000	88,195	-	172,500	215,000	227,099
2021	200,000	82,495	-	172,500	405,000	217,424
2022	205,000	76,495	-	172,500	415,000	198,693
2023	215,000	68,808	-	172,500	425,000	178,980
2024	225,000	60,745	-	172,500	435,000	158,793
2025	235,000	51,745	-	172,500	445,000	137,043
2026	245,000	42,345	-	172,500	460,000	114,792
2027	255,000	32,545	-	172,500	475,000	91,562
2028	265,000	22,345	-	172,500	490,000	67,100
2029	280,000	11,480	-	172,500	490,000	40,150
2030	-	-	540,000	172,500	240,000	13,200
2031	-	-	780,000	141,450	-	-
2032	-	-	820,000	96,600	-	-
2033	-	-	860,000	49,450	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 2,500,000</u>	<u>\$ 630,943</u>	<u>\$ 3,000,000</u>	<u>\$ 2,357,500</u>	<u>\$ 4,720,000</u>	<u>\$ 1,680,935</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2018

Fiscal Year	2011 Series A Obligation Bonds		2011 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 130,000	\$ 9,975	\$ 2,300,000	\$ 376,750
2020	130,000	7,050	2,400,000	319,250
2021	140,000	3,150	2,470,000	259,250
2022	-	-	2,530,000	197,500
2023	-	-	2,605,000	134,250
2024	-	-	1,870,000	56,100
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
	<u>\$ 400,000</u>	<u>\$ 20,175</u>	<u>\$ 14,175,000</u>	<u>\$ 1,343,100</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2018

Fiscal Year	Series 2013 Obligation Bonds		Series 2015 Obligation Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 200,000	\$ 333,763	\$ 175,000	\$ 289,050
2020	350,000	329,763	305,000	284,675
2021	430,000	322,763	305,000	277,050
2022	435,000	312,013	340,000	269,425
2023	440,000	298,962	355,000	260,925
2024	450,000	285,762	370,000	252,050
2025	460,000	272,262	385,000	242,800
2026	475,000	258,462	405,000	233,175
2027	480,000	241,837	410,000	223,050
2028	495,000	225,037	435,000	212,800
2029	930,000	206,475	650,000	200,838
2030	960,000	171,600	695,000	181,338
2031	1,085,000	133,200	740,000	160,488
2032	1,120,000	89,800	705,000	136,438
2033	1,125,000	45,000	720,000	113,525
2034	-	-	1,530,000	90,125
2035	-	-	330,000	36,575
2036	-	-	340,000	25,025
2037	-	-	350,000	13,125
2038	-	-	-	-
	<u>\$ 9,435,000</u>	<u>\$ 3,526,699</u>	<u>\$ 9,545,000</u>	<u>\$ 3,502,475</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2018

Fiscal Year	Series 2017 Obligation Bonds		Total Requirements		
	Principal	Interest	Principal	Interest	Total
2019	\$ -	\$ 271,153	\$ 3,416,625	\$ 1,822,511	\$ 5,239,136
2020	-	271,153	3,797,850	1,733,393	5,531,243
2021	-	271,153	4,169,502	1,633,327	5,802,829
2022	-	271,153	4,156,613	1,518,528	5,675,141
2023	-	271,153	4,279,208	1,398,943	5,678,151
2024	515,000	271,153	4,015,611	1,262,600	5,278,211
2025	525,000	260,853	2,050,000	1,137,203	3,187,203
2026	535,000	247,728	2,120,000	1,069,002	3,189,002
2027	550,000	234,353	2,170,000	995,847	3,165,847
2028	565,000	220,603	2,250,000	920,385	3,170,385
2029	580,000	206,478	2,930,000	837,920	3,767,920
2030	590,000	191,688	3,025,000	730,325	3,755,325
2031	610,000	173,988	3,215,000	609,125	3,824,125
2032	630,000	155,688	3,275,000	478,525	3,753,525
2033	645,000	136,788	3,350,000	344,763	3,694,763
2034	665,000	117,438	2,195,000	207,563	2,402,563
2035	685,000	97,488	1,015,000	134,063	1,149,063
2036	710,000	75,225	1,050,000	100,250	1,150,250
2037	730,000	52,150	1,080,000	65,275	1,145,275
2038	760,000	26,600	760,000	26,600	786,600
	<u>\$ 9,295,000</u>	<u>\$ 3,823,978</u>	<u>\$ 54,320,409</u>	<u>\$ 17,026,142</u>	<u>\$ 71,346,551</u>

CITY OF LAKE FOREST

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2018

Date of issue: May 1, 2003
 Date of maturity: December 15, 2022
 Authorized issue: \$ 1,050,000
 Denomination of bonds: \$ 5,000
 Interest rate: 1.95-2.95%

Interest dates: June 15 and December 15
 Payable at: Lake Forest Bank and Trust
 Lake Forest, Illinois

Redeemable annually on December 15

Amount	
2018	\$ 65,000
2019	65,000
2020	70,000
2021	75,000
2022	75,000
	<u>\$ 350,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 65,000	\$ 9,525	\$ 74,525	2018	\$ 4,763	2018	\$ 4,762
2018	65,000	7,932	72,932	2019	3,966	2019	3,966
2019	70,000	6,275	76,275	2020	3,138	2020	3,137
2020	75,000	4,350	79,350	2021	2,175	2021	2,175
2021	75,000	2,213	77,213	2022	1,107	2022	1,106
	<u>\$ 350,000</u>	<u>\$ 30,295</u>	<u>\$ 380,295</u>				

CITY OF LAKE FOREST

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2018

Date of issue: October 7, 2003
 Date of maturity: December 15, 2022
 Authorized issue: \$ 276,500
 Denomination of bonds: One bond per maturity
 Interest rates: 2.5-3.4%

Interest dates: June 15 and December 15
 Payable at: Lake Forest Bank and Trust
 Lake Forest, Illinois

Redeemable annually on December 15

	Amount
2018	\$ 17,203
2019	17,993
2020	18,839
2021	19,743
2022	20,700
	<u>\$ 94,478</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 17,203	\$ 3,096	\$ 20,299	2018	\$ 1,548	2018	\$ 1,548
2018	17,993	2,563	20,556	2019	1,282	2019	1,281
2019	18,839	1,987	20,826	2020	994	2020	993
2020	19,743	1,365	21,108	2021	683	2021	682
2021	20,700	704	21,404	2022	352	2022	352
	<u>\$ 94,478</u>	<u>\$ 9,715</u>	<u>\$ 104,193</u>				

CITY OF LAKE FOREST

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2018

Date of issue: December 20, 2004
 Date of maturity: December 15, 2023
 Authorized issue: \$ 2,000,000
 Denomination of bonds: One bond per maturity
 Interest rates: 2.55-3.65%

Interest dates: June 15 and December 15
 Payable at: Lake Forest Bank and Trust
 Lake Forest, Illinois

Redeemable annually on December 15

	<u>Amount</u>
2018	\$ 119,422
2019	124,857
2020	130,663
2021	136,870
2022	143,508
Thereafter	150,611
	<u>\$ 805,931</u>

Bond Principal and Interest Requirements

<u>Tax levy year</u>	<u>Tax levy</u>			<u>Coupons due on</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
2017	\$ 119,422	\$ 26,855	\$ 146,277	2018	\$ 13,427	2018	\$ 13,428
2018	124,857	23,213	148,070	2019	11,606	2019	11,607
2019	130,663	19,280	149,943	2020	9,640	2020	9,640
2020	136,870	15,034	151,904	2021	7,517	2021	7,517
2021	143,508	10,448	153,956	2022	5,224	2022	5,224
Thereafter	150,611	5,497	156,108	Thereafter	2,748	Thereafter	2,749
	<u>\$ 805,931</u>	<u>\$ 100,327</u>	<u>\$ 906,258</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2009

April 30, 2018

Date of issue: May 14, 2009
 Date of maturity: December 15, 2028
 Authorized issue: \$ 3,680,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.00 - 4.10%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15

	Amount
2018	\$ 185,000
2019	190,000
2020	200,000
2021	205,000
2022	215,000
Thereafter	1,505,000
	<u>\$ 2,500,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 185,000	\$ 93,745	\$ 278,745	2018	\$ 46,873	2018	\$ 46,872
2018	190,000	88,195	278,195	2019	44,097	2019	44,098
2019	200,000	82,495	282,495	2020	41,248	2020	41,247
2020	205,000	76,495	281,495	2021	38,248	2021	38,247
2021	215,000	68,808	283,808	2022	34,404	2022	34,404
Thereafter	1,505,000	221,205	1,726,205	Thereafter	110,602	Thereafter	110,603
	<u>\$ 2,500,000</u>	<u>\$ 630,943</u>	<u>\$ 3,130,943</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2010B

April 30, 2018

Date of issue: May 12, 2010
 Date of maturity: December 15, 2032
 Authorized issue: \$ 3,000,000
 Denomination of bonds: \$ 5,000
 Interest rate: 5.75%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15

	Amount
2029	\$ 540,000
2030	780,000
2031	820,000
2032	860,000
	<u>\$ 3,000,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ —	\$ 172,500	\$ 172,500	2018	\$ 86,250	2018	\$ 86,250
2018	—	172,500	172,500	2019	86,250	2019	86,250
2019	—	172,500	172,500	2020	86,250	2020	86,250
2020	—	172,500	172,500	2021	86,250	2021	86,250
2021	—	172,500	172,500	2022	86,250	2022	86,250
Thereafter	3,000,000	1,495,000	4,495,000	Thereafter	747,500	Thereafter	747,500
	<u>\$ 3,000,000</u>	<u>\$ 2,357,500</u>	<u>\$ 5,357,500</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2010C

April 30, 2018

Date of issue: May 12, 2010
 Date of maturity: December 15, 2029
 Authorized issue: \$ 5,425,000
 Denomination of bonds: \$ 5,000
 Interest rates: 3.00 - 5.50%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15

	Amount
2018	\$ 225,000
2019	215,000
2020	405,000
2021	415,000
2022	425,000
Thereafter	3,035,000
	<u>\$ 4,720,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 225,000	\$ 236,099	\$ 461,099	2018	\$ 118,049	2018	\$ 118,050
2018	215,000	227,099	442,099	2019	113,549	2019	113,550
2019	405,000	217,424	622,424	2020	108,712	2020	108,712
2020	415,000	198,693	613,693	2021	99,347	2021	99,346
2021	425,000	178,980	603,980	2022	89,490	2022	89,490
Thereafter	3,035,000	622,640	3,657,640	Thereafter	311,320	Thereafter	311,320
	<u>\$ 4,720,000</u>	<u>\$ 1,680,935</u>	<u>\$ 6,400,935</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2011A

April 30, 2018

Date of issue: September 6, 2011
 Date of maturity: December 15, 2020
 Authorized issue: \$ 2,415,000
 Denomination of bonds: \$ 5,000
 Interest rates: 1.50 - 3.00%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15

	<u>Amount</u>
2018	\$ 130,000
2019	130,000
2020	140,000
2021	—
2022	—
Thereafter	—
	<u>\$ 400,000</u>

Bond Principal and Interest Requirements

<u>Tax levy year</u>	<u>Tax levy</u>			<u>Coupons due on</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
2017	\$ 130,000	\$ 9,975	\$ 139,975	2018	\$ 4,988	2018	\$ 4,987
2018	130,000	7,050	137,050	2019	3,525	2019	3,525
2019	140,000	3,150	143,150	2020	1,575	2020	1,575
2020	—	—	—	2021	—	2021	—
2021	—	—	—	2022	—	2022	—
Thereafter	—	—	—	Thereafter	—	Thereafter	—
	<u>\$ 400,000</u>	<u>\$ 20,175</u>	<u>\$ 420,175</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2011B

April 30, 2018

Date of issue: September 6, 2011
 Date of maturity: December 15, 2023
 Authorized issue: \$ 24,825,000
 Denomination of bonds: \$ 5,000
 Interest rates: 1.00 - 3.00%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15

Amount	
2018	\$ 2,300,000
2019	2,400,000
2020	2,470,000
2021	2,530,000
2022	2,605,000
Thereafter	1,870,000
	<u>\$ 14,175,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 2,300,000	\$ 376,750	\$ 2,676,750	2018	\$ 188,375	2018	\$ 188,375
2018	2,400,000	319,250	2,719,250	2019	159,625	2019	159,625
2019	2,470,000	259,250	2,729,250	2020	129,625	2020	129,625
2020	2,530,000	197,500	2,727,500	2021	98,750	2021	98,750
2021	2,605,000	134,250	2,739,250	2022	67,125	2022	67,125
Thereafter	1,870,000	56,100	1,926,100	Thereafter	28,050	Thereafter	28,050
	<u>\$ 14,175,000</u>	<u>\$ 1,343,100</u>	<u>\$ 15,518,100</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2013

April 30, 2018

Date of issue: September 16, 2013
 Date of maturity: December 15, 2032
 Authorized issue: \$ 9,715,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.00 - 4.00%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15	Amount
2018	\$ 200,000
2019	350,000
2020	430,000
2021	435,000
2022	440,000
Thereafter	7,580,000
	<u>\$ 9,435,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 200,000	\$ 333,763	\$ 533,763	2018	\$ 166,881	2018	\$ 166,882
2018	350,000	329,763	679,763	2019	164,882	2019	164,881
2019	430,000	322,763	752,763	2020	161,382	2020	161,381
2020	435,000	312,013	747,013	2021	156,007	2021	156,006
2021	440,000	298,962	738,962	2022	149,481	2022	149,481
Thereafter	7,580,000	1,929,435	9,509,435	Thereafter	964,718	Thereafter	964,717
	<u>\$ 9,435,000</u>	<u>\$ 3,526,699</u>	<u>\$ 12,961,699</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2015

April 30, 2018

Date of issue: August 3, 2015
 Date of maturity: December 15, 2036
 Authorized issue: \$ 9,780,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.50 - 3.75%

Interest dates: June 15 and December 15
 Payable at: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15	Amount
2018	\$ 175,000
2019	305,000
2020	305,000
2021	340,000
2022	355,000
Thereafter	8,065,000
	<u>\$ 9,545,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2017	\$ 175,000	\$ 289,050	\$ 464,050	2018	\$ 144,525	2018	\$ 144,525
2018	305,000	284,675	589,675	2019	142,338	2019	142,337
2019	305,000	277,050	582,050	2020	138,525	2020	138,525
2020	340,000	269,425	609,425	2021	134,473	2021	134,712
2021	355,000	260,925	615,925	2022	130,463	2022	130,462
Thereafter	8,065,000	2,121,350	10,186,350	Thereafter	1,060,675	Thereafter	1,060,675
	<u>\$ 9,545,000</u>	<u>\$ 3,502,475</u>	<u>\$ 13,047,475</u>				

CITY OF LAKE FOREST

General Obligation Bonds - 2017

April 30, 2018

Date of issue:	June 5, 2017
Date of maturity:	December 15, 2037
Authorized issue:	\$ 9,295,000
Denomination of bonds:	\$ 5,000
Interest rates:	2.00 - 3.5%
Interest dates:	June 15 and December 15
Payable at:	The Bank of New York Mellon Trust Company, National Association Chicago, Illinois

<u>Redeemable annually on December 15</u>	<u>Amount</u>
2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	9,295,000
	<u>\$ 9,295,000</u>

Bond Principal and Interest Requirements

<u>Tax levy year</u>	<u>Tax levy</u>			<u>Coupons due on</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
2017	\$ —	\$ 271,153	\$ 271,153	2018	\$ 135,577	2018	\$ 135,576
2018	—	271,153	271,153	2019	135,577	2019	135,576
2019	—	271,153	271,153	2020	135,577	2020	135,576
2020	—	271,153	271,153	2021	135,577	2021	135,576
2021	—	271,154	271,154	2022	135,577	2022	135,577
Thereafter	9,295,000	2,468,216	11,763,216	Thereafter	1,234,108	Thereafter	1,234,108
	<u>\$ 9,295,000</u>	<u>\$ 3,823,980</u>	<u>\$ 13,118,980</u>				

