

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

Monday, November 4, 2019 at 6:30 pm
City Hall Council Chambers
220 E. Deerpath, Lake Forest

Honorable Mayor, George Pandaleon

| | |
|--|---|
| Prudence R. Beidler, Alderman First Ward | James Preschlack, Alderman Third Ward |
| James E. Morris, Alderman First Ward | Ara Goshgarian, Alderman Third Ward |
| Melanie Rummel, Alderman Second Ward | Michelle Moreno, Alderman Fourth Ward |
| Edward U. Notz, Jr. Alderman Second Ward | Raymond Buschmann, Alderman Fourth Ward |

CALL TO ORDER AND ROLL CALL

6:30pm

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

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| 1. COMMENTS BY MAYOR |
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A. Approval of the Deed of Gift of the Original 1857 Map of The City of Lake Forest to The Newberry Library in Chicago

STAFF CONTACT: *Susan Banks, Communications Manager (847-810-3672)*

PURPOSE AND ACTION REQUESTED: Staff requests City Council approval of the Deed of Gift of the original 1857 map of The City of Lake Forest to the Newberry Library.

BACKGROUND/DISCUSSION: Beginning in November of 2018, the City received a request from the History Center of Lake Forest-Lake Bluff to move the original surveyor's map from 1857 from City Hall to the new history museum. Discussions began between the History Center, the Preservation Foundation and City Staff, prompting a formal appraisal of the map and more discussion on the safest and most proper permanent home for this rare map, which was valued at \$50,000.

In January 2019, it was determined by the History Center, the Preservation Foundation and City Staff and Attorney that The Newberry was the proper and ultimate location for this piece for several reasons:

- 1) The History Center initiated a goal to have more than 1,000 maps of Lake County in its digital database over the next three years.
- 2) None of the City buildings nor the History Center are a safe enough environment to house this rare and fragile document. The Newberry has special temperature and light-controlled rooms for these types of pieces.
- 3) In 2015, The City hired a professional company to conserve the map for \$13,138, including a \$2500 contribution from the Preservation Foundation.

- 4) The Newberry "is honored to serve as the steward of this historic document and grateful to the City of Lake Forest for entrusting it" to its care; and "looks forward to working with the City in the future; preserving and making this treasure known and safely available to students, scholars, and members of the general public." All references and uses of the map will include: "The Newberry Library. Gift of The City of Lake Forest."
- 5) The City will receive copies of new digital files, at no cost, if they are made by The Newberry.

The Deed of Gift has been reviewed and approved by the City Attorney and signed by The Newberry Library, it can be found on **page 14** of your packet.

BUDGET/FISCAL IMPACT: N/A

COUNCIL ACTION: Grant Approval of Deed of Gift of the Original 1857 Map of The City of Lake Forest to The Newberry Library in Chicago

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| 2. COMMENTS BY CITY MANAGER |
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| 3. COMMITTEE REPORTS |
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AUDIT COMMITTEE

A. Audit Committee Report-Fiscal Year 2019 Annual Financial Report

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

PURPOSE AND ACTION REQUESTED: Staff requests receipt of the audit report for the fiscal year ended April 30, 2019.

BACKGROUND/DISCUSSION: The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2019 is provided beginning on **page 16**. 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 2019 financial statements.

The City has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for forty 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 2019 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, 2019.

FINANCE COMMITTEE

A. Determination of Non-Binding Estimate of the Amount of Revenue to be generated from Property Taxes for the 2019 Calendar Year in Accordance with the Truth in Taxation Statute and Establishment of a Public Hearing Date for the 2019 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 2019 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 2019 tax levy by establishing an estimated amount from which staff can prepare a proposed levy ordinance. A discussion regarding the 2019 tax levy is scheduled for the November 12 Finance Committee budget workshop. The tax levy ordinance will be considered by the City Council on November 18 and again on December 2, 2019.

The 2019 property tax levy estimate, as considered by the Finance Committee on October 21, is as follows:

| Levy | 2018 Extended | 2019 Levy Estimate | % Increase (Decr.) |
|-------------------|---------------|--------------------|--------------------|
| Aggregate Levy | \$ 30,630,237 | \$ 31,881,291 | 4.08% |
| Debt Service Levy | 1,669,665 | 1,901,820 | 13.90% |
| TOTAL LEVY | \$ 32,299,902 | \$ 33,783,111 | 4.59% |

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

- 1.90% overall increase in compliance with the tax cap applicable to 2019 levies under the Property Tax Extension Limitation Law (PTELL),
- an increase due to new construction as estimated by the Lake County Assessor's Office (not yet available, so will be added at a later date),
- an increase in funding requirements for police and fire pension as established by a 4/30/19 independent actuarial valuation, and
- required debt service levy amounts as established by bond ordinances approved at the time of debt issuance.

Based on the preliminary estimate, a public hearing would not be required under the Truth in Taxation Act.

PROJECT REVIEW/RECOMMENDATIONS:

| Reviewed | Date | Comments |
|-------------------|----------|--|
| Finance Committee | 10/21/19 | Approval of 2019 Tax Levy Estimate |
| City Council | 9/3/19 | Approval of revised Pension Funding Policy |

COUNCIL ACTION: Determination of an Estimate of the Amount of Revenue to be generated from Property Taxes for the 2019 Calendar Year and establishment of December 2, 2019 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 21, 2019 City Council Meeting Minutes

A copy of the minutes can be found beginning on **page 229**.

COUNCIL ACTION: Approval of the October 21, 2019 City Council Meeting Minutes.

2. Approval of the Check Register for September 21-October 25, 2019

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 21 - October 25, 2019

| | Fund | Invoice | Payroll | Total |
|-----------|----------------------|--------------------|--------------------|--------------------|
| 101 | General | 601,569 | 1,520,498 | 2,122,067 |
| 501 | Water & Sewer | 130,718 | 195,986 | 326,704 |
| 220 | Parks & Recreation | 197,889 | 440,164 | 638,053 |
| 311 | Capital Improvements | 1,179,132 | 0 | 1,179,132 |
| 202 | Motor Fuel Tax | 0 | 0 | 0 |
| 230 | Cemetery | 20,833 | 33,950 | 54,784 |
| 210 | Senior Resources | 12,382 | 29,968 | 42,350 |
| 510 | Deerpath Golf Course | 11,302 | 2,857 | 14,159 |
| 601 | Fleet | 82,580 | 54,949 | 137,529 |
| 416 - 433 | Debt Funds | 750 | 0 | 750 |
| 248 | Housing Trust | 0 | 0 | 0 |
| 201 | Park & Public Land | 70,558 | 0 | 70,558 |
| | All other Funds | 943,184 | 184,072 | 1,127,256 |
| | | \$3,250,898 | \$2,462,444 | \$5,713,342 |

The amount listed as "All other Funds" includes \$554,272 in the Self Insurance Fund for medical/dental claims.

COUNCIL ACTION: Approval of the Check Register for September 21 – October 25, 2019

3. Approval of an Amendment to the City Council Schedule of Regular Meetings Previously Adopted by the City Council for the Year 2020

STAFF CONTACT: *Margaret Boyer, City Clerk (810.3674)*

PURPOSE AND ACTION REQUESTED: Due to a number of scheduling conflict, staff is seeking approval of an amendment to the City Council Schedule of Regular Meetings previously adopted by the City Council for the Year 2020.

BACKGROUND/DISCUSSION: The City Council previously approved a meeting schedule at its Monday, May 20, 2019 Second Session City Council meeting. The amendment is a change to the March Budget meeting from Monday, March 9, 2020 to Thursday, March 12, 2020. Location and time remain the same. (Municipal Services Building, 5pm)

A copy of the amended schedule can be found beginning on **page 233**.

COUNCIL ACTION: Approval of an Amendment to the City Council Schedule of Regular Meetings previously adopted by the City Council for the Year 2020

4. Approval of a Proclamation Honoring National Indian Heritage Month

STAFF CONTACT: *Susan Banks, Communications Manager (847-810-3672)*

A copy of the Proclamation can be found on **page 235** of the packet

COUNCIL ACTION: Approval of a Proclamation Honoring National Indian Heritage Month

5. Approval of Health Insurance Contract Renewals and Authorization for the City Manager to Execute Contracts Related to the 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 for Calendar Year 2020. Benefit changes from prior years, revised prescription contract costs from 2019, and the City's Think Healthy wellness program effective last year are meeting expectations.

BACKGROUND/DISCUSSION: The City provides a self-funded medical and dental plan and insured life insurance, transplant coverage, and reinsurance (stop loss) 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. Wright Benefit Strategies, our insurance consultant, recommended not bidding stop loss this year after marketing it last year. The reason for the recommendation is that bidding every year reduces leverage in negotiations in difficult claim years, and potentially puts the City at greater risk of large exclusions, rate increases, or both. In the case of our stop loss coverage, we were able to negotiate significant rate reductions this year because we stayed with the same carrier. We have been bidding this service about every two years. In addition, bidding of other services is not recommended at this time due to favorable results and contractual features relating to our benefit structure. Staff is recommending renewing with current providers for January of 2020.

PROJECT REVIEW/RECOMMENDATIONS:

| Reviewed | Date | Comments |
|---------------|---------|--|
| PCA Committee | 11/4/19 | Being 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 for the Final Two Years of a Three-Year Contract.** Serve You Pharmacy Card services are in the first year of a three-year contract following evaluation against two leading providers for the 2019 calendar year. Serve You services are integrated into the City health plan. Contractual discounts and fees are remaining the same. Drug rebates are expected to decrease based on lower utilization of brand drugs. Serve You is meeting expectations.
- **Retain Professional Benefit Administrators (PBA) for Administration and Billing Services** PBA medical administration fees increased slightly by \$1,928. PBA is a low-cost provider for administration of the City health plan, including claims administration and coordination of medical plan services and administration of the City flexible spending account. Staff and the City's insurance consultant recommend retaining PBA based on their service and the nature of the City's benefit structure, as costs are similar to other providers. PBA is meeting expectations.

- **Retain preferred provider network administration with CIGNA through PBA** Cigna provides networks and managed care services through a contracted relationship with PBA. CIGNA provides broad access and favorable discounts. Services are meeting expectations.
- **Retain Voya for stop loss coverage and retain Optum Health for Transplant coverage.** Voya provides Specific reinsurance for large claims over \$150,000 and Aggregate reinsurance for total claims in a calendar year. Staff requested bids for stop loss coverage for the 2019 calendar year, and Voya was the lowest cost carrier. For 2020, Voya agreed to reduce the renewal to an adjustment in rates below industry trend, providing full coverage for ongoing conditions without exclusions.
- **Retain CIGNA Group Life Insurance for a Two-Year Period.** Cigna provides City paid Basic Life insurance together with offering voluntary, employee-paid life insurance for employees and dependents. Cigna provides a benefit structure that meets the City's benefit design including the voluntary employee insurance. Cigna's costs are not changing and are guaranteed for two years. Cigna is meeting expectations.

| Funding Source: Self-Insurance Fund Spread over FY20 and FY21 budgets | Current | Amount Requested | Budgeted? |
|--|----------------|-------------------------|------------------|
| Summary Pricing Serve You Rx | | | |
| • Dispensing Fees | \$2,590 | \$2,547 | Yes |
| • Generic Discount Retail/Mail Order | 76%/81% | 76%/81% | Yes |
| • Rebates Paid to Plan | \$(87,290) | \$(76,040) | Yes |
| Summary Pricing PBA | \$93,736 | \$95,664 | Yes |
| Summary Pricing CIGNA PPO | \$48,262 | \$50,234 | Yes |
| Summary Pricing Voya | | | |
| • Specific Premium | \$689,737 | \$741,056 | Yes |
| • Aggregate Premium | \$12,820 | \$13,737 | Yes |
| • Transplant Premium (Optum) | \$28,262 | \$29,385 | Yes |
| • Total | \$731,240 | \$784,178 | Yes |
| Summary Pricing CIGNA Life | \$22,731 | \$22,731 | Yes |
| Funding Source: Operating Budgets | | | |

- Has City staff obtained competitive pricing for proposed goods/services? **No**
- If no, indicate the specific exception or waiver requested:
 - Administrative Directive 3-5, Section 9.1J – Existing Relationship

City Manager to execute the following contracts:

- retaining Professional Benefit Administrators (PBA) for administration and billing services
- retaining preferred provider network administration with CIGNA through PBA
- retaining Voya for stop loss coverage,
- renewing with Optum Health for transplant coverage, a component of stop loss coverage,
- retaining CIGNA for life insurance for a two-year period; and
- approve continuation of City contract with Serve You for prescription drug coverage for a two-year period

COUNCIL ACTION: Approval of Health Insurance Contract Renewals and Authorization for the City Manager to Execute Contracts Related to the Renewals

6. **Award of Bid for the Mayflower Ravine Repair to North Shore Boring in the amount of \$34,710.00 and Kinnucan Tree Experts in the amount of \$45,434.16 for the Combined Project Amount of \$80,144.16**

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

PURPOSE AND ACTION REQUESTED: The Public Works Committee and staff are requesting approval of a bid for the Mayflower Ravine Repair Project to North Shore Boring in the amount of \$34,710.00 and Kinnucan Tree Experts in the amount of \$45,434.16 for the combined project amount of \$80,144.16.

BACKGROUND/DISCUSSION: The Mayflower Ravine Repair is located south of the intersection of Mayflower Road and Spring Lane and just north of the Ferry Hall Bridge.

This project will repair a ravine bank washout that was caused by stormwater overtopping the roadway curb during heavy rainfall events. This stormwater issue had been occurring due to inadequate capacity of the catch basin system conveying the water from the roadway to the bottom of the ravine. When this storm sewer is at capacity, stormwater begins to pond and will eventually overtop the curb and flow freely down this ravine bank. Overtime, the flow down the ravine has caused a washout of the ravine bank. The repair is needed in order to maintain the stability of the ravine bank, adjacent road, and bridge abutment.

The repair was designed by the City Engineer and reviewed by Public Works staff. The design will increase the capacity of the roadway storm sewer to greatly reduce the occurrences of stormwater overtopping at the curb and flowing down the ravine bank. The design will also restore and further stabilize the ravine bank,

PROJECT REVIEW/RECOMMENDATIONS:

| Reviewed | Date | Comments |
|------------------------|------------|---------------------|
| Public Works Committee | 10/30/2019 | Reviewed & Approved |

BUDGET/FISCAL IMPACT: On October 8, 2019, the project bid announcement was released by the City, published in the Lake County News Sun, and posted on the City's website via the City's invitation to bid program "QuestCDN" for all contractors to view and access. Interested firms were required to submit their bid proposal by October 22, 2019. The project scope was divided into two components; Component A was identified as the storm sewer portion and Component B was identified as the ravine bank restoration portion. Interested firms were not required to bid on both Component A and B of this project in order for their bid to be considered. City staff received the following bids:

| Firm | Project Component Bid | Cost |
|--------------------|-----------------------|----------|
| North Shore Boring | A | \$34,710 |

| | | |
|----------------------|----------|-----------------|
| Kinnucan | B | \$45,434 |
| Campanella & Sons | Both | \$194,500 |
| Foundation Mechanics | Both | \$164,850 |
| Foundation Mechanics | A | \$100,000 |
| Foundation Mechanics | B | \$74,850 |

Has City staff obtained competitive pricing for proposed goods/services? **Yes**

Upon review of all the received bids, Public Works Department staff recommends proceeding with the low bids received by North Shore Boring and Kinnucan. Both firms have completed numerous projects within the City and had other positive references.

Below is an estimated summary of Project budget:

| FY2020 Funding Source | Amount Budgeted | Amount Requested | Budgeted? Y/N |
|--|-----------------|------------------|---------------|
| Capital Fund Headwall / Culvert/ Ravine 311-3703-467.67-26 | \$350,000 | \$80,144.16 | Y |

The above account represents allocated CIP funds for multiple ravine and minor stormwater repairs.

If approved, City staff and the contracting firms will look to begin the work as soon as the contractors' schedule allows.

COUNCIL ACTION: Approve of a bid for the Mayflower Ravine Repair to North Shore Boring in the amount of \$34,710.00 and Kinnucan Tree Experts in the amount of \$45,434.16 for the combined project amount of \$80,144.16.

7. Authorization to Dispose of City Property; Sale of Existing 1991 Ladder Tower via Gov Deals to the Highest Bidder in the Amount of \$32,500

STAFF CONTACTS: *Pete Siebert, Fire Chief (810-3864)*
Michael Thomas Director of Public Works (810-3540)

PURPOSE AND ACTION REQUESTED: Staff is requesting City Council authorization to dispose of surplus City equipment. Per Administrative Directive 3-2, any item staff believes has a current value of \$4,000 or more requires City Council approval to sell. The item is sold via a public bidding process, and in this case, via multiple on-line and industry publications.

BACKGROUND/DISCUSSION: The 1991 Pierce Lance Ladder Tower was taken out of service in September, 2019. The vehicle has played an important role in the City's Fire Department for over 28 years. With the acquisition of the Knollwood Ladder truck, which was placed into service in September, 2019, Ladder Tower 231 is no longer needed for the Fire Department. The sale of this truck will allow the Fire Department to continue to implement its fleet replacement plan.

Department staff utilized GovDeals, an online government surplus and unclaimed Property auction website, as it has with other recent Fire Department equipment sales. The highest bid

received for the auction period met the Department's reserve price of \$32,500. Reviewing the current market and dollars received for similar units, staff believes the bid is a fair price and recommends approving the sale of the unit. Upon approval by City Council, staff will notify GovDeals that the sale was approved and the transaction will proceed. Payment will be made via wire transfer to The City of Lake Forest.

BUDGET/FISCAL IMPACT: Per Section 3.10 of administrative Directive 3-2, all revenues received from the sale of the ladder tower will be credited to the appropriate fund from which the item was purchased; in this case, the Capital Fund.

COUNCIL ACTION: Authorization to Dispose of City Property; Sale of Existing 1991 Ladder Tower via Gov Deals to the Highest Bidder in the Amount of \$32,500

8. Consideration of an Ordinance Approving a Recommendation from the Zoning Board of Appeals. (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 Zoning Board of Appeals is presented to the City Council for consideration as part of the Omnibus Agenda.

420 Washington Road – The Zoning Board of Appeals recommended approval of variances from the lot-in-depth and steep slope setbacks to allow restoration and renovation of a non-conforming residence including construction of two small additions, a rear facing dormer and at grade, pervious patios. Two neighbors provided input on the architectural aspects of the project and refinements were made in response to the comments. (Board vote: 7 - 0, approved)

The Ordinance approving the petition as recommended by the Zoning Board of Appeals, with key exhibits attached, is included in the Council packet beginning on **page 236**. 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 approving the petition in accordance with the Zoning Board of Appeals' recommendation.

9. Consideration of a Recommendation from the Plan Commission in Support of Final Approval of a Plat of Subdivision for Property Located at 279 Scott Street and 931 McKinley Road. (Approval by Motion)

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

PURPOSE AND ACTION REQUESTED: Consideration of a recommendation from the Plan Commission in support of final approval of a plat of subdivision to allow each unit and the adjacent yard area in a new duplex development to be held in separate ownership.

BACKGROUND/DISCUSSION:

In September, 2018, based on a recommendation from the Building Review Board, the City Council approved redevelopment of the property located on the southeast corner of McKinley Road and Scott Street with a duplex development, one building with two separate living units each with an attached garage and yard area. Construction on the site is nearing completion.

The City Code requires that any development that creates parcels or units that will be held in separate ownerships must be approved through a public process and documented with a recorded plat. The plat of subdivision as recommended by the Plan Commission delineates each unit and the associated garage, driveway and yard areas. Once the plat is approved, each unit will be sold to separate buyers. There appears to be strong interest in the units from potential buyers.

No changes to the previous approvals are proposed or authorized in conjunction with the approval of the plat of subdivision.

The Plan Commission held a public hearing on June 20, 2019 to consider this petition. The Commission commended the project and thanked the developer for a creative and high quality approach to redevelopment of the property. No public testimony was presented. The Plan Commission voted 4 to 0 to recommend approval of the plat of subdivision to the City Council. The Plan Commission's report and a copy of the plat are included in the Council packet beginning on **page 246**.

COUNCIL ACTION: Approve a motion granting final approval of a plat of subdivision for property located at 279 Scott Street and 931 McKinley Road

COUNCIL ACTION: Approval of the nine (9) Omnibus items as presented

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| 6. ORDINANCES |
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| 7. NEW BUSINESS |
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| 8. ADDITIONAL ITEMS FOR DISCUSSION/ COMMENTS BY COUNCIL MEMBERS |
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1. EXECUTIVE SESSION pursuant to 5ILCS 120/2 (c) (11), The City Council will be discussing threatened or pending litigation and (1), The City Council will be discussing personnel.

Adjournment into Executive Session

Reconvene into Regular Session

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| 9. ADJOURNMENT |
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A copy of the Decision Making Parameters can be found beginning on **page 13** of this packet.

Office of the City Manager

October 30, 2019

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 Jason Wicha, 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.

Deed of Gift

Gift of the City of Lake Forest, Illinois, to the Newberry Library

The City of Lake Forest, Illinois gives, donates, and conveys to the Newberry Library an 1857 Map of the City of Lake Forest ("Map").

The City's gift of this item is made subject to the following terms and conditions:

1. The "Map" becomes the physical property of the Newberry Library.
2. The City agrees that this material will be made available for research in accordance with the Library's "Reading Room Policies" and its "Rights and Reproductions" policy (copies attached).
3. The following credit line shall be used by the library and the City in all references to and uses of the Map, including library catalog, website, exhibition labels, print or online facsimiles: The Newberry Library. Gift of The City of Lake Forest.
4. The Library agrees to maintain the "Map" as part of its collection at all times and provide for the long-term preservation and security of the Map in accordance with the standards, care, and diligence applied to all of its collections, which are consistent with best practices of recognized museums, libraries, archives, companies, or firms performing services of a similar nature.
5. The Library agrees the City has the right to use, display, transfer, sell, and exploit copies of the Map for any purpose whatsoever at the City's sole discretion. The City agrees the Library has the right to use, display, transfer, sell, and exploit copies of the Map, in any format, for any purpose whatsoever at the Library's sole discretion.
6. The Library will provide access to the "Map" to City personnel during its regular business hours.
7. If at any time the Newberry acquires new equipment that would make it possible to improve significantly on the existing, 2015 high-resolution scans made for The City of Lake Forest and shared with the Library, the City will receive a copy of the new high-resolution digital files, at no cost, for its own and locally-based educational uses.
8. If at any time the Newberry seeks to sell, transfer, donate, or dispose of all or any part of its interest in the "Map," it must notify City in writing. City must, within 60 days of receipt of the notice, notify Library in writing that it wishes to reacquire the Map at no cost and the parties shall arrange for its prompt return to the City. The City shall be responsible for any applicable delivery charges. If City elects not to reacquire the Map, Library will be free to donate or dispose of its interest in the "Map."

Signed: _____

Date: _____

Mailing address: _____

Telephone number: _____

E-mail: _____

This gift is accepted on behalf of the Newberry Library, subject to the terms and conditions specified in this document.

Signed for the Library: Alice Schreyer

Date: September 11, 2019

Title: Vice President for Collections and Library Services

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2019

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF LAKE FOREST, ILLINOIS**
As of and for the Year Ended April 30, 2019

City of Lake Forest Finance Department

Elizabeth Holleb, Finance Director
Diane Hall, Assistant Finance Director

CITY OF LAKE FOREST

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October 17, 2019

The Honorable Mayor Pandaleon
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, 2019, 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.

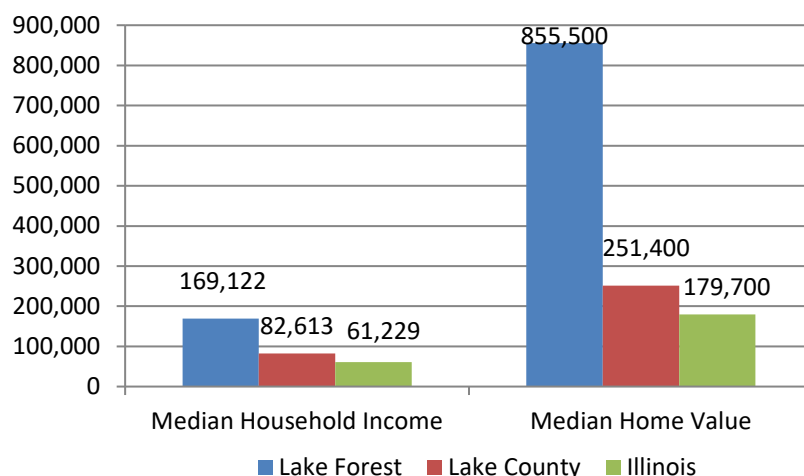
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

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, 2019, 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, 2019, 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, 2013-2017 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 one alderman from each ward elected annually. 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 91 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 113.

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 2018, the City's annual average unemployment rate was estimated to be 3.7%, compared to 4.5% for Lake County and 4.3% 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 2019, the index was 135.7, up from 124.3 in June, and comparing favorably to the August 2018 index of 133.4. 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) 2004-2020, the City has reduced budgeted full time employees by 47 positions (18%), 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 FY2019 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 adopted a FY2019 budget that reduced the income tax diversion from 10% to 5% and reduced the home rule sales tax administration fee from 2% to 1.5%, which resulted in a positive impact on the City's FY19 fiscal year finances. 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. FY2019 real estate transfer tax revenue totaled \$1.5 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.

In FY2019, the City Council approved an increase to the Sanitation fee effective May 1, 2019. This measure is estimated to provide an additional \$300,000 in funding. The City Council approved moving the Sanitation fee to the General Fund beginning in FY20 to align the revenue with the Sanitation Division operating expenses. The Capital Fund Tax Levy has been increased for the Capital Fund to account for the Sanitation

fees moved to the General Fund. The City Council also approved an increase to the City's Home Rule Sales tax from .5% to 1% effective July 1, 2019 to provide for capital improvements.

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, 2019, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 50.3% and for the Firefighters' Pension Plan is 68.5%.

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, 2018, the funded ratio for IMRF is 86.1%, 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 pension subcommittee established by the Mayor continues to discuss alternatives for future consideration by the City Council.

Post-Retirement Benefits. The City provides post-employment health care benefits to retirees and eligible dependents. Rising health care cost continue to pose financial challenges to the City.

Implementation of GASB Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions*, for FY2019 has resulted in significant changes to the reporting of post-employment obligations in the City's financial statements. In anticipation of these statements, the City made adjustments to the City's health plan by moving retirees over the age of 65 to a separate medical plan. These changes reduced the City's outstanding obligation.

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 FY2019, 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 FY2019, with 84% of the apartments leased, 12 condos sold, 3 single family homes sold and 3 homes under contract and under construction as of August 2019.
- 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 FY2019, construction was completed with a significant portion of the project funded from bonds issued in May 2017.
- In October 2018, the City Council authorized \$1,985,000 to repair the North Beach Access Road. A Public/Private partnership was supported, resulting in donations in excess of \$650,000 having been received to fund the project.

Awards and Acknowledgements

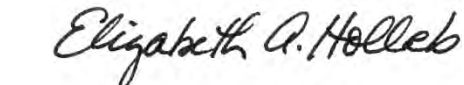
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Lake Forest for its comprehensive annual financial report for the fiscal year ended April 30, 2018. This was the 40th consecutive year that the City of Lake Forest 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,



Jason Wicha
City Manager



Elizabeth A. Holleb
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
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Reporting**

Presented to

**City of Lake Forest
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2018

Christopher P. Morill

Executive Director/CEO

List of Principal Officials

Year Ended April 30, 2019

LEGISLATIVE

City Council

Robert Lansing, Mayor

Prue R. Beidler

Melanie Rummel

James E. Morris

Timothy Newman

James Preschlack

Jack Reisenberg

Raymond P. Buschmann

Michelle Moreno

AUDIT COMMITTEE

Vince Sparrow, Chairman

Tighe Magnuson

William McFadden

William Smith

Dean Stieber

Robert Lansing, Mayor (ex-officio)

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

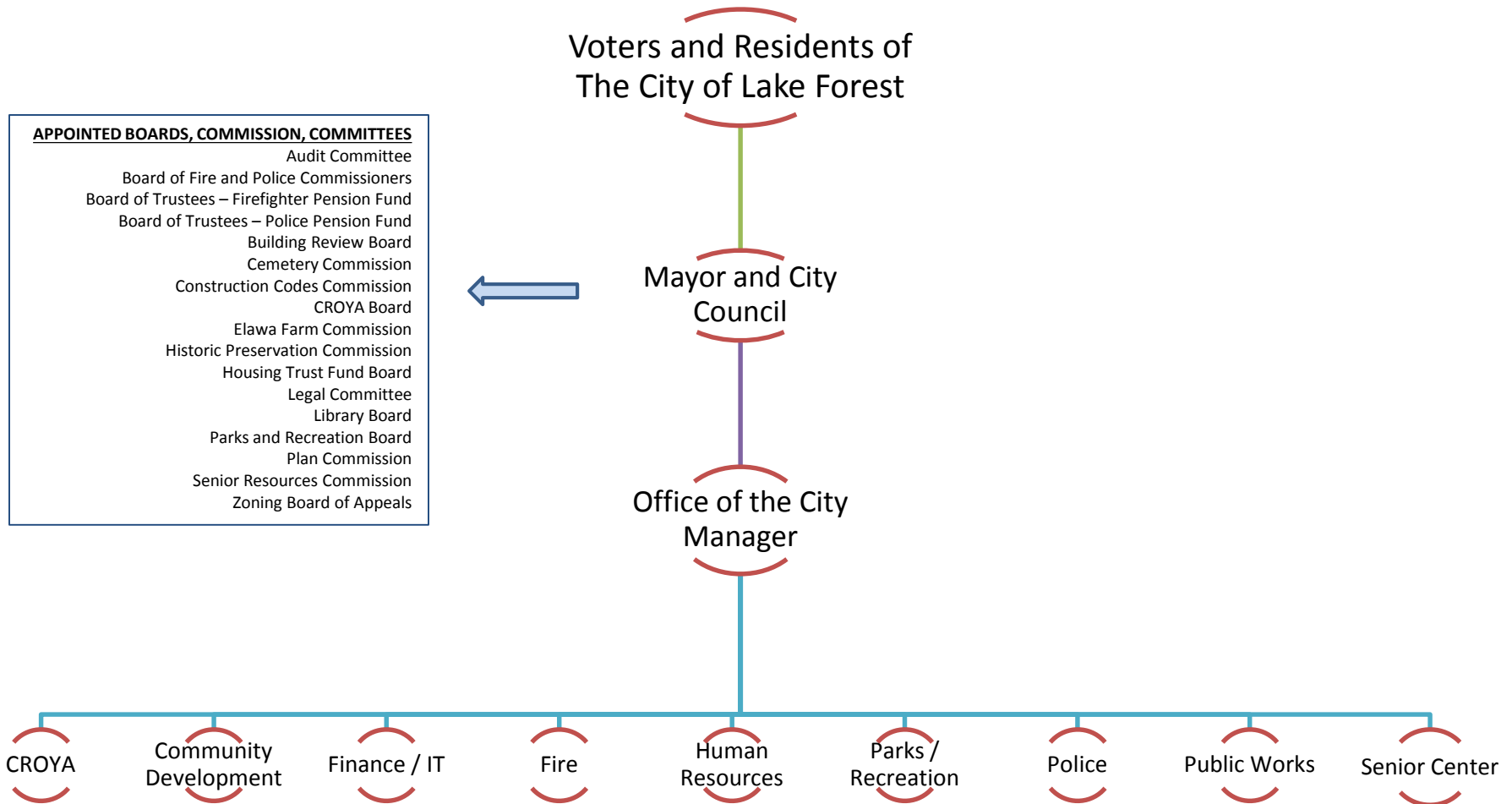
EXECUTIVE

Jason Wicha, 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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Lake Forest Library were not audited in accordance with *Government Auditing Standards*.

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

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, 2019 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.

Emphasis of Matter

As discussed in Note I, the City of Lake Forest adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective May 1, 2018. Our opinions are not modified with respect to this matter.

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.

To the Honorable Mayor and City Council
City of Lake Forest

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2019 on our consideration of the City of Lake Forest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake Forest's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Forest's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 17, 2019

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

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 17).

Financial Highlights

- The City's net position increased \$2.3 million for the fiscal year ending April 30, 2019 (FY19). Governmental net position increased \$2.7 million and business-type net position decreased \$.4 million.
- The governmental activities revenue increased by \$3.7 million (6.9%) due to increased charges for services, increased intergovernmental taxes and increased investment income, offset by decreases to operating grants/contributions. The expenses increased by \$4.9 million (9.7%) due primarily to adjustments related to pensions and the addition of OPEB liabilities. Transfers decreased by \$5.1 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 in FY2018.
- The business-type activities revenue increased by \$.2 million (2%) primarily due to an increase in operating grants and contributions in the Golf Fund, as well as temporary gain on sale of capital assets. The City's business-type activity expenses decreased by \$19,000 (1%) due primarily to pension adjustments and non-capitalized improvements. Transfers decreased by \$5.1 million as discussed above.
- The total cost of all City programs increased from \$60.1 million in FY18 to \$65.0 million in FY19 – an increase of \$4.9 million or 8.1% - attributable to pension adjustments and non-capitalized improvements.

**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 17-19) 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 18-19) 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, 2019

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 20 and 22) 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 24 - 28) 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 21 and 23). 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
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The City's combined net position increased by \$2.3 million for FY19 – from \$223.4 million to \$225.7 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 increased by \$2.7 million – from \$173.9 million to \$176.6 million. The business-type activities net position decreased by \$.4 million – from \$49.5 million to \$49.1 million. Table 1 reflects the condensed Statement of Net Position compared to FY18. 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, 2018 and 2019
(in millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---------------------------|--------------------------------|----------------|---------------------------------|---------------|---------------------------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Current and Other Assets | \$92.7 | \$101.5 | \$15.2 | \$12.7 | \$107.9 | \$114.2 |
| Capital Assets | 199.0 | 196.7 | 58.7 | 58.5 | 257.7 | 255.2 |
| Total Assets | 291.7 | 298.2 | 73.9 | 71.2 | 365.6 | 369.4 |
| Deferred Outflows | 3.2 | 17.0 | 0.4 | 1.4 | 3.6 | 18.4 |
| Long- Term Liabilities | 80.2 | 98.7 | 21.7 | 21.5 | 101.9 | 120.2 |
| Other Liabilities | 7.2 | 9.4 | 2.3 | 1.8 | 9.5 | 11.2 |
| Total Liabilities | 87.4 | 108.1 | 24.0 | 23.3 | 111.4 | 131.4 |
| Deferred Inflows | 33.6 | 30.5 | 0.8 | 0.2 | 34.4 | 30.7 |
| Net Position: | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 166.6 | 164.7 | 40.7 | 39.6 | 207.3 | 204.3 |
| Restricted | 20.2 | 26.7 | 0.0 | 0.0 | 20.2 | 26.7 |
| Unrestricted | (12.9) | (14.8) | 8.8 | 9.5 | (4.1) | (5.3) |
| Total Net Position | \$173.9 | \$176.6 | \$49.5 | \$49.1 | \$223.4 | \$225.7 |

For more detailed information see the Statement of Net Position (page 17).

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)
APRIL 30, 2019

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 \$2.3 million increase in combined net position (which is the City's bottom line) was the result of the governmental activities net position increasing by \$2.7 million and the business-type activities net position decreasing by \$.4 million.

The governmental activities total assets increased by \$6.5 million (>2.2%) while the governmental activities total liabilities increased by \$20.7 million (23.7%). With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions* long-term liabilities now include the net pension liability and OPEB liability previously only disclosed in the notes to the financial statements. The increase in total assets is primarily due to available cash balances. The increase in total liabilities is due primarily to the increase in Net Pension Liability for the City's three pension funds and the addition of the OPEB Liability. 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.

An increase in deferred outflows of \$13.8 million related to pensions, while a decrease in deferred inflows of \$3.1 million related to pensions and an increase in property taxes levied for future periods.

Net investment in capital assets decreased by \$1.9 million (1.1%) due to the expenditure of prior year bond proceeds and depreciation and the pay down of G.O. Bonds that funded the capital assets. Restricted net position increased \$6.5 million largely due to excess fund balance from the General Fund transferred to the Capital Improvement Fund for future capital improvements. Unrestricted net position increased by \$1.9 million primarily due to the net effect of GASB 68 reporting of pension liabilities and GASB 75 reporting of OPEB liabilities.

The net position of business-type activities decreased by \$.4 million, from \$49.5 million to \$49.1 million. The primary change in assets of the business-type activities was a decrease in capital assets as well as expending unspent bond proceeds.

Long-term liabilities decreased by \$.2 million due to scheduled maturities of debt obligations, offset by increases to net pension liabilities. Net investment in capital assets decreased by \$ 1.1 million due to bond-funded capital improvements and expending unspent bond proceeds, and unrestricted net position increased by \$.7 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 \$7.2 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 \$2.3 million in FY19. The City's total revenues increased by \$3.9 million, primarily driven by increased charges for services, property taxes, intergovernmental taxes and interest income. The City's cost of all programs increased by \$4.9 million, largely attributable to pension adjustments, as well as non-capitalized improvements

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, 2019

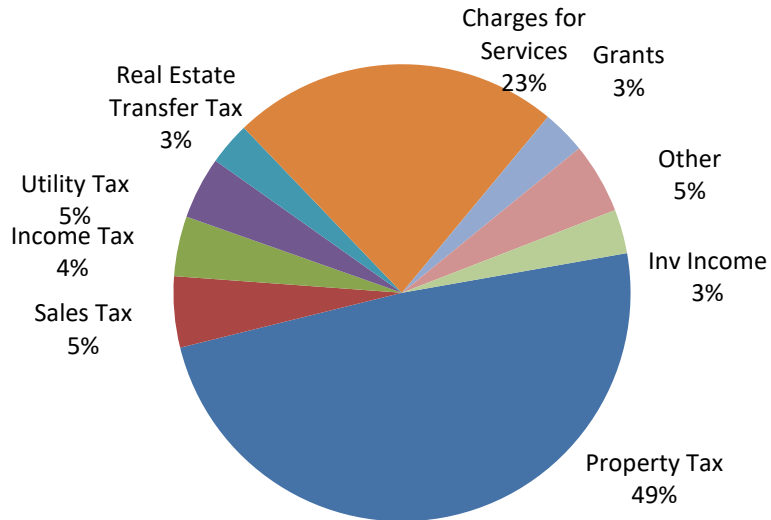
Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2018 and 2019
(in millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------------|--------------------------------|----------------|---------------------------------|---------------|---------------------------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| REVENUE | | | | | | |
| Program Revenue | | | | | | |
| Charges for Services | \$12.4 | \$13.7 | \$9.6 | \$9.3 | \$22.0 | \$23.0 |
| Grants and Contributions | | | | | | |
| Operating | 1.3 | 1.0 | | 0.2 | 1.3 | 1.2 |
| Capital | 0.4 | 0.5 | | | 0.4 | 0.5 |
| General Revenue | | | | | | |
| Property Taxes | 26.2 | 27.6 | | | 26.2 | 27.6 |
| Other Taxes | 4.7 | 4.8 | | | 4.7 | 4.8 |
| Intergovernmental - Taxes | 6.8 | 7.4 | | | 6.8 | 7.4 |
| Interest Revenue | 1.7 | 2.2 | | | 1.7 | 2.2 |
| Other | 0.0 | 0.0 | 0.3 | 0.6 | 0.3 | 0.6 |
| Total Revenue | 53.5 | 57.2 | 9.9 | 10.1 | 63.4 | 67.3 |
| EXPENSES | | | | | | |
| Governmental Activities | | | | | | |
| General Government | 10.0 | 13.8 | | | 10.0 | 13.8 |
| Highways and Streets | 9.6 | 9.1 | | | 9.6 | 9.1 |
| Sanitation | 2.5 | 2.6 | | | 2.5 | 2.6 |
| Culture and Recreation | 10.0 | 8.8 | | | 10.0 | 8.8 |
| Public Safety | 17.0 | 19.8 | | | 17.0 | 19.8 |
| Interest | 1.3 | 1.2 | | | 1.3 | 1.2 |
| Business-Type Activities | | | | | | |
| Water and Sewer | | | 8.1 | 7.8 | 8.1 | 7.8 |
| Golf | | | 1.6 | 1.9 | 1.6 | 1.9 |
| Total Expenses | 50.4 | 55.3 | 9.7 | 9.7 | 60.1 | 65.0 |
| Excess before Transfers | 3.1 | 1.9 | 0.2 | 0.4 | 3.3 | 2.3 |
| Transfers In (out) | (4.3) | 0.8 | 4.3 | (0.8) | 0.0 | 0.0 |
| Change in Net Position | (1.2) | 2.7 | 4.5 | (0.4) | 3.3 | 2.3 |
| Net Position - Beginning * | 175.1 | 173.9 | 45.0 | 49.5 | 220.1 | 223.4 |
| Net Position - Ending | \$173.9 | \$176.6 | \$49.5 | \$49.1 | \$223.4 | \$225.7 |

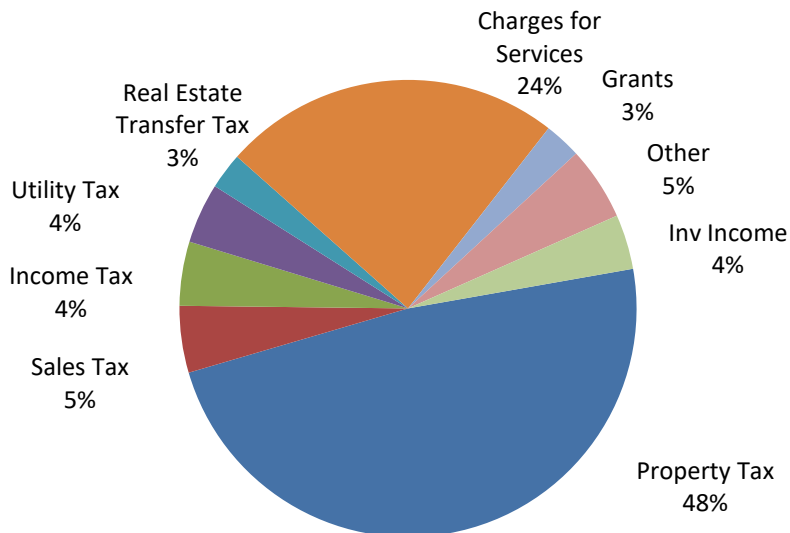
* Beginning Net Position restated. The effect of the implementation of GASB 75 on FY18 has been fully adjusted to beginning net position. If actual valuations were available for the year ended 4/30/18, adjustments to expense amounts may have been necessary to fully restate FY18.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

FY2018 Governmental Activities Revenue

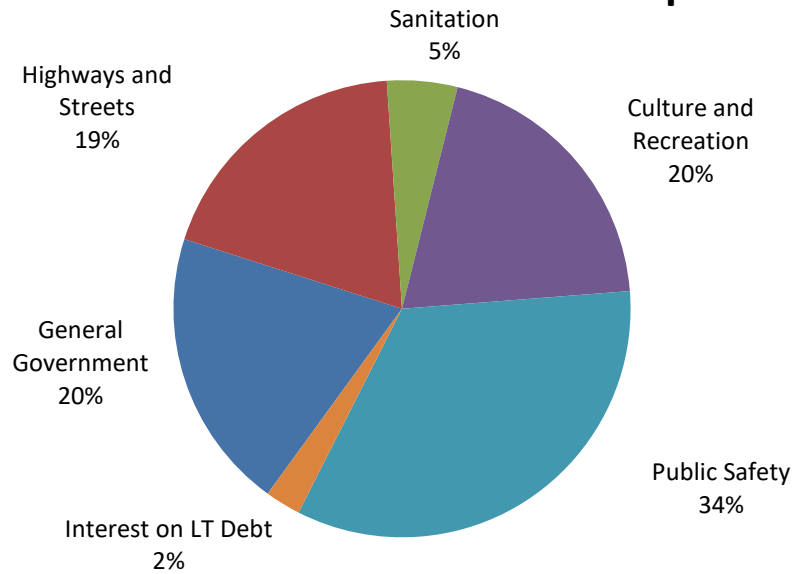


FY2019 Governmental Activities Revenue

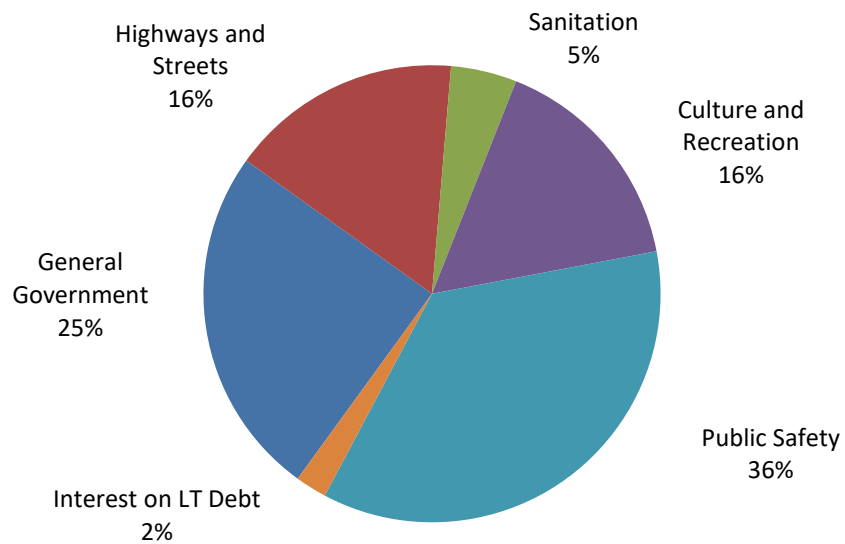


CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

FY2018 Governmental Activities Expenses



FY2019 Governmental Activities Expenses



CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

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, 2019, revenues from governmental activities totaled \$57.2 million, increasing \$3.7 million compared to FY18. The primary changes occurred in Charges for Services (up \$1.3 million), Operating Grants and Contributions (down \$.3 million), Intergovernmental Taxes (up \$.6 million) and Interest Revenue (up \$.5 million). The increase in Charges for Services was largely due to one-time permit fees collected in FY19. Intergovernmental Taxes increase was due primarily to income tax revenue increased \$.4 million. Investment income increased due to rising interest rates. Property tax revenue continues to be the City's single largest revenue source, contributing \$27.6 million (48%) 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 \$36.8 million and represent 64% of the total governmental activities revenue.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

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 2018 equalized assessed valuation decreased .2% compared to the prior year and totaled \$2,526,924,079. 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 5.3% over FY18 in property taxes was generated as a result of the City Council adopting a 4.43% increase in the levy and new growth. While the tax cap applicable to this levy was 2.1%, the levies for debt service and capital improvements combined exceeded the tax cap.

Investment income increased by \$0.5 million, from \$1.7 million to \$2.2 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, 2019, expenses for governmental activities totaled \$55.3 million, a increase of \$4.9 million (9.7%). The increase is due in large part to pension adjustments and the addition of the post-retirement benefits. 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 FY19 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 \$.2 million (2%) primarily due to an increase of operating contributions in the Golf Fund, as well as investment income.

Expenses

The City's business-type activity expenses remained constant in FY19.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2019, the governmental funds (as presented on the balance sheet on page 20) reported a combined fund balance of \$55.6 million which is a \$5.5 million (11%) increase from the beginning of the year (\$50.1 million). This increase was largely driven by excess of revenues over expenditures in the General Fund. The City Council elected to transfer the full FY19 operating surplus to the Capital Improvement Fund to provide additional funding for capital improvements. Of the total fund balance of \$55.6 million, \$.2 million is not available for continuing City services and capital projects, and \$26.7 million is restricted in its use. The unassigned fund balance for the total of all governmental funds is \$28.8 million, which is a \$.3 million (1.0%) decrease 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 \$.4 million or 1% from FY18 (from \$29.3 million to \$28.9 million). The General Fund revenues increased by \$2.2 million (6.1%) due primarily to higher intergovernmental revenue, interest revenue and increases to Public Safety Pension fees. The General Fund expenditures increased by \$1.1 million (3.6%) due to personnel costs and increased principal retirement. The excess of revenues over expenditures (before transfers) for FY19 of \$6.7 million was \$1.1 million more than FY18 (\$5.6 million). The other financing sources (uses) for FY19 of \$(7) million was significantly higher than FY18 \$(5.9) million due to one-time revenues being transferred to other funds for capital improvements.

Property taxes increased \$1 million, while other taxes increased \$.1 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 2017 levy extension (FY19 revenue) allowed for a 4.43% increase as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government increased .5%, highways and streets increased 4% (personnel; snow and ice control), sanitation increased 8.7%, and public safety increased 8.5%. In addition, General Fund principal retirement decreased \$483,000 compared to FY18.

Table 3
General Fund Budgetary Highlights
(in millions)

| General Fund | Original Budget | Final Budget | Actual |
|------------------------------------|--------------------|-----------------|----------------|
| Revenues: | | | |
| Taxes | \$22.4 | \$22.4 | \$22.5 |
| Intergovernmental | 5.7 | 5.7 | 6.2 |
| Other | 7.3 | 7.3 | 9.3 |
| Total | 35.4 | 35.4 | 38.0 |
| Expenditures and Transfers: | | | |
| Expenditures | 35.9 | 36.2 | 31.3 |
| Transfers (Net) | 2.6 | 2.5 | 7.0 |
| Total | 38.5 | 38.7 | 38.3 |
| Change in Fund Balance | (\$3.1) | (\$3.3) | (\$0.3) |

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

Actual General Fund revenues were higher than budgeted revenues by \$2.6 million during FY19. The primary variance resulted from building permit and investment revenues exceeding projections. Actual General Fund expenditures and transfers were lower than the final budget by \$.4 million. It is the City's policy to add 10%, which is \$3.5 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 FY19. Additional information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 91.

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 \$8,498 thousand, from \$2.03 million to \$2.02 million. The Parks and Recreation Fund revenues and expenditures were consistent with the prior year. Total other financing sources (uses) were \$(.5) million in FY18, but \$(53,500) in FY19, due to decreased transfers to the Golf Course Fund for capital improvements.

The Capital Improvements Fund is reported as a Major Fund for FY19 and is used to account for revenues associated with City building and infrastructure projects. Fund balance of this fund increased by \$5 million in FY19. Compared to FY18, revenue increased by \$1.5 million due to increases in property taxes, real estate transfer taxes and grant reimbursements. Total expenditures increased by \$.6 million in the capital outlay category. Transfers in of \$5.9 million for FY19 consisted of one time fund balance transfer of the General Fund for one-time capital improvements.

The Debt Service Fund is reported as a Non-major Fund for FY19 and is used to account for revenues used to retire non-Enterprise Fund obligations. Fund balance for FY19 increased by \$.1 million, from \$1.5 million to \$1.6 million.

CAPITAL ASSETS

Table 4
Capital Assets at Year End - 2018 and 2019
Net of Depreciation
(in millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------|-------------------------|---------|--------------------------|--------|--------------------------|---------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Land and Improvements | \$38.2 | \$38.1 | \$0.5 | \$0.5 | \$38.7 | \$38.6 |
| Infrastructure - Land | 66.7 | 66.7 | | | 66.7 | 66.7 |
| Construction in Progress | 0.0 | 1.3 | 8.6 | 0.0 | 8.6 | 1.3 |
| Infrastructure | 54.9 | 53.6 | | | 54.9 | 53.6 |
| Buildings | 18.3 | 17.6 | 11.4 | 10.4 | 29.7 | 28.0 |
| Improvements | 16.9 | 15.5 | 23.5 | 33.2 | 40.4 | 48.7 |
| Machinery and Equipment | 4.0 | 3.9 | 1.7 | 1.7 | 5.7 | 5.6 |
| Sanitary Sewers | 0.0 | 0.0 | 13.0 | 12.7 | 13.0 | 12.7 |
| Total | \$199.0 | \$196.7 | \$58.7 | \$58.5 | \$257.7 | \$255.2 |

At the end of FY19, the City had a combined total of \$255.2 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$2.5 million. The net increase is attributable to a \$2.3 million decrease in governmental activities and a \$.2 million decrease in the business-type activities.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

The decrease in the governmental activities was due to depreciation exceeding additions by \$2.2 million. The decrease in business-type activities was due primarily to \$.1 million of depreciation exceeding additions.

The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 57-59 of the Notes.

Table 5
Change in Capital Assets
(in millions)

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------|----------------------------|-----------------------------|----------------|
| Beginning Balance | \$199.0 | \$58.7 | \$257.7 |
| Additions | | | |
| Depreciable | 3.4 | 11.7 | 15.1 |
| Construction in Progress | | 0.0 | 0.0 |
| Retirements | | | |
| Depreciable | (0.4) | (9.0) | (9.4) |
| Depreciation | (5.7) | (3.1) | (8.8) |
| Retirements | 0.4 | 0.2 | 0.6 |
| Ending Balance | <u>\$196.7</u> | <u>\$58.5</u> | <u>\$255.2</u> |

The increase in Business-Type Activities of \$11.7 million and the decrease of \$9 million was due to moving the water plant improvement project from construction in progress to a depreciable asset.

Debt Outstanding

The City had \$50.9 million of general obligation bonds outstanding at April 30, 2019. Of this amount \$23.5 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 \$5,519 and \$4,105 if self-supporting debt is excluded.

The City operated as a home rule community for FY19. 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 62-64.

As of April 30, 2019, the City's net pension liability is \$64.4 million, an increase of \$21.5 million compared to the \$42.9 million balance as of April 30, 2018. Additional information regarding the net pension liability can be found in Note IV.

As of April 30, 2019, the City's OPEB liability is \$2.44 million, an increase of \$.2 million compared to the \$2.42 million balance as of April 30, 2018. Additional information regarding the OPEB liability can be found in Note IV.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2019

Economic Factors

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2018, the City's annual average unemployment rate was estimated to be 3.7%, compared to 4.5% for Lake County and 4.3% 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, 2019

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|-----------------------|------------------------|
| | Governmental Activities | Business-type Activities | Totals | Lake Forest Library |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 59,331,141 | \$ 10,287,853 | \$ 69,618,994 | \$ 4,497,320 |
| Investments | 6,579,706 | - | 6,579,706 | - |
| Receivables (net) | | | | |
| Property taxes | 28,006,568 | - | 28,006,568 | 4,111,613 |
| Other taxes | 383,900 | - | 383,900 | 10,060 |
| Accounts | 2,134,281 | 1,432,033 | 3,566,314 | - |
| Loans | 13,147 | - | 13,147 | - |
| Other | 3,139,477 | 3,868 | 3,143,345 | - |
| Due from other governments | 1,454,205 | - | 1,454,205 | - |
| Internal balances | (751,614) | 751,614 | - | - |
| Inventories | 394,865 | 78,770 | 473,635 | - |
| Prepaid items | 677,246 | 101,482 | 778,728 | - |
| Due from fiduciary funds | 126,463 | - | 126,463 | - |
| Capital Assets | | | | |
| Capital assets not being depreciated | 106,161,487 | 441,413 | 106,602,900 | 238,500 |
| Capital assets being depreciated, net of accumulated depreciation | 90,525,705 | 58,084,183 | 148,609,888 | 2,735,768 |
| Total Assets | <u>298,176,577</u> | <u>71,181,216</u> | <u>369,357,793</u> | <u>11,593,261</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 4,536 | 174,883 | 179,419 | - |
| Deferred outflows of resources related to pensions | 16,959,502 | 1,197,401 | 18,156,903 | 899,882 |
| Deferred outflows related to total OPEB liability | 26,656 | 2,624 | 29,280 | 1,093 |
| Total Deferred Outflows of Resources | <u>16,990,694</u> | <u>1,374,908</u> | <u>18,365,602</u> | <u>900,975</u> |
| LIABILITIES | | | | |
| Accounts payable | 3,461,056 | 1,221,968 | 4,683,024 | 50,464 |
| Accrued liabilities | 1,872,250 | 86,036 | 1,958,286 | 79,354 |
| Accrued interest payable | 346,817 | 200,477 | 547,294 | - |
| Deposits | 920,787 | - | 920,787 | - |
| Unearned revenue | 2,828,305 | 305,167 | 3,133,472 | - |
| Due to fiduciary funds | 72,152 | - | 72,152 | - |
| Noncurrent Liabilities | | | | |
| Due within one year | 1,850,851 | 2,072,000 | 3,922,851 | 7,352 |
| Due in more than one year | 96,756,505 | 19,385,717 | 116,142,222 | 1,779,625 |
| Total Liabilities | <u>108,108,723</u> | <u>23,271,365</u> | <u>131,380,088</u> | <u>1,916,795</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources related to pensions | 2,471,434 | 166,121 | 2,637,555 | 124,393 |
| Property taxes levied for future periods | 28,006,568 | - | 28,006,568 | 4,111,613 |
| Total Deferred Inflows of Resources | <u>30,478,002</u> | <u>166,121</u> | <u>30,644,123</u> | <u>4,236,006</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 164,675,251 | 39,610,155 | 204,285,406 | 2,971,916 |
| Restricted for | | | | |
| Culture and recreation | 3,333,955 | - | 3,333,955 | - |
| Highways and streets | 1,019,023 | - | 1,019,023 | - |
| Public safety | 663,539 | - | 663,539 | - |
| Cemetery purposes | 7,767,095 | - | 7,767,095 | - |
| Affordable housing | 1,339,808 | - | 1,339,808 | - |
| Capital projects | 11,298,736 | - | 11,298,736 | - |
| Debt service | 1,292,816 | - | 1,292,816 | - |
| Unrestricted | (14,809,677) | 9,508,483 | (5,301,194) | 3,369,519 |
| TOTAL NET POSITION | <u>\$ 176,580,546</u> | <u>\$ 49,118,638</u> | <u>\$ 225,699,184</u> | <u>\$ 6,341,435</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2019

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General government | \$ 13,773,790 | \$ 5,007,655 | \$ 235,318 | \$ 505,988 |
| Highway and streets | 9,081,471 | 2,730,122 | 491,827 | - |
| Sanitation | 2,580,043 | 749,620 | - | - |
| Culture and recreation | 8,859,391 | 3,117,795 | 218,928 | - |
| Public safety | 19,769,395 | 2,117,186 | 39,603 | - |
| Interest on long-term debt | <u>1,231,944</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Governmental Activities | <u>55,296,034</u> | <u>13,722,378</u> | <u>985,676</u> | <u>505,988</u> |
| Business-type Activities | | | | |
| Waterworks and Sewerage | 7,832,615 | 7,818,777 | - | - |
| Deerpath Golf Course | <u>1,875,677</u> | <u>1,524,654</u> | <u>228,332</u> | <u>-</u> |
| Total Business-type Activities | <u>9,708,292</u> | <u>9,343,431</u> | <u>228,332</u> | <u>-</u> |
| Total Primary Government | <u>\$ 65,004,326</u> | <u>\$ 23,065,809</u> | <u>\$ 1,214,008</u> | <u>\$ 505,988</u> |
| Component Unit | | | | |
| Lake Forest Library | <u>\$ 3,551,897</u> | <u>\$ 47,198</u> | <u>\$ 115,158</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 (as restated)

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 |
| \$ (8,024,829) | \$ - | \$ (8,024,829) | \$ - |
| (5,859,522) | - | (5,859,522) | - |
| (1,830,423) | - | (1,830,423) | - |
| (5,522,668) | - | (5,522,668) | - |
| (17,612,606) | - | (17,612,606) | - |
| (1,231,944) | - | (1,231,944) | - |
| <u>(40,081,992)</u> | <u>-</u> | <u>(40,081,992)</u> | <u>-</u> |
| - | (13,838) | (13,838) | - |
| - | (122,691) | (122,691) | - |
| - | (136,529) | (136,529) | - |
| <u>(40,081,992)</u> | <u>(136,529)</u> | <u>(40,218,521)</u> | <u>-</u> |
| - | - | - | (3,389,541) |
| 27,591,773 | - | 27,591,773 | 4,063,010 |
| 604,891 | - | 604,891 | - |
| 2,437,127 | - | 2,437,127 | - |
| 1,471,595 | - | 1,471,595 | - |
| 261,974 | - | 261,974 | - |
| 2,095,938 | - | 2,095,938 | - |
| 2,593,506 | - | 2,593,506 | - |
| 1,166,254 | - | 1,166,254 | - |
| 127,460 | - | 127,460 | 36,944 |
| 1,416,128 | 299,176 | 1,715,304 | - |
| <u>2,215,202</u> | <u>279,189</u> | <u>2,494,391</u> | <u>131,747</u> |
| <u>41,981,848</u> | <u>578,365</u> | <u>42,560,213</u> | <u>4,231,701</u> |
| 7,775 | - | 7,775 | - |
| <u>786,850</u> | <u>(786,850)</u> | <u>-</u> | <u>-</u> |
| <u>42,776,473</u> | <u>(208,485)</u> | <u>42,567,988</u> | <u>4,231,701</u> |
| 2,694,481 | (345,014) | 2,349,467 | 842,160 |
| <u>173,886,065</u> | <u>49,463,652</u> | <u>223,349,717</u> | <u>5,499,275</u> |
| <u>\$ 176,580,546</u> | <u>\$ 49,118,638</u> | <u>\$ 225,699,184</u> | <u>\$ 6,341,435</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2019

| | General | Parks and Recreation | Capital Improvements | Nonmajor Governmental Funds | Totals |
|--|----------------------|----------------------|----------------------|-----------------------------|----------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 30,458,960 | \$ 2,477,275 | \$ 12,519,967 | \$ 6,601,056 | \$ 52,057,258 |
| Investments | - | - | - | 6,579,706 | 6,579,706 |
| Receivables (net) | | | | | |
| Property taxes | 18,704,847 | 5,703,799 | 1,713,889 | 1,884,033 | 28,006,568 |
| Other taxes | 383,900 | - | - | - | 383,900 |
| Accounts | 1,296,868 | 289,310 | 548,103 | - | 2,134,281 |
| Loans | 13,147 | - | - | - | 13,147 |
| Other | - | - | - | 738,836 | 738,836 |
| Due from other governments | 1,400,215 | 11,104 | - | 42,886 | 1,454,205 |
| Advances to other funds | - | - | - | 380,000 | 380,000 |
| Due from other funds | - | 125,000 | 383,686 | - | 508,686 |
| Due from fiduciary funds | - | - | - | 126,463 | 126,463 |
| Inventories | 37,534 | 528 | - | - | 38,062 |
| Prepaid items | 91,746 | - | - | 32,837 | 124,583 |
| TOTAL ASSETS | \$ 52,387,217 | \$ 8,607,016 | \$ 15,165,645 | \$ 16,385,817 | \$ 92,545,695 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 543,479 | \$ 217,584 | \$ 1,736,396 | \$ 324,226 | \$ 2,821,685 |
| Accrued liabilities | 901,404 | 200,690 | - | 27,131 | 1,129,225 |
| Deposits | 872,364 | 2,423 | 28,000 | 18,000 | 920,787 |
| Unearned revenue | 2,347,787 | 459,539 | 8,624 | 12,355 | 2,828,305 |
| Due to other funds | - | - | - | 383,686 | 383,686 |
| Due to fiduciary funds | 72,152 | - | - | - | 72,152 |
| Advances from other funds | - | - | 380,000 | - | 380,000 |
| Total Liabilities | <u>4,737,186</u> | <u>880,236</u> | <u>2,153,020</u> | <u>765,398</u> | <u>8,535,840</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for a future period | 18,704,847 | 5,703,799 | 1,713,889 | 1,884,033 | 28,006,568 |
| Unavailable revenues | - | - | 370,912 | 1,344 | 372,256 |
| Total Deferred Inflows of Resources | <u>18,704,847</u> | <u>5,703,799</u> | <u>2,084,801</u> | <u>1,885,377</u> | <u>28,378,824</u> |
| Fund Balances | | | | | |
| Nonspendable | 129,280 | 528 | - | 32,837 | 162,645 |
| Restricted | - | 2,022,453 | 10,927,824 | 13,705,891 | 26,656,168 |
| Unassigned | 28,815,904 | - | - | (3,686) | 28,812,218 |
| Total Fund Balances | <u>28,945,184</u> | <u>2,022,981</u> | <u>10,927,824</u> | <u>13,735,042</u> | <u>55,631,031</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 52,387,217 | \$ 8,607,016 | \$ 15,165,645 | \$ 16,385,817 | \$ 92,545,695 |