CITY OF LAKE FOREST

Debt Service Fund Combining Balance Sheet As of April 30, 2018

Assets	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B/ 2011B General Obligation Bonds
Cash and cash equivalents	\$ 14,493	\$ 4,003	\$ 4,411	\$ 1,422,876
Receivables (net of allowance for uncollectibles):				
Property taxes	73,900	20,486	144,577	-
Total assets	<u>\$ 88,393</u>	<u>\$ 24,489</u>	<u>\$ 148,988</u>	<u>\$ 1,422,876</u>
Deferred inflows of resources				
Property taxes levied to finance FY18	<u>\$ 73,900</u>	<u>\$ 20,486</u>	<u>\$ 144,577</u>	<u>\$ -</u>
Fund Balance				
Fund balance- restricted for debt service	<u>14,493</u>	<u>4,003</u>	<u>4,411</u>	<u>1,422,876</u>
Total deferred inflows of resources and fund balances	<u>\$ 88,393</u>	<u>\$ 24,489</u>	<u>\$ 148,988</u>	<u>\$ 1,422,876</u>

2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ 25,404	\$ 34,578	\$ 15,725	\$ 397	\$ 1,521,887
<u>276,903</u>	<u>482,008</u>	<u>531,190</u>	<u>223,654</u>	<u>1,752,718</u>
<u>\$ 302,307</u>	<u>\$ 516,586</u>	<u>\$ 546,915</u>	<u>\$ 224,051</u>	<u>\$ 3,274,605</u>
 <u>\$ 276,903</u>	 <u>\$ 482,008</u>	 <u>\$ 531,190</u>	 <u>\$ 223,654</u>	 <u>\$ 1,752,718</u>
 <u>25,404</u>	 <u>34,578</u>	 <u>15,725</u>	 <u>397</u>	 <u>1,521,887</u>
 <u>\$ 302,307</u>	 <u>\$ 516,586</u>	 <u>\$ 546,915</u>	 <u>\$ 224,051</u>	 <u>\$ 3,274,605</u>

CITY OF LAKE FOREST

Debt Service Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2018

	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds
Revenues			
Taxes:			
Property taxes	\$ 71,450	\$ 20,555	\$ 145,094
Grants and contributions- IRS rebate	-	-	-
Investment income	<u>559</u>	<u>156</u>	<u>629</u>
Total Revenues	<u>72,009</u>	<u>20,711</u>	<u>145,723</u>
Expenditures			
General government	-	-	-
Debt Service:			
Principal	60,000	16,461	114,335
Interest	<u>10,934</u>	<u>3,600</u>	<u>30,228</u>
Total expenditures	<u>70,934</u>	<u>20,061</u>	<u>144,563</u>
Excess (deficiency) of revenues over expenditures	<u>1,075</u>	<u>650</u>	<u>1,160</u>
Other financing sources:			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,075	650	1,160
Fund balance- beginning of the year	<u>13,418</u>	<u>3,353</u>	<u>3,251</u>
Fund balance- end of the year	<u>\$ 14,493</u>	<u>\$ 4,003</u>	<u>\$ 4,411</u>

2004 Series B/ 2011B General Obligation Bonds	2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ -	\$ 280,673	\$ 478,481	\$ 438,385	\$ 227,212	\$ 1,661,850
-	-	152,012	-	-	152,012
<u>23,159</u>	<u>1,550</u>	<u>2,343</u>	<u>1,422</u>	<u>614</u>	<u>30,432</u>
<u>23,159</u>	<u>282,223</u>	<u>632,836</u>	<u>439,807</u>	<u>227,826</u>	<u>1,844,294</u>
500	500	1,000	750	1,000	3,750
443,000	180,000	210,000	100,000	175,000	1,298,796
<u>88,930</u>	<u>98,244</u>	<u>416,473</u>	<u>335,762</u>	<u>293,425</u>	<u>1,277,596</u>
<u>532,430</u>	<u>278,744</u>	<u>627,473</u>	<u>436,512</u>	<u>469,425</u>	<u>2,580,142</u>
<u>(509,271)</u>	<u>3,479</u>	<u>5,363</u>	<u>3,295</u>	<u>(241,599)</u>	<u>(735,848)</u>
619,193	-	-	-	241,600	860,793
<u>(41,880)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,880)</u>
<u>577,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,600</u>	<u>818,913</u>
68,042	3,479	5,363	3,295	1	83,065
<u>1,354,834</u>	<u>21,925</u>	<u>29,215</u>	<u>12,430</u>	<u>396</u>	<u>1,438,822</u>
<u>\$ 1,422,876</u>	<u>\$ 25,404</u>	<u>\$ 34,578</u>	<u>\$ 15,725</u>	<u>\$ 397</u>	<u>\$ 1,521,887</u>

Statistical Section

This portion of the City of Lake Forest's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall economic condition and financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	155 - 164
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	165 - 172
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt.	173 - 177
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and other governments.	178 - 180
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	181 - 183

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF LAKE FOREST

Net Position by Component Last Ten Fiscal Years

Fiscal Years	2018	2017	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 166,607,491	\$ 170,568,584	\$ 181,481,470	\$ 181,056,601	\$ 184,270,349
Restricted	20,193,505	15,476,976	18,506,073	15,737,797	16,860,362
Unrestricted	<u>(11,006,718)</u>	<u>(9,068,405)</u>	<u>(18,479,928)</u>	<u>26,747,317</u>	<u>23,689,130</u>
Total Governmental Activities Net Position	<u>\$ 175,794,278</u>	<u>\$ 176,977,155</u>	<u>\$ 181,507,615</u>	<u>\$ 223,541,715</u>	<u>\$ 224,819,841</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 40,729,712	\$ 37,504,482	\$ 37,582,505	\$ 36,617,378	\$ 36,163,443
Unrestricted	<u>8,950,670</u>	<u>7,696,321</u>	<u>8,323,401</u>	<u>8,941,920</u>	<u>9,739,336</u>
Total Business-type Activities Net Position	<u>\$ 49,680,382</u>	<u>\$ 45,200,803</u>	<u>\$ 45,905,906</u>	<u>\$ 45,559,298</u>	<u>\$ 45,902,779</u>
Primary Government					
Net Investment in Capital Assets	\$ 207,337,203	\$ 208,073,066	\$ 219,063,975	\$ 217,673,979	\$ 220,433,792
Restricted	20,193,505	15,476,976	18,506,073	15,737,797	16,860,362
Unrestricted	<u>(2,056,048)</u>	<u>(1,372,084)</u>	<u>(10,156,527)</u>	<u>35,689,237</u>	<u>33,428,466</u>
Total Primary Government Net Position	<u>\$ 225,474,660</u>	<u>\$ 222,177,958</u>	<u>\$ 227,413,521</u>	<u>\$ 269,101,013</u>	<u>\$ 270,722,620</u>

*Beginning in 2016, the City implemented GASB 68 which resulted in the inclusion of a net pension liability.

Data Source

Audited Financial Statements

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 187,500,531	\$ 190,779,593	\$ 192,568,460	\$ 193,225,047	\$ 193,768,992
16,064,099	16,499,487	3,645,693	3,001,515	3,319,974
<u>21,126,818</u>	<u>19,550,532</u>	<u>29,683,545</u>	<u>25,090,240</u>	<u>25,867,536</u>
<u>\$ 224,691,448</u>	<u>\$ 226,829,612</u>	<u>\$ 225,897,698</u>	<u>\$ 221,316,802</u>	<u>\$ 222,956,502</u>
\$ 36,077,752	\$ 36,753,670	\$ 37,709,887	\$ 38,075,853	\$ 37,184,702
<u>9,880,856</u>	<u>8,918,142</u>	<u>8,513,924</u>	<u>8,617,858</u>	<u>9,577,076</u>
<u>\$ 45,958,608</u>	<u>\$ 45,671,812</u>	<u>\$ 46,223,811</u>	<u>\$ 46,693,711</u>	<u>\$ 46,761,778</u>
\$ 223,578,283	\$ 227,533,263	\$ 230,278,347	\$ 231,300,900	\$ 230,953,694
16,064,099	16,499,487	3,645,693	3,001,515	3,319,974
<u>31,007,674</u>	<u>28,468,674</u>	<u>38,197,469</u>	<u>33,708,098</u>	<u>35,444,612</u>
<u>\$ 270,650,056</u>	<u>\$ 272,501,424</u>	<u>\$ 272,121,509</u>	<u>\$ 268,010,513</u>	<u>\$ 269,718,280</u>

CITY OF LAKE FOREST

Change in Net Position
Last Ten Fiscal Years

Fiscal Years	2018	2017	2016	2015
Expenses				
Governmental Activities				
General Government	\$ 9,884,646	\$ 16,882,976	\$ 11,675,363	\$ 12,604,331
Highway and Streets	9,621,569	10,923,639	9,230,548	8,839,231
Sanitation	2,585,940	2,611,231	2,208,326	2,474,355
Culture and Recreation	10,003,119	10,023,195	8,463,259	10,172,391
Public Safety	17,017,092	17,048,209	16,360,830	15,303,399
Interest	<u>1,271,181</u>	<u>1,559,100</u>	<u>1,293,742</u>	<u>1,357,552</u>
Total Governmental Activities Expenses	<u>\$ 50,383,547</u>	<u>\$ 59,048,350</u>	<u>\$ 49,232,068</u>	<u>\$ 50,751,259</u>
Business-type Activities				
Waterworks and sewerage	8,122,998	8,510,811	7,239,042	8,353,825
Golf	1,604,261	2,095,510	1,868,252	1,642,121
Paid Parking	-	-	-	-
Total Business-type Activities Expenditures	<u>9,727,259</u>	<u>10,606,321</u>	<u>9,107,294</u>	<u>9,995,946</u>
Total Primary Government Expenses	<u>\$ 60,110,806</u>	<u>\$ 69,654,671</u>	<u>\$ 58,339,362</u>	<u>\$ 60,747,205</u>
Program Revenue				
Governmental Activities				
Charges for Services				
General Government	\$ 5,203,210	\$ 8,860,169	\$ 8,191,440	\$ 5,442,475
Highways and Streets	1,006,644	782,953	990,840	710,795
Sanitation	721,276	734,111	697,435	682,062
Culture and Recreation	3,491,365	2,810,762	3,257,796	3,156,699
Public Safety	1,992,985	1,689,547	1,552,567	1,795,521
Operating Grants and Contributions	1,298,006	1,088,579	1,368,451	1,345,670
Capital Grants and Contributions	<u>356,178</u>	<u>1,174,000</u>	<u>280,675</u>	<u>468,255</u>
Total Governmental Activities Program Revenues	<u>14,069,664</u>	<u>17,140,121</u>	<u>16,339,204</u>	<u>13,601,477</u>
Business-type activities				
Charges for Services				
Waterworks and sewerage	8,083,554	7,873,741	7,477,558	8,034,469
Golf	1,480,618	1,606,661	1,759,271	1,414,217
Paid Parking	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
Total Business-type Activities Program Revenues	<u>9,564,172</u>	<u>9,480,402</u>	<u>9,236,829</u>	<u>9,448,686</u>
Total Primary Government Revenues	<u>\$ 23,633,836</u>	<u>\$ 26,620,523</u>	<u>\$ 25,576,033</u>	<u>\$ 23,050,163</u>
Net (Expense) Revenue				
Governmental Activities	\$ (36,313,883)	\$ (41,908,229)	\$ (32,892,864)	\$ (37,149,782)
Business-type Activities	<u>(163,087)</u>	<u>(1,125,919)</u>	<u>129,535</u>	<u>(547,260)</u>
Total Primary Government Net Expense	<u>\$ (36,476,970)</u>	<u>\$ (43,034,148)</u>	<u>\$ (32,763,329)</u>	<u>\$ (37,697,042)</u>

2014	2013	2012	2011	2010	2009
\$ 12,311,198	\$ 16,176,326	\$ 12,080,189	\$ 13,321,852	\$ 13,974,412	\$ 14,928,550
7,762,403	7,536,444	8,304,860	8,687,404	9,469,570	7,911,604
2,586,125	2,512,559	2,568,820	2,349,916	2,183,373	2,169,302
10,397,593	10,352,252	9,469,832	9,402,752	9,589,857	9,430,847
14,430,151	13,748,855	13,583,116	13,398,718	13,116,738	12,623,300
1,333,267	1,362,715	1,420,087	1,424,317	1,097,805	978,029
<u>\$ 48,820,737</u>	<u>\$ 51,689,151</u>	<u>\$ 47,426,904</u>	<u>\$ 48,584,959</u>	<u>\$ 49,431,755</u>	<u>\$ 48,041,632</u>
7,476,752	8,287,297	7,985,394	8,008,372	7,882,904	7,659,138
1,554,678	1,459,394	1,371,380	1,393,869	1,345,437	1,490,115
-	-	-	-	-	-
<u>9,031,430</u>	<u>9,746,691</u>	<u>9,356,774</u>	<u>9,402,241</u>	<u>9,228,341</u>	<u>9,149,253</u>
<u>\$ 57,852,167</u>	<u>\$ 61,435,842</u>	<u>\$ 56,783,678</u>	<u>\$ 57,987,200</u>	<u>\$ 58,660,096</u>	<u>\$ 57,190,885</u>
\$ 4,756,948	\$ 4,838,151	\$ 4,771,863	\$ 4,455,844	\$ 4,822,344	\$ 4,980,144
741,334	753,487	846,366	693,029	809,661	1,239,586
77,147	58,564	81,577	171,030	104,158	192,848
3,314,856	3,342,913	3,392,303	3,650,467	4,121,592	4,197,023
1,950,998	1,861,619	1,678,032	1,930,715	1,540,927	1,589,647
1,105,191	1,777,734	1,433,791	846,781	1,413,819	684,872
757,239	25,000	360,407	5,982,721	925,524	9,033,429
<u>12,703,713</u>	<u>12,657,468</u>	<u>12,564,339</u>	<u>17,730,587</u>	<u>13,738,025</u>	<u>21,917,549</u>
7,521,323	8,598,079	7,477,637	7,344,740	7,048,854	6,589,780
1,397,836	1,320,455	1,238,016	1,264,624	1,333,879	1,413,732
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	162,051	97,724	829,447
<u>8,919,159</u>	<u>9,918,534</u>	<u>8,715,653</u>	<u>8,771,415</u>	<u>8,480,457</u>	<u>8,832,959</u>
<u>\$ 21,622,872</u>	<u>\$ 22,576,002</u>	<u>\$ 21,279,992</u>	<u>\$ 26,502,002</u>	<u>\$ 22,218,482</u>	<u>\$ 30,750,508</u>
\$ (36,117,024)	\$ (39,031,683)	\$ (34,862,565)	\$ (30,854,372)	\$ (35,693,730)	\$ (26,124,083)
<u>(112,271)</u>	<u>171,843</u>	<u>(641,121)</u>	<u>(630,826)</u>	<u>(747,884)</u>	<u>(316,294)</u>
<u>\$ (36,229,295)</u>	<u>\$ (38,859,840)</u>	<u>\$ (35,503,686)</u>	<u>\$ (31,485,198)</u>	<u>\$ (36,441,614)</u>	<u>\$ (26,440,377)</u>

CITY OF LAKE FOREST

Change in Net Position (Cont.) Last Ten Fiscal Years

Fiscal Years	2018	2017	2016	2015
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 26,193,444	\$ 25,928,864	\$ 25,006,224	\$ 24,468,769
Sales	2,105,736	2,829,607	2,889,306	2,851,103
Income and Use	2,272,639	2,306,546	2,251,828	2,386,567
Telecommunications and Utility	3,440,365	3,596,175	3,551,491	3,954,001
Real Estate Transfer Tax	1,622,900	1,398,160	1,288,175	1,224,610
Other	2,178,246	636,368	514,231	534,625
Investment Earnings	1,665,391	1,042,049	145,329	547,118
Miscellaneous	-	-	-	73,613
Gain (loss) on sale of assets	(3,874)	-	-	-
Transfers	(4,343,841)	(360,000)	(924,496)	(168,750)
Total Government Activities	<u>35,131,006</u>	<u>37,377,769</u>	<u>34,722,088</u>	<u>35,871,656</u>
Business-type Activities				
Investment Earnings	\$ 236,990	\$ 58,366	\$ 40,362	33,408
Other	61,835	2,450	6,033	1,621
Transfers	4,343,841	360,000	924,496	168,750
Total Business-type Activities	<u>4,642,666</u>	<u>420,816</u>	<u>970,891</u>	<u>203,779</u>
Total Primary Government	<u>\$ 39,773,672</u>	<u>\$ 37,798,585</u>	<u>\$ 35,692,979</u>	<u>\$ 36,075,435</u>
Change in Net Position				
Governmental Activities	\$ (1,182,877)	\$ (4,530,460)	\$ 1,829,224	\$ (1,278,126)
Business-type Activities	<u>4,479,579</u>	<u>(705,103)</u>	<u>1,100,426</u>	<u>(343,481)</u>
Total Primary Government Change in Net Position	<u>\$ 3,296,702</u>	<u>\$ (5,235,563)</u>	<u>\$ 2,929,650</u>	<u>\$ (1,621,607)</u>

*Starting in 2015, all taxes administered by the State and disbursed to the City are reported as intergovernmental revenues on the face of the financial statements. They have been grouped by tax type for comparison purposes above.