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, 2019

| | |
|--|---------------|
| Total Fund Balances - Governmental Funds | \$ 55,631,031 |
|--|---------------|

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. | 196,687,192 |
| Less amount reported in internal service funds below. | (4,109) |

| | |
|--|---------|
| 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. | 372,256 |
|--|---------|

| | |
|---|------------|
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | 16,959,502 |
| Less amount reported in internal service funds below. | (330,695) |

| | |
|--|-------------|
| Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | (2,471,434) |
| Less amount reported in internal service funds below. | 45,751 |

| | |
|---|--------|
| Deferred outflows of resources related to total OPEB liability do not relate to current financial resources and are not reported in the governmental funds. | 26,656 |
| Less amount reported in internal service funds below. | (791) |

| | |
|---|--------------|
| 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 | (31,928,784) |
| Compensated absences | (1,898,337) |
| Accrued interest | (346,817) |
| Unamortized debt discount | 19,237 |
| Unamortized debt premium | (106,931) |
| Net pension liabilities | (62,473,470) |
| Total OPEB liability | (2,219,071) |
| Less amount reported in internal service funds below. | 620,376 |

| | |
|---|-------|
| 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. | 4,536 |
|---|-------|

| | |
|--|------------------|
| The net position of the internal service funds are included in the governmental activities in the Statement of Net Position. | <u>7,994,448</u> |
|--|------------------|

| | |
|--|-------------------------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 176,580,546</u></u> |
|--|-------------------------------------|

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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

For the Year Ended April 30, 2019

| | General | Parks and Recreation | Capital Improvements | Nonmajor Governmental Funds | Totals |
|---|----------------------|-------------------------|-------------------------|-----------------------------------|----------------------|
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property | \$ 19,235,378 | \$ 5,665,011 | \$ 824,585 | \$ 1,866,799 | \$ 27,591,773 |
| Other taxes | 3,231,992 | - | 1,507,595 | 36,000 | 4,775,587 |
| Intergovernmental | 6,172,591 | 40,787 | - | 504,416 | 6,717,794 |
| Licenses and permits | 3,456,703 | - | - | - | 3,456,703 |
| Fines, forfeitures and penalties | 355,304 | - | - | - | 355,304 |
| Charges for services | 3,354,997 | 2,796,791 | 801,815 | 1,805,724 | 8,759,327 |
| Grants and contributions | 27,560 | 218,928 | 1,617,926 | 356,136 | 2,220,550 |
| Investment income | 859,448 | 99,238 | 172,285 | 912,165 | 2,043,136 |
| Miscellaneous revenues | 1,349,720 | 26,017 | 135,037 | 760 | 1,511,534 |
| Total Revenues | <u>38,043,693</u> | <u>8,846,772</u> | <u>5,059,243</u> | <u>5,482,000</u> | <u>57,431,708</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 9,904,969 | - | 862,041 | 890,255 | 11,657,265 |
| Highways and streets | 2,472,144 | - | 2,100,515 | 4,998 | 4,577,657 |
| Sanitation | 2,480,420 | - | - | - | 2,480,420 |
| Culture and recreation | - | 8,628,206 | 99,822 | 591,841 | 9,319,869 |
| Public safety | 16,478,486 | - | - | 421,862 | 16,900,348 |
| Capital Outlay | - | 173,564 | 2,951,767 | 846,664 | 3,971,995 |
| Debt Service | | | | | |
| Principal retirement | - | - | - | 1,429,625 | 1,429,625 |
| Interest and fiscal charges | - | - | - | 1,242,498 | 1,242,498 |
| Total Expenditures | <u>31,336,019</u> | <u>8,801,770</u> | <u>6,014,145</u> | <u>5,427,743</u> | <u>51,579,677</u> |
| Excess (deficiency) of revenues over expenditures | <u>6,707,674</u> | <u>45,002</u> | <u>(954,902)</u> | <u>54,257</u> | <u>5,852,031</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 308,500 | 5,918,128 | 1,054,057 | 7,280,685 |
| Transfers out | (7,043,372) | (362,000) | - | (239,313) | (7,644,685) |
| Proceeds from capital asset sales | - | - | 26,551 | - | 26,551 |
| Total Other Financing Sources (Uses) | <u>(7,043,372)</u> | <u>(53,500)</u> | <u>5,944,679</u> | <u>814,744</u> | <u>(337,449)</u> |
| Net Change in Fund Balances | (335,698) | (8,498) | 4,989,777 | 869,001 | 5,514,582 |
| FUND BALANCES - Beginning 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> |
| FUND BALANCES - END OF YEAR | <u>\$ 28,945,184</u> | <u>\$ 2,022,981</u> | <u>\$ 10,927,824</u> | <u>\$ 13,735,042</u> | <u>\$ 55,631,031</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, 2019

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 5,514,582 |
|--|----|-----------|

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 | | 2,249,091 |
| Depreciation is reported in the government-wide financial statements | | (5,678,201) |
| Retirement of capital assets | | (18,777) |
| Less amount reported in internal service funds below | | 4,804 |

| | | |
|--|--|-----------|
| Contributed capital assets are reported as revenues in the government-wide financial statements. | | 1,150,850 |
|--|--|-----------|

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 | | (407,884) |
|---------------------|--|-----------|

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 | | 1,429,625 |
|------------------|--|-----------|

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 | | (3,206) |
| Debt premium | | 17,641 |

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 | | (30,631) |
| Accrued interest on debt | | 13,371 |
| Amortization of deferred charge on refunding | | (17,253) |
| Net pension liability | | (19,732,585) |
| Deferred outflows of resources related to pensions | | 13,711,568 |
| Deferred inflows of resources related to pensions | | 4,008,724 |
| Deferred outflows of resources related to total OPEB liability | | 26,656 |
| Total OPEB liability | | (11,890) |
| Less amount reported in internal service funds below | | (66,523) |

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

| | | |
|--|--|---------|
| | | 534,519 |
|--|--|---------|

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

| | | |
|--|----|-----------|
| | \$ | 2,694,481 |
|--|----|-----------|

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2019

| | <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> | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 9,595,127 | \$ 692,726 | \$ 10,287,853 | \$ 7,273,883 |
| Receivables | | | | |
| Accounts | 1,423,763 | 8,270 | 1,432,033 | - |
| Other | 3,868 | - | 3,868 | 2,400,641 |
| Inventories | - | 78,770 | 78,770 | 356,803 |
| Prepaid items | - | 101,482 | 101,482 | 552,663 |
| Total Current Assets | <u>11,022,758</u> | <u>881,248</u> | <u>11,904,006</u> | <u>10,583,990</u> |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Capital assets not being depreciated | 345,896 | 95,517 | 441,413 | - |
| Capital assets being depreciated | 115,224,140 | 5,477,306 | 120,701,446 | 48,047 |
| Less: Accumulated depreciation | <u>(59,626,461)</u> | <u>(2,990,802)</u> | <u>(62,617,263)</u> | <u>(43,938)</u> |
| Total Noncurrent Assets | <u>55,943,575</u> | <u>2,582,021</u> | <u>58,525,596</u> | <u>4,109</u> |
| Total Assets | <u>66,966,333</u> | <u>3,463,269</u> | <u>70,429,602</u> | <u>10,588,099</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred charge on refunding | 166,586 | 8,297 | 174,883 | - |
| Deferred outflows of resources related to pensions | 1,173,846 | 23,555 | 1,197,401 | 330,695 |
| Deferred outflows related to total OPEB liability | <u>2,584</u> | <u>40</u> | <u>2,624</u> | <u>791</u> |
| Total Deferred Outflows of Resources | <u>1,343,016</u> | <u>31,892</u> | <u>1,374,908</u> | <u>331,486</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2019

| | <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 | 1,018,753 | 203,215 | 1,221,968 | 639,371 |
| Accrued liabilities | 81,898 | 4,138 | 86,036 | 743,025 |
| Accrued interest payable | 195,559 | 4,918 | 200,477 | - |
| Unearned revenue | 17,866 | 287,301 | 305,167 | - |
| General obligation bonds | 1,967,000 | 100,000 | 2,067,000 | - |
| Compensated absences | 4,981 | 19 | 5,000 | - |
| Due to other funds | - | 125,000 | 125,000 | - |
| Total Current Liabilities | <u>3,286,057</u> | <u>724,591</u> | <u>4,010,648</u> | <u>1,382,396</u> |
| Noncurrent Liabilities | | | | |
| Long-Term Debt | | | | |
| General obligation debt payable | 16,637,487 | 385,837 | 17,023,324 | - |
| Compensated absences | 251,522 | 2,006 | 253,528 | 33,856 |
| Net pension liability | 1,852,956 | 37,469 | 1,890,425 | 520,632 |
| Total OPEB liability | 215,109 | 3,331 | 218,440 | 65,888 |
| Total Noncurrent Liabilities | <u>18,957,074</u> | <u>428,643</u> | <u>19,385,717</u> | <u>620,376</u> |
| Total Liabilities | <u>22,243,131</u> | <u>1,153,234</u> | <u>23,396,365</u> | <u>2,002,772</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources related to pensions | <u>162,828</u> | <u>3,293</u> | <u>166,121</u> | <u>45,751</u> |
| Total Deferred Inflows of Resources | <u>162,828</u> | <u>3,293</u> | <u>166,121</u> | <u>45,751</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 37,505,674 | 2,104,481 | 39,610,155 | 4,109 |
| Unrestricted | <u>8,397,716</u> | <u>234,153</u> | <u>8,631,869</u> | <u>8,866,953</u> |
| TOTAL NET POSITION | <u>\$ 45,903,390</u> | <u>\$ 2,338,634</u> | 48,242,024 | <u>\$ 8,871,062</u> |
| Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds. | | | <u>876,614</u> | |
| Net Position of Business-type Activities reported in the government-wide statement of net position. | | | <u>\$ 49,118,638</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, 2019

| | <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> | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 7,909,200 | \$ 1,524,408 | \$ 9,433,608 | \$ 8,575,363 |
| Connection fees | 134,681 | - | 134,681 | - |
| Miscellaneous | <u>7,998</u> | <u>246</u> | <u>8,244</u> | <u>-</u> |
| Total Operating Revenues | <u>8,051,879</u> | <u>1,524,654</u> | <u>9,576,533</u> | <u>8,575,363</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 2,422,300 | 643,885 | 3,066,185 | 8,176,059 |
| Operations and maintenance | 1,946,923 | 977,825 | 2,924,748 | - |
| Depreciation and amortization | <u>2,857,116</u> | <u>253,643</u> | <u>3,110,759</u> | <u>4,804</u> |
| Total Operating Expenses | <u>7,226,339</u> | <u>1,875,353</u> | <u>9,101,692</u> | <u>8,180,863</u> |
| Operating Income (Loss) | <u>825,540</u> | <u>(350,699)</u> | <u>474,841</u> | <u>394,500</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 269,245 | 9,944 | 279,189 | 172,066 |
| Loss on disposal of capital assets | (19,363) | - | (19,363) | - |
| Interest expense | (600,846) | (16,874) | (617,720) | - |
| Paying agent fees | (1,500) | - | (1,500) | - |
| Other | <u>14,710</u> | <u>51,300</u> | <u>66,010</u> | <u>-</u> |
| Total Nonoperating Revenues (Expenses) | <u>(337,754)</u> | <u>44,370</u> | <u>(293,384)</u> | <u>172,066</u> |
| Income (Loss) Before Transfers | <u>487,786</u> | <u>(306,329)</u> | <u>181,457</u> | <u>566,566</u> |
| TRANSFERS | | | | |
| Capital contributions | (1,150,850) | 228,332 | (922,518) | - |
| Transfers in | <u>2,000</u> | <u>362,000</u> | <u>364,000</u> | <u>-</u> |
| Total Transfers | <u>(1,148,850)</u> | <u>590,332</u> | <u>(558,518)</u> | <u>-</u> |
| Change in Net Position | <u>(661,064)</u> | <u>284,003</u> | <u>(377,061)</u> | <u>566,566</u> |
| NET POSITION - Beginning of Year (as restated) | <u>46,564,454</u> | <u>2,054,631</u> | <u>48,619,085</u> | <u>8,304,496</u> |
| NET POSITION- END OF YEAR | <u>\$ 45,903,390</u> | <u>\$ 2,338,634</u> | <u>\$ 48,242,024</u> | <u>\$ 8,871,062</u> |
| Adjustment to change in net position to reflect the consolidation of internal service funds activities related to enterprise funds | | | <u>32,047</u> | |
| Change in Net Position of Business-type Activities reported in the government-wide statement of activities. | | | <u>\$ (345,014)</u> | |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2019

| | <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> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Received from customers | \$ 7,997,829 | \$ 1,523,077 | \$ 9,520,906 | \$ 8,068,797 |
| Paid to suppliers for goods and services | (2,719,962) | (1,074,878) | (3,794,840) | (7,562,898) |
| Paid to employees | (2,422,843) | (656,910) | (3,079,753) | (594,681) |
| Net Cash Flows From Operating Activities | <u>2,855,024</u> | <u>(208,711)</u> | <u>2,646,313</u> | <u>(88,782)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | <u>269,245</u> | <u>9,944</u> | <u>279,189</u> | <u>172,065</u> |
| Net Cash Flows From Investing Activities | <u>269,245</u> | <u>9,944</u> | <u>279,189</u> | <u>172,065</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from (to) other funds | 2,000 | 225,995 | 227,995 | - |
| Miscellaneous | <u>14,710</u> | <u>-</u> | <u>14,710</u> | <u>-</u> |
| Net Cash Flows From Noncapital Financing Activities | <u>16,710</u> | <u>225,995</u> | <u>242,705</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid | (1,909,000) | (78,000) | (1,987,000) | - |
| Interest paid | (565,055) | (14,968) | (580,023) | - |
| Acquisition and construction of capital assets | (3,519,891) | (20,089) | (3,539,980) | - |
| Other - paying agent fees | <u>(1,500)</u> | <u>-</u> | <u>(1,500)</u> | <u>-</u> |
| Net Cash Flows From Capital and Related Financing Activities | <u>(5,995,446)</u> | <u>(113,057)</u> | <u>(6,108,503)</u> | <u>-</u> |
| Net Change in Cash and Cash Equivalents | <u>(2,854,467)</u> | <u>(85,829)</u> | <u>(2,940,296)</u> | <u>83,283</u> |
| CASH AND CASH EQUIVALENTS - Beginning of Year | <u>12,449,594</u> | <u>778,555</u> | <u>13,228,149</u> | <u>7,190,600</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 9,595,127</u> | <u>\$ 692,726</u> | <u>\$ 10,287,853</u> | <u>\$ 7,273,883</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2019

| | <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> | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 825,540 | \$ (350,699) | \$ 474,841 | \$ 394,500 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities | | | | |
| Depreciation | 2,857,116 | 253,643 | 3,110,759 | 4,805 |
| Changes in assets and liabilities | | | | |
| Accounts receivable | (54,115) | (4,999) | (59,114) | (506,566) |
| Inventories | - | (9,449) | (9,449) | (24,352) |
| Prepaid items | - | (94,902) | (94,902) | 50 |
| Deferred outflows related to pensions | (1,085,909) | (22,142) | (1,108,051) | (296,274) |
| Accounts payable | (773,068) | 7,298 | (765,770) | 72,467 |
| Accrued liabilities | 11,292 | (17,388) | (6,096) | 36,837 |
| Net pension liability | 1,707,709 | 35,118 | 1,742,827 | 470,536 |
| Deferred inflows related to pensions | (660,216) | (10,026) | (670,242) | (238,117) |
| Unearned revenue | 65 | 3,422 | 3,487 | - |
| Compensated absences | 27,524 | 1,413 | 28,937 | (238) |
| Deferred outflows related to OPEB | (2,584) | (40) | (2,624) | (791) |
| Total OPEB liability | <u>1,670</u> | <u>40</u> | <u>1,710</u> | <u>(1,639)</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ 2,855,024</u> | <u>\$ (208,711)</u> | <u>\$ 2,646,313</u> | <u>\$ (88,782)</u> |
| NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital contributions | <u>\$ -</u> | <u>\$ 228,332</u> | | <u>\$ -</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2019

| | Private Purpose Trust | Pension Trusts | Agency Fund |
|-------------------------------------|--------------------------|----------------------|---------------|
| ASSETS | | | |
| Cash | \$ - | \$ 621,309 | \$ 60,174 |
| Money markets | 42,426 | 360,405 | - |
| Investments | | | |
| U.S. Treasury obligations | - | 14,313,201 | - |
| U.S. Government agencies | - | 3,777,009 | - |
| Municipal/corporate bonds | - | 7,078,846 | - |
| Equity securities | 321,015 | - | - |
| Mutual funds | 319,370 | 41,968,905 | - |
| Real estate investment fund | - | 3,662,142 | - |
| Interest receivable | - | 183,103 | - |
| Prepaid items | - | 8,472 | - |
| Due from primary government | - | 72,152 | - |
| Total Assets | <u>682,811</u> | <u>72,045,544</u> | <u>60,174</u> |
| LIABILITIES | | | |
| Accounts payable | 271 | 9,198 | - |
| Due to primary government | 126,463 | - | - |
| Due to special assessment districts | - | - | 60,174 |
| Total Liabilities | <u>126,734</u> | <u>9,198</u> | <u>60,174</u> |
| NET POSITION | | | |
| Restricted for pension benefits | - | 72,036,346 | - |
| Restricted for other purposes | <u>556,077</u> | <u>-</u> | <u>-</u> |
| TOTAL NET POSITION | <u>\$ 556,077</u> | <u>\$ 72,036,346</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, 2019

| | Private Purpose Trust | Pension Trusts |
|---|--------------------------|--------------------------|
| ADDITIONS | | |
| Contributions | | |
| Employer | \$ - | \$ 4,224,026 |
| Employee | - | 703,933 |
| Total Contributions | <u>-</u> | <u>4,927,959</u> |
| Investment income | | |
| Interest | 18,611 | 1,350,177 |
| Net appreciation in fair value of investments | <u>39,137</u> | <u>3,544,084</u> |
| Total Investment Income | 57,748 | 4,894,261 |
| Less Investment expense | - | 145,686 |
| Net Investment Income | <u>57,748</u> | <u>4,748,575</u> |
| Total Additions | <u>57,748</u> | <u>9,676,534</u> |
| DEDUCTIONS | | |
| Pension benefits and refunds | - | 5,434,163 |
| Other administrative expenses | <u>39,943</u> | <u>113,445</u> |
| Total Deductions | <u>39,943</u> | <u>5,547,608</u> |
| Change in Net Position | 17,805 | 4,128,926 |
| NET POSITION - Beginning of Year | <u>538,272</u> | <u>67,907,420</u> |
| NET POSITION - END OF YEAR | <u>\$ 556,077</u> | <u>\$ 72,036,346</u> |

See accompanying notes to financial statements.

CITY OF LAKE FOREST

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019

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, 2019

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented May 1, 2018.

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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% | 2.10% |
| Domestic Equities | 36% | 5.60% |
| International Equities | 18% | 5.80% |
| Real Estate | 10% | 5.20% |
| Cash | 1% | 0.40% |

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, 2019

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 | 3.10% | 1.2% |
| US Fixed Income | 33.30% | 2.2% |
| US Large Cap Growth Equity | 24.70% | 6.9% |
| US Large Cap Value Equity | 23.00% | 7.2% |
| US Mid Cap Growth Equity | 3.70% | 8.0% |
| US Mid Cap Value Equity | 2.50% | 8.0% |
| US Small Cap Value Equity | 1.50% | 8.0% |
| Europe Equity | 3.20% | 6.5% |
| Japan Equity | 3.40% | 6.4% |
| Equity Return Assets | 1.60% | 5.3% |

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 2018 are prepared by Lake County and issued in May 2019 and are payable in two installments, on or about June 1, 2019 and September 1, 2019 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, 2019

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 2018 property tax levy is recognized as a receivable and deferral in fiscal 2019, net the 1.5% allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2019, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2018 levy.

Property taxes for levy year 2019 attaches as an enforceable lien on January 1, 2019, 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 2019 tax levy, which attached as an enforceable lien on the property as of January 1, 2019, has not been recorded as a receivable as of April 30, 2019, as the tax has not yet been levied by the City and will not be levied until December 2019, and therefore, the levy is not measurable at April 30, 2019.

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2019, the following individual funds held a deficit balance:

| <u>Fund</u> | <u>Amount</u> |
|--|---------------|
| Laurel/Western Redevelopment TIF Improvements | \$ 3,686 |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 | \$ 52,926,470 | \$ 53,302,837 | Custodial Credit Risk - Deposits |
| Money markets | 720,799 | 720,799 | Custodial Credit Risk - Deposits |
| U.S. government agencies - implicitly guaranteed | 3,777,009 | 3,777,009 | Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk |
| Mutual funds - other than bonds | 43,665,446 | 43,665,446 | N/A |
| U.S. treasury obligations | 14,313,201 | 14,313,201 | Custodial Credit Risk - Investments, Interest Rate Risk |
| Real estate investment fund | 3,662,142 | 3,662,142 | Custodial Credit Risk - Investments |
| Corporate bonds | 6,473,598 | 6,473,598 | Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk |
| Municipal bonds | 605,248 | 605,248 | Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk |
| Illinois funds | 21,731,174 | 21,731,174 | Credit Risk |
| Equity securities | 4,616,900 | 4,616,900 | Custodial Credit Risk - Investments, Foreign Currency Risk |
| Mutual funds - bond funds | 718,110 | 718,110 | Credit Risk, Interest Rate Risk |
| Petty cash | 10,725 | - | N/A |
| Total Deposits and Investments | <u>\$153,220,822</u> | <u>\$153,586,464</u> | |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 | \$ 69,618,994 |
| Investments - primary government | 6,579,706 |
| Cash and cash equivalents - Lake Forest Library | 4,497,320 |

Per statement of net position - fiduciary funds

| | |
|--|------------------|
| Private Purpose Trust - money markets | 42,426 |
| Private Purpose Trust - equity securities | 321,015 |
| Private Purpose Trust - mutual funds | 319,370 |
| Agency Fund - cash | 60,174 |
| Pension Trusts - cash | 621,309 |
| Pension Trusts - money markets | 360,405 |
| Pension Trusts - U.S. treasury obligations | 14,313,201 |
| Pension Trusts - U.S. government agencies | 3,777,009 |
| Pension Trusts - Municipal/corporate bonds | 7,078,846 |
| Pension Trusts - mutual funds | 41,968,905 |
| Pension Trusts - real estate investment fund | <u>3,662,142</u> |

| | |
|--------------------------------|-----------------------------|
| Total Deposits and Investments | <u><u>\$153,220,822</u></u> |
|--------------------------------|-----------------------------|

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, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

As of April 30, 2019, the City's investments were measured using the market value valuation technique and the valuation inputs as follows:

| Investment Type | April 30, 2019 | | | |
|--------------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity securities | \$ 4,295,885 | \$ - | \$ - | \$ 4,295,885 |
| Mutual funds - bond funds | 588,075 | - | - | 588,075 |
| Mutual funds - other than bond funds | 1,507,206 | - | - | 1,507,206 |
| Total | <u>\$ 6,391,166</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,391,166</u> |

Private Purpose Trust

| Investment Type | April 30, 2019 | | | |
|--------------------------------------|-------------------|-------------|-------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity securities | \$ 321,015 | \$ - | \$ - | \$ 321,015 |
| Mutual funds - bond funds | 130,035 | - | - | 130,035 |
| Mutual funds - other than bond funds | 189,335 | - | - | 189,335 |
| Total | <u>\$ 640,385</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 640,385</u> |

Police Pension Fund

| Investment Type | April 30, 2019 | | | |
|--------------------------------------|----------------------|---------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. treasury obligations | \$ 10,242,088 | \$ - | \$ - | \$ 10,242,088 |
| U.S. government agencies | - | 229,326 | - | 229,326 |
| Mutual funds - other than bond funds | 17,719,414 | - | - | 17,719,414 |
| Corporate bonds | - | 957,459 | - | 957,459 |
| Total | <u>\$ 27,961,502</u> | <u>\$ 1,186,785</u> | <u>\$ -</u> | <u>\$ 29,148,287</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

The Police Pension Fund holds an investment in a real estate investment fund that is measured at the net asset value per share (or its equivalent). The fair value of this investment is \$3,662,142 with no unfunded commitments. The investment is in one real-estate fund which invests in high quality, well-leased real estate properties in multifamily, industrial, office, retail, and hotel sectors. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent).

Firefighter's Pension Fund

| Investment Type | April 30, 2019 | | | |
|--------------------------------------|----------------------|---------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. treasury obligations | \$ 4,071,113 | \$ - | \$ - | \$ 4,071,113 |
| U.S. government agencies | - | 3,547,683 | - | 3,547,683 |
| Municipal bonds | - | 605,248 | - | 605,248 |
| Corporate bonds | - | 5,516,139 | - | 5,516,139 |
| Mutual funds - other than bond funds | 24,249,491 | - | - | 24,249,491 |
| Total | <u>\$ 28,320,604</u> | <u>\$ 9,669,070</u> | <u>\$ -</u> | <u>\$ 37,989,674</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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

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.

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, 2019, 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 Funds 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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

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.

As of April 30, 2019, 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 | \$ 10,242,088 | \$ - | \$ 6,464,921 | \$ 3,777,167 |
| U.S. government agencies | 229,326 | - | 229,326 | - |
| Corporate bonds | 957,459 | 144,655 | 751,370 | 61,434 |
| Totals | <u>\$ 11,428,873</u> | <u>\$ 144,655</u> | <u>\$ 7,445,617</u> | <u>\$ 3,838,601</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 | \$ 4,071,113 | \$ 1,245,158 | \$ 875,905 | \$ 748,845 | \$ 1,201,205 |
| U.S. government agencies | 3,547,683 | 1 | 274,152 | 976,602 | 2,296,928 |
| Municipal bonds | 605,248 | 94,709 | 510,539 | - | - |
| Corporate bonds | 5,516,139 | 183,646 | 2,307,570 | 1,997,490 | 1,027,433 |
| Totals | <u>\$ 13,740,183</u> | <u>\$ 1,523,514</u> | <u>\$ 3,968,166</u> | <u>\$ 3,722,937</u> | <u>\$ 4,525,566</u> |

The City has \$718,110 invested in mutual funds - bond funds that have a maturity of less than one year.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2019, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 5.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

For the year ended April 30, 2019, the annual money-weighted rate of return on the firefighters' pension plan investments, net of pension plan investment expense, was 8.56%. 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, 2019

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

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|-----------------------|-----------------------|------------------|-----------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land and land improvements | \$ 38,151,509 | \$ - | \$ 18,776 | \$ 38,132,733 |
| Infrastructure - land | 66,740,770 | - | - | 66,740,770 |
| Construction in progress | 53,180 | 1,268,424 | 33,620 | 1,287,984 |
| Total Capital Assets Not Being Depreciated | <u>104,945,459</u> | <u>1,268,424</u> | <u>52,396</u> | <u>106,161,487</u> |
| Capital assets being depreciated | | | | |
| Infrastructure | 184,810,434 | 1,186,673 | - | 185,997,107 |
| Buildings | 30,002,059 | - | - | 30,002,059 |
| Improvements other than buildings | 33,700,625 | 67,240 | - | 33,767,865 |
| Machinery and equipment | 17,559,929 | 911,224 | 375,454 | 18,095,699 |
| Total Capital Assets Being Depreciated | <u>266,073,047</u> | <u>2,165,137</u> | <u>375,454</u> | <u>267,862,730</u> |
| Total Capital Assets | <u>371,018,506</u> | <u>3,433,561</u> | <u>427,850</u> | <u>374,024,217</u> |
| Less: Accumulated depreciation for | | | | |
| Infrastructure | (129,878,134) | (2,543,811) | - | (132,421,945) |
| Buildings | (11,720,714) | (658,228) | 1 | (12,378,943) |
| Improvements other than buildings | (16,830,557) | (1,450,266) | - | (18,280,823) |
| Machinery and equipment | (13,604,872) | (1,025,896) | (375,454) | (14,255,314) |
| Total Accumulated Depreciation | <u>(172,034,277)</u> | <u>(5,678,201)</u> | <u>(375,453)</u> | <u>(177,337,025)</u> |
| Net Capital Assets Being Depreciated | <u>94,038,770</u> | <u>(3,513,064)</u> | <u>1</u> | <u>90,525,705</u> |
| Total Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 198,984,229</u> | <u>\$ (2,244,640)</u> | <u>\$ 52,397</u> | <u>\$ 196,687,192</u> |

Depreciation expense was charged to functions as follows:

| | |
|--|---------------------|
| Governmental Activities | |
| General government | \$ 1,764,432 |
| Highways and streets | 2,687,430 |
| Sanitation | 142,021 |
| Culture and recreation | 900,297 |
| Public safety | <u>184,021</u> |
| Total Governmental Activities Depreciation Expense | <u>\$ 5,678,201</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 | 8,679,570 | - | 8,679,570 | - |
| Total Capital Assets Not Being Depreciated | 9,120,983 | - | 8,679,570 | 441,413 |
| Capital assets being depreciated | | | | |
| Buildings | 27,020,235 | - | - | 27,020,235 |
| Improvements other than buildings | 46,302,076 | 11,014,503 | 6,962 | 57,309,617 |
| Machinery and equipment | 5,246,316 | 304,437 | 206,132 | 5,344,621 |
| Sanitary sewers and related property | 30,778,741 | 349,204 | 100,972 | 31,026,973 |
| Total Capital Assets Being Depreciated | 109,347,368 | 11,668,144 | 314,066 | 120,701,446 |
| Total Capital Assets | 118,468,351 | 11,668,144 | 8,993,636 | 121,142,859 |
| Less: Accumulated depreciation for | | | | |
| Buildings | (15,602,414) | (1,003,574) | - | (16,605,988) |
| Improvements other than buildings | (22,825,821) | (1,235,997) | (3,522) | (24,058,296) |
| Machinery and equipment | (3,533,906) | (295,980) | (206,133) | (3,623,753) |
| Sanitary sewers and related property | (17,839,003) | (575,207) | (84,984) | (18,329,226) |
| Total Accumulated Depreciation | (59,801,144) | (3,110,758) | (294,639) | (62,617,263) |
| Net Capital Assets Being Depreciated | 49,546,224 | 8,557,386 | 19,427 | 58,084,183 |
| Business-type Capital Assets, Net of Accumulated Depreciation | <u>\$ 58,667,207</u> | <u>\$ 8,557,386</u> | <u>\$ 8,698,997</u> | <u>\$ 58,525,596</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 | 168,500 | - | - | 168,500 |
| Total Capital Assets Not Being Depreciated | <u>238,500</u> | <u>-</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 | <u>3,990,776</u> | <u>358,484</u> | <u>341,372</u> | <u>4,007,888</u> |
| Total Capital Assets Being Depreciated | <u>7,442,776</u> | <u>358,484</u> | <u>341,372</u> | <u>7,459,888</u> |
| Total Capital Assets | <u>7,681,276</u> | <u>358,484</u> | <u>341,372</u> | <u>7,698,388</u> |
| Less: Accumulated depreciation for | | | | |
| Buildings | (724,180) | (23,036) | - | (747,216) |
| Improvements other than buildings | (1,417,806) | (125,020) | - | (1,542,826) |
| Machinery and equipment | <u>(2,414,489)</u> | <u>(360,961)</u> | <u>(341,372)</u> | <u>(2,434,078)</u> |
| Total Accumulated Depreciation | <u>(4,556,475)</u> | <u>(509,017)</u> | <u>(341,372)</u> | <u>(4,724,120)</u> |
| Net Capital Assets Being Depreciated | <u>2,886,301</u> | <u>(150,533)</u> | <u>-</u> | <u>2,735,768</u> |
| Total Component Unit Capital Assets, Net of Accumulated Depreciation | <u>\$ 3,124,801</u> | <u>\$ (150,533)</u> | <u>\$ -</u> | <u>\$ 2,974,268</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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:

| Receivable Fund | Payable Fund | Amount |
|---|----------------------------------|----------------------------|
| Parks and Recreation | Deerpath Golf Course | \$ 125,000 |
| Capital Improvements | Laurel/Western Redevelopment TIF | <u>383,686</u> |
| Total - Fund Financial Statements | | 508,686 |
| Less: Interfund receivables created with internal service fund eliminations | | (876,614) |
| Less: Government-wide eliminations | | <u>(383,686)</u> |
| Total Internal Balances - Government-Wide Statement of Net Position | | <u><u>\$ (751,614)</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:

| Receivable Fund | Payable Fund | Amount | Amount Not Due Within One Year |
|---|----------------------|--------------------|--------------------------------|
| Laurel/Western Redevelopment TIF | Capital Improvements | \$ <u>380,000</u> | \$ 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, 2019