Data Source

Audited Financial Statements

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 23,744,650	\$ 25,051,411	\$ 25,428,378	\$ 24,739,956	\$ 24,383,716	\$ 23,067,216
3,047,529	3,183,479	2,577,304	2,554,772	2,392,497	3,010,457
2,182,325	2,131,711	1,938,686	1,849,046	1,762,425	2,018,177
4,026,972	3,736,586	3,981,548	3,968,072	3,967,398	4,407,235
1,633,580	1,209,113	1,215,407	1,279,935	878,925	962,840
581,443	493,418	492,746	422,080	372,640	391,347
637,193	491,196	264,432	573,508	852,245	35,853
669,145	573,705	33,724	150,049	60,000	22,729
-	-	-	-	-	-
<u>(97,000)</u>	<u>(77,100)</u>	<u>(37,746)</u>	<u>(102,150)</u>	<u>(615,816)</u>	<u>10,111,313</u>
<u>36,425,837</u>	<u>36,793,519</u>	<u>35,894,479</u>	<u>35,435,268</u>	<u>34,054,030</u>	<u>44,027,167</u>
38,550	37,853	51,376	58,776	64,001	169,717
-	-	-	-	-	-
<u>97,000</u>	<u>77,100</u>	<u>37,746</u>	<u>102,150</u>	<u>615,816</u>	<u>(10,111,313)</u>
<u>135,550</u>	<u>114,953</u>	<u>89,122</u>	<u>160,926</u>	<u>679,817</u>	<u>(9,941,596)</u>
<u>\$ 36,561,387</u>	<u>\$ 36,908,472</u>	<u>\$ 35,983,601</u>	<u>\$ 35,596,194</u>	<u>\$ 34,733,847</u>	<u>\$ 34,085,571</u>
\$ 308,813	\$ (2,238,164)	\$ 1,031,914	\$ 4,580,896	\$ (1,639,700)	\$ 17,903,084
<u>23,279</u>	<u>286,796</u>	<u>(551,999)</u>	<u>(469,900)</u>	<u>(68,067)</u>	<u>(10,257,890)</u>
<u>\$ 332,092</u>	<u>\$ (1,951,368)</u>	<u>\$ 479,915</u>	<u>\$ 4,110,996</u>	<u>\$ (1,707,767)</u>	<u>\$ 7,645,194</u>

CITY OF LAKE FOREST

Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2018	2017	2016	2015
General Fund				
Nonspendable	\$ 150,038	\$ 778,160	\$ 1,272,224	\$ 1,648,832
Restricted	-	-	-	957,420
Unassigned	29,130,844	28,799,288	22,509,969	17,910,037
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>29,280,882</u>	<u>29,577,448</u>	<u>23,782,193</u>	<u>20,516,289</u>
All other Governmental Funds				
Non Spendable	28,688	536,121	408,539	381,173
Restricted	20,806,879	19,420,288	20,337,111	14,726,999
Assigned	-	-	1,456,053	1,448,736
Unassigned	-	-	-	(1,022,136)
Reserved	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Unreserved, Reported in	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All other Governmental Funds	<u>20,835,567</u>	<u>19,956,409</u>	<u>22,201,703</u>	<u>15,534,772</u>
Total Governmental Funds	<u>\$ 50,116,449</u>	<u>\$ 49,533,857</u>	<u>\$ 45,983,896</u>	<u>\$ 36,051,061</u>

*The City implemented GASB Statement #54 in FY2012.

Data Source

Audited Financial Statements

2014	2013	2012*	2011	2010	2009
\$ 2,126,990	\$ 2,775,449	\$ 2,159,403	\$ -	\$ -	\$ -
957,420	957,420	957,420	-	-	-
14,530,550	11,020,723	10,601,190	-	-	-
-	-	-	2,988,884	1,071,068	2,218,570
-	-	-	9,239,135	9,815,220	8,618,251
<u>17,614,960</u>	<u>14,753,592</u>	<u>13,718,013</u>	<u>12,228,019</u>	<u>10,886,288</u>	<u>10,836,821</u>
-	43,333	43,333	-	-	-
16,127,257	15,605,203	16,171,794	-	-	-
1,449,284	1,598,819	1,591,600	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,333	43,306	128,516
-	-	-	-	-	-
-	-	-	2,808,826	2,839,264	2,632,215
-	-	-	-	-	-
-	-	-	9,869,178	8,209,263	6,747,544
-	-	-	6,189,372	3,171,421	6,538,074
-	-	-	-	-	-
<u>17,576,541</u>	<u>17,247,355</u>	<u>17,806,727</u>	<u>18,871,709</u>	<u>14,263,254</u>	<u>16,046,349</u>
<u>\$ 35,191,501</u>	<u>\$ 32,000,947</u>	<u>\$ 31,524,740</u>	<u>\$ 31,099,728</u>	<u>\$ 25,149,542</u>	<u>\$ 26,883,170</u>

CITY OF LAKE FOREST

Change in Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2018	2017	2016	2015
Revenues				
Property Taxes	\$ 26,193,444	\$ 25,928,864	\$ 25,006,224	\$ 24,468,769
Other Taxes	4,786,506	4,609,057	4,317,316	4,641,466
Intergovernmental revenues	6,331,183	6,656,768	6,680,193	6,972,923
Grants and contributions	997,289	1,419,736	1,056,523	950,823
Charges for Services	8,833,079	8,005,317	8,506,756	7,935,973
Liscenses and permits	3,232,276	5,157,398	5,222,568	2,821,066
Fines and forfeitures	345,438	321,168	260,407	287,333
Investment income	1,553,167	989,515	115,462	524,150
Miscellaneous revenue	1,831,152	841,731	779,137	790,344
Total Revenue	54,103,534	53,929,554	51,944,586	49,392,847
Expenditure				
General Government	\$ 10,469,740	\$ 11,581,286	\$ 10,811,408	10,248,830
Highways and streets	2,354,587	3,118,461	2,157,463	2,371,461
Sanitation	2,290,986	2,311,435	2,276,433	2,235,135
Culture and recreation	8,853,547	8,532,289	8,338,284	8,457,043
Public Safety	15,520,779	15,126,874	15,090,712	14,469,408
Capital Outlay	8,746,881	5,439,469	10,992,926	7,582,668
Debt Service				
Principal	1,782,156	7,906,696	1,791,579	1,623,436
Interest	1,277,596	1,639,191	1,293,634	1,400,609
Total Expenditures	51,296,272	55,655,701	52,752,439	48,388,590
Excess (Deficiency) of Revenues over Expenditures	2,807,262	(1,726,147)	(807,853)	1,004,257
Other Financing Sources (Uses)				
Transfers in	\$ 4,799,274	\$ 7,776,661	\$ 2,846,321	2,020,085
Transfers out	(7,050,020)	(8,136,661)	(2,895,321)	(2,188,835)
Bonds issued	-	-	9,780,000	-
Installment note proceeds	-	-	-	-
Loan proceeds	-	-	830,080	-
Premium (discount) on bonds issued	-	-	106,384	-
Proceeds from refunding G.O. bonds	-	-	-	-
Payments for refunding G.O. bonds	-	-	-	-
Sale of capital assets	26,076	5,636,108	73,224	24,053
Total Other Financing Sources (Uses)	(2,224,670)	5,276,108	10,740,688	(144,697)
Net Change in Fund Balance	\$ 582,592	\$ 3,549,961	\$ 9,932,835	\$ 859,560
Debt Service as a Percentage of Non-Capital Expenditures	6.49%	17.36%	6.54%	6.43%

2014	2013	2012	2011	2010	2009
\$ 23,744,650	\$ 25,051,411	\$ 25,428,378	\$ 24,739,956	\$ 24,383,716	\$ 23,067,216
11,471,849	10,754,307	10,205,691	10,073,905	9,433,885	10,790,056
576,125	612,357	589,960	523,185	1,304,368	684,872
962,249	1,190,377	1,039,737	1,306,195	706,250	-
7,373,500	7,319,673	7,028,800	7,427,784	7,844,119	8,295,760
2,477,338	2,450,194	2,475,739	2,246,336	2,135,888	2,117,774
297,005	368,941	372,607	409,539	372,924	387,629
610,601	462,579	225,225	531,666	815,520	(11,695)
759,384	1,225,082	730,813	1,074,576	1,374,476	1,420,815
<u>48,272,701</u>	<u>49,434,921</u>	<u>48,096,950</u>	<u>48,333,142</u>	<u>48,371,146</u>	<u>46,752,427</u>
10,112,393	14,242,768	10,313,031	11,929,446	12,226,189	12,778,200
2,293,840	2,044,225	2,139,656	2,449,911	3,897,758	2,567,220
2,212,166	2,193,091	2,228,844	2,194,511	2,056,528	2,096,044
8,686,298	9,282,695	8,463,547	8,559,331	8,816,962	8,511,075
14,299,583	13,826,732	13,723,801	13,291,727	13,062,453	12,820,200
5,527,772	4,586,574	6,641,923	6,348,572	11,376,490	28,537,234
1,400,950	1,377,736	2,531,876	15,659,313	2,877,662	2,954,681
1,319,276	1,392,342	1,667,372	1,284,755	1,173,967	694,355
<u>45,852,278</u>	<u>48,946,163</u>	<u>47,710,050</u>	<u>61,717,566</u>	<u>55,488,009</u>	<u>70,959,009</u>
<u>2,420,423</u>	<u>488,758</u>	<u>386,900</u>	<u>(13,384,424)</u>	<u>(7,116,863)</u>	<u>(24,206,582)</u>
3,224,306	2,829,243	2,296,270	1,844,410	1,847,105	5,425,090
(3,321,306)	(2,906,343)	(2,334,016)	(1,946,560)	(2,462,921)	(4,454,665)
-	-	-	18,090,000	3,680,000	-
-	-	-	-	2,300,000	10,700,000
-	-	-	-	-	-
26,093	-	120,828	279,130	19,051	-
9,715,000	-	5,690,000	-	-	-
(9,665,000)	-	(5,769,025)	-	-	-
791,038	64,549	34,055	1,067,630	-	75,000
<u>770,131</u>	<u>(12,551)</u>	<u>38,112</u>	<u>19,334,610</u>	<u>5,383,235</u>	<u>11,745,425</u>
<u>\$ 3,190,554</u>	<u>\$ 476,207</u>	<u>\$ 425,012</u>	<u>\$ 5,950,186</u>	<u>\$ (1,733,628)</u>	<u>\$ (12,461,157)</u>
6.17%	5.85%	8.31%	8.62%	8.62%	8.08%

CITY OF LAKE FOREST

Assessed Value and Actual Value of Taxable Property Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax Increment Financing	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2008	2,674,566,048	217,608,832	79,283	5,817,809	60,603,515	2,958,675,487	0.8700	8,876,026,461	33.333%
2009	2,609,955,147	214,117,162	71,603	5,887,945	60,622,651	2,890,654,508	0.9020	8,671,963,524	33.333%
2010	2,452,291,451	203,193,623	66,933	5,871,505	56,123,585	2,717,547,097	0.9900	8,152,641,291	33.333%
2011	2,302,061,004	203,074,638	70,382	5,409,080	54,464,919	2,565,080,023	1.0350	7,695,240,069	33.333%
2012	2,166,702,992	207,360,589	65,556	3,918,002	-	2,378,047,139	1.1480	7,134,141,417	33.333%
2013	2,047,760,158	200,625,492	62,064	5,099,690	-	2,253,547,404	1.2480	6,760,642,212	33.333%
2014	2,047,998,906	196,562,054	61,541	5,846,135	-	2,250,468,636	1.2741	6,751,405,908	33.333%
2015	2,105,361,682	196,233,065	46,548	6,294,764	-	2,307,936,059	1.2794	6,923,808,177	33.333%
2016	2,226,672,717	209,668,706	49,445	6,591,173	90,630	2,443,072,671	1.2268	7,329,218,013	33.333%
2017	2,309,650,453	215,722,819	51,936	6,841,694	1,690,541	2,533,957,443	1.2366	7,601,872,329	33.333%

Data Source

Office of the County Clerk

Note : Property is assessed at 33 1/3% of actual value; property tax rates per \$100 of assessed valuation.

The City's TIF Increment Financing district expired for 2012

A new City TIF Increment Financing district initiated for 2016

CITY OF LAKE FOREST

Property Tax Rates - Direct and Overlapping Governments
Based on Shields Township
Last Ten Levy Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bonds	0.086	0.090	0.096	0.068	0.071	0.088	0.090	0.067	0.059	0.060
Corporate	0.449	0.405	0.446	0.483	0.544	0.580	0.590	0.619	0.603	0.600
Firemen's Pension	0.028	0.034	0.037	0.041	0.046	0.052	0.054	0.053	0.050	0.061
IMRF	0.052	0.054	0.059	0.032	0.035	0.037	0.038	0.037	0.035	0.035
Library	0.101	0.105	0.116	0.126	0.141	0.152	0.155	0.153	0.146	0.145
Library Sites & Building	0.013	0.013	0.014	0.015	0.016	0.017	0.017	0.017	0.016	0.016
Parks/Park Maintenance	0.050	0.097	0.106	0.114	0.123	0.191	0.194	0.196	0.187	0.184
Playground & Recreation **	0.042	0.043	0.046	0.050	0.055	0.000	0.000	0.000	0.000	0.000
Police Pension	0.039	0.050	0.057	0.060	0.066	0.076	0.080	0.082	0.078	0.083
Recreation for Handicapped Rec.	0.010	0.011	0.013	0.014	0.016	0.018	0.018	0.018	0.018	0.018
Social Security				0.032	0.035	0.037	0.038	0.037	0.035	0.035
City Direct Rates *	0.870	0.902	0.990	1.035	1.148	1.248	1.274	1.279	1.227	1.237
Overlapping Rates										
College of Lake County	0.196	0.200	0.218	0.240	0.272	0.296	0.306	0.299	0.285	0.281
County of Lake	0.453	0.464	0.505	0.554	0.608	0.663	0.682	0.663	0.632	0.622
Lake County Forest Preserve	0.199	0.200	0.198	0.201	0.212	0.218	0.210	0.208	0.193	0.187
North Shore Sanitary District	0.121	0.124	0.136	0.150	0.150	0.164	0.169	0.166	0.157	0.153
School District 67, Elem.	0.965	0.998	1.095	1.186	1.322	1.424	1.452	1.429	1.367	1.355
School District 115, High School	1.001	1.069	1.101	1.191	1.322	1.420	1.450	1.409	1.329	1.314
Township	0.050	0.048	0.039	0.043	0.036	0.037	0.039	0.038	0.036	0.035
Township Road and Bridge	0.019	0.020	0.023	0.026	0.029	0.032	0.033	0.032	0.031	0.030
Total tax rate	3.874	4.025	4.305	4.626	5.099	5.502	5.615	5.523	5.257	5.214
City's share of total tax rate	22%	22%	23%	22%	23%	23%	23%	23%	23%	24%

Data Source

Office of the County Clerk - Shields Township

Lake Forest lies within five townships - Moraine, Shields, Vernon, West Deerfield and Libertyville. Therefore, the tax rates for support of the Township government and for the Township Road and Bridge purposes vary. Parts of Shields Township in Lake Forest lie in the Lake Bluff Park District. All of Moraine Township is in Lake Forest and parts of Shields and West Deerfield Townships in Lake Forest lie in the North Shore Sanitary District.

* Excludes rates for the Special Service Areas

* Includes the City's component unit, Lake Forest Library

** Parks and Playgrounds combined in 2013

CITY OF LAKE FOREST

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 16,120,969	1	0.64%	\$ 23,152,678	1	0.78%
Abbot Laboratories	14,427,525	2	0.57%			
Lake Forest Place LLC	12,567,495	3	0.50%			
Pactiv Corporation	9,402,589	4	0.37%			
Trustmark Insurance Co	8,628,372	5	0.34%	7,830,565	6	0.26%
Northwestern Lake Forest Hospital	7,779,849	6	0.31%	8,074,913	5	0.27%
Lake Forest Landmark Co. LLC	7,392,254	7	0.29%	7,465,122	7	0.25%
Lake Forest Investments	7,136,658	8	0.28%			
Lake Forest Landmark II	6,294,894	9	0.25%			
Riggs & Co A Division of Riggs Bank N A	5,967,813	10	0.24%			
The Presbyterian Home				19,603,405	2	0.66%
CBIZ Property Tax Solutions				13,566,806	3	0.46%
Lake Products, Inc				13,488,063	4	0.46%
James Campbell Company, LLC				6,894,807	8	0.23%
Shawgate Lake Forest, LLC				5,987,003	9	0.20%
Northern Trust Company				5,252,962	10	0.18%
	<u>\$ 95,718,418</u>		<u>3.78%</u>	<u>\$111,316,324</u>		<u>3.75%</u>

Data Source

Office of the County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

2018 Column is 2017 Assessed Valuation

2009 Column is 2008 Assessed Valuation

CITY OF LAKE FOREST

Property Tax Levies and Collections Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy		Subsequent Year Collections	Total Collections Per Levy	
		Amount	Percentage of Levy		Taxes Received	Percentage of Levy
2008	25,213,226	25,166,378	99.81%	8,545	25,174,923	99.85%
2009	25,526,887	25,468,324	99.77%	18,421	25,486,745	99.84%
2010	26,348,093	26,304,316	99.83%	8,193	26,312,509	99.86%
2011	25,984,866	25,911,115	99.72%	135	25,911,250	99.72%
2012	27,299,981	27,198,985	99.63%	384	27,199,369	99.63%
2013	28,124,272	28,002,008	99.57%	14,464	28,016,472	99.62%
2014	28,673,693	28,608,680	99.77%	14,056	28,622,736	99.82%
2015	29,528,749	29,468,310	99.80%	10,693	29,479,003	99.83%
2016	29,970,699	29,839,108	99.56%	781	29,839,889	99.56%
2017	31,313,227	N/A	N/A	N/A	N/A	N/A

Data Source

Lake County Treasurer and City

Note: Property is assessed at 33 1/3 % of actual value.

CITY OF LAKE FOREST

Tax Extensions for City Funds Last Ten Levy Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General	0.449	0.405	0.446	0.483	0.544	0.580	0.590	0.619	0.603	0.600
IMRF/Social Security	0.052	0.054	0.059	0.064	0.070	0.074	0.076	0.074	0.070	0.070
Firefighter Pension	0.028	0.034	0.037	0.041	0.046	0.052	0.054	0.053	0.050	0.061
Police Pension	0.039	0.050	0.057	0.060	0.066	0.076	0.080	0.082	0.078	0.083
Parks and Recreation	0.092	0.140	0.152	0.164	0.178	0.191	0.194	0.196	0.187	0.184
Special Recreation	0.010	0.011	0.013	0.014	0.016	0.018	0.018	0.018	0.018	0.018
General Obligation Bond 1998 B	-	-	-	-	-	-	-	-	-	-
General Obligation Bond 2000	0.023	0.023	0.025	-	-	-	-	-	-	-
General Obligation Bond 2001 B	0.004	0.004	0.004	-	-	-	-	-	-	-
General Obligation Bond 2003 A	0.035	0.036	-	-	-	-	-	-	-	-
General Obligation Bond 2008	0.024	0.022	0.032	0.034	0.036	0.037	0.037	0.026	-	-
General Obligation Bond 2009	-	0.005	0.011	0.011	0.012	0.013	0.013	0.009	0.012	0.012
General Obligation Bond 2010	-	0.000	0.020	0.023	0.023	0.012	0.025	0.015	0.020	0.020
General Obligation Bond 2013	-	0.000	0.000	0.000	0.000	0.026	0.015	0.010	0.018	0.018
General Obligation Bond 2015	-	-	-	-	-	-	-	0.008	0.009	0.010
Total tax rate	0.756	0.784	0.856	0.894	0.991	1.079	1.102	1.110	1.065	1.076

Data Source

Office of the County Clerk

The tax rate for the City's component unit, Lake Forest Library is excluded from this table.

This table excludes the tax rates for the Special Service Areas.

CITY OF LAKE FOREST

Sales Tax Base and Number of Principal Payers
Taxable Sales by Category - .5% Sales Tax
Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 10,741	\$ 8,492	\$ 8,460	\$ 36,478	\$ 12,219	\$ 9,722	\$ 7,005	\$ 7,471	\$ 5,072	\$ 4,358
Food	97,870	83,567	89,338	90,613	91,999	93,952	105,771	96,009	92,936	93,838
Drinking and Eating Places	147,973	127,679	133,028	140,639	155,188	165,386	180,023	163,447	173,473	182,278
Apparel	54,674	55,300	51,968	53,727	64,317	68,135	68,291	75,606	73,785	72,540
Furniture & H.H. & Radio	51,881	42,526	38,958	10,187	37,536	38,821	39,494	36,526	32,774	28,424
Lumber, Building, Hardware	26,223	20,405	19,010	(6,528)	6,867	9,862	-	-	7,537	8,238
Automobile and Filling Stations	37,349	27,399	35,443	38,209	38,900	37,025	34,895	28,267	26,735	30,895
Drugs and Miscellaneous Retail	117,787	178,470	91,397	105,512	81,022	110,554	117,262	118,740	117,224	102,558
Agriculture and All Others	100,902	88,052	94,649	97,776	110,446	121,651	105,139	129,721	116,945	105,670
Manufacturers	109,291	21,860	14,322	(4,963)	-	-	7,095	(3,818)	-	-
Censored categories	-	-	-	-	-	-	-	-	-	-
Total	\$ 754,691	\$ 653,750	\$ 576,572	\$ 561,650	\$ 598,494	\$ 655,108	\$ 664,975	\$ 651,969	\$ 646,481	\$ 628,799
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

Effectively July 2003, an additional .5% non home rule sales tax was collected.
The City of Lake Forest became a home rule community in November 2004.

CITY OF LAKE FOREST

Sales Tax Base and Number of Principal Payers
Taxable Sales by Category - 1% Sales Tax
Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 21,504	\$ 16,984	\$ 17,248	\$ 72,955	\$ 24,726	\$ 19,656	\$ 14,010	\$ 14,930	\$ 11,412	\$ 10,496
Food	629,087	562,455	570,803	579,914	585,517	593,446	673,803	591,893	564,049	550,591
Drinking and Eating Places	302,523	260,953	271,753	286,472	317,291	338,382	364,221	329,303	350,024	372,173
Apparel	109,349	110,600	103,935	107,453	128,633	136,270	136,582	151,212	147,576	145,141
Furniture & H.H. & Radio	103,763	85,052	77,915	20,373	75,071	77,642	78,988	73,061	65,571	56,848
Lumber, Building, Hardware	52,445	40,810	38,019	(13,037)	13,742	19,724	-	-	15,076	16,479
Automobile and Filling Stations	130,459	109,080	150,101	138,744	146,865	241,339	178,178	133,684	139,764	141,260
Drugs and Miscellaneous Retail	438,917	546,202	322,376	371,420	400,096	433,159	430,482	414,407	431,966	399,115
Agriculture and All Others	219,358	198,803	267,227	254,225	274,807	285,401	255,189	295,974	271,061	246,697
Manufacturers	218,715	43,909	28,947	(9,729)	-	-	14,415	(5,107)	-	-
Censored categories	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 2,226,120</u>	<u>\$ 1,974,848</u>	<u>\$ 1,848,324</u>	<u>\$ 1,808,790</u>	<u>\$ 1,966,748</u>	<u>\$ 2,145,019</u>	<u>\$ 2,145,868</u>	<u>\$ 1,999,357</u>	<u>\$ 1,996,499</u>	<u>\$ 1,938,800</u>
Total Number of Payers	849	843	663	647	637	637	673	687	687	687
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

The categories, Lumber, Bldg. and Hardware and General Merchandise became a censored status in the 2nd quarter of 2008.

CITY OF LAKE FOREST

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
2009	1.50%	5.00%	0.50%	0.50%	7.50%
2010	1.50%	5.00%	0.50%	0.50%	7.50%
2011	1.50%	5.00%	0.50%	0.50%	7.50%
2012	1.50%	5.00%	0.50%	0.50%	7.50%
2013	1.50%	5.00%	0.50%	0.50%	7.50%
2014	1.50%	5.00%	0.50%	0.50%	7.50%
2015	1.50%	5.00%	0.50%	0.50%	7.50%
2016	1.50%	5.00%	0.50%	0.50%	7.50%
2017	1.50%	5.00%	0.50%	0.50%	7.50%
2018	1.50%	5.00%	0.50%	0.50%	7.50%

Data Source

City records

The City of Lake Forest became a home rule community in November 2004.

CITY OF LAKE FOREST

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Percentage of Personal Income*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds				
2009	24,188,066	11,166,667	26,280,000	-	61,634,733	2.08%	3.70%	2,853.46
2010	25,457,071	13,000,000	24,925,000	-	63,382,071	2.19%	3.81%	2,934.36
2011	40,887,758	-	23,525,000	-	64,412,758	2.37%	4.31%	3,324.53
2012	38,580,882	-	22,804,000	-	61,384,882	2.39%	4.11%	3,168.25
2013	37,203,146	-	21,060,000	-	58,263,146	2.45%	3.90%	3,007.13
2014	35,852,197	-	19,245,000	-	55,097,197	2.44%	3.69%	2,843.73
2015	34,258,902	-	17,602,838	-	51,861,740	2.30%	3.47%	2,676.73
2016	42,510,566	-	15,679,654	-	58,190,220	2.52%	3.90%	3,003.37
2017	34,775,542	-	13,737,111	-	48,512,653	1.99%	3.25%	2,503.88
2018	33,460,538	-	21,111,864	-	54,572,402	2.23%	3.65%	2,816.64

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property, population data and personal income.

CITY OF LAKE FOREST

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2009	50,468,066	2,632,215	47,835,851	0.54%	2,214.62
2010	50,382,071	2,839,265	47,542,806	0.55%	2,201.06
2011	64,412,758	2,808,827	61,603,931	0.76%	3,179.56
2012	61,384,882	2,316,219	59,068,663	0.77%	3,048.71
2013	58,263,146	2,407,275	55,855,871	0.78%	2,882.88
2014	55,097,197	1,144,118	53,953,079	0.80%	2,784.68
2015	51,861,740	1,316,900	50,544,840	0.75%	2,608.77
2016	58,190,220	1,201,300	56,988,920	0.82%	2,941.36
2017	48,512,653	1,438,823	47,073,830	0.64%	2,429.62
2018	54,572,402	1,521,887	53,050,515	0.70%	2,738.09

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

CITY OF LAKE FOREST

Direct and Overlapping Governmental Activities Debt As of April 30, 2018

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 182,235,000	9.94%	\$ 18,114,159
Lake County Community College #532	63,745,000	10.48%	6,680,476
Lake County Forest Preserve District	255,895,000	9.94%	25,435,963
School District #67	1,806,829	100.00%	1,806,829
School District #103	6,010,000	0.01%	601
High School District #115	32,215,000	79.50%	25,610,925
Subtotal, overlapping debt	541,906,829		77,648,953
City of Lake Forest direct debt	33,460,538	100.00%	\$ 33,460,538
Total direct and overlapping debt	<u>\$ 575,367,367</u>		<u>\$ 111,109,491</u>

Source: Lake County Clerk

* Determined by ratio of assessed valuation of property subject to taxation in the City of Lake Forest to valuation of property subject to taxation in overlapping unit.. The Percentage of debt is calculated by the percentage of the City's EAV in relation to the overlapping government's EAV. The gross debt is found on the Lake County website.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Forest. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF LAKE FOREST

Legal Debt Margin Information Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legal debt margin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to the limit as a percentage of debt limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Legal debt margin from 1997-2004 was 8.625% of assessed value.

* City of Lake Forest achieved home rule status in November 2004. To date the General Assembly has set no limits for home rule municipalities.

CITY OF LAKE FOREST

Pledged Revenue Coverage Last Ten Fiscal Years

Waterworks and Sewerage and Golf Course Bonds

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009**	9,901,537	6,738,037	3,163,500	1,265,000	1,168,738	1.30
2010	8,446,734	5,397,283	3,049,451	1,358,325	1,126,001	1.23
2011	8,690,738	5,609,379	3,081,359	1,400,000	1,071,748	1.25
2012	8,767,029	6,358,960	2,408,069	1,651,000	661,906	1.04
2013	9,956,387	6,938,272	3,018,115	1,744,000	482,866	1.36
2014	9,043,227	5,406,022	3,637,205	1,815,000	433,125	1.62
2015	8,918,081	5,445,461	3,472,620	1,847,000	402,951	1.54
2016	10,190,948	5,826,164	4,364,784	1,877,000	373,266	1.94
2017	9,881,831	6,438,798	3,443,033	1,902,000	339,386	1.54
2018	10,022,069	5,644,942	4,377,127	1,952,000	544,461	1.75

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

Water Charges and Other includes investment earnings but excludes sale of property and grants

Operating expenses does not include debt service, depreciation or reserve requirements

** In FY2009, the Paid Parking Fund was closed to the General Fund. Debt payments will be paid from a new Debt Service Fund.

CITY OF LAKE FOREST

Demographic and Economic Information Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Valuation (EAV)	Per Capita EAV	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	21,600	(E)	2,958,675,487	136,976	1,665,187,200	77,092	3.9%
2010	21,600	(E)	2,890,654,508	133,827	1,665,187,200	77,092	5.8%
2011 *	19,375	(A)	2,717,547,097	140,260	1,493,657,500	77,092	7.5%
2012 *	19,375	(A)	2,565,080,023	132,391	1,493,657,500	77,092	6.8%
2013 *	19,375	(A)	2,378,047,139	122,738	1,493,657,500	77,092	6.7%
2014 *	19,375	(A)	2,253,547,404	116,312	1,493,657,500	77,092	6.7%
2015 *	19,375	(A)	2,250,468,636	116,153	1,493,657,500	77,092	5.4%
2016 *	19,375	(A)	2,307,936,059	119,119	1,493,657,500	77,092	4.7%
2017 *	19,375	(A)	2,443,072,671	126,094	1,493,657,500	77,092	4.6%
2018 *	19,375	(A)	2,533,957,443	130,785	1,493,657,500	77,092	3.9%

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

City records, Department of Labor and Office of the County Clerk.

2010 Census information for Per Capita Personal Income was not available.

* The State of Illinois revised the annual unemployment rates for small communities back to 2010 in 2014

CITY OF LAKE FOREST

Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Northwest Lake Forest Hospital	1,488	1	7.68%	1,600	1	7.44%
Hospira Inc.	-			1,350	2	6.28%
Pfizer	**	2				
Abbott	721	3	3.72%			
Trustmark Insurance Company	704	4	3.63%	814	3	3.79%
TAP Pharmaceutical Products				804	4	3.74%
Lake Forest College excludes student employees	460	5	2.37%	514	5	2.39%
Pactiv Corporation	329	6	1.70%	470	6	2.19%
Lake Forest H.S. District 115 teacher, support staff	317	7	1.64%	300	9	1.40%
Lake Forest Elem. S.D. No. 67	314	8	1.62%	321	7	1.49%
Packaging Corporation of America	282	9	1.46%			
City of Lake Forest	210	10	1.08%	253	10	1.18%
Brunswick Corporation Packaging Corp	-		0.00%	308	8	1.43%

Data Source

City staff contacted companies via mail.