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 |
| Water and Sewer | General | 2,000 | Transfer for operations |
| Nonmajor government | General | 240,529 | Transfer for operations |
| Nonmajor government | General | 574,215 | Transfer for debt service |
| Nonmajor government | Nonmajor government | 239,313 | Transfer for debt service |
| Capital Improvement | General | 5,918,128 | Transfer for capital outlay |
| Nonmajor enterprise | Parks and Recreation | <u>362,000</u> | Transfer for debt service |
| Total - Fund Financial Statements | | 7,644,685 | |
| Less: Government-wide eliminations | | (7,280,685) | |
| Plus: Capital contribution from Business-type Activities to Governmental Activities | | <u>(1,150,850)</u> | |
| Total Transfers - Government-Wide Statement of Activities | | <u><u>\$ (786,850)</u></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, 2019

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2019, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--|----------------------|----------------------|---------------------|----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds and Notes Payable | | | | | |
| General obligation bonds | \$ 33,358,409 | \$ - | \$ 1,429,625 | \$ 31,928,784 | \$ 1,730,851 |
| Premiums | 124,572 | - | 17,641 | 106,931 | - |
| Discount | (22,443) | - | (3,206) | (19,237) | - |
| Sub-totals | <u>33,460,538</u> | <u>-</u> | <u>1,444,060</u> | <u>32,016,478</u> | <u>1,730,851</u> |
| Other Liabilities | | | | | |
| Compensated absences | 1,867,706 | 2,408,891 | 2,378,260 | 1,898,337 | 120,000 |
| Total OPEB liability | 2,207,181 | 126,431 | 114,541 | 2,219,071 | - |
| Net pension liability | <u>42,740,885</u> | <u>25,279,573</u> | <u>5,546,988</u> | <u>62,473,470</u> | <u>-</u> |
| Total Other Liabilities | <u>46,815,772</u> | <u>27,814,895</u> | <u>8,039,789</u> | <u>66,590,878</u> | <u>120,000</u> |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 80,276,310</u> | <u>\$ 27,814,895</u> | <u>\$ 9,483,849</u> | <u>\$ 98,607,356</u> | <u>\$ 1,850,851</u> |
| Business-type Activities | | | | | |
| Bonds Payable | | | | | |
| General obligation bonds | \$ 20,962,000 | \$ - | \$ 1,987,000 | \$ 18,975,000 | \$ 2,067,000 |
| Premium | 149,864 | - | 34,540 | 115,324 | - |
| Sub-totals | <u>21,111,864</u> | <u>-</u> | <u>2,021,540</u> | <u>19,090,324</u> | <u>2,067,000</u> |
| Other Liabilities | | | | | |
| Compensated absences | 229,591 | 260,259 | 231,322 | 258,528 | 5,000 |
| Capital leases | 30,685 | - | 28,333 | 2,352 | 2,352 |
| Total OPEB liability | 216,730 | 12,985 | 11,275 | 218,440 | - |
| Net pension liability | <u>147,598</u> | <u>1,955,010</u> | <u>212,183</u> | <u>1,890,425</u> | <u>-</u> |
| Total Other Liabilities | <u>624,604</u> | <u>2,228,254</u> | <u>483,113</u> | <u>2,369,745</u> | <u>7,352</u> |
| Total Business-type Activities Long-Term Liabilities | <u>\$ 21,736,468</u> | <u>\$ 2,228,254</u> | <u>\$ 2,504,653</u> | <u>\$ 21,460,069</u> | <u>\$ 2,074,352</u> |
| Component Unit - Lake Forest Library | | | | | |
| Compensated absences | \$ 204,555 | \$ 138,800 | \$ 178,869 | \$ 164,486 | \$ 5,000 |
| Capital leases | 30,685 | - | 28,333 | 2,352 | 2,352 |
| Total OPEB liability | 210,250 | 12,081 | 17,766 | 204,565 | - |
| Net pension liability | <u>127,514</u> | <u>1,446,945</u> | <u>158,885</u> | <u>1,415,574</u> | <u>-</u> |
| Total Other Liabilities | <u>573,004</u> | <u>1,597,826</u> | <u>383,853</u> | <u>1,786,977</u> | <u>7,352</u> |
| Total Component Unit Long-Term Liabilities | <u>\$ 573,004</u> | <u>\$ 1,597,826</u> | <u>\$ 383,853</u> | <u>\$ 1,786,977</u> | <u>\$ 7,352</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, 2019

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Bonds (cont.)

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, 2019</u> |
|---------------------------------|----------------------|-----------------------|-----------------------|------------------------------|-------------------------------|
| Special Service Area 25 | 5/1/2003 | 12/15/2022 | 1.95-2.95% | \$ 1,050,000 | \$ 285,000 |
| Special Service Area 26 | 10/7/2003 | 12/15/2022 | 2.50-3.40% | 276,500 | 77,275 |
| Special Service Area 29 | 12/20/2004 | 12/15/2023 | 2.55-3.65% | 2,000,000 | 686,509 |
| 2009 Series | 5/14/2009 | 12/15/2028 | 2.00-4.10% | 3,680,000 | 2,315,000 |
| 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 | 4,495,000 |
| 2011 Series B | 9/6/2011 | 12/15/2023 | 1.00-3.00% | 4,470,000 | 2,465,000 |
| 2013 Series | 9/16/2013 | 12/15/2032 | 2.00-4.00% | 9,715,000 | 9,235,000 |
| 2015 Series | 8/3/2015 | 12/15/2036 | 2.50-3.75% | 9,780,000 | <u>9,370,000</u> |

Total Governmental Activities - General Obligation Bonds \$ 31,928,784

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, 2019</u> |
|---------------------------------|----------------------|-----------------------|-----------------------|------------------------------|-------------------------------|
| 2011 Series A | 9/6/2011 | 12/15/2020 | 1.50-3.00% | \$ 1,195,000 | \$ 270,000 |
| 2011 Series B | 9/6/2011 | 12/15/2023 | 1.00-3.00% | 20,355,000 | 9,410,000 |
| 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 \$ 18,975,000

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities General Obligation Bonds</u> | | <u>Business-type Activities General Obligation Bonds</u> | |
|--------------|---|----------------------|--|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 1,730,851 | \$ 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 | 2,153,610 | 951,037 | 1,862,000 | 311,563 |
| 2025-2029 | 8,765,000 | 3,790,343 | 2,755,000 | 1,170,013 |
| 2030-2034 | 11,920,000 | 1,594,713 | 3,140,000 | 775,588 |
| 2035-2038 | <u>1,020,000</u> | <u>74,725</u> | <u>2,885,000</u> | <u>251,463</u> |
| Totals | <u>\$ 31,928,784</u> | <u>\$ 10,886,116</u> | <u>\$ 18,975,000</u> | <u>\$ 4,317,520</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, total OPEB liability, 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. Total OPEB liability and the Police and Firefighters' net pension liability will be liquidated by the General Fund.

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2017 the City 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, 2019, are as follows:

| <u>Years</u> | <u>Component Unit</u> | | |
|--------------|------------------------|--------------------|------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
| 2020 | \$ <u>2,352</u> | \$ <u>2</u> | \$ <u>2,354</u> |
| Totals | \$ <u><u>2,352</u></u> | \$ <u><u>2</u></u> | \$ <u><u>2,354</u></u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019, include the following:

| | General Fund | Parks and Recreation Fund | Capital Improvements Fund | Nonmajor Governmental Funds | Totals |
|----------------------------|----------------------|---------------------------|---------------------------|-----------------------------|----------------------|
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 91,746 | \$ - | \$ - | \$ 32,837 | \$ 124,583 |
| Inventories | 37,534 | 528 | - | - | 38,062 |
| Sub-total | - | - | - | - | 162,645 |
| Restricted for: | | | | | |
| Culture and recreation | - | 2,022,453 | - | 1,306,824 | 3,329,277 |
| Highway and streets | - | - | - | 1,017,679 | 1,017,679 |
| Public safety - fire | - | - | - | 197,616 | 197,616 |
| Public safety - police | - | - | - | 437,236 | 437,236 |
| Cemetery perpetual care | - | - | - | 7,767,095 | 7,767,095 |
| Affordable housing | - | - | - | 1,339,808 | 1,339,808 |
| Capital projects | - | - | 10,927,824 | - | 10,927,824 |
| Debt service | - | - | - | 1,639,633 | 1,639,633 |
| Sub-total | - | - | - | - | 26,656,168 |
| Unassigned: | 28,815,904 | - | - | (3,686) | 28,812,218 |
| Total Fund Balances | <u>\$ 28,945,184</u> | <u>\$ 2,022,981</u> | <u>\$ 10,927,824</u> | <u>\$ 13,735,042</u> | <u>\$ 55,631,031</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

H. RESTATEMENT OF NET POSITION

Net position has been restated due to the implementation of GASB No. 75. The restatement is necessary to record the prior year total other postemployment liability.

| | Governmental Activities | Business-Type Activities |
|--|-------------------------------|------------------------------|
| Net position as of April 30, 2018 (as reported) | \$ 175,794,278 | \$ 48,835,815 |
| Adjustment to record the total OPEB liability, related deferred inflows and deferred outflows as of April 30, 2018 | (2,207,181) | (216,730) |
| Adjustment to remove prior year net OPEB obligation | 298,968 | - |
| Net position as of April 30, 2018 (as restated) | <u>\$ 173,886,065</u> | <u>\$ 48,619,085</u> |
| | Waterworks & Sewerage Fund | Deerpath Golf Course Fund |
| Net position as of April 30, 2018 (as reported) | \$ 46,777,893 | \$ 2,057,922 |
| Adjustment to record the total OPEB liability, related deferred inflows and deferred outflows as of April 30, 2018 | (213,439) | (3,291) |
| Net position as of April 30, 2018 (as restated) | <u>\$ 46,564,454</u> | <u>\$ 2,054,631</u> |
| | Internal Service Funds | Lake Forest Library |
| Net position as of April 30, 2018 (as reported) | \$ 8,372,023 | \$ 5,617,995 |
| Adjustment to record the total OPEB liability, related deferred inflows and deferred outflows as of April 30, 2018 | (67,527) | (210,250) |
| Adjustment to remove prior year net OPEB obligation | - | 91,530 |
| Net position as of April 30, 2018 (as restated) | <u>\$ 8,304,496</u> | <u>\$ 5,499,275</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2018, the measurement date, membership in the plan was as follows:

| | |
|-------------------------------|-----|
| Retirees and beneficiaries | 279 |
| Inactive, non-retired members | 174 |
| Active members | 186 |
| Total | 639 |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 2018 was 12.53% 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, 2018, 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, 2018 using the following actuarial methods and assumptions:

| | |
|---------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Actuarial assumptions | |
| Investment Rate of Return | 7.25% |
| Salary increases | 3.39% to 14.25%, including inflation |
| Price inflation | 2.50% |

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2019

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% | 8.50% | 7.15% |
| International equities | 18.00% | 9.20% | 7.25% |
| Fixed income | 28.00% | 3.75% | 3.75% |
| Real estate | 9.00% | 7.30% | 6.25% |
| Alternatives | 7.00% | | |
| Private equity | | 12.40% | 8.50% |
| Hedge funds | | 5.75% | 5.50% |
| Commodities | | 4.75% | 3.20% |
| Cash equivalents | 1.00% | 2.50% | 2.50% |

Discount rate. The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017 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, 2019

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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|----------------------|--------------------------|---------------------|
| <i>City:</i> | | | |
| Total pension liability | \$ 108,221,447 | \$ 96,560,810 | \$ 86,926,452 |
| Plan fiduciary net pension | 82,883,531 | 82,883,531 | 82,883,531 |
| Net pension liability/(asset) | <u>\$ 25,337,916</u> | <u>\$ 13,677,279</u> | <u>\$ 4,042,921</u> |
| <i>Library:</i> | | | |
| Total pension liability | \$ 14,060,869 | \$ 12,545,839 | \$ 11,294,077 |
| Plan fiduciary net pension | 11,130,265 | 11,130,265 | 11,130,265 |
| Net pension liability/(asset) | <u>\$ 2,930,604</u> | <u>\$ 1,415,574</u> | <u>\$ 163,812</u> |
| <i>Total:</i> | | | |
| Total pension liability | \$ 122,282,316 | \$ 109,106,649 | \$ 98,220,529 |
| Plan fiduciary net pension | 94,013,796 | 94,013,796 | 94,013,796 |
| Net pension liability/(asset) | <u>\$ 28,268,520</u> | <u>\$ 15,092,853</u> | <u>\$ 4,206,733</u> |

Changes in net pension liability/(asset). The changes in net pension liability/(asset) for the calendar year ended December 31, 2018 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, 2017 | \$ 90,081,074 | \$ 89,012,730 | \$ 1,068,344 |
| Service cost | 1,162,585 | - | 1,162,585 |
| Interest on total pension liability | 6,788,684 | - | 6,788,684 |
| Differences between expected and actual experience of the total pension liability | 819,901 | - | 819,901 |
| Change of assumptions | 2,657,676 | - | 2,657,676 |
| Benefit payments, including refunds of employee contributions | (4,949,110) | (4,949,110) | - |
| Contributions - employer | - | 1,535,144 | (1,535,144) |
| Contributions - employee | - | 557,075 | (557,075) |
| Net investment income | - | (5,144,778) | 5,144,778 |
| Other (net transfer) | - | 1,872,470 | (1,872,470) |
| Balances at December 31, 2018 | <u>\$ 96,560,810</u> | <u>\$ 82,883,531</u> | <u>\$ 13,677,279</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

| | Increase (Decrease) | | |
|--|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
| <i>Library:</i> | | | |
| Balances at December 31, 2017 | \$ 11,892,140 | \$ 11,764,626 | \$ 127,514 |
| Service cost | 120,326 | - | 120,326 |
| Interest on total pension liability | 702,616 | - | 702,616 |
| Differences between expected and actual experience of the total pension liability | 84,858 | - | 84,858 |
| Change of assumptions | 258,123 | - | 258,123 |
| Benefit payments, including refunds of employee contributions | (512,224) | (512,224) | - |
| Contributions - employer | - | 158,885 | (158,885) |
| Contributions - employee | - | 57,656 | (57,656) |
| Net investment income | - | (532,475) | 532,475 |
| Other (net transfer) | - | 193,797 | (193,797) |
| Balances at December 31, 2018 | <u>\$ 12,545,839</u> | <u>\$ 11,130,265</u> | <u>\$ 1,415,574</u> |
| <i>Total:</i> | | | |
| Balances at December 31, 2017 | \$ 101,973,214 | \$ 100,777,356 | \$ 1,195,858 |
| Service cost | 1,282,911 | - | 1,282,911 |
| Interest on total pension liability | 7,491,300 | - | 7,491,300 |
| Differences between expected and actual experience of the total pension liability | 904,759 | - | 904,759 |
| Change of assumptions | 2,915,799 | - | 2,915,799 |
| Benefit payments, including refunds of employee contributions | (5,461,334) | (5,461,334) | - |
| Contributions - employer | - | 1,694,029 | (1,694,029) |
| Contributions - employee | - | 614,731 | (614,731) |
| Net investment income | - | (5,677,253) | 5,677,253 |
| Other (net transfer) | - | 2,066,267 | (2,066,267) |
| Balances at December 31, 2018 | <u>\$ 109,106,649</u> | <u>\$ 94,013,796</u> | <u>\$ 15,092,853</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 86.17 % |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019, the City recognized pension expense of \$1,172,120. 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 | \$ 594,911 | \$ 41,075 |
| Assumption changes | 1,809,597 | 1,160,814 |
| Net difference between projected and actual earnings on pension plan investments | 5,846,060 | - |
| Contributions subsequent to the measurement date | 428,178 | - |
| Total | <u>\$ 8,678,746</u> | <u>\$ 1,201,889</u> |
| <i>Library:</i> | | |
| Difference between expected and actual experience | \$ 61,572 | \$ 4,251 |
| Assumption changes | 187,290 | 120,142 |
| Net difference between projected and actual earnings on pension plan investments | 605,057 | - |
| Contributions subsequent to the measurement date | 45,963 | - |
| Total | <u>\$ 899,882</u> | <u>\$ 124,393</u> |
| <i>Total:</i> | | |
| Difference between expected and actual experience | \$ 656,483 | \$ 45,326 |
| Assumption changes | 1,996,887 | 1,280,956 |
| Net difference between projected and actual earnings on pension plan investments | 6,451,117 | - |
| Contributions subsequent to the measurement date | 474,141 | - |
| Total | <u>\$ 9,578,628</u> | <u>\$ 1,326,282</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$7,778,205) will be recognized in pension expense as follows:

| Year Ending December 31, | City | Library | Total |
|--------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 2,274,113 | \$ 235,367 | \$ 2,509,480 |
| 2021 | 1,522,534 | 157,580 | 1,680,114 |
| 2022 | 860,580 | 89,069 | 949,649 |
| 2023 | <u>2,391,452</u> | <u>247,510</u> | <u>2,638,962</u> |
| Total | <u>\$ 7,048,679</u> | <u>\$ 729,526</u> | <u>\$ 7,778,205</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, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Plan membership. At April 30, 2019, the Police Pension membership consisted of:

| | |
|-------------------------------|------------------|
| Retirees and beneficiaries | 43 |
| Inactive, non-retired members | 10 |
| Active members | <u>39</u> |
| Total | <u><u>92</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, 2019 was 63.56% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2019, 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, 2019

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, 2019 using the following actuarial methods and assumptions:

| | |
|----------------------------|-----------------------------|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Actuarial assumptions | |
| Interest rate | 6.75% |
| 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 PubS-2010 Mortality Table. The actuarial assumptions were based on the results of an 2017 actuarial experience study conducted by the Illinois Department of Insurance.

Discount rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 6.75%. The discount rate calculated using the April 30, 2018 measurement date was 7.00%. 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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------------|----------------------|--------------------------|----------------------|
| Total pension liability | \$ 75,680,591 | \$ 66,252,095 | \$ 58,553,629 |
| Plan fiduciary net position | 33,350,826 | 33,350,826 | 33,350,826 |
| Net pension liability | <u>\$ 42,329,765</u> | <u>\$ 32,901,269</u> | <u>\$ 25,202,803</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019 was as follows:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-----------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/Asset |
| | (a) | (b) | (a) - (b) |
| Balances at April 30, 2018 | \$ 58,400,246 | \$ 31,650,935 | \$ 26,749,311 |
| Service cost | 900,450 | - | 900,450 |
| Interest on total pension liability | 4,051,210 | - | 4,051,210 |
| Differences between expected and actual experience of the total pension liability | 2,043,281 | - | 2,043,281 |
| Change of assumptions | 3,709,450 | - | 3,709,450 |
| Benefit payments, including refunds of employee contributions | (2,852,542) | (2,852,542) | - |
| Contributions - employer | - | 2,504,581 | (2,504,581) |
| Contributions - employee | - | 392,258 | (392,258) |
| Net investment income | - | 1,716,441 | (1,716,441) |
| Administration | - | (60,847) | 60,847 |
| Balances at April 30, 2019 | <u>\$ 66,252,095</u> | <u>\$ 33,350,826</u> | <u>\$ 32,901,269</u> |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2019, the City recognized pension expense of \$3,943,728. 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 | \$ 1,757,036 | \$ 733,659 |
| Assumption changes | 3,467,065 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>598,403</u> | <u>-</u> |
| Total | <u>\$ 5,822,504</u> | <u>\$ 733,659</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 (\$5,088,845) will be recognized in pension expense as follows:

| Year Ending April 30, | Amount |
|-----------------------|---------------------|
| 2020 | \$ 1,538,465 |
| 2021 | 1,055,429 |
| 2022 | 1,244,696 |
| 2023 | <u>1,250,255</u> |
| Total | <u>\$ 5,088,845</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, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Plan membership. At April 30, 2019, the Firefighters' Pension Plan membership consisted of:

| | |
|-------------------------------|------------------|
| Retirees and beneficiaries | 42 |
| Inactive, non-retired members | 2 |
| Active members | <u>33</u> |
| Total | <u><u>77</u></u> |

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2019, 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, 2019 was 51.50% of annual covered payroll.

Net pension liability/(asset). The net pension liability/(asset) was measured as of April 30, 2019, 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, 2019

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, 2019 using the following actuarial methods and assumptions:

| | |
|----------------------------|-----------------------------|
| Actuarial cost method | Entry Age |
| Asset valuation method | 5-year average Market Value |
| Actuarial assumptions | |
| Interest rate | 6.75% |
| 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 PubS-2010 Mortality Table. The actuarial assumptions were based on the results of an 2017 actuarial experience study conducted by the Illinois Department of Insurance.

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.75%. The discount rate calculated using the April 30, 2018 measurement date was 7.00%. 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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------------|----------------------|--------------------------|----------------------|
| Total pension liability | \$ 64,465,785 | \$ 56,470,867 | \$ 49,947,875 |
| Plan fiduciary net position | <u>38,685,520</u> | <u>38,685,520</u> | <u>38,685,520</u> |
| Net pension liability | <u>\$ 25,780,265</u> | <u>\$ 17,785,347</u> | <u>\$ 11,262,355</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019 was as follows:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-----------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/Asset |
| | (a) | (b) | (a) - (b) |
| Balances at April 30, 2018 | \$ 51,327,313 | \$ 36,256,485 | \$ 15,070,828 |
| Service cost | 891,741 | - | 891,741 |
| Interest on total pension liability | 3,564,977 | - | 3,564,977 |
| Differences between expected and actual experience of the total pension liability | 166,664 | - | 166,664 |
| Change of assumptions | 3,101,793 | - | 3,101,793 |
| Benefit payments, including refunds of employee contributions | (2,581,621) | (2,581,621) | - |
| Contributions - employer | - | 1,719,445 | (1,719,445) |
| Contributions - employee | - | 311,675 | (311,675) |
| Net investment income | - | 3,032,134 | (3,032,134) |
| Administration | - | (52,598) | 52,598 |
| Balances at April 30, 2019 | <u>\$ 56,470,867</u> | <u>\$ 38,685,520</u> | <u>\$ 17,785,347</u> |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2019, the City recognized pension expense of \$2,546,828. 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 | \$ 370,274 | \$ 62,158 |
| Assumption changes | 3,285,379 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 639,849 |
| Total | <u>\$ 3,655,653</u> | <u>\$ 702,007</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 (\$2,953,646) will be recognized in pension expense as follows:

| Year Ending April 30, | Amount |
|-----------------------|---------------------|
| 2020 | \$ 866,033 |
| 2021 | 435,700 |
| 2022 | 636,104 |
| 2023 | 471,066 |
| 2024 | 544,743 |
| Total | <u>\$ 2,953,646</u> |

PENSION SEGMENT INFORMATION

Fiduciary Net Position

| | Pension Trust | | |
|-----------------------------|----------------------|-----------------------|----------------------|
| | Police Pension | Firefighters' Pension | Total |
| Assets | | | |
| Cash | \$ 63,243 | \$ 558,066 | \$ 621,309 |
| Money markets | 360,405 | - | 360,405 |
| Investments | | | |
| U.S. treasury obligations | 10,242,088 | 4,071,113 | 14,313,201 |
| U.S. government agencies | 229,326 | 3,547,683 | 3,777,009 |
| Municipal/corporate bonds | 957,459 | 6,121,387 | 7,078,846 |
| Mutual funds | 17,719,414 | 24,249,491 | 41,968,905 |
| Real estate investment fund | 3,662,142 | - | 3,662,142 |
| Prepays | 4,030 | 4,442 | 8,472 |
| Interest receivable | 70,121 | 112,982 | 183,103 |
| Due from primary government | 46,214 | 25,938 | 72,152 |
| Total Assets | <u>33,354,442</u> | <u>38,691,102</u> | <u>72,045,544</u> |
| Liabilities | | | |
| Accounts payable | <u>3,616</u> | <u>5,582</u> | <u>9,198</u> |
| Total Liabilities | <u>3,616</u> | <u>5,582</u> | <u>9,198</u> |
| Net Position | | | |
| Restricted for pensions | <u>\$ 33,350,826</u> | <u>\$ 38,685,520</u> | <u>\$ 72,036,346</u> |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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 | \$ 2,504,581 | \$ 1,719,445 | \$ 4,224,026 |
| Employee | 392,258 | 311,675 | 703,933 |
| Total Contributions | <u>2,896,839</u> | <u>2,031,120</u> | <u>4,927,959</u> |
| Investment Income | | | |
| Interest | 573,427 | 776,750 | 1,350,177 |
| Net appreciation in fair value of investments | 1,225,046 | 2,319,038 | 3,544,084 |
| Total Investment income | <u>1,798,473</u> | <u>3,095,788</u> | <u>4,894,261</u> |
| Less investment expense | 82,032 | 63,654 | 145,686 |
| Net investment income | <u>1,716,441</u> | <u>3,032,134</u> | <u>4,748,575</u> |
| Total Additions | <u>4,613,280</u> | <u>5,063,254</u> | <u>9,676,534</u> |
| Deductions | | | |
| Pension benefits and refunds | 2,852,542 | 2,581,621 | 5,434,163 |
| Other administrative expenses | 60,847 | 52,598 | 113,445 |
| Total Deductions | <u>2,913,389</u> | <u>2,634,219</u> | <u>5,547,608</u> |
| Change in net position | 1,699,891 | 2,429,035 | 4,128,926 |
| Net position, beginning of year | <u>31,650,935</u> | <u>36,256,485</u> | <u>67,907,420</u> |
| Net position, end of year | <u>\$ 33,350,826</u> | <u>\$ 38,685,520</u> | <u>\$ 72,036,346</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, 2019

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 |
|-----------|---|--|---------------------------|---|
| 2017-2018 | \$ 138,033 | \$ 139,722 | \$ 183,202 | \$ 94,553 |
| 2018-2019 | 94,553 | 377,343 | 258,501 | 213,395 |

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, 2019

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 |
|-----------|---|---------------------------------|---------------------------|---|
| 2017-2018 | \$ 741,503 | \$ 4,326,092 | \$ 4,472,225 | \$ 595,370 |
| 2018-2019 | 595,370 | 4,608,923 | 4,636,187 | 568,106 |

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 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, 2019

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 \$218,057 at April 30, 2019. 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

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The City's defined benefit OPEB plan, "City Plan", and the Library's defined benefit OPEB plan, "Library Plan", provide insurance coverage for eligible retirees and their dependents through the City's and Library's group health insurance plans, which covers both active employees and retired members participating in the plan at blended rates.

The City and Library Plans are funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Benefits provided. The City Plan provides healthcare and dental coverage for retirees and their dependents. Non-PSEBA employees before the age of 65 may remain on the City's insurance plan and pay the full cost of coverage. Dependent coverage may continue under COBRA should the Retiree coverage terminate. For PSEBA employees, the City will pay the full cost of coverage prior to the age of 65. Eligible dependent coverage may continue with the City paying full cost of coverage should Retiree coverage terminate due to death until the dependent reaches Medicare eligibility, or in the case of an underage dependent, until the maximum age of 26 is reached. Once a retiree turns 65, they may elect a separate policy that is not administered by the City.

The Library Plan provides healthcare and dental coverage for retirees and their dependents. Employees before the age of 65 may remain on the Library's insurance plan and pay the full cost of coverage. Dependent coverage may continue under COBRA should the Retiree coverage terminate. Once a retiree turns 65, they may elect a separate policy that is not administered by the Library.

Employees covered by benefit terms. At April 30, 2019, the following employees were covered by the benefit terms:

| | <u>City</u> | <u>Library</u> |
|---|-------------|----------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 41 | 4 |
| Active plan members | <u>200</u> | <u>22</u> |
| | <u>241</u> | <u>26</u> |

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$2,437,511 was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date. The Library's total OPEB liability of \$204,565 was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. For both the City and Library, the total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Inflation | 2.50% |
| Salary increases | 3.00% |
| Healthcare cost trend rates | 7.00% - 5.00% for Medical, 4.00% for dental |
| Retirees' share of benefit-related costs | 100% |

The discount rate was based on Bond Buyer 20-Bond G.O. Index.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on the MP-2016 or MP-2017 improvements rates, depending on type of employee or retiree.

The actuarial assumptions used in the April 30, 2019 valuation were based on the results of an actuarial experience study for the period May 1, 2018 - April 30, 2019.

CHANGES IN THE TOTAL OPEB LIABILITY

| | City - Total OPEB Liability | Library - Total OPEB Liability |
|--|--------------------------------|-----------------------------------|
| Balances at April 30, 2018 | \$ 2,423,911 | \$ 210,250 |
| Changes for the year: | | |
| Service cost | 46,323 | 1,620 |
| Interest | 93,093 | 8,019 |
| Changes in assumptions or other inputs | 32,177 | 1,221 |
| Benefit payments | (157,993) | (16,545) |
| Net changes | 13,600 | (5,685) |
| Balances at April 30, 2019 | \$ 2,437,511 | \$ 204,565 |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.97 percent in 2018 to 3.79 percent in 2019 for both the City and the Library.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City and the Library, as well as what the total OPEB liability would be for each if it were calculated using a discount rate that is 1-percentage-point lower (2.79 percent) or 1-percentage-point higher (4.79 percent) than the current discount rate:

| | 1% Decrease (2.79%) | Discount Rate (3.79%) | 1% Increase (4.79%) |
|--------------------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability - City | \$ 2,628,276 | \$ 2,437,511 | \$ 2,266,573 |
| Total OPEB liability - Library | \$ 211,533 | \$ 204,565 | \$ 197,904 |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City and the Library, as well as what the City's and Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

| | Healthcare Cost | | |
|--------------------------------|--|--|--|
| | 1% Decrease (6.0% Decreasing to 4.0%) | Trend Rates (7.0% Decreasing to 5.0%) | 1% Increase (8.0% Decreasing to 6.0%) |
| Total OPEB liability - City | \$ 2,218,667 | \$ 2,437,511 | \$ 2,690,423 |
| Total OPEB liability - Library | \$ 195,398 | \$ 204,565 | \$ 214,218 |

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended April 30, 2019, the City recognized negative OPEB expense of \$142,313. At April 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes of assumptions or other inputs | \$ 29,280 | \$ - |
| Total | \$ 29,280 | \$ - |

For the year ended April 30, 2019, the Library recognized negative OPEB expense of \$9,767. At April 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes of assumptions or other inputs | \$ 1,093 | \$ - |
| Total | \$ 1,093 | \$ - |

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

| <u>Year Ended April 30:</u> | <u>City</u> | <u>Library</u> |
|-----------------------------|------------------|-----------------|
| 2020 | \$ 2,897 | \$ 128 |
| 2021 | 2,897 | 128 |
| 2022 | 2,897 | 128 |
| 2023 | 2,897 | 128 |
| 2024 | 2,897 | 128 |
| Thereafter | 14,795 | 453 |
| Total | <u>\$ 29,280</u> | <u>\$ 1,093</u> |

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, 2019, the City received \$88,182 in TIF increment property tax revenue. 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, 2019.