** No response received

CITY OF LAKE FOREST

Full-Time Equivalent Employees Last Ten Fiscal Years

Full-Time-Equivalent Budgeted Employees as of April 30										
Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	30	29	26	25	25	25.0	25.0	25.0	25.4	23.5
Community Development	18	15	12.5	12.5	13.0	13.0	13.0	13.0	13.0	13.0
Public Safety										
Fire Protection										
Firefighters	37	36	34	33	33	33	33	33	33	32
Administrative	1.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0
Police										
Officers	43	41.5	40	40	40	40	40	40	40	40
Civilians	18.5	18.5	17.5	18.0	18.0	18.0	18.0	8.0	9.0	7.0
Public Works										
Public Works Administration	5	5	5	4	4	4	4	4	4	4
Building Maintenance	6	6	6	6	6	7	7	7	7	7
Engineering	7	7	6	5	5	5	5	5	5	5
Streets	8	8	8	7	7.5	7.5	7.5	7.5	8.0	8.0
Sanitation	12	12	12	12	11.5	10.5	10.5	10.5	10.0	10.0
Forestry	9	9	0	0	0	0	0	0	0	0
Fleet (vehicle) Maintenance	5	7	6	6	6	6	6	6	6	6
Water										
Water Plant	9	9	8	7	7	6.5	6.5	6.5	6.5	6.5
Water and Sewer	10	10	10	10	10	8.5	8.5	8.5	8.5	8.5
Parks	7.25	7.25	16.4	15.4	15.4	15.4	15.4	15.4	15.0	15.0
Recreation	17.5	17.5	17.4	15.4	15.4	15.4	15.4	15.4	16.0	16.0
Golf Course	4.25	3.25	3.2	3.2	2.2	2.2	2.2	2.2	0.0	0.0
Cemetery	2	2	2	2	2	2	2	2	2	3
Senior Resources	3	3	3	3	3	3	3	3	3	3
Sub - total City	253	248.5	235.5	227	226	224	224	214	213.4	209.5
Library	29	27.24	29.6	27.9	27.8	28.2	28.2	29.2	30.5	30.5
Total all	282	275.74	265.1	254.9	253.8	252.2	252.2	243.2	243.9	240

Data Source

City Departments and employee totals as of April 30th

CITY OF LAKE FOREST

Operating Indicators
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	183	261	293	297	382	440	394	355	361	425
Rebates Issued	23	30	37	37	40	67	40	44	37	40
Birth Certificates Issued	2,690	2,751	1,940	2,821	2,675	2,250	2,556	2,575	2,474	2,807
Passports Issued (2)	89	108	48	29	0	0	0	0	0	0
Community Development										
Building permits issued	3,142	2,610	3072	3451	3197	3418	3667	3855	3632	3753
Residential construction	23	4	7	11	7	13	20	27	21	9
Commercial construction	3	1	0	1	2	1	1	1	1	4
Building inspections conducted	9,284	8,060	8392	8645	8925	8651	9657	11009	11707	10798
Public Safety										
Fire protection										
I.S.O. rating	4	4	4	4	4	4	4	4	3	3
Number of calls answered										
EMS	1,558	1,041	1,211	1,607	1,726	1,574	1,785	1,712	1,923	1,909
Fire	1,759	1,233	1,177	1,734	1,403	1,497	1,503	1,367	1,385	1,448
Police (calendar year)										
Non traffic arrests	449	424	385	335	237	191	89	166	129	76
Parking violations	9,626	8,472	8,757	7,114	7,013	5,979	5,250	3,907	5,396	4,325
Traffic violations	5,320	3,190	2,997	2,028	2,220	1,877	1,741	1,985	1,718	949
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	3.08	5.76	6.57	7.09	5.92	5.00	5.50	2.40	3.28	2.63
Number of snow events										
Salting	8	14	15	14	23	27	21	24	15	10
Plowing	25	15	20	12	12	21	20	10	5	10
Inches of snow	72	56	60	21	36	48	50	24	22	45
Sanitation										
Refuse collection customers	6,361	6,361	6,471	6,471	6,472	6,462	6,654	6,295	6,467	6,467
Parks and Recreation (3)										
Fitness										
Number of programs	348	349	334	322	264	336	181	346	215	200
Units of participation	1,648	1,355	1,393	1,196	1,060	1,587	1,216	1,271	1,473	1,430
Athletics										
Number of programs	213	278	157	309	283	270	341	168	275	237
Units of Participation	3,253	3,148	2,416	2,932	2,704	2,524	2,282	1,348	2,006	2,026
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	307	306	420	395	319	294	126	130	176	161
Units of participation	1,541	1,402	1,344	1,424	1,576	1,380	752	1,393	1,221	1,385
Cultural Arts/Special Events										
Number of programs	338	292	320	270	306	286	87	147	286	246
Units of participation	2,536	2,274	2,262	2,008	1,972	1,999	1,329	1,579	4,133	4,743

CITY OF LAKE FOREST

Operating Indicators (Continued) Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	176	10	124	104	37	47	20	20	26	34
Units of participation	969	772	627	582	301	360	2263	2802	3685	2148
Developed parks and recreation areas	10	10	10	10	10	10	10	11	11	11
Developed park acreage	395.5	395.5	415	404	404	404	404	405	405	405
Sites with playgrounds	8	8	8	8	9	9	9	9	9	9
Sites with baseball diamonds	7	7	7	8	8	8	8	8	8	8
Sites with soccer fields	7	7	7	7	7	7	7	7	7	7
Sites with basketball standards	4	4	5	5	5	5	5	5	5	5
Sites with tennis courts	6	6	6	6	6	6	6	6	6	6
Deer Path Golf Course										
Size	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes
Rounds of Play	35,494	35,079	32,664	31,949	30,321	29,435	27,956	29,445	27,101	24,631
Daily fee	15,500	15,839	15,102	14,466	13,646	17,449	17,646	20,478	19,755	18,660
Seasonal	19,994	19,240	17,564	17,483	16,675	11,986	10,310	8,967	7,346	5,971
Water										
New Connections (tap-ons)	39	16	19	22	20	28	33	66	30	23
Meters in operation	6,771	6,774	6,761	6,755	6,754	6,751	6,764	6,810	6,854	6,854
Meters connected to sewerage system	6,550	6,570	6,570	6,583	6,584	6,587	6,577	6,645	6,718	6,778
Average daily consumption (MGD)	3.737	3.611	3.669	3.759	4.202	3.652	3,250	3,162	3,499	3,550
Peak daily consumption (MGD)	9.883	9.389	8.982	11.805	10.298	8.611	7.345	8,268	8,315	8,926
Rated daily pumping capacity (MGD)	14	14	14	14	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	1,441.7	1,321.1	1,336.5	1,372.0	1,534.0	1,332.8	1,187.6	1,157.2	1,277.0	1,296.0
Municipal paid parking facilities										
Long- term parking spaces										
Miscellaneous lots	813	813	813	813	813	813	813	813	813	813
Union Pacific (CBD district)	98	98	98	98	98	98	98	98	98	98
Metra (Telegraph Road)	502	502	502	502	502	502	502	502	502	502
Short-term parking spaces	341	341	341	341	341	341	341	341	341	341
Component Unit										
Library services										
Books and non print materials	143,518	142,654	145,496	145,539	147,330	148,318	146,214	146,153	221,568	248,598
Registered borrowers	14,490	15,145	15,645	16,200	15,160	15,403	15,440	15,460	15,518	13,588
Fiscal yearbooks, items or materials circulation	406,998	488,056	465,927	485,450	457,632	450,876	410,852	383,561	376,144	551,232

Data Source

City departments

- (1) Collection of real estate transfer tax began in July 2006 (FY2007).
 - (2) The City began to issue passports in FY2003 and stopped in FY2012.
 - (3)
 - a. Fitness data does not include Fitness Center memberships.
 - b. Units of participation may include an individual participant more than once.
- N/A equals data not available

CITY OF LAKE FOREST

Capital Asset Statistics Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	25	23	23	21	24	24
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	17	15	17	17	15
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	7	7	7	7	7	7	7	7	7
Streets										
Streets (centerline miles)	119.00	119.00	119.00	119.00	119.00	119.24	119.24	119.24	119.24	119.24
Streetlights										
Gas	438	438	438	438	438	438	438	438	438	438
Electric	1,460	1,473	1,526	1,526	1,526	1,536	1,570	1,570	1,570	1,570
Storm sewer (miles)	218.29	219.17	219.35	219.41	219.41	219.41	219.41	219.43	219.43	219.46
Parks and Recreation										
Acreage	395.5	395.5	415	404	404	404	404	405	405	405
Water										
Water mains (miles)	165.25	165.25	165.25	165.25	165.25	165.79	166.44	166.44	166.89	167.68
Fire hydrants	1,362	1,362	1,362	1,362	1,362	1,362	1,511	1,511	1,511	1,519
Wastewater										
Sanitary sewers (miles)	138.71	138.90	138.90	138.95	138.90	138.95	138.95	139.43	139.43	140.25

Data Source

City departments

N/A = data not available

The City of Lake Forest
CITY COUNCIL
Proceedings of the Monday, October 15, 2018
City Council Meeting - City Council Chambers

CALL TO ORDER AND ROLL CALL: Honorable Mayor Lansing called the meeting to order at 6:57pm, and the Assistant to the City Manager, Mike Strong called the roll of Council members.

Present: Honorable Mayor Lansing, Alderman Beidler, Alderman Morris, Alderman Newman, Alderman Rummel, Alderman Reisenberg, Alderman Preschlack, Alderman Moreno and Alderman Buschmann.

Absent: None.

Mayor Lansing called the meeting to order 6:57pm

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE was recited by all those present in the Chamber.

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

A. Proclamation for the History Center of Lake Forest and Lake Bluff Grand Opening

Mayor Lansing read a proclamation and presented it to Janice Hack, Executive Director of the History Center of Lake Forest – Lake Bluff.

COMMENTS BY CITY MANAGER

A. Community Spotlight

- Janice Hack, Executive Director, History Center of Lake Forest – Lake Bluff

Janice Hack, Executive Director, gave an overview of the changes occurring at the History Center of Lake Forest – Lake Bluff including the grand opening of the new facility, programs, events, and the various services that the History Center offers.

B. Deerpath Golf Course Update

- Vince Juarez, General Manager, Deerpath Golf Course

Vince Juarez, General Manager, Deerpath Golf Course, gave an overview of the 2018 season at the golf course including updates on the course utilization, capital renovations and course improvements, concessions, and previewed the 2019 golf season.

C. Comprehensive Plan Updates

City Manager Robert Kiely gave an update on the status of the Comprehensive Plan working group committing that is investigating the Waukegan Road/Settler's Square commercial area. He stated that the Committee will be hosting a public engagement workshop on October 25, from 6:00pm – 8:30pm at the Fire Station 2 on Telegraph Road.

COMMITTEE REPORTS

PUBLIC WORKS

1. Consideration of Alternative Design Options and Funding Approaches Relating to Forest Park and the North Beach Access Road Bluff

Robert Kiely, City Manager, Michael Thomas, Director of Public Works, Sally Swarthout, Director of Parks & Recreation, and Chuck Myers, Superintendent of Parks/Forestry, gave an overview to date along with proposed options for the Forest Park Bluff and North Beach Access Road project. The City Council had lengthy discussion regarding the alternatives, impact on vegetation to the bluff, stormwater management, and continual monitoring of the area.

Public Comment: Resident Bob Crawford expressed his gratitude to the City Council for the thoughtful discussion on the issue.

COUNCIL ACTION: Approval of the Public Works Committee Recommendation of an Agreement for Design & Bidding Assistance and Endorsement of a Design Option, Bidding Process, and Timeline for the Forest Park Bluff Failure Project as follows:

1. Direct staff to pursue repair of the NBAR bluff per design option _____.
2. Per Section 9.0A of the City's Purchasing Directive (Specially Authorized Waiver) approve an agreement with AECOM in the amount of \$_____ for design and construction engineering services based upon option _____.
3. Per Section 9.0A of the City's Purchasing Directive (Specially Authorized Waiver) approve an agreement with P. Clifford Miller Inc. in the amount of \$_____ for landscape design based upon option _____.
4. Direct staff to begin removing or repairing the existing boardwalk that was closed in June, 2018.
5. Seek engineering design proposals for a re-designed walkway adjacent to the South Beach Access Road.

Alderman Preschlack made a motion to direct staff to pursue repair of the NBAR bluff per design option 3A, seconded by Alderman Morris. The following voted "Aye": Aldermen Beidler, Morris, Newman, Rummel, Reisenberg, Preschlack, Moreno, and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

Alderman Preschlack made a motion to approve per Section 9.0A of the City's Purchasing Directive (Specially Authorized Waiver) approve an agreement with AECOM in the amount of \$208,000 for design and construction engineering services based upon option 3A, seconded by Alderman Newman. The following voted "Aye": Aldermen Beidler, Morris, Newman, Rummel, Reisenberg, Preschlack, Moreno, and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

Alderman Preschlack made a motion to per Section 9.0A of the City's Purchasing Directive (Specially Authorized Waiver) approve an agreement with P. Clifford Miller Inc. in the amount of \$18,740 for landscape design based upon option 3A, seconded by Alderman Newman. The following voted "Aye": Aldermen Beidler, Morris, Newman, Rummel, Reisenberg, Preschlack, Moreno, and Buschmann. The following voted "Nay": None. 8- Ayes, 0 Nays, motion carried.

Alderman Preschlack made a motion to direct staff to begin removing the existing boardwalk that was closed in June 2018, seconded by Alderman Reisenberg. The motion carried unanimously by voice vote.

The City Council directed staff to return with additional options related to action #5 above and took no action.

OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON NON-AGENDA ITEMS

ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. **Approval of the October 1, 2018 City Council Meeting Minutes**
2. **Acknowledge Receipt of the FY2018 Treasurer's Report**
3. **Consideration of an Ordinance Granting the Renewal of a Nonexclusive Cable Television Franchise Agreement Between The City of Lake Forest and Comcast of Illinois XII, LLC. (Final Approval)**
4. **Authorization to Dispose of City Property to N3 Sales, Inc. via GovDeals**
5. **Consideration of Ordinances Approving Recommendations from the Building Review Board. (First Reading and if Desired by the City Council, Final Approval)**
6. **Consideration of an Ordinance Approving a Recommendation from the Zoning Board of Appeals. (First Reading, and if Desired by the City Council, Final Approval)**
7. **Authorization for the City Manager to enter into a Professional Services Agreement with Lake County Press, Inc. on Professional Printing Services for the City Dialogue Quarterly Community-Wide Newsletter.**

COUNCIL ACTION: Approval of the Seven (7) Omnibus items as presented

Mayor Lansing asked members of the Council if they would like to remove any item or take it separately. The City Council had discussion on item number 7.

Mayor Lansing again asked members of the Council if they would like to remove any item or take it separately. Seeing none, Mayor Lansing asked for a motion to approve the seven (7) Omnibus items as presented.

Alderman Newman made a motion to approve the seven (7) Omnibus items as amended, seconded by Alderman Beidler. The following voted "Aye": Aldermen Beidler, Morris, Newman, Rummel, Reisenberg and Preschlack. The following voted "Nay": None. Alderman Buschmann stepped out during the vote. 6- Ayes, 0 Nays, motion carried.

Information such as Purpose and Action Requested, Background/Discussion, Budget/Fiscal Impact, Recommended Action and a Staff Contact as it relates to the Omnibus items can be found on the agenda.

ORDINANCES

NEW BUSINESS

ADDITIONAL ITEMS FOR COUNCIL DISCUSSION/COMMENTS BY COUNCIL MEMBERS
--

ADJOURNMENT

There being no further business Mayor Lansing asked for a motion. Alderman Newman made a motion to adjourn, seconded by Alderman Beidler. Motion carried unanimously by voice vote at 9:54pm.

*Proceedings of the Monday, October 15, 2018
Regular City Council Meeting*

Respectfully Submitted
Mike Strong, Assistant to the City Manager

A video of the City Council meeting is available for viewing at the Lake Forest Library and on file in the Clerk's office at City Hall. You can also view it on the website by visiting www.cityoflakeforest.com. Click on I Want To, then click on View, then choose Archived Meetings Videos.

THE CITY OF LAKE FOREST

ORDINANCE NO. 2018-_____

AN ORDINANCE AMENDING THE LAKE FOREST CITY CODE

WHEREAS, the City has established a Board of Fire and Police Commissioners pursuant to 65 ILCS 5/10-2.1; and

WHEREAS, the provisions regarding the Board of Fire Police Commissioners are currently found in Chapter 32, Sections 32.050 to 32.054 of the City's Code of Ordinances; and

WHEREAS, pursuant to its home rule authority, the City is allowed to regulate the hiring and promotion of police officers in the City's police department; and

WHEREAS, the Mayor and City Council have determined that it is in the best interests of the City and its residents that the City exercise its home rule authority to amend the length of time which a candidate for promotion in the police department can remain on a promotional eligibility list in the manner set forth below;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are incorporated as the findings of the City Council and are hereby incorporated into and made a part of this Ordinance.