A redevelopment agreement between the City and developer was also executed in September 2016. As of April 30, 2019, 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). As of April 30 2019, construction of the three apartment buildings is complete with 84 percent of 110 apartments leased. The first of two condominiums is complete with twelve (12) condominiums sold and three (3) single family homes have been sold and three are under contract and under construction. 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, 2019

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. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- 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*
- Statement No. 91, *Conduit Debt Obligations*

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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-----------------------|-----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 19,268,005 | \$ 19,268,005 | \$ 19,235,378 | \$ (32,627) |
| Other taxes | 3,103,600 | 3,103,600 | 3,231,992 | 128,392 |
| Intergovernmental | 5,668,806 | 5,668,806 | 6,172,591 | 503,785 |
| Licenses and permits | 2,369,367 | 2,369,367 | 3,456,703 | 1,087,336 |
| Fines, forfeitures and penalties | 227,000 | 227,000 | 355,304 | 128,304 |
| Charges for services | 3,085,549 | 3,085,549 | 3,354,997 | 269,448 |
| Grants and contributions | - | - | 27,560 | 27,560 |
| Investment income | 390,895 | 390,895 | 859,448 | 468,553 |
| Miscellaneous revenues | 1,265,482 | 1,265,482 | 1,349,720 | 84,238 |
| Total Revenues | <u>35,378,704</u> | <u>35,378,704</u> | <u>38,043,693</u> | <u>2,664,989</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 10,709,330 | 10,858,640 | 9,904,969 | 953,671 |
| Highways and streets | 2,486,528 | 2,545,395 | 2,472,144 | 73,251 |
| Sanitation | 2,441,970 | 2,441,970 | 2,480,420 | (38,450) |
| Public safety | 16,780,769 | 16,879,271 | 16,478,486 | 400,785 |
| Contingency | <u>3,519,022</u> | <u>3,519,022</u> | - | <u>3,519,022</u> |
| Total Expenditures | <u>35,937,619</u> | <u>36,244,298</u> | <u>31,336,019</u> | <u>4,908,279</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(558,915)</u> | <u>(865,594)</u> | <u>6,707,674</u> | <u>7,573,268</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(2,557,821)</u> | <u>(2,464,944)</u> | <u>(7,043,372)</u> | <u>(4,578,428)</u> |
| Total Other Financing Sources (Uses) | <u>(2,557,821)</u> | <u>(2,464,944)</u> | <u>(7,043,372)</u> | <u>(4,578,428)</u> |
| Net Change in Fund Balance | <u>\$ (3,116,736)</u> | <u>\$ (3,330,538)</u> | <u>(335,698)</u> | <u>\$ 2,994,840</u> |
| FUND BALANCE - Beginning of Year | | | <u>29,280,882</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 28,945,184</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, 2019

| | Budgeted Amounts | | | Variance with |
|---|---------------------|-----------------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Property taxes | \$ 5,674,057 | \$ 5,674,057 | \$ 5,665,011 | \$ (9,046) |
| Intergovernmental | 40,000 | 40,000 | 40,787 | 787 |
| Charges for services | 3,155,913 | 3,155,913 | 2,796,791 | (359,122) |
| Grants and contributions | 159,500 | 159,500 | 218,928 | 59,428 |
| Investment income | 35,834 | 35,834 | 99,238 | 63,404 |
| Miscellaneous revenues | 29,050 | 29,050 | 26,017 | (3,033) |
| Total Revenues | <u>9,094,354</u> | <u>9,094,354</u> | <u>8,846,772</u> | <u>(247,582)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 8,903,847 | 8,953,981 | 8,628,206 | 325,775 |
| Capital Outlay | 312,971 | 408,738 | 173,564 | 235,174 |
| Contingency | 968,772 | 968,772 | - | 968,772 |
| Total Expenditures | <u>10,185,590</u> | <u>10,331,491</u> | <u>8,801,770</u> | <u>1,529,721</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,091,236)</u> | <u>(1,237,137)</u> | <u>45,002</u> | <u>1,282,139</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 305,000 | 305,000 | 308,500 | 3,500 |
| Transfers out | <u>(175,000)</u> | <u>(175,000)</u> | <u>(362,000)</u> | <u>(187,000)</u> |
| Total Other Financing Sources (Uses) | <u>130,000</u> | <u>130,000</u> | <u>(53,500)</u> | <u>(183,500)</u> |
| Net Change in Fund Balance | <u>\$ (961,236)</u> | <u>\$ (1,107,137)</u> | <u>(8,498)</u> | <u>\$ 1,098,639</u> |
| FUND BALANCE - Beginning of Year | | | <u>2,031,479</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 2,022,981</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 four 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 payroll | | | \$ 13,391,112 |
| Employer's net pension liability as a percentage of covered 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.

CITY OF LAKE FOREST

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

| | 2019 | | |
|---|----------------------|----------------------|-----------------------|
| | City | Library | Total |
| Total pension liability | | | |
| Service cost | \$ 1,162,585 | \$ 120,326 | \$ 1,282,911 |
| Interest on total pension liability | 6,788,684 | 702,616 | 7,491,300 |
| Differences between expected and actual experience of the total pension liability | 819,901 | 84,858 | 904,759 |
| Changes of assumptions | 2,657,676 | 258,123 | 2,915,799 |
| Transfer of liability | - | - | - |
| Benefit payments, including refunds of member contributions | (4,949,110) | (512,224) | (5,461,334) |
| Net change in total pension liability | <u>6,479,736</u> | <u>653,699</u> | <u>7,133,435</u> |
| Total pension liability - beginning | <u>90,081,074</u> | <u>11,892,140</u> | <u>101,973,214</u> |
| Total pension liability - ending (a) | <u>\$ 96,560,810</u> | <u>\$ 12,545,839</u> | <u>\$ 109,106,649</u> |
| Plan fiduciary net position | | | |
| Employer contributions | \$ 1,535,144 | \$ 158,885 | \$ 1,694,029 |
| Employee contributions | 557,075 | 57,656 | 614,731 |
| Net investment income | (5,144,778) | (532,475) | (5,677,253) |
| Benefit payments, including refunds of member contributions | (4,949,110) | (512,224) | (5,461,334) |
| Other (net transfer) | <u>1,872,470</u> | <u>193,797</u> | <u>2,066,267</u> |
| Net change in plan fiduciary net position | <u>(6,129,199)</u> | <u>(634,361)</u> | <u>(6,763,560)</u> |
| Plan fiduciary net position - beginning | <u>89,012,730</u> | <u>11,764,626</u> | <u>100,777,356</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 82,883,531</u> | <u>\$ 11,130,265</u> | <u>\$ 94,013,796</u> |
| Employer's net pension liability - ending (a) - (b) | <u>\$ 13,677,279</u> | <u>\$ 1,415,574</u> | <u>\$ 15,092,853</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 86.17% |
| Covered payroll | | | \$ 13,522,211 |
| Employer's net pension liability as a percentage of covered payroll | | | 111.62% |

Notes to Schedule:

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

CITY OF LAKE FOREST

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the past four 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) | <u>\$ (15,463)</u> | <u>\$ (2,076)</u> | <u>\$ (17,539)</u> |
| Covered payroll | | | \$ 13,391,112 |
| Contributions as a percentage of covered 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 | 25 years |
| Asset valuation method | 5-Year Smoothed Market |
| Inflation | 2.75% |
| Salary increases | 3.75% to 14.50% 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-2014 Mortality Table |

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) |
| <u>\$ (40,063)</u> | <u>\$ (4,899)</u> | <u>\$ (44,962)</u> | <u>\$ (37,806)</u> | <u>\$ (4,513)</u> | <u>\$ (42,319)</u> |
| | | \$ 13,135,941 | | | \$ 13,247,776 |
| | | 12.77% | | | 12.55% |

CITY OF LAKE FOREST

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

| | 2019 | | |
|--|--------------------|-------------------|--------------------|
| | City | Library | Total |
| Actuarially determined contribution | \$ 1,514,588 | \$ 156,757 | \$ 1,671,345 |
| Contributions in relation to the actuarially determined contribution | (1,535,144) | (158,885) | (1,694,029) |
| Contribution deficiency (excess) | <u>\$ (20,556)</u> | <u>\$ (2,128)</u> | <u>\$ (22,684)</u> |
| Covered payroll | | | \$ 14,446,880 |
| Contributions as a percentage of covered payroll | | | 11.73% |

CITY OF LAKE FOREST

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 845,979 | \$ 883,178 | \$ 931,083 | \$ 895,320 | \$ 900,450 |
| Interest on total pension liability | 3,219,893 | 3,657,765 | 3,660,514 | 3,908,626 | 4,051,210 |
| Differences between expected and actual experience of the total pension liability | 2,713 | (2,129,040) | 306,030 | (39,964) | 2,043,281 |
| Changes of assumptions | 3,568,719 | - | 1,248,764 | - | 3,709,450 |
| Benefit payments, including refunds of member contributions | (2,193,705) | (2,320,588) | (2,520,473) | (2,611,864) | (2,852,542) |
| Other | (16,057) | - | - | - | - |
| Net change in total pension liability | 5,427,542 | 91,315 | 3,625,918 | 2,152,118 | 7,851,849 |
| Total pension liability - beginning | 47,103,353 | 52,530,895 | 52,622,210 | 56,248,128 | 58,400,246 |
| Total pension liability - ending (a) | \$ 52,530,895 | \$ 52,622,210 | \$ 56,248,128 | \$ 58,400,246 | \$ 66,252,095 |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 1,706,203 | \$ 1,806,270 | \$ 1,895,500 | \$ 2,094,124 | \$ 2,504,581 |
| Employee contributions | 360,156 | 373,216 | 371,695 | 379,500 | 392,258 |
| Net investment income | 1,669,508 | (475,655) | 2,635,379 | 2,064,885 | 1,716,441 |
| Benefit payments, including refunds of member contributions | (2,193,705) | (2,320,588) | (2,520,473) | (2,611,864) | (2,852,542) |
| Administrative expenses | (4,150) | (4,835) | (27,816) | (34,158) | (60,847) |
| Net change in plan fiduciary net position | 1,538,012 | (621,592) | 2,354,285 | 1,892,487 | 1,699,891 |
| Plan fiduciary net position - beginning | 26,487,743 | 28,025,755 | 27,404,163 | 29,758,448 | 31,650,935 |
| Plan fiduciary net position - ending (b) | \$ 28,025,755 | \$ 27,404,163 | \$ 29,758,448 | \$ 31,650,935 | \$ 33,350,826 |
| City's net pension liability - ending (a) - (b) | \$ 24,505,140 | \$ 25,218,047 | \$ 26,489,680 | \$ 26,749,311 | \$ 32,901,269 |
| Plan fiduciary net position as a percentage of the total pension liability | 53.35% | 52.08% | 52.91% | 54.20% | 50.34% |
| Covered payroll | \$ 3,590,934 | \$ 3,759,611 | \$ 3,750,706 | \$ 3,800,841 | \$ 3,940,419 |
| City's net pension liability as a percentage of covered payroll | 682.42% | 670.76% | 706.26% | 703.77% | 834.97% |

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

- The healthy mortality table was updated from the RP-2000 Combined Healthy table with a blue collar adjustment to the
- The disabled mortality table was updated from the RP-2000 Disabled table to the RP-2000 Disabled table, projected to
- The salary increase assumption was changed to better reflect our expectation of plan experience.

For measurement date April 30, 2019, amounts reported as changes of assumptions resulted from the following

- Updated retirement, termination and disability rate tables. The mortality rates were updated to reflect the PubS-2010
- The salary increase assumption was changed to better reflect our expectation of plan experience.
- Updated the percentage of disabilities assumed to be in the line of duty from 70% to 60%
- Updated the percentage of deaths assumed to be in the line of duty from 5% to 10%
- The interest rate was updated from 7.00% to 6.75%

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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|------------------|-------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,128,050 | \$ 1,405,652 | \$ 1,372,431 | \$ 1,375,906 |
| Contributions in relation to the actuarially determined contribution | <u>1,128,592</u> | <u>1,412,730</u> | <u>1,515,074</u> | <u>1,502,075</u> |
| Contribution deficiency (excess) | <u>\$ (542)</u> | <u>\$ (7,078)</u> | <u>\$ (142,643)</u> | <u>\$ (126,169)</u> |
| Covered payroll | \$ 3,283,760 | \$ 3,322,493 | \$ 3,359,679 | \$ 3,170,518 |
| Contributions as a percentage of covered payroll | 34.37% | 42.52% | 45.10% | 47.38% |

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 5/1/2015 valuation); 23 years (as of 5/1/2016 valuation); 22 years (as of 5/1/2019 valuation) |
| Asset valuation method | Investment gains and losses are smoothed over a 5-year period |
| 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 PubS-2010 Mortality Table |

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------|---------------------|------------------|---------------------|---------------------|------------------|
| \$ 1,384,307 | \$ 1,508,450 | \$ 1,810,315 | \$ 1,737,445 | \$ 1,832,059 | \$ 2,505,888 |
| <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>2,504,581</u> |
| <u>\$ (179,657)</u> | <u>\$ (197,753)</u> | <u>\$ 4,045</u> | <u>\$ (158,055)</u> | <u>\$ (262,065)</u> | <u>\$ 1,307</u> |
| \$ 3,518,797 | \$ 3,590,934 | \$ 3,759,611 | \$ 3,750,706 | \$ 3,800,841 | \$ 3,940,419 |
| 44.45% | 47.51% | 48.04% | 50.54% | 55.10% | 63.56% |

CITY OF LAKE FOREST

POLICE PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
Last Five Fiscal Years

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 6.79% | -1.44% | 9.67% | 7.03% | 5.48% |

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 Five Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 912,154 | \$ 926,420 | \$ 860,148 | \$ 854,245 | \$ 891,741 |
| Interest on total pension liability | 2,754,242 | 3,072,945 | 3,190,325 | 3,425,477 | 3,564,977 |
| Differences between expected and actual experience | | | | | |
| actual experience of the total pension liability | (213,530) | (186,474) | 227,730 | 176,286 | 166,664 |
| Changes of assumptions | 2,024,054 | - | 1,401,097 | - | 3,101,793 |
| Benefit payments, including refunds of member contributions | (1,769,849) | (1,931,047) | (2,208,471) | (2,419,682) | (2,581,621) |
| Net change in total pension liability | 3,707,071 | 1,881,844 | 3,470,829 | 2,036,326 | 5,143,554 |
| Total pension liability - beginning | 40,231,243 | 43,938,314 | 45,820,158 | 49,290,987 | 51,327,313 |
| Total pension liability - ending (a) | \$ 43,938,314 | \$ 45,820,158 | \$ 49,290,987 | \$ 51,327,313 | \$ 56,470,867 |
| Plan fiduciary net position | | | | | |
| Employer contributions | \$ 1,168,287 | \$ 1,216,585 | \$ 1,211,587 | \$ 1,308,348 | \$ 1,719,445 |
| Employee contributions | 296,676 | 297,946 | 290,383 | 296,202 | 311,675 |
| Net investment income | 1,871,817 | 60,335 | 3,053,497 | 2,897,100 | 3,032,134 |
| Miscellaneous revenue | - | 100 | - | - | - |
| Benefit payments, including refunds of member contributions | (1,769,849) | (1,931,047) | (2,208,471) | (2,419,682) | (2,581,621) |
| Administrative expenses | (4,150) | (4,835) | (34,006) | (35,547) | (52,598) |
| Net change in plan fiduciary net position | 1,562,781 | (360,916) | 2,312,990 | 2,046,421 | 2,429,035 |
| Plan fiduciary net position - beginning | 30,695,209 | 32,257,990 | 31,897,074 | 34,210,064 | 36,256,485 |
| Plan fiduciary net position - ending (b) | \$ 32,257,990 | \$ 31,897,074 | \$ 34,210,064 | \$ 36,256,485 | \$ 38,685,520 |
| City's net pension liability - ending (a) - (b) | \$ 11,680,324 | \$ 13,923,084 | \$ 15,080,923 | \$ 15,070,828 | \$ 17,785,347 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.42% | 69.61% | 69.40% | 70.64% | 68.51% |
| Covered payroll | \$ 3,111,216 | \$ 2,924,893 | \$ 3,071,211 | \$ 3,237,410 | \$ 3,338,448 |
| City's net pension liability as a percentage of covered payroll | 375.43% | 476.02% | 491.04% | 465.52% | 532.74% |

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.

For measurement date April 30, 2019, amounts reported as changes of assumptions resulted from the following changes:

- Updated retirement, termination and disability rate tables. The mortality rates were updated to reflect the PubS-2010
- The salary increase assumption was changed to better reflect our expectation of plan experience.
- Updated the percentage of disabilities assumed to be in the line of duty from 90% to 80%
- Updated the percentage of deaths assumed to be in the line of duty from 5% to 20%
- The interest rate was updated from 7.00% to 6.75%

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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--|--------------------|-------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 761,978 | \$ 954,946 | \$ 862,452 | \$ 894,551 |
| Contributions in relation to the actuarially determined contribution | <u>810,129</u> | <u>960,850</u> | <u>983,298</u> | <u>1,026,345</u> |
| Contribution deficiency (excess) | <u>\$ (48,151)</u> | <u>\$ (5,904)</u> | <u>\$ (120,846)</u> | <u>\$ (131,794)</u> |
| Covered payroll | \$ 2,926,591 | \$ 2,644,320 | \$ 2,941,767 | \$ 3,049,732 |
| Contributions as a percentage of covered payroll | 27.68% | 36.34% | 33.43% | 33.65% |

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), 23 years (as of the 05/01/2016 valuation), and 22 years (as of the 05/01/2019 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 PubS-2010 |

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------|---------------------|------------------|--------------------|--------------------|------------------|
| \$ 894,384 | \$ 950,325 | \$ 1,217,702 | \$ 1,137,826 | \$ 1,298,188 | \$ 1,721,953 |
| <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>1,719,445</u> |
| <u>\$ (196,311)</u> | <u>\$ (217,962)</u> | <u>\$ 1,117</u> | <u>\$ (73,761)</u> | <u>\$ (10,160)</u> | <u>\$ 2,508</u> |
| \$ 3,004,889 | \$ 3,111,216 | \$ 2,924,893 | \$ 3,071,211 | \$ 3,237,410 | \$ 3,388,448 |
| 36.30% | 37.55% | 41.59% | 39.45% | 40.41% | 50.74% |

CITY OF LAKE FOREST

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 6.48% | 0.26% | 9.66% | 8.65% | 8.56% |

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 CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS
Most Recent Fiscal Year

| | 2019 | |
|--|----------------------------|--------------------------|
| | City | Library |
| Total OPEB liability | | |
| Service cost | \$ 46,323 | \$ 1,620 |
| Interest | 93,093 | 8,019 |
| Changes of assumptions | 32,177 | 1,221 |
| Benefit payments, including refunds of member contributions | <u>(157,993)</u> | <u>(16,545)</u> |
| Net change in total OPEB liability | 13,600 | (5,685) |
| Total OPEB liability - beginning | <u>2,423,911</u> | <u>210,250</u> |
| Total OPEB liability - ending | <u>\$ 2,437,511</u> | <u>\$ 204,565</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% |
| Covered payroll | \$ 20,233,763 | \$ 1,467,746 |
| City's total OPEB liability as a percentage of covered payroll | 12.05% | 13.94% |

Notes to Schedule:

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2019 is not available.

See independent auditors' report and notes to required supplementary information

CITY OF LAKE FOREST

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2019

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 Fund

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, 2019

| | Special Revenue Funds | | | | |
|--|-----------------------|----------------------------|---------------------|-----------------------|---------------------|
| | Police Restricted | Foreign Fire Insurance Tax | Emergency Telephone | Parks and Public Land | Motor Fuel Tax |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 176,349 | \$ 9,074 | \$ (204,337) | \$ 1,148,929 | \$ 974,793 |
| Investments | - | 188,541 | - | - | - |
| Receivables (net) | | | | | |
| Property taxes | - | - | - | - | - |
| Other | 1,294 | - | 679,433 | - | 1,344 |
| Due from other governments | - | - | - | - | 42,886 |
| Advances to other funds | - | - | - | - | - |
| Due from fiduciary funds | - | - | - | - | - |
| Prepaid items | - | - | 28,689 | - | - |
| TOTAL ASSETS | <u>\$ 177,643</u> | <u>\$ 197,615</u> | <u>\$ 503,785</u> | <u>\$ 1,148,929</u> | <u>\$ 1,019,023</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 111,193 | \$ - | \$ 104,311 | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Unearned revenues | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Total Liabilities | <u>111,193</u> | <u>-</u> | <u>104,311</u> | <u>-</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 | - | - | 28,689 | - | - |
| Restricted for culture and recreation | - | - | - | 1,148,929 | - |
| Restricted for highways and streets | - | - | - | - | 1,017,679 |
| Restricted for public safety | 66,450 | 197,615 | 370,785 | - | - |
| Restricted for cemetery perpetual care | - | - | - | - | - |
| Restricted for affordable housing | - | - | - | - | - |
| Restricted for debt service purposes | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | <u>66,450</u> | <u>197,615</u> | <u>399,474</u> | <u>1,148,929</u> | <u>1,017,679</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u>\$ 177,643</u> | <u>\$ 197,615</u> | <u>\$ 503,785</u> | <u>\$ 1,148,929</u> | <u>\$ 1,019,023</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 | |
| \$ 1,331,875 | \$ 166,932 | \$ 1,357,808 | \$ 1,639,633 | \$ - | \$ 6,601,056 |
| 6,391,165 | - | - | - | - | 6,579,706 |
| - | - | - | 1,884,033 | - | 1,884,033 |
| 32,800 | 23,965 | - | - | - | 738,836 |
| - | - | - | - | - | 42,886 |
| - | - | - | - | 380,000 | 380,000 |
| 126,463 | - | - | - | - | 126,463 |
| - | 4,148 | - | - | - | 32,837 |
| <u>\$ 7,882,303</u> | <u>\$ 195,045</u> | <u>\$ 1,357,808</u> | <u>\$ 3,523,666</u> | <u>\$ 380,000</u> | <u>\$ 16,385,817</u> |
| | | | | | |
| \$ 100,941 | \$ 7,781 | \$ - | \$ - | \$ - | \$ 324,226 |
| 14,267 | 12,864 | - | - | - | 27,131 |
| - | - | 18,000 | - | - | 18,000 |
| - | 12,355 | - | - | - | 12,355 |
| - | - | - | - | 383,686 | 383,686 |
| <u>115,208</u> | <u>33,000</u> | <u>18,000</u> | <u>-</u> | <u>383,686</u> | <u>765,398</u> |
| | | | | | |
| - | - | - | 1,884,033 | - | 1,884,033 |
| - | - | - | - | - | 1,344 |
| - | - | - | 1,884,033 | - | 1,885,377 |
| | | | | | |
| - | 4,148 | - | - | - | 32,837 |
| - | 157,897 | - | - | - | 1,306,826 |
| - | - | - | - | - | 1,017,679 |
| - | - | - | - | - | 634,850 |
| 7,767,095 | - | - | - | - | 7,767,095 |
| - | - | 1,339,808 | - | - | 1,339,808 |
| - | - | - | 1,639,633 | - | 1,639,633 |
| - | - | - | - | (3,686) | (3,686) |
| <u>7,767,095</u> | <u>162,045</u> | <u>1,339,808</u> | <u>1,639,633</u> | <u>(3,686)</u> | <u>13,735,042</u> |
| | | | | | |
| <u>\$ 7,882,303</u> | <u>\$ 195,045</u> | <u>\$ 1,357,808</u> | <u>\$ 3,523,666</u> | <u>\$ 380,000</u> | <u>\$ 16,385,817</u> |

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2019

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------------------|------------------------|--------------------------|---------------------|
| | Police Restricted | Foreign Fire Insurance Tax | Emergency Telephone | Parks and Public Land | Motor Fuel Tax |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - | - |
| Intergovernmental | 12,589 | - | - | - | 491,827 |
| Charges for services | 32,050 | 71,739 | 426,106 | 157,018 | - |
| Grants and contributions | - | - | - | - | - |
| Investment income | 3,837 | 3,465 | 6,561 | 27,826 | 17,565 |
| Miscellaneous revenues | - | - | - | - | - |
| Total Revenues | <u>48,476</u> | <u>75,204</u> | <u>432,667</u> | <u>184,844</u> | <u>509,392</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Highways and streets | - | - | - | - | 4,998 |
| Culture and recreation | - | - | - | 3,747 | - |
| Public safety | 112,648 | 59,039 | 250,175 | - | - |
| Capital Outlay | - | - | 114,804 | - | - |
| Debt Service | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Total Expenditures | <u>112,648</u> | <u>59,039</u> | <u>364,979</u> | <u>3,747</u> | <u>4,998</u> |
| Excess (deficiency) of revenues over expenditures | <u>(64,172)</u> | <u>16,165</u> | <u>67,688</u> | <u>181,097</u> | <u>504,394</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (64,172) | 16,165 | 67,688 | 181,097 | 504,394 |
| FUND BALANCES - Beginning of Year | <u>130,622</u> | <u>181,450</u> | <u>331,786</u> | <u>967,832</u> | <u>513,285</u> |
| FUND BALANCES (DEFICIT) - END OF YEAR | <u>\$ 66,450</u> | <u>\$ 197,615</u> | <u>\$ 399,474</u> | <u>\$ 1,148,929</u> | <u>\$ 1,017,679</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 | |
| \$ - | \$ - | \$ - | \$ 1,778,617 | \$ 88,182 | \$ 1,866,799 |
| - | - | 36,000 | - | - | 36,000 |
| - | - | - | - | - | 504,416 |
| 980,842 | 137,969 | - | - | - | 1,805,724 |
| 10,360 | 195,773 | - | 150,003 | - | 356,136 |
| 760,849 | 4,234 | 35,886 | 51,221 | 721 | 912,165 |
| 720 | 40 | - | - | - | 760 |
| <u>1,752,771</u> | <u>338,016</u> | <u>71,886</u> | <u>1,979,841</u> | <u>88,903</u> | <u>5,482,000</u> |
| 730,482 | - | 150,000 | 3,500 | 6,273 | 890,255 |
| - | - | - | - | - | 4,998 |
| - | 588,094 | - | - | - | 591,841 |
| - | - | - | - | - | 421,862 |
| 200,936 | - | - | - | 530,924 | 846,664 |
| - | - | - | 1,429,625 | - | 1,429,625 |
| - | - | - | 1,242,498 | - | 1,242,498 |
| <u>931,418</u> | <u>588,094</u> | <u>150,000</u> | <u>2,675,623</u> | <u>537,197</u> | <u>5,427,743</u> |
| <u>821,353</u> | <u>(250,078)</u> | <u>(78,114)</u> | <u>(695,782)</u> | <u>(448,294)</u> | <u>54,257</u> |
| - | 240,529 | - | 813,528 | - | 1,054,057 |
| - | - | - | - | (239,313) | (239,313) |
| - | 240,529 | - | 813,528 | (239,313) | 814,744 |
| 821,353 | (9,549) | (78,114) | 117,746 | (687,607) | 869,001 |
| <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>\$ 7,767,095</u> | <u>\$ 162,045</u> | <u>\$ 1,339,808</u> | <u>\$ 1,639,633</u> | <u>\$ (3,686)</u> | <u>\$ 13,735,042</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|-------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 9,500 | \$ 9,500 | \$ 12,589 | \$ 3,089 |
| Charges for services | 24,100 | 24,100 | 32,050 | 7,950 |
| Investment income | 1,900 | 1,900 | 3,837 | 1,937 |
| Total Revenues | <u>35,500</u> | <u>35,500</u> | <u>48,476</u> | <u>12,976</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 126,000 | 126,000 | 112,648 | 13,352 |
| Contingency | 12,600 | 12,600 | - | 12,600 |
| Total Expenditures | <u>138,600</u> | <u>138,600</u> | <u>112,648</u> | <u>25,952</u> |
| Net Change in Fund Balance | <u>\$ (103,100)</u> | <u>\$ (103,100)</u> | (64,172) | <u>\$ 38,928</u> |
| FUND BALANCE - Beginning of Year | | | <u>130,622</u> | |
| FUND BALANCE - END OF YEAR | | | <u><u>\$ 66,450</u></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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 100,000 | \$ 100,000 | \$ 71,739 | \$ (28,261) |
| Investment income | - | - | 3,465 | 3,465 |
| Total Revenues | <u>100,000</u> | <u>100,000</u> | <u>75,204</u> | <u>(24,796)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | <u>200,000</u> | <u>200,000</u> | <u>59,039</u> | <u>140,961</u> |
| Total Expenditures | <u>200,000</u> | <u>200,000</u> | <u>59,039</u> | <u>140,961</u> |
| Net Change in Fund Balance | <u>\$ (100,000)</u> | <u>\$ (100,000)</u> | 16,165 | <u>\$ 116,165</u> |
| FUND BALANCE - Beginning of Year | | | <u>181,450</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 197,615</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 246,000 | \$ 246,000 | \$ 426,106 | \$ 180,106 |
| Investment income | 2,000 | 2,000 | 6,561 | 4,561 |
| Total Revenues | <u>248,000</u> | <u>248,000</u> | <u>432,667</u> | <u>184,667</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 254,800 | 254,800 | 250,175 | 4,625 |
| Capital Outlay | 114,804 | 114,804 | 114,804 | - |
| Contingency | 36,960 | 36,960 | - | 36,960 |
| Total Expenditures | <u>406,564</u> | <u>406,564</u> | <u>364,979</u> | <u>41,585</u> |
| Net Change in Fund Balance | <u>\$ (158,564)</u> | <u>\$ (158,564)</u> | 67,688 | <u>\$ 226,252</u> |
| FUND BALANCE - Beginning of Year | | | <u>331,786</u> | |
| FUND BALANCE - END OF YEAR | | | <u><u>\$ 399,474</u></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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 125,344 | \$ 125,344 | \$ 157,018 | \$ 31,674 |
| Investment income | 14,602 | 14,602 | 27,826 | 13,224 |
| Total Revenues | <u>139,946</u> | <u>139,946</u> | <u>184,844</u> | <u>44,898</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 400,000 | 445,145 | 3,747 | 441,398 |
| Contingency | <u>44,515</u> | <u>44,515</u> | - | <u>44,515</u> |
| Total Expenditures | <u>444,515</u> | <u>489,660</u> | <u>3,747</u> | <u>485,913</u> |
| Net Change in Fund Balance | <u>\$ (304,569)</u> | <u>\$ (349,714)</u> | 181,097 | <u>\$ 530,811</u> |
| FUND BALANCE - Beginning of Year | | | <u>967,832</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 1,148,929</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|-------------------|-------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 511,589 | \$ 511,589 | \$ 491,827 | \$ (19,762) |
| Investment income | 7,560 | 7,560 | 17,565 | 10,005 |
| Total Revenues | <u>519,149</u> | <u>519,149</u> | <u>509,392</u> | <u>(9,757)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Highways and streets | - | 5,029 | 4,998 | 31 |
| Capital Outlay | - | 32,533 | - | 32,533 |
| Contingency | <u>3,756</u> | <u>3,756</u> | <u>-</u> | <u>3,756</u> |
| Total Expenditures | <u>3,756</u> | <u>41,318</u> | <u>4,998</u> | <u>36,320</u> |
| Net Change in Fund Balance | <u>\$ 515,393</u> | <u>\$ 477,831</u> | 504,394 | <u>\$ 26,563</u> |
| FUND BALANCE - Beginning of Year | | | <u>513,285</u> | |
| FUND BALANCE - END OF YEAR | | | <u><u>\$ 1,017,679</u></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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Grants and contributions | \$ 12,000 | \$ 12,000 | \$ 10,360 | \$ (1,640) |
| Charges for services | 661,350 | 661,350 | 980,842 | 319,492 |
| Investment income | 50,000 | 50,000 | 760,849 | 710,849 |
| Miscellaneous revenues | - | - | 720 | 720 |
| Total Revenues | <u>723,350</u> | <u>723,350</u> | <u>1,752,771</u> | <u>1,029,421</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 632,968 | 639,633 | 730,482 | (90,849) |
| Capital Outlay | 170,000 | 333,545 | 200,936 | 132,609 |
| Contingency | <u>97,318</u> | <u>97,318</u> | - | 97,318 |
| Total Expenditures | <u>900,286</u> | <u>1,070,496</u> | <u>931,418</u> | <u>139,078</u> |
| Net Change in Fund Balance | <u>\$ (176,936)</u> | <u>\$ (347,146)</u> | 821,353 | <u>\$ 1,168,499</u> |
| FUND BALANCE - Beginning of Year | | | <u>6,945,742</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 7,767,095</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|--------------------|--------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Grants and contributions | \$ 195,000 | \$ 195,000 | \$ 195,773 | \$ 773 |
| Charges for services | 178,150 | 178,150 | 137,969 | (40,181) |
| Investment income | 3,000 | 3,000 | 4,234 | 1,234 |
| Miscellaneous revenues | - | - | 40 | 40 |
| Total Revenues | <u>376,150</u> | <u>376,150</u> | <u>338,016</u> | <u>(38,134)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and recreation | 625,970 | 633,315 | 588,094 | 45,221 |
| Contingency | <u>63,332</u> | <u>63,332</u> | - | <u>63,332</u> |
| Total Expenditures | <u>689,302</u> | <u>696,647</u> | <u>588,094</u> | <u>108,553</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(313,152)</u> | <u>(320,497)</u> | <u>(250,078)</u> | <u>70,419</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>250,529</u> | <u>250,529</u> | <u>240,529</u> | <u>(10,000)</u> |
| Total Other Financing Sources | <u>250,529</u> | <u>250,529</u> | <u>240,529</u> | <u>(10,000)</u> |
| Net Change in Fund Balance | <u>\$ (62,623)</u> | <u>\$ (69,968)</u> | (9,549) | <u>\$ 60,419</u> |
| FUND BALANCE - Beginning of Year | | | <u>171,594</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 162,045</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Other taxes | \$ 48,000 | \$ 48,000 | \$ 36,000 | \$ (12,000) |
| Investment income | 14,000 | 14,000 | 35,886 | 21,886 |
| Total Revenues | <u>62,000</u> | <u>62,000</u> | <u>71,886</u> | <u>9,886</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 167,500 | 335,000 | 150,000 | 185,000 |
| Contingency | <u>33,500</u> | <u>33,500</u> | - | <u>33,500</u> |
| Total Expenditures | <u>201,000</u> | <u>368,500</u> | <u>150,000</u> | <u>218,500</u> |
| Net Change in Fund Balance | <u>\$ (139,000)</u> | <u>\$ (306,500)</u> | (78,114) | <u>\$ 228,386</u> |
| FUND BALANCE - Beginning of Year | | | <u>1,417,922</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 1,339,808</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 1,764,191 | \$ 1,764,191 | \$ 1,778,617 | \$ 14,426 |
| Grants and contributions | 149,256 | 149,256 | 150,003 | 747 |
| Investment income | 22,681 | 22,681 | 51,221 | 28,540 |
| Total Revenues | <u>1,936,128</u> | <u>1,936,128</u> | <u>1,979,841</u> | <u>43,713</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 3,750 | 3,750 | 3,500 | 250 |
| Debt service | | | | |
| Principal retirement | 1,429,625 | 1,429,625 | 1,429,625 | - |
| Interest and fiscal charges | <u>1,242,498</u> | <u>1,242,498</u> | <u>1,242,498</u> | - |
| Total Expenditures | <u>2,675,873</u> | <u>2,675,873</u> | <u>2,675,623</u> | <u>250</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(739,745)</u> | <u>(739,745)</u> | <u>(695,782)</u> | <u>43,963</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>839,313</u> | <u>839,313</u> | <u>813,528</u> | <u>(25,785)</u> |
| Total Other Financing Sources (Uses) | <u>839,313</u> | <u>839,313</u> | <u>813,528</u> | <u>(25,785)</u> |
| Net Change in Fund Balance | <u>\$ 99,568</u> | <u>\$ 99,568</u> | 117,746 | <u>\$ 18,178</u> |
| FUND BALANCE - Beginning of Year | | | <u>1,521,887</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 1,639,633</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, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-----------------------|-----------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property | \$ 116,032 | \$ 116,032 | \$ 88,182 | \$ (27,850) |
| Investment income | 2,032 | 2,032 | 721 | (1,311) |
| Total Revenues | <u>118,064</u> | <u>118,064</u> | <u>88,903</u> | <u>(29,161)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 85,334 | 101,060 | 6,273 | 94,787 |
| Capital Outlay | 700,000 | 987,500 | 530,924 | 456,576 |
| Contingency | <u>132,856</u> | <u>132,856</u> | - | <u>132,856</u> |
| Total Expenditures | <u>918,190</u> | <u>1,221,416</u> | <u>537,197</u> | <u>684,219</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(800,126)</u> | <u>(1,103,352)</u> | <u>(448,294)</u> | <u>655,058</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(240,000)</u> | <u>(240,000)</u> | <u>(239,313)</u> | <u>687</u> |
| Total Other Financing Sources (Uses) | <u>(240,000)</u> | <u>(240,000)</u> | <u>(239,313)</u> | <u>687</u> |
| Net Change in Fund Balance | <u>\$ (1,040,126)</u> | <u>\$ (1,343,352)</u> | <u>(687,607)</u> | <u>\$ 655,745</u> |
| FUND BALANCE - Beginning of Year | | | <u>683,921</u> | |
| FUND BALANCE (DEFICIT) - END OF YEAR | | | <u>\$ (3,686)</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, 2019

| | Budgeted Amounts | | | Variance with |
|--|-----------------------|-----------------------|----------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 826,514 | \$ 826,514 | \$ 824,585 | \$ (1,929) |
| Other taxes | 1,623,638 | 1,623,638 | 1,507,595 | (116,043) |
| Grants and contributions | - | - | 1,617,926 | 1,617,926 |
| Charges for services | 643,210 | 643,210 | 801,815 | 158,605 |
| Investment income | 48,356 | 48,356 | 172,285 | 123,929 |
| Miscellaneous | 5,000 | 5,000 | 135,037 | 130,037 |
| Total Revenues | <u>3,146,718</u> | <u>3,146,718</u> | <u>5,059,243</u> | <u>1,912,525</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 838,365 | 2,201,773 | 862,041 | 1,339,732 |
| Highways and streets | 1,770,500 | 1,804,868 | 2,100,515 | (295,647) |
| Culture and recreation | 100,000 | 100,000 | 99,822 | 178 |
| Capital Outlay | 2,242,500 | 2,694,279 | 2,951,767 | (257,488) |
| Contingency | 680,092 | 680,092 | - | 680,092 |
| Total Expenditures | <u>5,631,457</u> | <u>7,481,012</u> | <u>6,014,145</u> | <u>1,466,867</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,484,739)</u> | <u>(4,334,294)</u> | <u>(954,902)</u> | <u>3,379,392</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,299,482 | 1,299,482 | 5,918,128 | 4,618,646 |
| Proceeds from capital asset sales | 20,000 | 20,000 | 26,551 | 6,551 |
| Total Other Financing Sources (Uses) | <u>1,319,482</u> | <u>1,319,482</u> | <u>5,944,679</u> | <u>4,625,197</u> |
| Net Change in Fund Balance | <u>\$ (1,165,257)</u> | <u>\$ (3,014,812)</u> | 4,989,777 | <u>\$ 8,004,589</u> |
| FUND BALANCE - Beginning of Year | | | <u>5,938,047</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 10,927,824</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, 2019

| | Budgeted Amounts | | | Variance with |
|--|--------------------|--------------------|------------------|------------------|
| | Original | Final | Actual | Final Budget |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 7,909,527 | \$ 7,909,527 | \$ 7,909,200 | \$ (327) |
| Connection fees | 51,410 | 51,410 | 134,681 | 83,271 |
| Miscellaneous | <u>8,427</u> | <u>8,427</u> | <u>7,998</u> | <u>(429)</u> |
| Total Operating Revenues | <u>7,969,364</u> | <u>7,969,364</u> | <u>8,051,879</u> | <u>82,515</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 2,396,822 | 2,396,822 | 2,422,300 | (25,478) |
| Operations and maintenance | 5,684,249 | 6,299,746 | 1,946,923 | 4,352,823 |
| Contingency | <u>1,257,362</u> | <u>1,257,362</u> | <u>-</u> | <u>1,257,362</u> |
| Total Operating Expenses | <u>9,338,433</u> | <u>9,953,930</u> | <u>4,369,223</u> | <u>5,584,707</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 144,920 | 144,920 | 269,245 | 124,325 |
| Loss on disposal of capital assets | - | - | (19,363) | (19,363) |
| Principal retirement | (1,909,000) | (1,909,000) | - | 1,909,000 |
| Interest expense | (565,055) | (565,055) | (600,846) | (35,791) |
| Paying agent fees | (3,000) | (3,000) | (1,500) | 1,500 |
| Other | <u>500</u> | <u>500</u> | <u>14,710</u> | <u>14,210</u> |
| Total Non-Operating Revenues (Expenses) | <u>(2,331,635)</u> | <u>(2,331,635)</u> | <u>(337,754)</u> | <u>1,993,881</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, 2019

| | <u>Budgeted Amounts</u> | | | <u>Variance with</u> |
|--|-------------------------|------------------|------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,707,000 | \$ 1,707,000 | \$ 1,524,408 | \$ (182,592) |
| Miscellaneous | <u>5,873</u> | <u>5,873</u> | <u>246</u> | <u>(5,627)</u> |
| Total Operating Revenues | <u>1,712,873</u> | <u>1,712,873</u> | <u>1,524,654</u> | <u>(188,219)</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 657,582 | 657,582 | 643,885 | 13,697 |
| Operations and maintenance | 1,058,931 | 1,086,614 | 977,825 | 108,789 |
| Contingency | <u>183,767</u> | <u>183,767</u> | <u>-</u> | <u>183,767</u> |
| Total Operating Expenses | <u>1,900,280</u> | <u>1,927,963</u> | <u>1,621,710</u> | <u>306,253</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment income | - | - | 9,944 | 9,944 |
| Principal retirement | (78,000) | (78,000) | - | 78,000 |
| Interest expense | (14,970) | (14,970) | (16,874) | (1,904) |
| Paying agent fees | (500) | (500) | - | 500 |
| Other | <u>-</u> | <u>-</u> | <u>51,300</u> | <u>51,300</u> |
| Total Non-Operating Revenues (Expenses) | <u>(93,470)</u> | <u>(93,470)</u> | <u>44,370</u> | <u>137,840</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, 2019

| | Fleet | Self Insurance | Liability Insurance | Totals |
|--|-------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 837,022 | \$ 4,740,191 | \$ 1,696,670 | \$ 7,273,883 |
| Receivables | | | | |
| Other | 2,011 | 6,430 | 2,392,200 | 2,400,641 |
| Inventories | 356,803 | - | - | 356,803 |
| Prepaid items | - | - | 552,663 | 552,663 |
| Total Current Assets | <u>1,195,836</u> | <u>4,746,621</u> | <u>4,641,533</u> | <u>10,583,990</u> |
| Noncurrent Assets | | | | |
| Capital assets (net of accumulated depreciation) | | | | |
| Property and equipment | 48,047 | - | - | 48,047 |
| Accumulated depreciation | (43,938) | - | - | (43,938) |
| Total Noncurrent Assets | <u>4,109</u> | <u>-</u> | <u>-</u> | <u>4,109</u> |
| Total Assets | <u>1,199,945</u> | <u>4,746,621</u> | <u>4,641,533</u> | <u>10,588,099</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources related to pensions | 330,695 | - | - | 330,695 |
| Deferred outflows related to total OPEB liability | <u>791</u> | <u>-</u> | <u>-</u> | <u>791</u> |
| Total Deferred Outflows of Resources | <u>331,486</u> | <u>-</u> | <u>-</u> | <u>331,486</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 48,798 | 528,856 | 61,717 | 639,371 |
| Accrued liabilities | <u>23,241</u> | <u>568,106</u> | <u>151,678</u> | <u>743,025</u> |
| Total Current Liabilities | <u>72,039</u> | <u>1,096,962</u> | <u>213,395</u> | <u>1,382,396</u> |
| Noncurrent Liabilities | | | | |
| Compensated absences | 33,856 | - | - | 33,856 |
| Net pension liability | 520,632 | - | - | 520,632 |
| Total OPEB liability | <u>65,888</u> | <u>-</u> | <u>-</u> | <u>65,888</u> |
| Total Noncurrent Liabilities | <u>620,376</u> | <u>-</u> | <u>-</u> | <u>620,376</u> |
| Total Liabilities | <u>692,415</u> | <u>1,096,962</u> | <u>213,395</u> | <u>2,002,772</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources related to pensions | <u>45,751</u> | <u>-</u> | <u>-</u> | <u>45,751</u> |
| Total Deferred Inflows of Resources | <u>45,751</u> | <u>-</u> | <u>-</u> | <u>45,751</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 4,109 | - | - | 4,109 |
| Unrestricted | <u>789,156</u> | <u>3,649,659</u> | <u>4,428,138</u> | <u>8,866,953</u> |
| TOTAL NET POSITION | <u>\$ 793,265</u> | <u>\$ 3,649,659</u> | <u>\$ 4,428,138</u> | <u>\$ 8,871,062</u> |

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended April 30, 2019

| | <u>Fleet</u> | <u>Self Insurance</u> | <u>Liability Insurance</u> | <u>Totals</u> |
|--|-------------------|-----------------------|--------------------------------|---------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,758,278 | \$ 4,980,451 | \$ 1,836,634 | \$ 8,575,363 |
| Total Operating Revenues | <u>1,758,278</u> | <u>4,980,451</u> | <u>1,836,634</u> | <u>8,575,363</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 1,725,968 | 5,243,704 | 1,206,387 | 8,176,059 |
| Depreciation and amortization | <u>4,804</u> | <u>-</u> | <u>-</u> | <u>4,804</u> |
| Total Operating Expenses | <u>1,730,772</u> | <u>5,243,704</u> | <u>1,206,387</u> | <u>8,180,863</u> |
| Operating Income (Loss) | <u>27,506</u> | <u>(263,253)</u> | <u>630,247</u> | <u>394,500</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | <u>20,110</u> | <u>111,793</u> | <u>40,163</u> | <u>172,066</u> |
| Total Nonoperating Revenues | <u>20,110</u> | <u>111,793</u> | <u>40,163</u> | <u>172,066</u> |
| Change in net position | 47,616 | (151,460) | 670,410 | 566,566 |
| NET POSITION - Beginning of Year (as restated) | <u>745,649</u> | <u>3,801,119</u> | <u>3,757,728</u> | <u>8,304,496</u> |
| NET POSITION - END OF YEAR | <u>\$ 793,265</u> | <u>\$ 3,649,659</u> | <u>\$ 4,428,138</u> | <u>\$ 8,871,062</u> |

CITY OF LAKE FOREST

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended April 30, 2019

| | Fleet | Self Insurance | Liability Insurance | Totals |
|--|--------------------|---------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from interfund services provided | \$ 1,758,607 | \$ 4,982,834 | \$ 1,327,356 | \$ 8,068,797 |
| Paid to suppliers for goods and services | (1,263,833) | (5,211,569) | (1,087,496) | (7,562,898) |
| Paid to employees for services | (594,681) | - | - | (594,681) |
| Net Cash Flows From Operating Activities | (99,907) | (228,735) | 239,860 | (88,782) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 20,109 | 111,793 | 40,163 | 172,065 |
| Net Cash Flows From Investing Activities | 20,109 | 111,793 | 40,163 | 172,065 |
| Net Change in Cash and Cash Equivalents | (79,798) | (116,942) | 280,023 | 83,283 |
| CASH AND CASH EQUIVALENTS - Beginning of Year | 916,820 | 4,857,133 | 1,416,647 | 7,190,600 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 837,022</u> | <u>\$ 4,740,191</u> | <u>\$ 1,696,670</u> | <u>\$ 7,273,883</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 27,506 | \$ (263,253) | \$ 630,247 | \$ 394,500 |
| 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 | 329 | 2,383 | (509,278) | (506,566) |
| Inventories | (24,352) | - | - | (24,352) |
| Prepaid items | - | - | 50 | 50 |
| Deferred outflows related to pensions | (296,274) | - | - | (296,274) |
| Accounts payable | (4,281) | 59,399 | 17,349 | 72,467 |
| Accrued liabilities | - | (27,264) | 101,492 | 74,228 |
| Accrued salaries | (37,391) | - | - | (37,391) |
| Net pension liability | 470,536 | - | - | 470,536 |
| Deferred inflows related to pensions | (238,117) | - | - | (238,117) |
| Compensated absences | (238) | - | - | (238) |
| Deferred outflows related to total OPEB liability | (791) | - | - | (791) |
| Total OPEB liability | (1,639) | - | - | (1,639) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>\$ (99,907)</u> | <u>\$ (228,735)</u> | <u>\$ 239,860</u> | <u>\$ (88,782)</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, 2019

| | <u>Budgeted Amounts</u> | | | <u>Variance with</u> |
|-------------------------------|-------------------------|---------------------|---------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| OPERATING REVENUES | | | | |
| Charges for services | \$ <u>1,752,788</u> | \$ <u>1,752,788</u> | \$ <u>1,758,278</u> | \$ <u>5,490</u> |
| Total Operating Revenues | <u>1,752,788</u> | <u>1,752,788</u> | <u>1,758,278</u> | <u>5,490</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 1,864,814 | 1,873,814 | 1,725,968 | 147,846 |
| Depreciation and amortization | - | - | 4,804 | (4,804) |
| Contingency | <u>187,381</u> | <u>187,381</u> | <u>-</u> | <u>187,381</u> |
| Total Operating Expenses | <u>2,052,195</u> | <u>2,061,195</u> | <u>1,730,772</u> | <u>330,423</u> |
| NON-OPERATING REVENUES | | | | |
| Investment income | <u>10,000</u> | <u>10,000</u> | <u>20,110</u> | <u>10,110</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, 2019

| | <u>Budgeted Amounts</u> | | | <u>Variance with</u> |
|-------------------------------|-------------------------|---------------------|---------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Final Budget</u> |
| OPERATING REVENUES | | | | |
| Charges for services | \$ <u>5,640,000</u> | \$ <u>5,640,000</u> | \$ <u>4,980,451</u> | \$ <u>(659,549)</u> |
| Total Operating Revenues | <u>5,640,000</u> | <u>5,640,000</u> | <u>4,980,451</u> | <u>(659,549)</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 5,785,000 | 5,785,000 | 5,243,704 | 541,296 |
| Contingency | <u>578,500</u> | <u>578,500</u> | <u>-</u> | <u>578,500</u> |
| Total Operating Expenses | <u>6,363,500</u> | <u>6,363,500</u> | <u>5,243,704</u> | <u>1,119,796</u> |
| NON-OPERATING REVENUES | | | | |
| Investment income | <u>65,000</u> | <u>65,000</u> | <u>111,793</u> | <u>46,793</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, 2019

| | <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>1,327,348</u> | \$ <u>1,327,348</u> | \$ <u>1,836,634</u> | \$ <u>509,286</u> |
| Total Operating Revenues | <u>1,327,348</u> | <u>1,327,348</u> | <u>1,836,634</u> | <u>509,286</u> |
| OPERATING EXPENSES | | | | |
| General and administrative | 1,250,000 | 1,250,000 | 1,206,387 | 43,613 |
| Contingency | <u>125,000</u> | <u>125,000</u> | <u>-</u> | <u>125,000</u> |
| Total Operating Expenses | <u>1,375,000</u> | <u>1,375,000</u> | <u>1,206,387</u> | <u>168,613</u> |
| NON-OPERATING REVENUES | | | | |
| Investment income | <u>40,000</u> | <u>40,000</u> | <u>40,163</u> | <u>163</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, 2019

| | Police Pension | Firefighters' Pension | Totals |
|------------------------------------|----------------------|--------------------------|----------------------|
| ASSETS | | | |
| Cash | \$ 63,243 | \$ 558,066 | \$ 621,309 |
| Money markets | 360,405 | - | 360,405 |
| Investments | | | |
| U.S. Treasury obligations | 10,242,088 | 4,071,113 | 14,313,201 |
| U.S. Government agencies | 229,326 | 3,547,683 | 3,777,009 |
| Municipal/corporate bonds | 957,459 | 6,121,387 | 7,078,846 |
| Mutual funds | 17,719,414 | 24,249,491 | 41,968,905 |
| Real estate investment fund | 3,662,142 | - | 3,662,142 |
| Receivables | 70,121 | 112,982 | 183,103 |
| Prepays | 4,030 | 4,442 | 8,472 |
| Due from primary government | 46,214 | 25,938 | 72,152 |
| Total Assets | <u>33,354,442</u> | <u>38,691,102</u> | <u>72,045,544</u> |
| LIABILITIES | | | |
| Accounts payable | <u>3,616</u> | <u>5,582</u> | <u>9,198</u> |
| Total Liabilities | <u>3,616</u> | <u>5,582</u> | <u>9,198</u> |
| NET POSITION | | | |
| Held in trust for pension benefits | <u>\$ 33,350,826</u> | <u>\$ 38,685,520</u> | <u>\$ 72,036,346</u> |

CITY OF LAKE FOREST

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2019

| | <u>Police Pension</u> | <u>Firefighters' Pension</u> | <u>Total</u> |
|---|-----------------------------|----------------------------------|-----------------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 2,504,581 | \$ 1,719,445 | \$ 4,224,026 |
| Employee | <u>392,258</u> | <u>311,675</u> | <u>703,933</u> |
| Total Contributions | <u>2,896,839</u> | <u>2,031,120</u> | <u>4,927,959</u> |
| Interest | | | |
| Interest | 573,427 | 776,750 | 1,350,177 |
| Net appreciation in fair value of investments | <u>1,225,046</u> | <u>2,319,038</u> | <u>3,544,084</u> |
| Total Investment Income | 1,798,473 | 3,095,788 | 4,894,261 |
| Less Investment expense | <u>82,032</u> | <u>63,654</u> | <u>145,686</u> |
| Net Investment Income | <u>1,716,441</u> | <u>3,032,134</u> | <u>4,748,575</u> |
| Total Additions | <u>4,613,280</u> | <u>5,063,254</u> | <u>9,676,534</u> |
| DEDUCTIONS | | | |
| Pension benefits and refunds | 2,852,542 | 2,581,621 | 5,434,163 |
| Other administrative expenses | <u>60,847</u> | <u>52,598</u> | <u>113,445</u> |
| Total Deductions | <u>2,913,389</u> | <u>2,634,219</u> | <u>5,547,608</u> |
| Change in Net Position | 1,699,891 | 2,429,035 | 4,128,926 |
| NET POSITION - Beginning of Year | <u>31,650,935</u> | <u>36,256,485</u> | <u>67,907,420</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 33,350,826</u></u> | <u><u>\$ 38,685,520</u></u> | <u><u>\$ 72,036,346</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, 2019

| | 2019 | | | |
|---|------------------------|---------------------|----------------------|-----------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
| Additions | | | | |
| Contributions | | | | |
| Employer | \$ 2,505,888 | \$ 2,505,888 | \$ 2,504,581 | \$ (1,307) |
| Employee | <u>375,000</u> | <u>375,000</u> | <u>392,258</u> | <u>17,258</u> |
| Total contributions | <u>2,880,888</u> | <u>2,880,888</u> | <u>2,896,839</u> | <u>15,951</u> |
| Investment Income | | | | |
| Interest | 550,000 | 550,000 | 573,427 | 23,427 |
| Net appreciation in fair value of investments | <u>1,700,000</u> | <u>1,700,000</u> | <u>1,225,046</u> | <u>(474,954)</u> |
| Total investment income | <u>2,250,000</u> | <u>2,250,000</u> | <u>1,798,473</u> | <u>(451,527)</u> |
| Less Investment expense | <u>70,000</u> | <u>70,000</u> | <u>82,032</u> | <u>(12,032)</u> |
| Net investment income | <u>2,180,000</u> | <u>2,180,000</u> | <u>1,716,441</u> | <u>(463,559)</u> |
| Total additions | <u>5,060,888</u> | <u>5,060,888</u> | <u>4,613,280</u> | <u>(447,608)</u> |
| Deductions | | | | |
| Pension benefits and refunds | 2,750,000 | 2,750,000 | 2,852,542 | (102,542) |
| Other administrative expenses | 49,880 | 49,880 | 60,847 | (10,967) |
| Contingency | <u>286,988</u> | <u>286,988</u> | <u>-</u> | <u>286,988</u> |
| Total deductions | <u>3,086,868</u> | <u>3,086,868</u> | <u>2,913,389</u> | <u>173,479</u> |
| Change in net position | <u>\$ 1,974,020</u> | <u>\$ 1,974,020</u> | 1,699,891 | <u>\$ (274,129)</u> |
| Net position, beginning of year | | | <u>31,650,935</u> | |
| Net position, end of year | | | <u>\$ 33,350,826</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, 2019

| | 2019 | | | |
|---|------------------------|---------------------|----------------------|-----------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
| Additions | | | | |
| Contributions | | | | |
| Employer | \$ 1,721,953 | \$ 1,721,953 | \$ 1,719,445 | \$ (2,508) |
| Employee | 305,000 | 305,000 | 311,675 | 6,675 |
| Total contributions | <u>2,026,953</u> | <u>2,026,953</u> | <u>2,031,120</u> | <u>4,167</u> |
| Investment Income | | | | |
| Interest | 750,000 | 750,000 | 776,750 | 26,750 |
| Net appreciation in fair value of investments | <u>1,760,000</u> | <u>1,760,000</u> | <u>2,319,038</u> | <u>559,038</u> |
| Total investment income | 2,510,000 | 2,510,000 | 3,095,788 | 585,788 |
| Less Investment expense | <u>63,000</u> | <u>63,000</u> | <u>63,654</u> | <u>(654)</u> |
| Net investment income | <u>2,447,000</u> | <u>2,447,000</u> | <u>3,032,134</u> | <u>585,134</u> |
| Total additions | <u>4,473,953</u> | <u>4,473,953</u> | <u>5,063,254</u> | <u>589,301</u> |
| Deductions | | | | |
| Pension benefits and refunds | 2,650,000 | 2,650,000 | 2,581,621 | 68,379 |
| Other administrative expenses | 46,880 | 46,880 | 52,598 | (5,718) |
| Contingency | <u>275,988</u> | <u>275,988</u> | <u>-</u> | <u>275,988</u> |
| Total deductions | <u>2,972,868</u> | <u>2,972,868</u> | <u>2,634,219</u> | <u>338,649</u> |
| Change in net position | <u>\$ 1,501,085</u> | <u>\$ 1,501,085</u> | 2,429,035 | <u>\$ 927,950</u> |
| Net position, beginning of year | | | <u>36,256,485</u> | |
| Net position, end of year | | | <u>\$ 38,685,520</u> | |

CITY OF LAKE FOREST

Statement of Changes in Assets and Liabilities
Agency Fund - Special Assessment Fund
As of April 30, 2019

| | <u>Balance, May 1, 2018</u> | <u>Additions</u> | <u>Deletion</u> | <u>Balance, April 30, 2019</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, 2019

| | General Fund | Adjustments | Statement of Net Position |
|--|---------------------|---------------------|------------------------------|
| Assets and Deferred Outflows of Resources | | | |
| Cash and cash equivalents | \$ 4,497,320 | \$ - | \$ 4,497,320 |
| Receivables (net of allowance for uncollectibles) | | | |
| Property taxes | 4,111,613 | - | 4,111,613 |
| Other taxes | 10,060 | - | 10,060 |
| Capital assets | | | |
| Capital assets not depreciated | - | 238,500 | 238,500 |
| Capital assets depreciated, net of accumulated depreciation | - | 2,735,768 | 2,735,768 |
| Total assets | <u>8,618,993</u> | <u>2,974,268</u> | <u>11,593,261</u> |
| Deferred outflows of Resources | | | |
| Deferred outflows related to pensions | - | 899,882 | 899,882 |
| Deferred outflows related to total OPEB liability | - | 1,093 | 1,093 |
| Total deferred outflows of resources | <u>-</u> | <u>900,975</u> | <u>900,975</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 8,618,993</u> | <u>\$ 3,875,243</u> | <u>\$ 12,494,236</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position | | | |
| Liabilities | | | |
| Accounts payable | \$ 50,464 | \$ - | \$ 50,464 |
| Accrued liabilities | 79,354 | - | 79,354 |
| Long-term obligations | | | |
| Due within one year | - | 7,352 | 7,352 |
| Due in more than one year | - | 1,779,625 | 1,779,625 |
| Total liabilities | <u>129,818</u> | <u>1,786,977</u> | <u>1,916,795</u> |
| Deferred Inflows of Resources | | | |
| Property taxes levied for future periods | 4,111,613 | - | 4,111,613 |
| Deferred inflows related to pensions | - | 124,393 | 124,393 |
| Total deferred inflows of resources | <u>4,111,613</u> | <u>124,393</u> | <u>4,236,006</u> |
| Fund Balance/Net Position | | | |
| Nonspendable - prepaids | - | | - |
| Unassigned | 4,377,562 | (4,377,562) | - |
| Net position | | | |
| Net investment in capital assets | - | 2,971,916 | 2,971,916 |
| Unrestricted | - | 3,369,519 | 3,369,519 |
| Total fund balance/net position | <u>4,377,562</u> | <u>1,963,873</u> | <u>6,341,435</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position | <u>\$ 8,618,993</u> | <u>\$ 3,875,243</u> | <u>\$ 12,494,236</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, 2019

| | General Fund | Adjustments | Statement of Activities |
|--|---------------------|---------------------|-------------------------------|
| Revenues | | | |
| Property taxes | \$ 4,063,010 | \$ - | \$ 4,063,010 |
| Intergovernmental | 36,944 | - | 36,944 |
| Grants and contributions | 115,158 | - | 115,158 |
| Charges for services | 31,426 | - | 31,426 |
| Fines | 15,772 | - | 15,772 |
| Investment Income | 131,747 | - | 131,747 |
| Total revenues | <u>4,394,057</u> | <u>-</u> | <u>4,394,057</u> |
| Expenditures/expenses | | | |
| Current | 3,472,012 | 79,885 | 3,551,897 |
| Capital Outlay | 104,056 | (104,056) | - |
| Debt Service | 28,333 | (28,333) | - |
| Total expenditures/expenses | <u>3,604,401</u> | <u>(52,504)</u> | <u>3,551,897</u> |
| Net change in fund balance/net position | 789,656 | 52,504 | 842,160 |
| Fund balance/net position (as restated), beginning of year | <u>3,587,906</u> | <u>1,911,369</u> | <u>5,499,275</u> |
| Fund balance/net position, end of year | <u>\$ 4,377,562</u> | <u>\$ 1,963,873</u> | <u>\$ 6,341,435</u> |

CITY OF LAKE FOREST

Summary of Debt Service Requirements to Maturity As of April 30, 2019

| <u>Fiscal year</u> | <u>General Obligation Bonds</u> |
|------------------------|---|
| 2020 | \$ 5,531,244 |
| 2021 | 5,802,829 |
| 2022 | 5,675,141 |
| 2023 | 5,678,151 |
| 2024 | 5,278,210 |
| 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 | 786,600 |
| Total | <u>\$ 66,107,421</u> |

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2019

| 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 |
| 2020 | \$ 65,000 | \$ 7,932 | \$ 17,993 | \$ 2,563 | \$ 124,858 | \$ 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 | - | - | - | - | 150,610 | 5,497 |
| 2025 | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - |
| 2029 | - | - | - | - | - | - |
| 2030 | - | - | - | - | - | - |
| 2031 | - | - | - | - | - | - |
| 2032 | - | - | - | - | - | - |
| 2033 | - | - | - | - | - | - |
| 2034 | - | - | - | - | - | - |
| 2035 | - | - | - | - | - | - |
| 2036 | - | - | - | - | - | - |
| 2037 | - | - | - | - | - | - |
| 2038 | - | - | - | - | - | - |
| | <u>\$ 285,000</u> | <u>\$ 20,770</u> | <u>\$ 77,275</u> | <u>\$ 6,619</u> | <u>\$ 686,509</u> | <u>\$ 73,472</u> |