SECTION TWO: Addition of Section 32.055 to the City Code. Section 32.055, entitled "Police Department Promotional Eligibility Lists," of Chapter 32, is hereby appended to City's Code of Ordinances, to include the following language: "Applicants for promotion in the Police Department shall be struck from the Promotional Register of Eligibles when they have been on the Register of Eligibles for more than two years, provided there is no vacancy existing that can be filled from that Promotional Register of Eligibles."

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form in the manner provided by law.

Passed this ____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved this ____ day of _____, 2018.

Mayor

ATTEST:

City Clerk

THE CITY OF LAKE FOREST

ORDINANCE NO. 2018-_____

**AN ORDINANCE AMENDING SECTION 134.05
OF THE LAKE FOREST CITY CODE
REGARDING CRIMINAL TRESPASS TO LAND**

Adopted by the City Council
of the City of Lake Forest
this ____ day of _____ 2018

Published in pamphlet form by direction
and authority of The City of Lake Forest
Lake County, Illinois
this ____ day of _____ 2018

THE CITY OF LAKE FOREST

ORDINANCE NO. 2018-_____

AN ORDINANCE AMENDING SECTION 134.05
OF THE LAKE FOREST CITY CODE
REGARDING CRIMINAL TRESPASS TO LAND

WHEREAS, The City of Lake Forest is a home rule, special charter municipal corporation; and

WHEREAS, The City of Lake Forest has enacted certain regulations relating to land, including adopting a prohibition on the criminal trespass to land; and

WHEREAS, The City of Lake Forest desires to amend the current criminal trespass provisions of the City Code to incorporate language consistent with the criminal trespass provisions of state statute, as set forth in this Ordinance; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Lake Forest, County of Lake, and State of Illinois, as follows:

SECTION ONE: Recitals. The foregoing recitals are incorporated as the findings of the City Council and are hereby incorporated into and made a part of this Ordinance.

SECTION TWO: Amendment. Section 134.05, entitled "Criminal Trespass to Land," of the Lake Forest City Code is hereby amended as follows (added text is shown in **bold, double underlined**, stricken text in ~~strikethrough~~):

"§ 134.05 CRIMINAL TRESPASS TO LAND REAL PROPERTY.

(A) **A person commits criminal trespass to real property when he or she:**

(1) Knowingly and without lawful authority enters or remains within or on a building; or

(2) Whoever—Enters upon the land **real property** or any part thereof of another, after receiving, immediately prior to such entry, notice from the owner or occupant that such entry is forbidden, or remains upon the land of another after receiving notice from the owner or occupant to depart.

(B) A person has received notice from the owner or occupant within the meaning of division (A) above if he or she has been notified personally, either orally or in writing, or by a printed or written exhibit at the main entrance to such land or the forbidden part thereof. **Upon request of the owner or occupant, the City shall deliver such notice in writing on behalf of the owner or occupant, the delivery of which shall constitute receipt of notice for purposes of division (A)(2).**

(C) This section does not apply to any person, whether a migrant worker or otherwise, living on the land with permission of the owner or of his or her agent having apparent authority to hire workers on such land and assign them living quarters or a place of accommodations for living thereon, nor to anyone living on such land at the request of, or by occupancy, leasing or other agreement or arrangement with the owner or his or her agent, not to anyone invited by such migrant worker or other person so living on such land to visit him or her at the place he or she is so living upon the land."

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect upon its passage, approval, and publication in pamphlet form in the manner provided by law.

Passed this ____ day of _____, 2018.

AYES:

NAYS:

ABSENT:

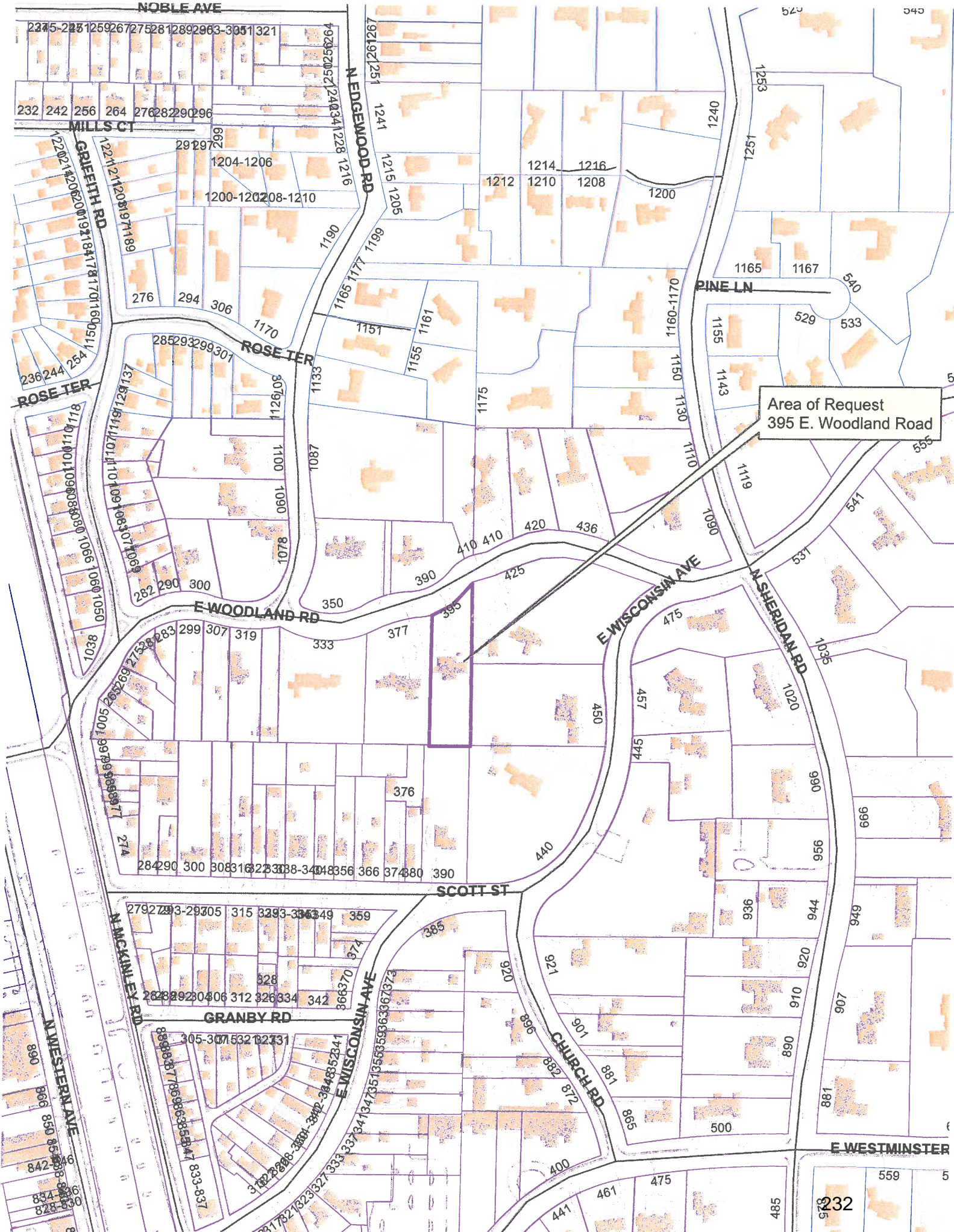
ABSTAIN:

Approved this ____ day of _____, 2018.

Mayor

ATTEST:

City Clerk



Area of Request
395 E. Woodland Road

THE CITY OF LAKE FOREST

ORDINANCE NO. 2018-__

AN ORDINANCE GRANTING A FLOOR AREA EXCEPTION FOR
THE PROPERTY LOCATED AT 395 WOODLAND ROAD

WHEREAS, Gregory Zeeman ("**Owner**") is the owner of that certain real property commonly known as 395 Woodland Road, Lake Forest, Illinois and legally described in **Exhibit A**, attached hereto ("**Property**"); and

WHEREAS, the Property has been designated as a Local Landmark or included in a Local Historic District pursuant to Chapter 155 of the City Code; and

WHEREAS, the Property is located in the R-2, Single Family Residence Zoning District; and

WHEREAS, the Owner desires to construct various improvements, including an attached garage, connecting breezeway and make alterations to the existing attached garage ("**Improvements**") as depicted on the site plan and architectural drawings that are attached hereto as **Group Exhibit B ("Plans")**; and

WHEREAS, in order to construct the Improvements, Section 155.07 of the City Code requires the Owners to obtain a Certificate of Appropriateness ("**CoA**") from the Historic Preservation Commission ("**HPC**");

WHEREAS, the Improvements as depicted on the Plans would exceed the maximum floor area allowances set forth in Section 150.148(D) which apply to new construction on, or additions and alterations to existing construction on, residential property; and

WHEREAS, pursuant to notice duly published, the HPC reviewed and evaluated the Plans at a public hearing held on September 26, 2018; and

WHEREAS, the HPC, having fully heard and having considered the evidence and testimony by all those attending the public hearing who wished to testify, made the following findings:

1. the Property is located within the R-2 District under the City Code,
2. Owner proposes to construct the Improvements as depicted on the Plans,
3. as depicted on the Plans, the Improvements exceed the maximum floor area allowances set forth in Section 150-148(D) of the City Code,
4. the Improvements are consistent with the design standards in Section 150.147 of the City Code,
5. the Property is located in a local historic district or is designated as a Local Landmark and the Improvements are consistent with the standards in the Historic Preservation Ordinance, and approval of the Improvements as depicted on the Plans would further the purpose of the Historic Preservation Ordinance,
6. the HPC has determined that the Plans qualify for a CoA under the standards set forth in Section 155.08 of the City Code;
7. the location, massing and architectural detailing of the Improvements will mitigate the appearance of excessive height and mass of the structures and as a result, the proposed development of the Improvements as set forth on the Plans is in keeping with the streetscape and overall neighborhood,
8. the Improvements are sited in a manner that minimizes the appearance of mass from the streetscape or neighboring residences due to the placement of the existing vegetation. In addition, the proposed Improvements will not have a significant negative impact on the light to and views from neighboring homes.
9. the height and mass of the Improvements will generally be compatible with the height and mass of structures on adjacent lots, buildings on the street and on adjacent streets, and other residences and garages in the same subdivision,
10. the evidence presented indicates that the construction of the Improvements, if undertaken in conformity with this Ordinance, the recommended conditions, and the Plans, will meet the standards and requirements of Sections 150.147 and 150.148 of the City Code,

and recommended that the City Council approve the Application and the Plans and grant an exception to the maximum allowable floor area consistent with the Plans, subject to the terms and conditions hereinafter set forth; and

WHEREAS, the Mayor and City Council, having considered Owner's request for exceptions to the maximum floor area requirements set forth in Section 150.148 of the City Code and the findings and recommendations of the HPC, have determined that it is in the best interests of the City and its residents to grant such exceptions, subject to the terms and conditions hereinafter set forth; and

WHEREAS, the Mayor and City Council further determine in the exercise of the City's home rule powers that it is in the best interests of the City and its residents to grant Owner's request for exceptions to the otherwise applicable maximum floor area requirements, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated into and made a part of this Ordinance as if fully set forth.

SECTION TWO: Maximum Floor Area Exception Granted. Pursuant to Section 155.08 of the City Code, and subject to the limitations therein and the conditions set forth in Section Three of this Ordinance, the City Council does hereby grant an exception to the maximum floor area requirements set forth in Section 150.148(D) of the City Code, as more fully depicted on the Plans, by allowing the Improvements which together with other structures on the Property will have a maximum square footage not to exceed 5,326 square feet, 12% over the allowable square footage.

SECTION THREE: Conditions on Approval. The approval granted pursuant to Section Two of this Ordinance shall be, and is hereby, conditioned upon and limited by the following

conditions, the violation of any of which shall, in the discretion of the Mayor and City Council, render void the approvals granted by this Ordinance:

- A. No Authorization of Work. This Ordinance does not authorize commencement of any work on the Property. Except as otherwise specifically provided in writing in advance by the City, no work of any kind shall be commenced on the Property pursuant to the approvals granted in this Ordinance except only after all permits, approvals, and other authorizations for such work have been properly applied for, paid for, and granted in accordance with applicable law.
- B. Compliance with Laws. Chapters 150, regarding building, 156, regarding subdivisions, 159, regarding zoning, and 155, regarding historic preservation, of the City Code, and all other applicable ordinances and regulations of the City shall continue to apply to the Property, and the development and use of the Property shall be in compliance with all laws and regulations of all other federal, state, and local governments and agencies having jurisdiction.
- C. Tree Preservation. The Owner will fully comply with Chapter 99 of the City Code, regarding trees, as it relates to the construction of the Improvements.
- D. Compliance with the Plans. The Improvements must be developed on the Property in substantial compliance with the Plans.
- E. Fees and Costs. The Owner shall be responsible for paying all applicable fees relating to the granting of the approvals set forth herein in accordance with the City Code. In addition, the Owner shall reimburse the City for all of its costs (including without limitation engineering, planning, and legal expenses) incurred in connection with the review, consideration, approval, implementation, or successful enforcement of this Ordinance. Any amount not paid within 30 days after delivery of a demand in writing for such payment shall, along with interest and the costs of collection, become a lien upon the Property, and the City shall have the right to foreclose such lien in the name of the City as in the case of foreclosure of liens against real estate.
- F. Other Conditions. The improvements shall be substantially in conformance with the Commission's deliberations as reflected on **Exhibit C**, Certification of Appropriateness, attached hereto.

SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law; provided, however, that this Ordinance shall, in the discretion of the City Council, be of no force or effect if Owner has not (i) executed and (ii) thereafter filed with the City Clerk, within 90 days following the passage of this Ordinance, the unconditional agreement and consent, in the form

attached hereto as **Exhibit D** and by this reference made a part hereof, to accept and abide by each and all of the terms, conditions, and limitations set forth herein. The City Clerk is hereby directed to record this Ordinance and such agreement and consent with the Recorder of Deeds of Lake County.

PASSED THIS __ DAY OF _____, 2018.

AYES: ()

NAYS: ()

ABSENT: ()

ABSTAIN: ()

PASSED THIS __ DAY OF _____, 2018.