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2019

| Fiscal Year | Series 2009 Obligation Bonds | | Series 2010 Series B Obligation Bonds | | 2010 Series C Obligation Bonds | |
|----------------|---------------------------------|-------------------|--|---------------------|-----------------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 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>\$ 2,315,000</u> | <u>\$ 537,198</u> | <u>\$ 3,000,000</u> | <u>\$ 2,185,000</u> | <u>\$ 4,495,000</u> | <u>\$ 1,444,836</u> |

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2019

| Fiscal Year | 2011 Series A Obligation Bonds | | 2011 Series B Obligation Bonds | |
|----------------|-----------------------------------|------------------|-----------------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 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>\$ 270,000</u> | <u>\$ 10,200</u> | <u>\$ 11,875,000</u> | <u>\$ 966,350</u> |

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2019

| Fiscal Year | Series 2013 Obligation Bonds | | Series 2015 Obligation Bonds | |
|----------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 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>\$ 9,235,000</u> | <u>\$ 3,192,936</u> | <u>\$ 9,370,000</u> | <u>\$ 3,213,427</u> |

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2019

| Fiscal Year | Series 2017 Obligation Bonds | | Total Requirements | | |
|----------------|---------------------------------|---------------------|-----------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Total |
| 2020 | \$ - | \$ 271,153 | \$ 3,797,851 | \$ 1,733,393 | \$ 5,531,244 |
| 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 | 4,015,610 | 1,262,600 | 5,278,210 |
| 2025 | 525,000 | 260,851 | 2,050,000 | 1,137,201 | 3,187,201 |
| 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 | 837,921 | 3,767,921 |
| 2030 | 590,000 | 191,685 | 3,025,000 | 730,323 | 3,755,323 |
| 2031 | 610,000 | 173,988 | 3,215,000 | 609,126 | 3,824,126 |
| 2032 | 630,000 | 155,688 | 3,275,000 | 478,526 | 3,753,526 |
| 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>\$ 3,552,828</u> | <u>\$ 50,903,784</u> | <u>\$ 15,203,636</u> | <u>\$ 66,107,420</u> |

CITY OF LAKE FOREST

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2019

| | |
|------------------------|---|
| 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

| | <u>Amount</u> |
|------|-------------------|
| 2019 | \$ 65,000 |
| 2020 | 70,000 |
| 2021 | 75,000 |
| 2022 | 75,000 |
| | <u>—</u> |
| | <u>\$ 285,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|-------------------|------------------|-------------------|----------------|----------|-------------|--------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 |
| 2022 | — | — | — | 2023 | — | 2023 | — |
| Thereafter | — | — | — | Thereafter | — | Thereafter | — |
| | <u>\$ 285,000</u> | <u>\$ 20,770</u> | <u>\$ 305,770</u> | | | | |

CITY OF LAKE FOREST

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2019

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 |
|------|------------------|
| 2019 | \$ 17,993 |
| 2020 | 18,839 |
| 2021 | 19,743 |
| 2022 | 20,701 |
| | — |
| | <u>\$ 77,276</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|------------------|-----------------|------------------|----------------|----------|-------------|----------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 | 20,701 | 704 | 21,405 | 2022 | 352 | 2022 | 352 |
| 2022 | — | — | — | 2023 | — | 2023 | — |
| Thereafter | — | — | — | Thereafter | — | Thereafter | — |
| | <u>\$ 77,276</u> | <u>\$ 6,619</u> | <u>\$ 83,895</u> | | | | |

CITY OF LAKE FOREST

Special Service Area 29 Special Tax Bonds - 2004 Series

April 30, 2019

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

| | Amount |
|------|-------------------|
| 2019 | \$ 124,857 |
| 2020 | 130,663 |
| 2021 | 136,870 |
| 2022 | 143,508 |
| 2023 | 150,611 |
| | <u>\$ 686,509</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|-------------------|------------------|-------------------|----------------|-----------|-------------|-----------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 2018 | 124,858 | \$ 23,213 | \$ 148,071 | 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 |
| 2022 | 150,610 | 5,497 | 156,107 | 2023 | 2,749 | 2023 | 2,748 |
| | <u>\$ 686,509</u> | <u>\$ 73,472</u> | <u>\$ 759,981</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2009

April 30, 2019

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

| | <u>Amount</u> |
|------------|----------------------------|
| 2019 | \$ 190,000 |
| 2020 | 200,000 |
| 2021 | 205,000 |
| 2022 | 215,000 |
| 2,023 | 225,000 |
| Thereafter | <u>1,280,000</u> |
| | <u><u>\$ 2,315,000</u></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> |
| 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 |
| 2022 | 225,000 | 60,745 | 285,745 | 2023 | 30,373 | 2023 | 30,372 |
| Thereafter | <u>1,280,000</u> | <u>160,460</u> | <u>1,440,460</u> | Thereafter | 80,230 | Thereafter | 80,230 |
| | <u><u>\$ 2,315,000</u></u> | <u><u>\$ 537,198</u></u> | <u><u>\$ 2,852,198</u></u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2010B

April 30, 2019

| | |
|------------------------|---------------------------------------|
| 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 |
| 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 |
| 2022 | — | 172,500 | 172,500 | 2023 | 86,250 | 2023 | 86,250 |
| Thereafter | 3,000,000 | 1,322,500 | 4,322,500 | Thereafter | 661,250 | Thereafter | 661,250 |
| | <u>\$ 3,000,000</u> | <u>\$ 2,185,000</u> | <u>\$ 5,185,000</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2010C

April 30, 2019

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

| <u>Redeemable annually on December 15</u> | <u>Amount</u> |
|---|---------------------|
| 2019 | \$ 215,000 |
| 2020 | 405,000 |
| 2021 | 415,000 |
| 2022 | 425,000 |
| 2023 | 435,000 |
| Thereafter | <u>2,600,000</u> |
| | <u>\$ 4,495,000</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> |
| 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 |
| 2022 | 435,000 | 158,793 | 593,793 | 2023 | 79,397 | 2023 | 79,396 |
| Thereafter | <u>2,600,000</u> | <u>463,847</u> | <u>3,063,847</u> | Thereafter | 231,923 | Thereafter | 231,924 |
| | <u>\$ 4,495,000</u> | <u>\$ 1,444,836</u> | <u>\$ 5,939,836</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2011A

April 30, 2019

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 | Amount |
|---|-------------------|
| 2019 | \$ 130,000 |
| 2020 | 140,000 |
| 2021 | — |
| 2022 | — |
| 2023 | — |
| Thereafter | — |
| | <u>\$ 270,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|------------------------------|-------------------|------------------|-------------------|-----------------------|---------------|--------------------|---------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 | — |
| 2022 | — | — | — | 2023 | — | 2023 | — |
| Thereafter | — | — | — | Thereafter | — | Thereafter | — |
| | <u>\$ 270,000</u> | <u>\$ 10,200</u> | <u>\$ 280,200</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2011B

April 30, 2019

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 |
|------------|----------------------|
| 2019 | \$ 2,400,000 |
| 2020 | 2,470,000 |
| 2021 | 2,530,000 |
| 2022 | 2,605,000 |
| 2023 | 1,870,000 |
| Thereafter | — |
| | <u>\$ 11,875,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|----------------------|-------------------|----------------------|----------------|------------|-------------|------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 |
| 2022 | 1,870,000 | 56,100 | 1,926,100 | 2023 | 28,050 | 2023 | 28,050 |
| Thereafter | — | — | — | Thereafter | — | Thereafter | — |
| | <u>\$ 11,875,000</u> | <u>\$ 966,350</u> | <u>\$ 12,841,350</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2013

April 30, 2019

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 | |
|------------|---------------------|
| 2019 | \$ 350,000 |
| 2020 | 430,000 |
| 2021 | 435,000 |
| 2022 | 440,000 |
| 2023 | 450,000 |
| Thereafter | 7,130,000 |
| | <u>\$ 9,235,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|---------------------|---------------------|----------------------|----------------|------------|-------------|------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 |
| 2022 | 450,000 | 285,762 | 735,762 | 2023 | 142,881 | 2023 | 142,881 |
| Thereafter | 7,130,000 | 1,643,673 | 8,773,673 | Thereafter | 821,837 | Thereafter | 821,836 |
| | <u>\$ 9,235,000</u> | <u>\$ 3,192,936</u> | <u>\$ 12,427,936</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2015

April 30, 2019

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 | |
|--------|------------------|
| \$ | 305,000 |
| | 305,000 |
| | 340,000 |
| | 355,000 |
| | 370,000 |
| | 7,695,000 |
| \$ | <u>9,370,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|---------------------|---------------------|---------------------|----------------------|----------------|------------|-------------|------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 | 134,713 | 2021 | 134,712 |
| 2021 | 355,000 | 260,925 | 615,925 | 2022 | 130,463 | 2022 | 130,462 |
| 2022 | 370,000 | 252,050 | 622,050 | 2023 | 126,025 | 2023 | 126,025 |
| Thereafter | 7,695,000 | 1,869,302 | 9,564,302 | Thereafter | 934,671 | Thereafter | 934,671 |
| | <u>\$ 9,370,000</u> | <u>\$ 3,213,427</u> | <u>\$ 12,583,427</u> | | | | |

CITY OF LAKE FOREST

General Obligation Bonds – 2017

April 30, 2019

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 - 3.50%

Interest dates: June 15 and December 15
 Payable at: Bank of New York Mellon
 Chicago, Illinois

| Redeemable annually on December 15 | Amount |
|---|---------------------|
| 2019 | \$ — |
| 2020 | — |
| 2021 | — |
| 2022 | — |
| 2023 | 515,000 |
| Thereafter | 8,780,000 |
| | <u>\$ 9,295,000</u> |

Bond Principal and Interest Requirements

| Tax levy year | Tax levy | | | Coupons due on | | | |
|------------------------------|---------------------|---------------------|----------------------|-----------------------|---------------|--------------------|---------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 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 | — | 271,153 | 271,153 | 2022 | 135,577 | 2022 | 135,576 |
| 2022 | 515,000 | 271,153 | 786,153 | 2023 | 135,577 | 2023 | 135,576 |
| Thereafter | 8,780,000 | 2,197,063 | 10,977,063 | Thereafter | 1,098,532 | Thereafter | 1,098,531 |
| | <u>\$ 9,295,000</u> | <u>\$ 3,552,828</u> | <u>\$ 12,847,828</u> | | | | |

CITY OF LAKE FOREST

Debt Service Fund Combining Balance Sheet As of April 30, 2019

| 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 | \$ 16,121 | \$ 4,771 | \$ 6,514 | \$ 1,513,074 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | <u>72,332</u> | <u>20,740</u> | <u>146,341</u> | <u>-</u> |
| Total assets | <u>\$ 88,453</u> | <u>\$ 25,511</u> | <u>\$ 152,855</u> | <u>\$ 1,513,074</u> |
| Deferred inflows of resources | | | | |
| Property taxes levied to finance FY18 | 72,332 | 20,740 | 146,341 | - |
| Fund Balance | | | | |
| Fund balance- restricted for debt service | <u>16,121</u> | <u>4,771</u> | <u>6,514</u> | <u>1,513,074</u> |
| Total deferred inflows of resources and fund balances | <u>\$ 88,453</u> | <u>\$ 25,511</u> | <u>\$ 152,855</u> | <u>\$ 1,513,074</u> |

| 2009 General Obligation Bonds | 2010 General Obligation Bonds | 2013 General Obligation Bonds | 2015 General Obligation Bonds | Total |
|--|--|--|--|---------------------|
| \$ 30,391 | \$ 42,668 | \$ 23,736 | \$ 2,358 | \$ 1,639,633 |
| <u>276,765</u> | <u>465,142</u> | <u>676,269</u> | <u>226,444</u> | <u>1,884,033</u> |
| <u>\$ 307,156</u> | <u>\$ 507,810</u> | <u>\$ 700,005</u> | <u>\$ 228,802</u> | <u>\$ 3,523,666</u> |
| 276,765 | 465,142 | 676,269 | 226,444 | 1,884,033 |
| <u>30,391</u> | <u>42,668</u> | <u>23,736</u> | <u>2,358</u> | <u>1,639,633</u> |
| <u>\$ 307,156</u> | <u>\$ 507,810</u> | <u>\$ 700,005</u> | <u>\$ 228,802</u> | <u>\$ 3,523,666</u> |

CITY OF LAKE FOREST

Debt Service Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2019

| | 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 |
|--|--|--|--|---|
| Revenues | | | | |
| Taxes: | | | | |
| Property taxes | \$ 75,110 | \$ 20,814 | \$ 146,981 | \$ - |
| Grants and contributions- IRS rebate | - | - | - | - |
| Investment income | <u>1,043</u> | <u>262</u> | <u>1,400</u> | <u>37,088</u> |
| Total Revenues | <u>76,153</u> | <u>21,076</u> | <u>148,381</u> | <u>37,088</u> |
| Expenditures | | | | |
| General government | - | - | - | 250 |
| Debt Service: | | | | |
| Principal | 65,000 | 17,202 | 119,423 | 443,000 |
| Interest | <u>9,525</u> | <u>3,106</u> | <u>26,855</u> | <u>77,855</u> |
| Total expenditures | <u>74,525</u> | <u>20,308</u> | <u>146,278</u> | <u>521,105</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,628</u> | <u>768</u> | <u>2,103</u> | <u>(484,017)</u> |
| Other financing sources: | | | | |
| Transfers in | - | - | - | 574,215 |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>574,215</u> |
| Net change in fund balance | 1,628 | 768 | 2,103 | 90,198 |
| Fund balance- beginning of the year | <u>14,493</u> | <u>4,003</u> | <u>4,411</u> | <u>1,422,876</u> |
| Fund balance- end of the year | <u>\$ 16,121</u> | <u>\$ 4,771</u> | <u>\$ 6,514</u> | <u>\$ 1,513,074</u> |

| 2009 General Obligation Bonds | 2010 General Obligation Bonds | 2013 General Obligation Bonds | 2015 General Obligation Bonds | Total |
|--|--|--|--|---------------------|
| \$ 281,731 | \$ 488,887 | \$ 538,604 | \$ 226,490 | \$ 1,778,617 |
| - | 150,003 | - | - | 150,003 |
| 2,501 | 3,799 | 3,920 | 1,208 | 51,221 |
| <u>284,232</u> | <u>642,689</u> | <u>542,524</u> | <u>227,698</u> | <u>1,979,841</u> |
| 500 | 1,000 | 750 | 1,000 | 3,500 |
| 185,000 | 225,000 | 200,000 | 175,000 | 1,429,625 |
| <u>93,745</u> | <u>408,599</u> | <u>333,763</u> | <u>289,050</u> | <u>1,242,498</u> |
| <u>279,245</u> | <u>634,599</u> | <u>534,513</u> | <u>465,050</u> | <u>2,675,623</u> |
| <u>4,987</u> | <u>8,090</u> | <u>8,011</u> | <u>(237,352)</u> | <u>(695,782)</u> |
| - | - | - | 239,313 | 813,528 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>239,313</u> | <u>813,528</u> |
| 4,987 | 8,090 | 8,011 | 1,961 | 117,746 |
| 25,404 | 34,578 | 15,725 | 397 | 1,521,887 |
| <u>\$ 30,391</u> | <u>\$ 42,668</u> | <u>\$ 23,736</u> | <u>\$ 2,358</u> | <u>\$ 1,639,633</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. | 160 - 169 |
| 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. | 170 - 177 |
| 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. | 178 - 182 |
| 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. | 183 - 185 |
| 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. | 186 - 188 |

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 | 2019 | 2018 | 2017 | 2016 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 164,675,251 | \$ 166,607,491 | \$ 170,568,584 | \$ 181,481,470 |
| Restricted | 26,714,972 | 20,193,505 | 15,476,976 | 18,506,073 |
| Unrestricted | <u>(14,809,677)</u> | <u>(11,006,718)</u> | <u>(9,068,405)</u> | <u>(18,479,928)</u> |
| Total Governmental Activities Net Position | <u>\$ 176,580,546</u> | <u>\$ 175,794,278</u> | <u>\$ 176,977,155</u> | <u>\$ 181,507,615</u> |
| Business-type Activities | | | | |
| Net Investment in Capital Assets | \$ 39,610,155 | \$ 40,729,712 | \$ 37,504,482 | \$ 37,582,505 |
| Unrestricted | <u>9,508,483</u> | <u>8,950,670</u> | <u>7,696,321</u> | <u>8,323,401</u> |
| Total Business-type Activities Net Position | <u>\$ 49,118,638</u> | <u>\$ 49,680,382</u> | <u>\$ 45,200,803</u> | <u>\$ 45,905,906</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$ 204,285,406 | \$ 207,337,203 | \$ 208,073,066 | \$ 219,063,975 |
| Restricted | 26,714,972 | 20,193,505 | 15,476,976 | 18,506,073 |
| Unrestricted | <u>(5,301,194)</u> | <u>(2,056,048)</u> | <u>(1,372,084)</u> | <u>(10,156,527)</u> |
| Total Primary Government Net Position | <u>\$ 225,699,184</u> | <u>\$ 225,474,660</u> | <u>\$ 222,177,958</u> | <u>\$ 227,413,521</u> |

*Beginning in 2016, the City implemented GASB 68 which resulted in the inclusion of a net pension liability.

Data Source

Audited Financial Statements

| 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 181,056,601 | \$ 184,270,349 | \$ 187,500,531 | \$ 190,779,593 | \$ 192,568,460 | \$ 193,225,047 |
| 15,737,797 | 16,860,362 | 16,064,099 | 16,499,487 | 3,645,693 | 3,001,515 |
| <u>26,747,317</u> | <u>23,689,130</u> | <u>21,126,818</u> | <u>19,550,532</u> | <u>29,683,545</u> | <u>25,090,240</u> |
| <u>\$ 223,541,715</u> | <u>\$ 224,819,841</u> | <u>\$ 224,691,448</u> | <u>\$ 226,829,612</u> | <u>\$ 225,897,698</u> | <u>\$ 221,316,802</u> |
| | | | | | |
| \$ 36,617,378 | \$ 36,163,443 | \$ 36,077,752 | \$ 36,753,670 | \$ 37,709,887 | \$ 38,075,853 |
| <u>8,941,920</u> | <u>9,739,336</u> | <u>9,880,856</u> | <u>8,918,142</u> | <u>8,513,924</u> | <u>8,617,858</u> |
| <u>\$ 45,559,298</u> | <u>\$ 45,902,779</u> | <u>\$ 45,958,608</u> | <u>\$ 45,671,812</u> | <u>\$ 46,223,811</u> | <u>\$ 46,693,711</u> |
| | | | | | |
| \$ 217,673,979 | \$ 220,433,792 | \$ 223,578,283 | \$ 227,533,263 | \$ 230,278,347 | \$ 231,300,900 |
| 15,737,797 | 16,860,362 | 16,064,099 | 16,499,487 | 3,645,693 | 3,001,515 |
| <u>35,689,237</u> | <u>33,428,466</u> | <u>31,007,674</u> | <u>28,468,674</u> | <u>38,197,469</u> | <u>33,708,098</u> |
| <u>\$ 269,101,013</u> | <u>\$ 270,722,620</u> | <u>\$ 270,650,056</u> | <u>\$ 272,501,424</u> | <u>\$ 272,121,509</u> | <u>\$ 268,010,513</u> |

CITY OF LAKE FOREST

Change in Net Position Last Ten Fiscal Years

| Fiscal Years | 2019 | 2018 | 2017 | 2016 |
|---|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| General Government | \$ 13,773,790 | \$ 9,884,646 | \$ 16,882,976 | \$ 11,675,363 |
| Highway and Streets | 9,081,471 | 9,621,569 | 10,923,639 | 9,230,548 |
| Sanitation | 2,580,043 | 2,585,940 | 2,611,231 | 2,208,326 |
| Culture and Recreation | 8,859,391 | 10,003,119 | 10,023,195 | 8,463,259 |
| Public Safety | 19,769,395 | 17,017,092 | 17,048,209 | 16,360,830 |
| Interest | <u>1,231,944</u> | <u>1,271,181</u> | <u>1,559,100</u> | <u>1,293,742</u> |
| Total Governmental Activities Expenses | <u>\$ 55,296,034</u> | <u>\$ 50,383,547</u> | <u>\$ 59,048,350</u> | <u>\$ 49,232,068</u> |
| Business-type Activities | | | | |
| Waterworks and sewerage | 7,832,615 | 8,122,998 | 8,510,811 | 7,239,042 |
| Golf | <u>1,875,677</u> | <u>1,604,261</u> | <u>2,095,510</u> | <u>1,868,252</u> |
| Total Business-type Activities Expenditures | <u>9,708,292</u> | <u>9,727,259</u> | <u>10,606,321</u> | <u>9,107,294</u> |
| Total Primary Government Expenses | <u>\$ 65,004,326</u> | <u>\$ 60,110,806</u> | <u>\$ 69,654,671</u> | <u>\$ 58,339,362</u> |
| Program Revenue | | | | |
| Governmental Activities | | | | |
| Charges for Services | | | | |
| General Government | \$ 5,007,655 | \$ 5,203,210 | \$ 8,860,169 | \$ 8,191,440 |
| Highways and Streets | 2,730,122 | 1,006,644 | 782,953 | 990,840 |
| Sanitation | 749,620 | 721,276 | 734,111 | 697,435 |
| Culture and Recreation | 3,117,795 | 3,491,365 | 2,810,762 | 3,257,796 |
| Public Safety | 2,117,186 | 1,992,985 | 1,689,547 | 1,552,567 |
| Operating Grants and Contributions | 985,676 | 1,298,006 | 1,088,579 | 1,368,451 |
| Capital Grants and Contributions | <u>505,988</u> | <u>356,178</u> | <u>1,174,000</u> | <u>280,675</u> |
| Total Governmental Activities Program Revenues | <u>15,214,042</u> | <u>14,069,664</u> | <u>17,140,121</u> | <u>16,339,204</u> |
| Business-type activities | | | | |
| Charges for Services | | | | |
| Waterworks and sewerage | 7,818,777 | 8,083,554 | 7,873,741 | 7,477,558 |
| Golf | 1,524,654 | 1,480,618 | 1,606,661 | 1,759,271 |
| Operating Grants and Contributions | 228,332 | - | - | - |
| Capital Grants and Contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Business-type Activities Program Revenues | <u>9,571,763</u> | <u>9,564,172</u> | <u>9,480,402</u> | <u>9,236,829</u> |
| Total Primary Government Revenues | <u>\$ 24,785,805</u> | <u>\$ 23,633,836</u> | <u>\$ 26,620,523</u> | <u>\$ 25,576,033</u> |
| Net (Expense) Revenue | | | | |
| Governmental Activities | \$ (40,081,992) | \$ (36,313,883) | \$ (41,908,229) | \$ (32,892,864) |
| Business-type Activities | <u>(136,529)</u> | <u>(163,087)</u> | <u>(1,125,919)</u> | <u>129,535</u> |
| Total Primary Government Net Expense | <u>\$ (40,218,521)</u> | <u>\$ (36,476,970)</u> | <u>\$ (43,034,148)</u> | <u>\$ (32,763,329)</u> |

| 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 12,604,331 | \$ 12,311,198 | \$ 16,176,326 | \$ 12,080,189 | \$ 13,321,852 | \$ 13,974,412 |
| 8,839,231 | 7,762,403 | 7,536,444 | 8,304,860 | 8,687,404 | 9,469,570 |
| 2,474,355 | 2,586,125 | 2,512,559 | 2,568,820 | 2,349,916 | 2,183,373 |
| 10,172,391 | 10,397,593 | 10,352,252 | 9,469,832 | 9,402,752 | 9,589,857 |
| 15,303,399 | 14,430,151 | 13,748,855 | 13,583,116 | 13,398,718 | 13,116,738 |
| <u>1,357,552</u> | <u>1,333,267</u> | <u>1,362,715</u> | <u>1,420,087</u> | <u>1,424,317</u> | <u>1,097,805</u> |
| <u>\$ 50,751,259</u> | <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> |
| 8,353,825 | 7,476,752 | 8,287,297 | 7,985,394 | 8,008,372 | 7,882,904 |
| <u>1,642,121</u> | <u>1,554,678</u> | <u>1,459,394</u> | <u>1,371,380</u> | <u>1,393,869</u> | <u>1,345,437</u> |
| <u>9,995,946</u> | <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>\$ 60,747,205</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> |
| \$ 5,442,475 | \$ 4,756,948 | \$ 4,838,151 | \$ 4,771,863 | \$ 4,455,844 | \$ 4,822,344 |
| 710,795 | 741,334 | 753,487 | 846,366 | 693,029 | 809,661 |
| 682,062 | 77,147 | 58,564 | 81,577 | 171,030 | 104,158 |
| 3,156,699 | 3,314,856 | 3,342,913 | 3,392,303 | 3,650,467 | 4,121,592 |
| 1,795,521 | 1,950,998 | 1,861,619 | 1,678,032 | 1,930,715 | 1,540,927 |
| 1,345,670 | 1,105,191 | 1,777,734 | 1,433,791 | 846,781 | 1,413,819 |
| <u>468,255</u> | <u>757,239</u> | <u>25,000</u> | <u>360,407</u> | <u>5,982,721</u> | <u>925,524</u> |
| <u>13,601,477</u> | <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> |
| 8,034,469 | 7,521,323 | 8,598,079 | 7,477,637 | 7,344,740 | 7,048,854 |
| 1,414,217 | 1,397,836 | 1,320,455 | 1,238,016 | 1,264,624 | 1,333,879 |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>162,051</u> | <u>97,724</u> |
| <u>9,448,686</u> | <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>\$ 23,050,163</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> |
| \$(37,149,782) | \$(36,117,024) | \$(39,031,683) | \$(34,862,565) | \$(30,854,372) | \$(35,693,730) |
| <u>(547,260)</u> | <u>(112,271)</u> | <u>171,843</u> | <u>(641,121)</u> | <u>(630,826)</u> | <u>(747,884)</u> |
| <u>\$(37,697,042)</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> |

CITY OF LAKE FOREST

Change in Net Position (Cont.) Last Ten Fiscal Years

| Fiscal Years | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|-----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities | | | | |
| Taxes | | | | |
| Property | \$ 27,591,773 | \$ 26,193,444 | \$ 25,928,864 | \$ 25,006,224 |
| Sales | 2,095,938 | 2,105,736 | 2,829,607 | 2,889,306 |
| Income and Use | 2,593,506 | 2,272,639 | 2,306,546 | 2,251,828 |
| Telecommunications and Utility | 3,603,381 | 3,440,365 | 3,596,175 | 3,551,491 |
| Real Estate Transfer Tax | 1,471,595 | 1,622,900 | 1,398,160 | 1,288,175 |
| Other | 2,410,453 | 2,178,246 | 636,368 | 514,231 |
| Investment Earnings | 2,215,202 | 1,665,391 | 1,042,049 | 145,329 |
| Miscellaneous | - | - | - | - |
| Gain (loss) on sale of assets | 7,775 | (3,874) | - | - |
| Transfers | 786,850 | (4,343,841) | (360,000) | (924,496) |
| Total Government Activities | <u>42,776,473</u> | <u>35,131,006</u> | <u>37,377,769</u> | <u>34,722,088</u> |
| Business-type Activities | | | | |
| Investment Earnings | \$ 279,189 | \$ 236,990 | \$ 58,366 | \$ 40,362 |
| Other | 299,176 | 61,835 | 2,450 | 6,033 |
| Transfers | (786,850) | 4,343,841 | 360,000 | 924,496 |
| Total Business-type Activities | <u>(208,485)</u> | <u>4,642,666</u> | <u>420,816</u> | <u>970,891</u> |
| Total Primary Government | <u>\$ 42,567,988</u> | <u>\$ 39,773,672</u> | <u>\$ 37,798,585</u> | <u>\$ 35,692,979</u> |
| Change in Net Position | | | | |
| Governmental Activities | \$ 2,694,481 | \$ (1,182,877) | \$ (4,530,460) | \$ 1,829,224 |
| Business-type Activities | <u>(345,014)</u> | <u>4,479,579</u> | <u>(705,103)</u> | <u>1,100,426</u> |
| Total Primary Government Change in Net Position | <u>\$ 2,349,467</u> | <u>\$ 3,296,702</u> | <u>\$ (5,235,563)</u> | <u>\$ 2,929,650</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

| 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| \$ 24,468,769 | \$ 23,744,650 | \$ 25,051,411 | \$ 25,428,378 | \$ 24,739,956 | \$ 24,383,716 |
| 2,851,103 | 3,047,529 | 3,183,479 | 2,577,304 | 2,554,772 | 2,392,497 |
| 2,386,567 | 2,182,325 | 2,131,711 | 1,938,686 | 1,849,046 | 1,762,425 |
| 3,954,001 | 4,026,972 | 3,736,586 | 3,981,548 | 3,968,072 | 3,967,398 |
| 1,224,610 | 1,633,580 | 1,209,113 | 1,215,407 | 1,279,935 | 878,925 |
| 534,625 | 581,443 | 493,418 | 492,746 | 422,080 | 372,640 |
| 547,118 | 637,193 | 491,196 | 264,432 | 573,508 | 852,245 |
| 73,613 | 669,145 | 573,705 | 33,724 | 150,049 | 60,000 |
| - | - | - | - | - | - |
| (168,750) | (97,000) | (77,100) | (37,746) | (102,150) | (615,816) |
| <u>35,871,656</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> |
| 33,408 | 38,550 | 37,853 | 51,376 | 58,776 | 64,001 |
| 1,621 | - | - | - | - | - |
| <u>168,750</u> | <u>97,000</u> | <u>77,100</u> | <u>37,746</u> | <u>102,150</u> | <u>615,816</u> |
| <u>203,779</u> | <u>135,550</u> | <u>114,953</u> | <u>89,122</u> | <u>160,926</u> | <u>679,817</u> |
| <u>\$ 36,075,435</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> |
| \$ (1,278,126) | \$ 308,813 | \$ (2,238,164) | \$ 1,031,914 | \$ 4,580,896 | \$ (1,639,700) |
| <u>(343,481)</u> | <u>23,279</u> | <u>286,796</u> | <u>(551,999)</u> | <u>(469,900)</u> | <u>(68,067)</u> |
| <u>\$ (1,621,607)</u> | <u>\$ 332,092</u> | <u>\$ (1,951,368)</u> | <u>\$ 479,915</u> | <u>\$ 4,110,996</u> | <u>\$ (1,707,767)</u> |

CITY OF LAKE FOREST

Fund Balances of Governmental Funds Last Ten Fiscal Years

| Fiscal Years | 2019 | 2018 | 2017 | 2016 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Nonspendable | \$ 129,280 | \$ 150,038 | \$ 778,160 | \$ 1,272,224 |
| Restricted | - | - | - | - |
| Unassigned | 28,815,904 | 29,130,844 | 28,799,288 | 22,509,969 |
| Reserved | - | - | - | - |
| Unreserved | - | - | - | - |
| | <u>28,945,184</u> | <u>29,280,882</u> | <u>29,577,448</u> | <u>23,782,193</u> |
| Total General Fund | | | | |
| All other Governmental Funds | | | | |
| Nonspendable | 32,837 | 28,688 | 536,121 | 408,539 |
| Restricted | 26,656,696 | 20,806,879 | 19,420,288 | 20,337,111 |
| Assigned | - | - | - | 1,456,053 |
| Unassigned | (3,686) | - | - | - |
| Reserved | - | - | - | - |
| Special Revenue Funds | - | - | - | - |
| Capital Project Funds | - | - | - | - |
| Debt Service Funds | - | - | - | - |
| Unreserved, Reported in | - | - | - | - |
| Special Revenue Funds | - | - | - | - |
| Capital Projects Funds | - | - | - | - |
| Debt Service Funds | - | - | - | - |
| | <u>26,685,847</u> | <u>20,835,567</u> | <u>19,956,409</u> | <u>22,201,703</u> |
| Total All other Governmental Funds | | | | |
| Total Governmental Funds | <u>\$ 55,631,031</u> | <u>\$ 50,116,449</u> | <u>\$ 49,533,857</u> | <u>\$ 45,983,896</u> |

*The City implemented GASB Statement #54 in FY2012.