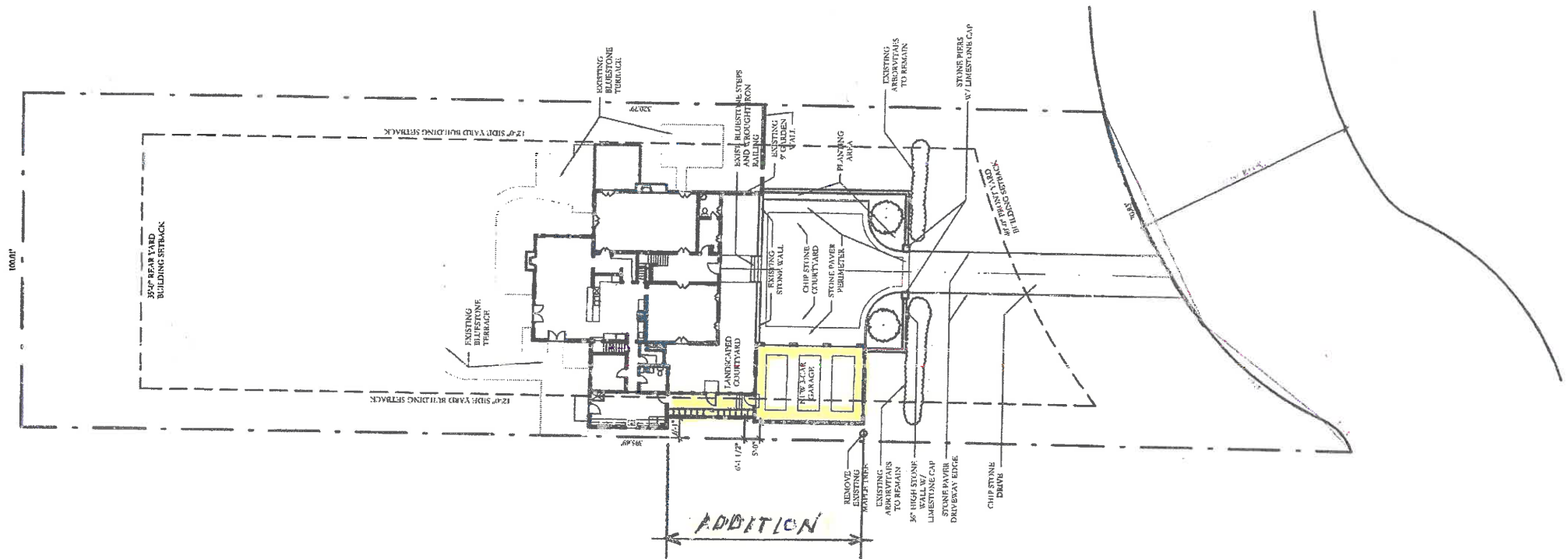
Mayor

ATTEST:

City Clerk

The Plans

PROPOSED SITE PLAN



PROPOSED SITE PLAN

SCALE: 1" = 20'-0"

ZEEMAN RESIDENCE

395 E. WOODLAND ROAD
LAKE FOREST, ILLINOIS 60045

LANDMARK

272 DEERPATH RD. LAKE FOREST, IL
TEL: 847.615.0637 FAX: 847.615.9116

ISSUED FOR REVIEW: 9/5/18
ISSUED FOR PERMIT:
ISSUED FOR BID:
ISSUED FOR CONSTRUCTION:
REVISED:

The Plans



PROPOSED FRONT ELEVATION

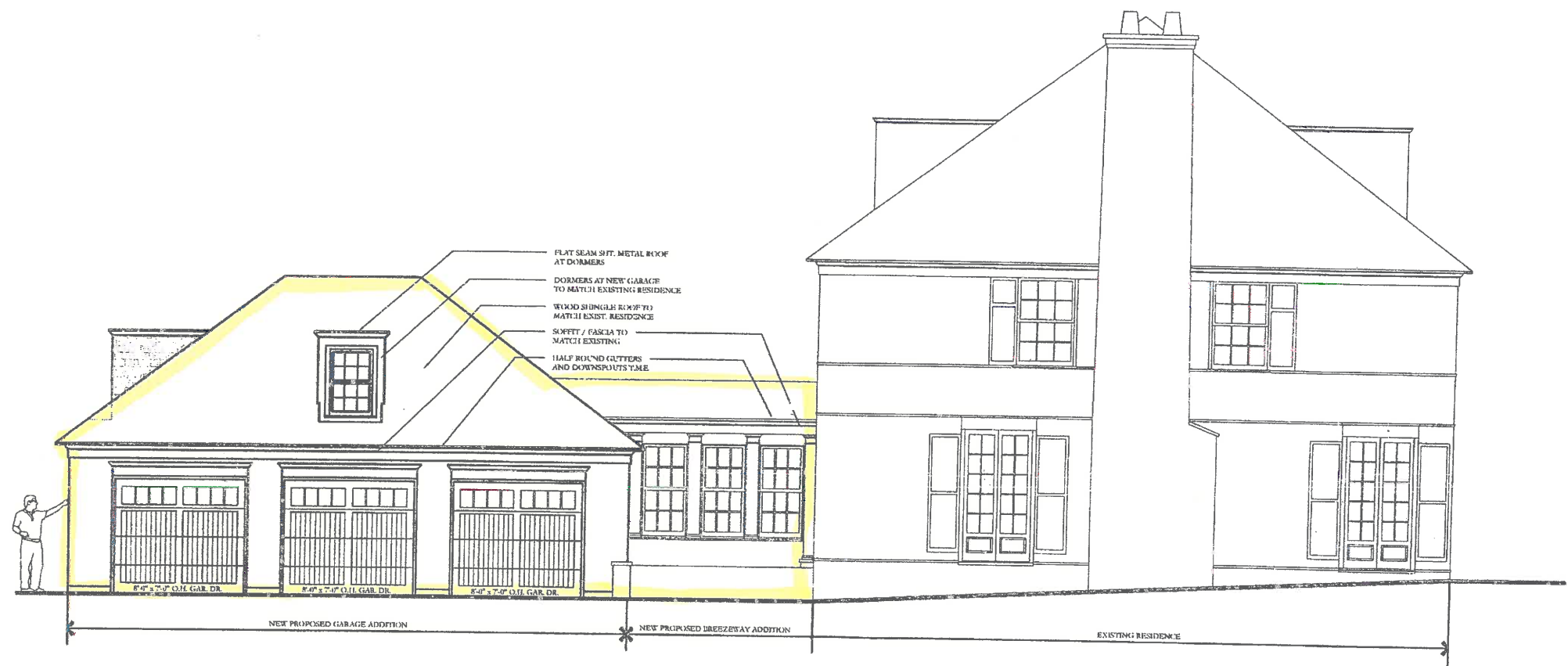
ZEEMAN RESIDENCE

...985 E. WOODLAND ROAD
LAKE FOREST, ILLINOIS 60045

LANDMARK
272 DEERPATH RD. LAKE FOREST, IL
TEL: 847.815.0687 FAX: 847.815.8116

ISSUED FOR REVIEW: 9/5/18
ISSUED FOR PERMIT:
ISSUED FOR BID:
ISSUED FOR CONSTRUCTION:
REVISED:

The Plans



PROPOSED RIGHT SIDE ELEVATION

SCALE: 1/4"=1'-0"

ZEEMAN RESIDENCE

395 E. WOODLAND ROAD
LAKE FOREST, ILLINOIS 60045

LANDMARK

272 DEERPATH RD. LAKE FOREST, IL
TEL: 847.615.0637 FAX: 847.615.9116

ISSUED FOR REVIEW: 9/5/18

ISSUED FOR PERMIT:

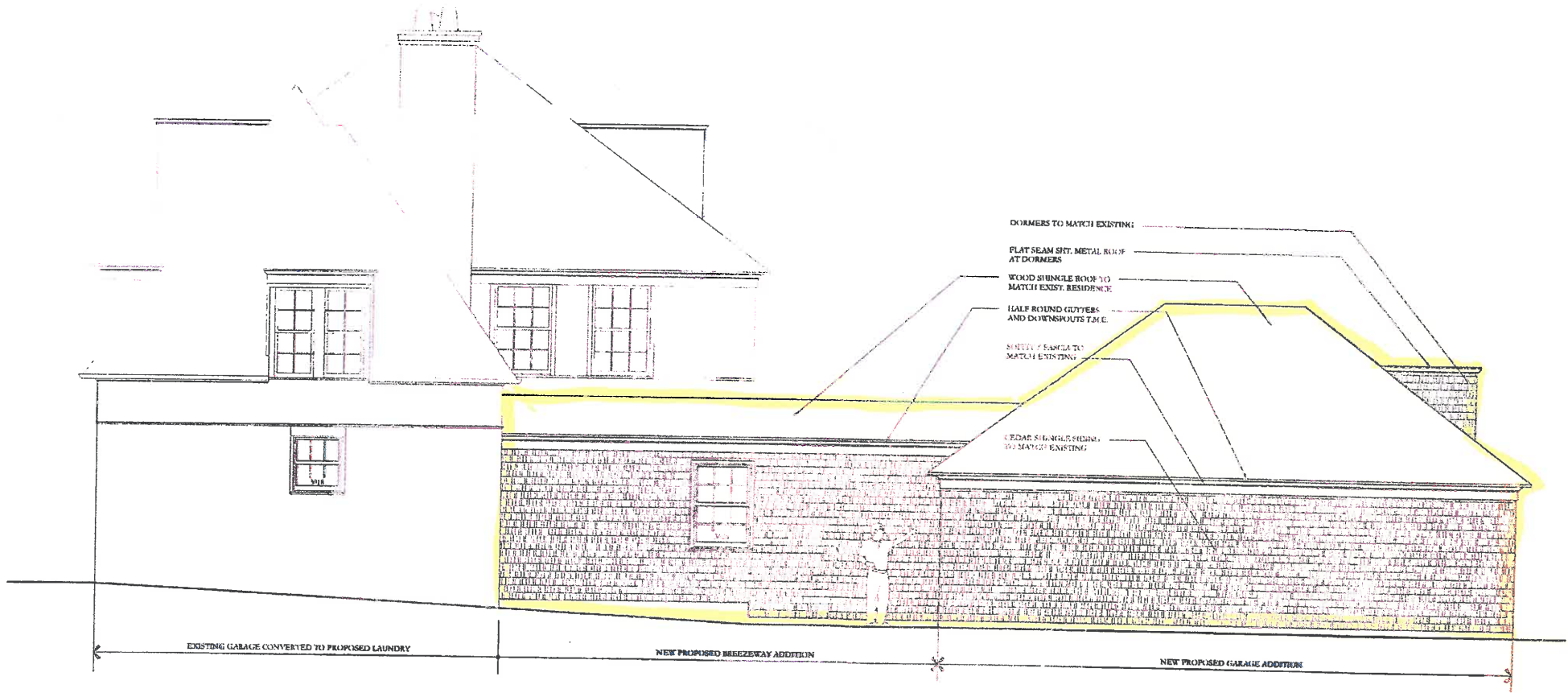
ISSUED FOR BID:

ISSUED FOR CONSTRUCTION:

REVISED:

GROUP EXHIBIT B

The Plans



PROPOSED LEFT SIDE ELEVATION

SCALE: 1/4"=1'-0"

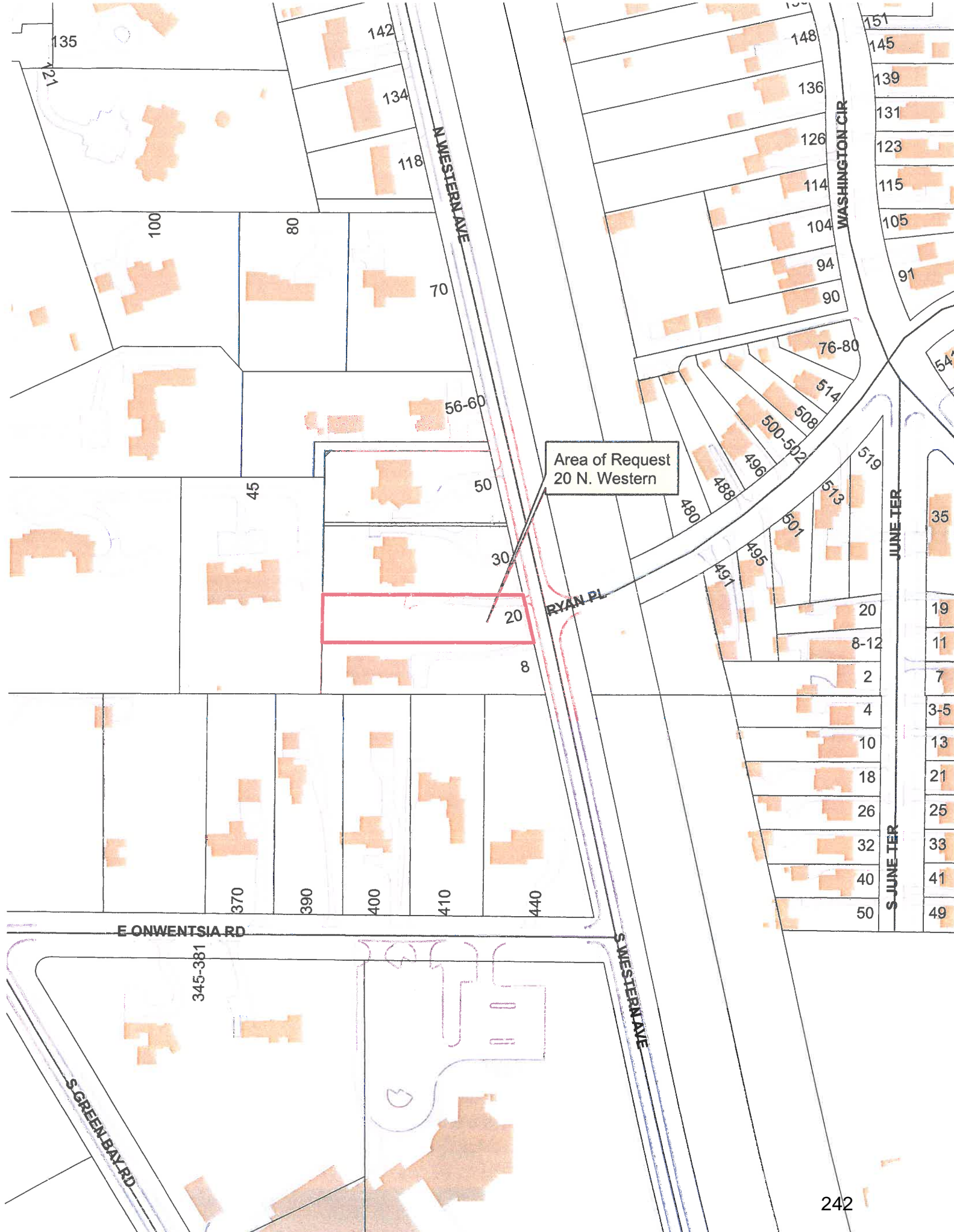
ZEEMAN RESIDENCE

385 E. WOODLAND ROAD
LAKE FOREST, ILLINOIS 60045

LANDMARK

272 DEERPATH RD. LAKE FOREST, IL
TEL: 847.616.6637 FAX: 847.616.9116

ISSUED FOR REVIEW: 9/5/16
ISSUED FOR PERMIT:
ISSUED FOR BID:
ISSUED FOR CONSTRUCTION:
REVISED:



Area of Request
20 N. Western

RYAN PL

E ONWENTIA RD

S WESTERN AVE

S GREEN BAY RD

THE CITY OF LAKE FOREST

ORDINANCE NO. 2018- ____

AN ORDINANCE APPROVING ARCHITECTURAL AND SITE DESIGN FOR THE
PROPERTY LOCATED AT 20 N. WESTERN AVENUE

WHEREAS, Richard and Regina Lindstrom ("**Owners**") are the owners of that certain real property commonly known as 20 N. Western Avenue, Lake Forest, Illinois and legally described in **Exhibit A**, attached hereto ("**Property**"); and

WHEREAS, the Property is located in the R-2, Single Family Residence Zoning District; and

WHEREAS, the Property is the site of a previous demolition and is a vacant, buildable lot; and

WHEREAS, the Owners desire to build a new residence, attached garage and make other site improvements ("**Improvements**") as depicted on the site plan and architectural drawings that are attached hereto as **Group Exhibit B** ("**Plans**"); and

WHEREAS, the Owners submitted an application ("**Application**") to permit the construction of the Improvements and were required to present the Plans to the Building Review Board ("**BRB**") for its evaluation and recommendation; and

WHEREAS, pursuant to notice duly published, the BRB reviewed and evaluated the Plans at a public hearing held on October 3, 2018; and

WHEREAS, the BRB, having fully heard and having considered the evidence and testimony by all those attending the public hearing who wished to testify, made the following findings:

1. the Property is located within the R-2, Single Family Residence District under the City Code,
2. Owners propose to construct the Improvements as depicted on the plans,
3. the evidence presented indicates that the construction of the Improvements, if undertaken in conformity with the recommended conditions and the Plans, will meet the design standards and requirements of Section 150.147 of the City Code,

and recommended that the City Council approve the Application and the Plans, subject to the terms and conditions hereinafter set forth; and

WHEREAS, the Mayor and City Council, having considered Owners' Application to construct the Improvements on the Property, and the findings and recommendations of the BRB, have determined that it is in the best interests of the City and its residents to grant approval to the Application, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are hereby incorporated into and made a part of this Ordinance as if fully set forth.

SECTION TWO: Approval of Application. Pursuant to Section 150.147 of the City Code, and subject to the limitations therein and the conditions set forth in Section Three of this Ordinance, the City Council does hereby grant approval of the Application to allow the construction of the Improvements on the Property, as more fully depicted on the Plans.

SECTION THREE: Conditions on Approval. The approval granted pursuant to Section Two of this Ordinance shall be, and is hereby, conditioned upon and limited by the following conditions, the violation of any of which shall, in the discretion of the Mayor and City Council, render void the approvals granted by this Ordinance:

- A. No Authorization of Work. This Ordinance does not authorize commencement of any work on the Property. Except as otherwise specifically provided in writing in advance by the City, no work of any kind shall be commenced on the Property pursuant to the approvals granted in this Ordinance except only after all permits, approvals, and other authorizations for such work have been properly applied for, paid for, and granted in accordance with applicable law.
- B. Compliance with Laws. Chapters 150, regarding buildings and construction, 156, regarding subdivisions, and 159, regarding zoning, of the City Code, and all other applicable ordinances and regulations of the City shall continue to apply to the Property, and the development and use of the Property shall be in compliance with all laws and regulations of all other federal, state, and local governments and agencies having jurisdiction.
- C. Tree Preservation. The Owners will fully comply with Chapter 99 of the City Code, regarding trees, as it relates to the construction of the Improvements.
- D. Compliance with the Plans. The Improvements must be developed on the Property in substantial compliance with the Plans.
- E. Fees and Costs. The Owners shall be responsible for paying all applicable fees relating to the granting of the approvals set forth herein in accordance with the City Code. In addition, the Owner shall reimburse the City for all of its costs (including without limitation engineering, planning, and legal expenses) incurred in connection with the review, consideration, approval, implementation, or successful enforcement of this Ordinance. Any amount not paid within

30 days after delivery of a demand in writing for such payment shall, along with interest and the costs of collection, become a lien upon the Property, and the City shall have the right to foreclose such lien in the name of the City as in the case of foreclosure of liens against real estate.

- F. Other conditions. The improvements shall be substantially in conformance with the Board's deliberations as reflected on **Exhibit C**, Notice of Action – Board Recommendation, attached hereto.

SECTION FOUR: Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law; provided, however, that this Ordinance shall, in the discretion of the City Council, be of no force or effect if the Owners have not (i) executed and (ii) thereafter filed with the City Clerk, within 90 days following the passage of this Ordinance, the unconditional agreement and consent, in the form attached hereto as **Exhibit D** and by this reference made a part hereof, to accept and abide by each and all of the terms, conditions, and limitations set forth herein.

PASSED THIS __ DAY OF _____, 2018.

AYES: ()

NAYS: ()

ABSENT: ()

ABSTAIN: ()

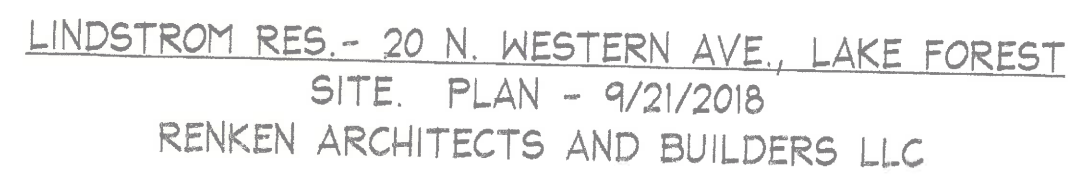
PASSED THIS __ DAY OF _____, 2018.

Mayor

ATTEST:

City Clerk

The Plans



GROUP EXHIBIT B

The Plans



FRONT ELEV. - 10/9/2018
RENKEN ARCHITECTS AND BUILDERS LLC

GROUP EXHIBIT B

The Plans



LEFT SIDE ELEV. - 10/9/2018
RENKEN ARCHITECTS AND BUILDERS LLC

GROUP EXHIBIT B

The Plans



REAR ELEV. - 10/9/2018
RENKEN ARCHITECTS AND BUILDERS LLC

GROUP EXHIBIT B

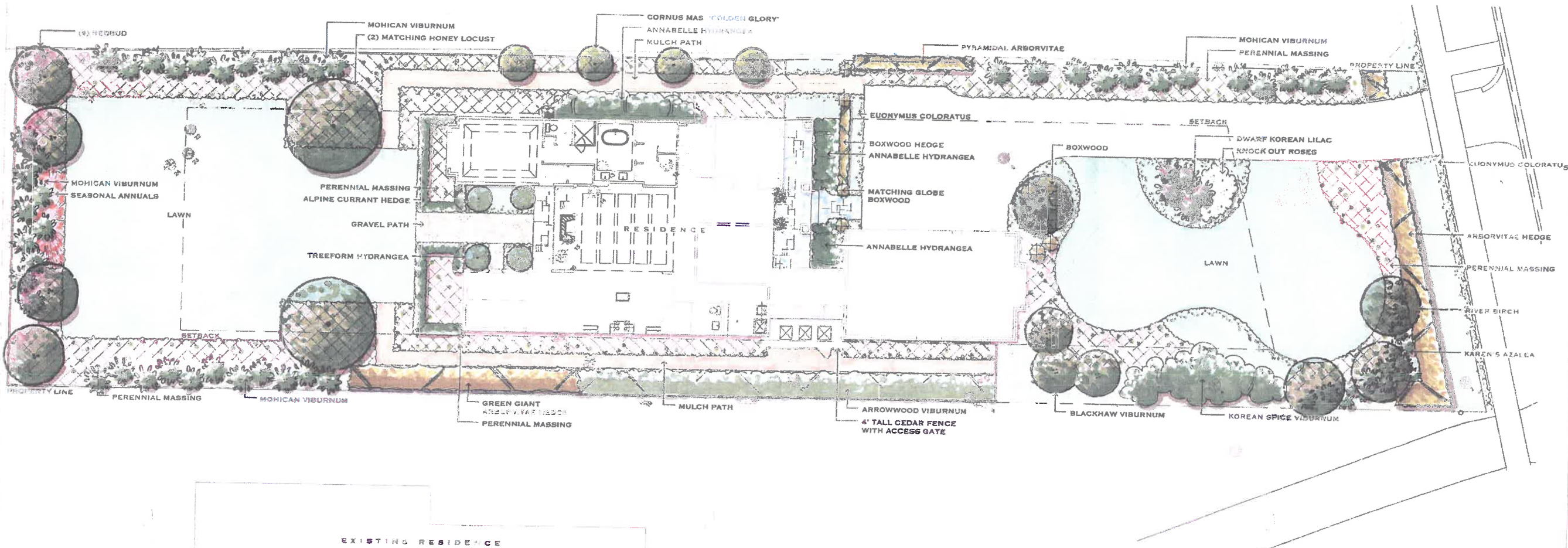
The Plans



RIGHT SIDE ELEV. - 10/9/2018
RENKEN ARCHITECTS AND BUILDERS LLC

The Plans

LANDSCAPE DEVELOPMENT PLAN
LINDSTROM RESIDENCE
20 N. WESTERN AVE. * LAKE FOREST, ILLINOIS



PLANTING LEGEND

TREES				
SYMBOL	BOTANICAL NAME COMMON NAME	SIZE	QTY.	NOTES
	EXISTING TREE			
	BETULA NIGRA RIVER BIRCH	8'-10'	1	MULTI-STEM
	CERCIS CANADENSIS REDBUD	7'-8'	4	MULTI-STEM
	CORNUS MAS 'GOLDEN GLORY' CORNELIAN CHERRY DOGWOOD	3"	4	
	GLEDTISIA TRIACANTHOS HONEY LOCUST	4-1/2"	2	
	HYDRANGEA PANICULATA 'GRANDIFLORA' PEEGEE PANICULE HYDRANGEA (TREE FORM)	3"	2	
	VIBURNUM PRUNIFOLIUM BLACKHAW VIBURNUM	6'-7'	3	
EVERGREENS				
SYMBOL	BOTANICAL NAME COMMON NAME	SIZE	QTY.	NOTES
	BUXUS BOXWOOD	24"	8	
	BUXUS BOXWOOD HEDGE	18"	8	
	BUXUS 'GREEN GEM' GLOBE BOXWOOD	30"	4	
	THUJA 'GREEN GIANT' GREEN GIANT ARBORVITAE HEDGE	8'-10'	21	
	THUJA OCCIDENTALIS 'PYRAMIDALIS' PYRAMIDAL ARBORVITAE	8'-10'	8	

SHRUBS				
SYMBOL	BOTANICAL NAME COMMON NAME	SIZE	QTY.	NOTES
	HYDRANGEA ARBORESCENS 'ANNABELLE' ANNABELLE HYDRANGEA	24"-30"	29	
	RHODODENDRON 'KARENS' KAREN'S AZALEA	24"	15	
	RIBES ALPINUM 'GREEN MOUND' ALPINE CURRANT HEDGE	24"	34	
	ROSA 'RADRAZ' 'KNOCK OUT' KNOCK OUT ROSE	3 GAL.	6	
	SYRINGA MEYER 'PALIBIN' DWARF KOREAN LILAC	36"	5	
	VIBURNUM CARLESI KOREAN-SPICE VIBURNUM	36"	6	
	VIBURNUM DENTATUM ARROWWOOD VIBURNUM	4'	16	
	VIBURNUM LANTANA 'MOHICAN' MOHICAN VIBURNUM	4'	44	

GROUNDCOVER				
SYMBOL	BOTANICAL NAME COMMON NAME	SIZE	QTY.	NOTES
	EUONYMUS FORTUNEI 'COLORATUS' EUONYMUS COLORATUS	FLAT	1,203 SF.	
	PERENNIAL MASSING	1 GAL.	3,506 SF.	30 SF AT 1 GAL.
	LAWN		4,816 SF	

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EXPRESSED WRITTEN PERMISSION.

rocco fiore & sons, inc.
landscape architecture site development management
28270 N. Bradley Rd.
Libertyville, IL 60048
ph. 847. 680. 1207
fx. 847. 816. 1137

CLIENT: LINDSTROM	SCALE: 1"=20'
DATE: 08/28/04	DESIGN: JRF
DRAWN: JRF	CHECKED: JRF
REVISION:	

THE CITY OF LAKE FOREST

RESOLUTION NO. _____

A RESOLUTION TO CONTINUE TO ENCOURAGE AND FACILITATE THE REPLACEMENT OF LEAD WATER SERVICE LINES

WHEREAS, The City of Lake Forest (the “*City*”) is a home rule special charter municipality established and existing in accordance with the Constitution of the State of Illinois of 1970; and

WHEREAS, the City has a long tradition of establishing processes and programs that protect and promote the health, life safety and general well-being of residents and visitors; and

WHEREAS, the City’s Water Plant and the water quality are regularly monitored and consistently meet all IEPA standards; and

WHEREAS, in addition to regular monitoring of water quality, the City has a corrosion control program through which lead pipes are coated to reduce the likelihood of exposure to lead; and

WHEREAS, out of an abundance of caution, the City reviewed property files and initially identified approximately 300 homes within the city limits which may have lead water service lines; and

WHEREAS, letters were mailed to owners of the identified properties along with information to help owners make informed decisions about lead water service lines; and

WHEREAS, a total of 190 inspections have been conducted and in some cases, City inspectors found that lead services no longer exist; in other cases, where lead services were found, some owners expressed interest in replacing the lead services; and

WHEREAS, the City Council first approved of a Resolution on October 3, 2016 to encourage and facilitate the replacement of lead water service lines; and

WHEREAS, the City desires to facilitate the process of replacing lead service lines in cases where property owners choose to do so by providing information, a streamlined process and by waiving standard permit fees;

WHEREAS, a total of 12 residential lead service line replacements have occurred since City Council approved the October 2016 Resolution to Facilitate the Replacement of Lead Water Service Lines;

WHEREAS, the City Council has determined that it is in the best interest of the City and its residents to continue a program to support and encourage the replacement of lead water service lines;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LAKE FOREST, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: RECITALS. The foregoing recitals are incorporated in, and made a part of, this Resolution by this reference as findings of the City Council of The City of Lake Forest.

SECTION TWO: DIRECTION TO CITY STAFF. The staff is directed to develop a lead water service replacement program generally in conformance with the following:

- a. A replacement water service line that is the same size as the existing service line shall be permitted as long as the calculations, based on the number of fixtures, demonstrate that the service is adequate. (Some homes that currently have a $\frac{3}{4}$ inch service could require an upgrade to a 1" service per the State of Illinois Plumbing Code.)
- b. If an upgrade in the size of a water service is *required* to meet the minimum standard in the State Plumbing Code, the City will not require an upgrade in the meter size.
- c. If the owner *chooses* to upgrade the size of the water service, in a situation where it is not mandated by the State Plumbing Code, the water meter must be upgraded to be consistent with the size of the new line.
- d. Tap fees (even if the size of the service is upgraded), inspection fees and street opening permit will be waived for a period of two years from the date of passage of this Resolution so long as full replacement of the water service occurs. (Based on current fees, the fee waiver per household would range from \$600 to \$1,400 depending on the size of the service line.)
- e. The cost of a new water meter will be the obligation of the property owner.

SECTION THREE: EFFECTIVE DATE. This Resolution shall be in full force and effect upon the passage and approval.

PASSED THIS _____ DAY OF _____, 2018.

AYES:

NAYS:

ABSENT:

APPROVED THIS _____ DAY OF _____, 2018.

ATTEST:

Mayor

City Clerk

SECOND AMENDMENT TO MANAGEMENT AGREEMENT

THIS SECOND AMENDMENT (“Second Amendment”) to Management Agreement dated as of January 1, 2015 by and between The City of Lake Forest, Illinois, an Illinois home rule and special charter municipal corporation (“Owner”) and Kemper Sports Management, Inc., an Illinois corporation (“KSM”) (the “Agreement”) is made and entered into as of October__, 2018 (the “Second Amendment Effective Date”), by and between Owner and KSM. Capitalized terms used herein but not defined shall have the meanings as set forth in the Agreement.

W I T N E S S E T H:

WHEREAS, the Owner owns the public golf course, clubhouse and related facilities located in Lake Forest, Illinois known as the “Deerpath Golf Course” and;

WHEREAS, the Owner and KSM entered into the Agreement for KSM to provide certain management services for the Deerpath Golf Course.

WHEREAS, the Owner and KSM now desire to extend the Term of the Agreement and make certain other modifications as further set forth herein.

NOW, THEREFORE, for and in consideration of the covenants, agreements and obligations of the respective parties as set forth herein, Owner and KSM agree as follows:

1. Term. Section 2.2 “Term” is hereby deleted in its entirety and replaced with the foregoing

“2.2 Term. Subject to Article 13 of this Agreement, the “Term” of this Agreement shall begin on January 1, 2015 (the “Commencement Date”) and shall terminate on December 31, 2024 (the “Termination Date”); provided, however, that either Owner or KSM may terminate this Agreement following the seventh anniversary of the Commencement Date (i.e. January 1, 2022) upon notice to the other party 90 days prior to such termination. Unless Owner or KSM provides a 90-day notice prior to the Termination Date of their intent not to renew this Agreement, the Term of this Agreement shall be automatically renewed for an additional five (5) year term.

2. Operating Budget. Section 3.4.1 “Operating Budget” is hereby deleted in its entirety and replaced with the foregoing:

“3.4.1 Operating Budget. During the Term, KSM shall submit to Owner, for Owner’s review and written approval, an operating budget setting forth the forecasted revenues and expenses associated with the operations of the Property for each upcoming Fiscal Year, or part thereof, within the Term (the “Operating Budget”). In connection with the foregoing, KSM shall provide forecasted revenues by November 15th for the upcoming Fiscal Year and forecasted expenses by January 1st of such upcoming Fiscal Year. Owner shall retain final authority regarding operating expenditures and the Operating Budget. The Operating Budget for the 2015 Fiscal Year is attached hereto as Exhibit D.”

3. Beach Concession Services. Section 3.6 “Food and Beverage Concessions” is hereby revised by adding the following to the end of the first paragraph of that section as a new sentence:

“The opening and closing dates each season during the Term for the Beach Concession shall be determined by the Lake Forest Director of Parks, Recreation, and Forestry”.

4. Accounting Services Review. On an annual basis during the Term, upon request by either party, the parties agree to discuss in good faith the Accounting Reimbursement and whether to continue having KSM handle the financial affairs of the Property from KSM’s home office. The parties agree to amend the Agreement as necessary to reflect any mutually agreed to modifications of this provision.
5. Full Force and Effect. Except as otherwise specifically modified herein, all other provisions of the Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the Second Amendment Effective Date.

KEMPER SPORTS MANAGEMENT, INC.

CITY OF LAKE FOREST, ILLINOIS

By: _____
Steven K. Skinner
Chief Executive Officer

By: _____
Name: _____
Title: _____