Data Source

Audited Financial Statements

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012*</u> | <u>2011</u> | <u>2010</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,648,832 | \$ 2,126,990 | \$ 2,775,449 | \$ 2,159,403 | \$ - | \$ - |
| 957,420 | 957,420 | 957,420 | 957,420 | - | - |
| 17,910,037 | 14,530,550 | 11,020,723 | 10,601,190 | - | - |
| - | - | - | - | 2,988,884 | 1,071,068 |
| - | - | - | - | 9,239,135 | 9,815,220 |
| <u>20,516,289</u> | <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> |
| 381,173 | - | 43,333 | 43,333 | - | - |
| 14,726,999 | 16,127,257 | 15,605,203 | 16,171,794 | - | - |
| 1,448,736 | 1,449,284 | 1,598,819 | 1,591,600 | - | - |
| (1,022,136) | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 4,333 | 43,306 |
| - | - | - | - | - | - |
| - | - | - | - | 2,808,826 | 2,839,264 |
| - | - | - | - | - | - |
| - | - | - | - | 9,869,178 | 8,209,263 |
| - | - | - | - | 6,189,372 | 3,171,421 |
| - | - | - | - | - | - |
| <u>15,534,772</u> | <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>\$ 36,051,061</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> |

CITY OF LAKE FOREST

Change in Fund Balances of Governmental Funds Last Ten Fiscal Years

| Fiscal Years | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------------|--------------------|---------------------|---------------------|-------------------|
| Revenues | | | | | |
| Property Taxes | \$ 27,591,773 | \$ 26,193,444 | \$ 25,928,864 | \$ 25,006,224 | \$ 24,468,769 |
| Other Taxes | 4,775,587 | 4,786,506 | 4,609,057 | 4,317,316 | 4,641,466 |
| Intergovernmental revenues | 6,717,794 | 6,331,183 | 6,656,768 | 6,680,193 | 6,972,923 |
| Grants and contributions | 2,220,550 | 997,289 | 1,419,736 | 1,056,523 | 950,823 |
| Charges for Services | 8,759,327 | 8,833,079 | 8,005,317 | 8,506,756 | 7,935,973 |
| Liscenses and permits | 3,456,703 | 3,232,276 | 5,157,398 | 5,222,568 | 2,821,066 |
| Fines and forfeitures | 355,304 | 345,438 | 321,168 | 260,407 | 287,333 |
| Investment income | 2,043,136 | 1,553,167 | 989,515 | 115,462 | 524,150 |
| Miscellaneous revenue | 1,511,534 | 1,831,152 | 841,731 | 779,137 | 790,344 |
| Total Revenue | 57,431,708 | 54,103,534 | 53,929,554 | 51,944,586 | 49,392,847 |
| Expenditure | | | | | |
| General Government | \$ 11,657,265 | \$ 10,469,740 | \$ 11,581,286 | \$ 10,811,408 | 10,248,830 |
| Highways and streets | 4,577,657 | 2,354,587 | 3,118,461 | 2,157,463 | 2,371,461 |
| Sanitation | 2,480,420 | 2,290,986 | 2,311,435 | 2,276,433 | 2,235,135 |
| Culture and recreation | 9,319,869 | 8,853,547 | 8,532,289 | 8,338,284 | 8,457,043 |
| Public Safety | 16,900,348 | 15,520,779 | 15,126,874 | 15,090,712 | 14,469,408 |
| Capital Outlay | 3,971,995 | 8,746,881 | 5,439,469 | 10,992,926 | 7,582,668 |
| Debt Service | | | | | |
| Principal | 1,429,625 | 1,782,156 | 7,906,696 | 1,791,579 | 1,623,436 |
| Interest | 1,242,498 | 1,277,596 | 1,639,191 | 1,293,634 | 1,400,609 |
| Total Expenditures | 51,579,677 | 51,296,272 | 55,655,701 | 52,752,439 | 48,388,590 |
| Excess (Deficiency) of Revenues over Expenditures | 5,852,031 | 2,807,262 | (1,726,147) | (807,853) | 1,004,257 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | \$ 7,280,685 | \$ 4,799,274 | \$ 7,776,661 | \$ 2,846,321 | 2,020,085 |
| Transfers out | (7,644,685) | (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 | 26,551 | 26,076 | 5,636,108 | 73,224 | 24,053 |
| Total Other Financing Sources (Uses) | (337,449) | (2,224,670) | 5,276,108 | 10,740,688 | (144,697) |
| Net Change in Fund Balance | \$ 5,514,582 | \$ 582,592 | \$ 3,549,961 | \$ 9,932,835 | \$ 859,560 |
| Debt Service as a Percentage of Non-Capital Expenditures | 5.42% | 6.49% | 17.36% | 6.54% | 6.43% |

| 2014 | 2013 | 2012 | 2011 | 2010 |
|---------------------|-------------------|-------------------|---------------------|-----------------------|
| \$ 23,744,650 | \$ 25,051,411 | \$ 25,428,378 | \$ 24,739,956 | \$ 24,383,716 |
| 11,471,849 | 10,754,307 | 10,205,691 | 10,073,905 | 9,433,885 |
| 576,125 | 612,357 | 589,960 | 523,185 | 1,304,368 |
| 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 |
| 2,477,338 | 2,450,194 | 2,475,739 | 2,246,336 | 2,135,888 |
| 297,005 | 368,941 | 372,607 | 409,539 | 372,924 |
| 610,601 | 462,579 | 225,225 | 531,666 | 815,520 |
| 759,384 | 1,225,082 | 730,813 | 1,074,576 | 1,374,476 |
| <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> |
| 10,112,393 | 14,242,768 | 10,313,031 | 11,929,446 | 12,226,189 |
| 2,293,840 | 2,044,225 | 2,139,656 | 2,449,911 | 3,897,758 |
| 2,212,166 | 2,193,091 | 2,228,844 | 2,194,511 | 2,056,528 |
| 8,686,298 | 9,282,695 | 8,463,547 | 8,559,331 | 8,816,962 |
| 14,299,583 | 13,826,732 | 13,723,801 | 13,291,727 | 13,062,453 |
| 5,527,772 | 4,586,574 | 6,641,923 | 6,348,572 | 11,376,490 |
| 1,400,950 | 1,377,736 | 2,531,876 | 15,659,313 | 2,877,662 |
| <u>1,319,276</u> | <u>1,392,342</u> | <u>1,667,372</u> | <u>1,284,755</u> | <u>1,173,967</u> |
| <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>2,420,423</u> | <u>488,758</u> | <u>386,900</u> | <u>(13,384,424)</u> | <u>(7,116,863)</u> |
| 3,224,306 | 2,829,243 | 2,296,270 | 1,844,410 | 1,847,105 |
| (3,321,306) | (2,906,343) | (2,334,016) | (1,946,560) | (2,462,921) |
| - | - | - | 18,090,000 | 3,680,000 |
| - | - | - | - | 2,300,000 |
| - | - | - | - | - |
| 26,093 | - | 120,828 | 279,130 | 19,051 |
| 9,715,000 | - | 5,690,000 | - | - |
| (9,665,000) | - | (5,769,025) | - | - |
| <u>791,038</u> | <u>64,549</u> | <u>34,055</u> | <u>1,067,630</u> | <u>-</u> |
| <u>770,131</u> | <u>(12,551)</u> | <u>38,112</u> | <u>19,334,610</u> | <u>5,383,235</u> |
| <u>\$ 3,190,554</u> | <u>\$ 476,207</u> | <u>\$ 425,012</u> | <u>\$ 5,950,186</u> | <u>\$ (1,733,628)</u> |
| 6.17% | 5.85% | 8.31% | 8.62% | 8.62% |

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 |
|--------------|-------------------------|------------------------|------------------------|-------------------|-------------------------------|------------------------------------|--------------------------------|---|---|
| 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% |
| 2018 | 2,305,181,606 | 214,536,978 | 52,832 | 7,152,663 | 4,202,435 | 2,531,126,514 | 1.2782 | 7,593,379,542 | 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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bonds | 0.090 | 0.096 | 0.068 | 0.071 | 0.088 | 0.090 | 0.067 | 0.059 | 0.060 | 0.066 |
| Corporate | 0.405 | 0.446 | 0.483 | 0.544 | 0.580 | 0.590 | 0.619 | 0.603 | 0.600 | 0.620 |
| Firemen's Pension | 0.034 | 0.037 | 0.041 | 0.046 | 0.052 | 0.054 | 0.053 | 0.050 | 0.061 | 0.065 |
| IMRF | 0.054 | 0.059 | 0.032 | 0.035 | 0.037 | 0.038 | 0.037 | 0.035 | 0.035 | 0.035 |
| Library | 0.105 | 0.116 | 0.126 | 0.141 | 0.152 | 0.155 | 0.153 | 0.146 | 0.145 | 0.149 |
| Library Sites & Building | 0.013 | 0.014 | 0.015 | 0.016 | 0.017 | 0.017 | 0.017 | 0.016 | 0.016 | 0.016 |
| Parks/Park Maintenance | 0.097 | 0.106 | 0.114 | 0.123 | 0.191 | 0.194 | 0.196 | 0.187 | 0.184 | 0.188 |
| Playground & Recreation ** | 0.043 | 0.046 | 0.050 | 0.055 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Police Pension | 0.050 | 0.057 | 0.060 | 0.066 | 0.076 | 0.080 | 0.082 | 0.078 | 0.083 | 0.087 |
| Recreation for Handicapped Rec. | 0.011 | 0.013 | 0.014 | 0.016 | 0.018 | 0.018 | 0.018 | 0.018 | 0.018 | 0.019 |
| Social Security | | | 0.032 | 0.035 | 0.037 | 0.038 | 0.037 | 0.035 | 0.035 | 0.035 |
| City Direct Rates * | 0.902 | 0.990 | 1.035 | 1.148 | 1.248 | 1.274 | 1.279 | 1.227 | 1.237 | 1.280 |
| Overlapping Rates | | | | | | | | | | |
| College of Lake County | 0.200 | 0.218 | 0.240 | 0.272 | 0.296 | 0.306 | 0.299 | 0.285 | 0.281 | 0.282 |
| County of Lake | 0.464 | 0.505 | 0.554 | 0.608 | 0.663 | 0.682 | 0.663 | 0.632 | 0.622 | 0.612 |
| Lake County Forest Preserve | 0.200 | 0.198 | 0.201 | 0.212 | 0.218 | 0.210 | 0.208 | 0.193 | 0.187 | 0.182 |
| North Shore Sanitary District | 0.124 | 0.136 | 0.150 | 0.150 | 0.164 | 0.169 | 0.166 | 0.157 | 0.153 | 0.153 |
| School District 67, Elem. | 0.998 | 1.095 | 1.186 | 1.322 | 1.424 | 1.452 | 1.429 | 1.367 | 1.355 | 1.391 |
| School District 115, High School | 1.069 | 1.101 | 1.191 | 1.322 | 1.420 | 1.450 | 1.409 | 1.329 | 1.314 | 1.336 |
| Township | 0.048 | 0.039 | 0.043 | 0.036 | 0.037 | 0.039 | 0.038 | 0.036 | 0.035 | 0.035 |
| Township Road and Bridge | 0.020 | 0.023 | 0.026 | 0.029 | 0.032 | 0.033 | 0.032 | 0.031 | 0.030 | 0.031 |
| Total tax rate | 4.025 | 4.305 | 4.626 | 5.099 | 5.502 | 5.615 | 5.523 | 5.257 | 5.214 | 5.302 |
| City's share of total tax rate | 22% | 23% | 22% | 23% | 23% | 23% | 23% | 23% | 24% | 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 | 2019 | | | 2010 | | |
|---|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation |
| Hospira Inc | \$ 16,646,512 | 1 | 0.66% | \$ 23,152,678 | 1 | 0.80% |
| Abbot Laboratories | 14,228,372 | 2 | 0.56% | | | |
| Lake Forest Place LLC | 12,809,495 | 3 | 0.51% | | | |
| Pactiv Corporation | 9,709,113 | 4 | 0.38% | | | |
| Trustmark Insurance Co | 8,273,651 | 5 | 0.33% | 7,917,041 | 6 | 0.27% |
| Northwestern Lake Forest Hospital | 7,568,928 | 6 | 0.30% | 7,565,154 | 7 | 0.26% |
| Lake Forest Landmark Co. LLC | 7,257,981 | 7 | 0.29% | | | |
| Lake Forest Investments | 6,162,364 | 8 | 0.24% | | | |
| Lake Forest Landmark II | 5,782,755 | 9 | 0.23% | 8,068,615 | 5 | 0.28% |
| Riggs & Co A Division of Riggs Bank N A | 5,706,096 | 10 | 0.23% | | | |
| The Presbyterian Home | | | | 18,981,566 | 2 | 0.66% |
| CBIZ Property Tax Solutions | | | | 10,857,731 | 4 | 0.38% |
| Lake Products, Inc | | | | 13,258,521 | 3 | 0.46% |
| James Campbell Company, LLC | | | | 6,894,806 | 8 | 0.24% |
| Shawgate Lake Forest, LLC | | | | 5,869,658 | 9 | 0.20% |
| Northern Trust Company | | | | 5,279,279 | 10 | 0.18% |
| | <u>\$ 94,145,267</u> | | <u>3.72%</u> | <u>\$107,845,049</u> | | <u>3.73%</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.

2019 Column is 2018 Assessed Valuation

2010 Column is 2009 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 |
| 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 | 31,250,130 | 99.80% | 9,178 | 31,259,308 | 99.83% |
| 2018 | 32,299,901 | 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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General | 0.405 | 0.446 | 0.483 | 0.544 | 0.580 | 0.590 | 0.619 | 0.603 | 0.600 | 0.617 |
| IMRF/Social Security | 0.054 | 0.059 | 0.064 | 0.070 | 0.074 | 0.076 | 0.074 | 0.070 | 0.070 | 0.071 |
| Firefighter Pension | 0.034 | 0.037 | 0.041 | 0.046 | 0.052 | 0.054 | 0.053 | 0.050 | 0.061 | 0.065 |
| Police Pension | 0.050 | 0.057 | 0.060 | 0.066 | 0.076 | 0.080 | 0.082 | 0.078 | 0.083 | 0.087 |
| Parks and Recreation | 0.140 | 0.152 | 0.164 | 0.178 | 0.191 | 0.194 | 0.196 | 0.187 | 0.184 | 0.188 |
| Special Recreation | 0.011 | 0.013 | 0.014 | 0.016 | 0.018 | 0.018 | 0.018 | 0.018 | 0.018 | 0.019 |
| General Obligation Bond 1998 B | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bond 2000 | 0.023 | 0.025 | - | - | - | - | - | - | - | - |
| General Obligation Bond 2001 B | 0.004 | 0.004 | - | - | - | - | - | - | - | - |
| General Obligation Bond 2003 A | 0.036 | - | - | - | - | - | - | - | - | - |
| General Obligation Bond 2008 | 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 | 0.011 |
| General Obligation Bond 2010 | 0.000 | 0.020 | 0.023 | 0.023 | 0.012 | 0.025 | 0.015 | 0.020 | 0.020 | 0.019 |
| General Obligation Bond 2013 | 0.000 | 0.000 | 0.000 | 0.000 | 0.026 | 0.015 | 0.010 | 0.018 | 0.018 | 0.027 |
| General Obligation Bond 2015 | - | - | - | - | - | - | 0.008 | 0.009 | 0.010 | 0.009 |
| Total tax rate | 0.784 | 0.856 | 0.894 | 0.991 | 1.079 | 1.102 | 1.110 | 1.065 | 1.076 | 1.113 |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Merchandise | \$ 8,492 | \$ 8,460 | \$ 36,478 | \$ 12,219 | \$ 9,722 | \$ 7,005 | \$ 7,471 | \$ 5,072 | \$ 4,358 | \$ 4,215 |
| Food | 83,567 | 89,338 | 90,613 | 91,999 | 93,952 | 105,771 | 96,009 | 92,936 | 93,838 | 95,457 |
| Drinking and Eating Places | 127,679 | 133,028 | 140,639 | 155,188 | 165,386 | 180,023 | 163,447 | 173,473 | 182,278 | 177,620 |
| Apparel | 55,300 | 51,968 | 53,727 | 64,317 | 68,135 | 68,291 | 75,606 | 73,785 | 72,540 | 67,069 |
| Furniture & H.H. & Radio | 42,526 | 38,958 | 10,187 | 37,536 | 38,821 | 39,494 | 36,526 | 32,774 | 28,424 | 29,524 |
| Lumber, Building, Hardware | 20,405 | 19,010 | (6,528) | 6,867 | 9,862 | - | - | 7,537 | 8,238 | 9,633 |
| Automobile and Filling Stations | 27,399 | 35,443 | 38,209 | 38,900 | 37,025 | 34,895 | 28,267 | 26,735 | 30,895 | 35,146 |
| Drugs and Miscellaneous Retail | 178,470 | 91,397 | 105,512 | 81,022 | 110,554 | 117,262 | 118,740 | 117,224 | 102,558 | 103,843 |
| Agriculture and All Others | 88,052 | 94,649 | 97,776 | 110,446 | 121,651 | 105,139 | 129,721 | 116,945 | 105,670 | 66,743 |
| Manufacturers | 21,860 | 14,322 | (4,963) | - | - | 7,095 | (3,818) | - | - | - |
| Censored categories | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 653,750 | \$ 576,572 | \$ 561,650 | \$ 598,494 | \$ 655,108 | \$ 664,975 | \$ 651,969 | \$ 646,481 | \$ 628,799 | \$ 589,250 |
| 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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Merchandise | \$ 16,984 | \$ 17,248 | \$ 72,955 | \$ 24,726 | \$ 19,656 | \$ 14,010 | \$ 14,930 | \$ 11,412 | \$ 10,496 | \$ 10,069 |
| Food | 562,455 | 570,803 | 579,914 | 585,517 | 593,446 | 673,803 | 591,893 | 564,049 | 550,591 | 535,167 |
| Drinking and Eating Places | 260,953 | 271,753 | 286,472 | 317,291 | 338,382 | 364,221 | 329,303 | 350,024 | 372,173 | 362,713 |
| Apparel | 110,600 | 103,935 | 107,453 | 128,633 | 136,270 | 136,582 | 151,212 | 147,576 | 145,141 | 134,201 |
| Furniture & H.H. & Radio | 85,052 | 77,915 | 20,373 | 75,071 | 77,642 | 78,988 | 73,061 | 65,571 | 56,848 | 59,046 |
| Lumber, Building, Hardware | 40,810 | 38,019 | (13,037) | 13,742 | 19,724 | - | - | 15,076 | 16,479 | 19,267 |
| Automobile and Filling Stations | 109,080 | 150,101 | 138,744 | 146,865 | 241,339 | 178,178 | 133,684 | 139,764 | 141,260 | 131,243 |
| Drugs and Miscellaneous Retail | 546,202 | 322,376 | 371,420 | 400,096 | 433,159 | 430,482 | 414,407 | 431,966 | 399,115 | 381,239 |
| Agriculture and All Others | 198,803 | 267,227 | 254,225 | 274,807 | 285,401 | 255,189 | 295,974 | 271,061 | 246,697 | 166,637 |
| Manufacturers | 43,909 | 28,947 | (9,729) | - | - | 14,415 | (5,107) | - | - | - |
| Censored categories | - | - | - | - | - | - | - | - | - | - |
| Total | <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> | <u>\$ 1,799,582</u> |
| Total Number of Payers | 849 | 843 | 663 | 647 | 637 | 637 | 673 | 687 | 687 | 604 |
| 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.

The category of Furniture & H.H. & Radio became a censored status in the 4th quarter of 2011

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 |
|----------------|------------------------|---------------|---------------|---------------------------|-------|
| 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% |
| 2019 | 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 | | | | |
| 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 | 2.15% | 3.65% | 2,816.64 |
| 2019 | 32,016,478 | - | 19,090,324 | - | 51,106,802 | 2.02% | 3.42% | 2,637.77 |

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 |
|-------------|--------------------------------|---|---------------|---|---------------|
| 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 |
| 2019 | 51,106,802 | 1,639,633 | 49,467,169 | 0.65% | 2,553.14 |

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, 2019

| Governmental unit | Gross Debt | Percentage Debt Applicable to the City of Lake Forest* | City of Lake Forest Share of Debt |
|--------------------------------------|-----------------------|---|--|
| Lake County | \$ 184,660,000 | 9.94% | \$ 18,355,204 |
| Lake County Community College #532 | 63,745,000 | 10.48% | 6,680,476 |
| Lake County Forest Preserve District | 251,750,000 | 9.94% | 25,023,950 |
| School District #67 | 1,490,000 | 100.00% | 1,490,000 |
| School District #103 | 6,010,000 | 0.01% | 601 |
| High School District #115 | 29,390,000 | 79.50% | 23,365,050 |
| Subtotal, overlapping debt | 537,045,000 | | 74,915,281 |
| City of Lake Forest direct debt | 32,016,478 | 100.00% | \$ 32,016,478 |
| Total direct and overlapping debt | <u>\$ 569,061,478</u> | | <u>\$ 106,931,759</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.

District Bond Principal Payments Report

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: | | Net Available Revenue | Debt Service | | Coverage |
| | | Operating Expenses | | | Principal | Interest | |
| 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 |
| 2019 | 10,357,788 | 6,992,668 | | 3,365,120 | 1,987,000 | 580,023 | 1.31 |

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

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 |
|-------------|------------|-----|---|----|----------------------|----|--------------------|----|-------------------------------------|----------------------|
| 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% |
| 2019 * | 19,375 | (A) | 2,526,924,079 | | 130,639 | | 1,493,657,500 | | 77,092 | 3.7% |

(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 | 2019 | | | 2010 | | |
|--|-----------|------|----------------------------------|-----------|------|----------------------------------|
| | Employees | Rank | % of Total City Population | Employees | Rank | % of Total City Population |
| Northwest Lake Forest Hospital | 1,510 | 1 | 7.79% | 1,760 | 1 | 8.15% |
| Hospira Inc. | - | | | 1,400 | 2 | 6.48% |
| Pfizer | ** | 2 | | | | |
| Abbott | 779 | 3 | 4.02% | | | |
| Trustmark Insurance Company | 750 | 4 | 3.87% | 721 | 4 | 3.34% |
| TAP Pharmaceutical Products | | | | 804 | 3 | 3.72% |
| Lake Forest College excludes student employees | 439 | 5 | 2.27% | 514 | 5 | 2.38% |
| Pactiv Corporation | 388 | 6 | 2.00% | 464 | 6 | 2.15% |
| Lake Forest Elem. S.D. No. 67 | 303 | 7 | 1.56% | 357 | 7 | 1.65% |
| Packaging Corporation of America | 298 | 9 | 1.54% | | | |
| Lake Forest H.S. District 115 teacher, support staff | 296 | 8 | 1.53% | 354 | 8 | 1.40% |
| City of Lake Forest | 210 | 10 | 1.08% | 249 | 10 | 1.15% |
| Brunswick Corporation Packaging Corp | - | | 0.00% | 308 | 9 | 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 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government | | | | | | | | | | |
| Administration | 29 | 26 | 25 | 25 | 25.0 | 25.0 | 25.0 | 25.4 | 23.5 | 23.75 |
| Community Development | 15 | 12.5 | 12.5 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| Public Safety | | | | | | | | | | |
| Fire Protection | | | | | | | | | | |
| Firefighters | 36 | 34 | 33 | 33 | 33 | 33 | 33 | 33 | 32 | 32 |
| Administrative | 2.5 | 2.5 | 2.5 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Police | | | | | | | | | | |
| Officers | 41.5 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Civilians | 18.5 | 17.5 | 18.0 | 18.0 | 18.0 | 18.0 | 8.0 | 9.0 | 7.0 | 7.0 |
| Public Works | | | | | | | | | | |
| Public Works Administration | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Building Maintenance | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| Engineering | 7 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Streets | 8 | 8 | 7 | 7.5 | 7.5 | 7.5 | 7.5 | 8.0 | 8.0 | 8.0 |
| Sanitation | 12 | 12 | 12 | 11.5 | 10.5 | 10.5 | 10.5 | 10.0 | 10.0 | 10.0 |
| Forestry | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fleet (vehicle) Maintenance | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water | | | | | | | | | | |
| Water Plant | 9 | 8 | 7 | 7 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Water and Sewer | 10 | 10 | 10 | 10 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 |
| Parks | 7.25 | 16.4 | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 | 15.0 | 15.0 | 15.0 |
| Recreation | 17.5 | 17.4 | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 | 16.0 | 16.0 | 16.0 |
| Golf Course | 3.25 | 3.2 | 3.2 | 2.2 | 2.2 | 2.2 | 2.2 | 0.0 | 0.0 | 0.0 |
| Cemetery | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Senior Resources | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Sub - total City | 248.5 | 235.5 | 227 | 226 | 224 | 224 | 214 | 213.4 | 209.5 | 209.75 |
| Library | 27.24 | 29.6 | 27.9 | 27.8 | 28.2 | 28.2 | 29.2 | 30.5 | 30.5 | 31.0 |
| Total all | 275.74 | 265.1 | 254.9 | 253.8 | 252.2 | 252.2 | 243.2 | 243.9 | 240 | 240.75 |

Data Source

City Departments and employee totals as of April 30th

CITY OF LAKE FOREST

Operating Indicators
Last Ten Fiscal Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government | | | | | | | | | | |
| City Clerk | | | | | | | | | | |
| Real Estate Transfer Tax (1) | | | | | | | | | | |
| Number of Transactions | 261 | 293 | 297 | 382 | 440 | 394 | 355 | 361 | 425 | 418 |
| Rebates Issued | 30 | 37 | 37 | 40 | 67 | 40 | 44 | 37 | 40 | 45 |
| Birth Certificates Issued | 2,751 | 1,940 | 2,821 | 2,675 | 2,250 | 2,556 | 2,575 | 2,474 | 2,807 | 2,759 |
| Passports Issued (2) | 108 | 48 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Development | | | | | | | | | | |
| Building permits issued | 2,610 | 3072 | 3451 | 3197 | 3418 | 3667 | 3855 | 3632 | 3753 | 4275 |
| Residential construction | 4 | 7 | 11 | 7 | 13 | 20 | 27 | 21 | 9 | 13 |
| Commercial construction | 1 | 0 | 1 | 2 | 1 | 1 | 1 | 1 | 4 | 0 |
| Building inspections conducted | 8,060 | 8392 | 8645 | 8925 | 8651 | 9657 | 11009 | 11707 | 10798 | 11214 |
| Public Safety | | | | | | | | | | |
| Fire protection | | | | | | | | | | |
| I.S.O. rating | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Number of calls answered | | | | | | | | | | |
| EMS | 1,041 | 1,211 | 1,607 | 1,726 | 1,574 | 1,785 | 1,712 | 1,923 | 1,909 | 1,839 |
| Fire | 1,233 | 1,177 | 1,734 | 1,403 | 1,497 | 1,503 | 1,367 | 1,385 | 1,448 | 1,450 |
| Police (calendar year) | | | | | | | | | | |
| Non traffic arrests | 424 | 385 | 335 | 237 | 191 | 89 | 166 | 129 | 76 | 157 |
| Parking violations | 8,472 | 8,757 | 7,114 | 7,013 | 5,979 | 5,250 | 3,907 | 5,396 | 4,325 | 6,891 |
| Traffic violations | 3,190 | 2,997 | 2,028 | 2,220 | 1,877 | 1,741 | 1,985 | 1,718 | 949 | 1,909 |
| Public Works | | | | | | | | | | |
| Streets | | | | | | | | | | |
| Street resurfacing (miles) (calender year) | 5.76 | 6.57 | 7.09 | 5.92 | 5.00 | 5.50 | 2.40 | 3.28 | 2.63 | 2.20 |
| Number of snow events | | | | | | | | | | |
| Salting | 14 | 15 | 14 | 23 | 27 | 21 | 24 | 15 | 10 | 9 |
| Plowing | 15 | 20 | 12 | 12 | 21 | 20 | 10 | 5 | 10 | 9 |
| Inches of snow | 56 | 60 | 21 | 36 | 48 | 50 | 24 | 22 | 45 | 46 |
| Sanitation | | | | | | | | | | |
| Refuse collection customers | 6,361 | 6,471 | 6,471 | 6,472 | 6,462 | 6,654 | 6,295 | 6,467 | 6,467 | 6,484 |
| Parks and Recreation (3) | | | | | | | | | | |
| Fitness | | | | | | | | | | |
| Number of programs | 349 | 334 | 322 | 264 | 336 | 181 | 346 | 215 | 200 | 257 |
| Units of participation | 1,355 | 1,393 | 1,196 | 1,060 | 1,587 | 1,216 | 1,271 | 1,473 | 1,430 | 1,446 |
| Athletics | | | | | | | | | | |
| Number of programs | 278 | 157 | 309 | 283 | 270 | 341 | 168 | 275 | 237 | 466 |
| Units of Participation | 3,148 | 2,416 | 2,932 | 2,704 | 2,524 | 2,282 | 1,348 | 2,006 | 2,026 | 1,931 |
| Lakefront, Early Childhood Education and Lifetime Activities | | | | | | | | | | |
| Number of programs | 306 | 420 | 395 | 319 | 294 | 126 | 130 | 176 | 161 | 228 |
| Units of participation | 1,402 | 1,344 | 1,424 | 1,576 | 1,380 | 752 | 1,393 | 1,221 | 1,385 | 1,679 |
| Cultural Arts/Special Events | | | | | | | | | | |
| Number of programs | 292 | 320 | 270 | 306 | 286 | 87 | 147 | 286 | 246 | 31 |
| Units of participation | 2,274 | 2,262 | 2,008 | 1,972 | 1,999 | 1,329 | 1,579 | 4,133 | 4,743 | 5,064 |

CITY OF LAKE FOREST

Operating Indicators (Continued)
Last Ten Fiscal Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Wildlife Discovery Center, Ridge Teams Course and Adventure | | | | | | | | | | |
| Number of programs | 10 | 124 | 104 | 37 | 47 | 20 | 20 | 26 | 34 | 31 |
| Units of participation | 772 | 627 | 582 | 301 | 360 | 2263 | 2802 | 3685 | 2148 | 2233 |
| Developed parks and recreation areas | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 10 |
| Developed park acreage | 395.5 | 415.0 | 404 | 404 | 404 | 404 | 405 | 405 | 405 | 344 |
| Sites with playgrounds | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Sites with baseball diamonds | 7 | 7 | 8 | 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 | 5 | 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 | 35,079 | 32,664 | 31,949 | 30,321 | 29,435 | 27,956 | 29,445 | 27,101 | 24,631 | 26,184 |
| Daily fee | 15,839 | 15,102 | 14,466 | 13,646 | 17,449 | 17,646 | 20,478 | 19,755 | 18,660 | 21,172 |
| Seasonal | 19,240 | 17,564 | 17,483 | 16,675 | 11,986 | 10,310 | 8,967 | 7,346 | 5,971 | 5,012 |
| Water | | | | | | | | | | |
| New Connections (tap-ons) | 16 | 19 | 22 | 20 | 28 | 33 | 66 | 30 | 23 | 29 |
| Meters in operation | 6,774 | 6,761 | 6,755 | 6,754 | 6,751 | 6,764 | 6,810 | 6,854 | 6,854 | 6,840 |
| Meters connected to sewerage system | 6,570 | 6,570 | 6,583 | 6,584 | 6,587 | 6,577 | 6,645 | 6,718 | 6,778 | 6,766 |
| Average daily consumption (MGD) | 3.611 | 3.669 | 3.759 | 4.202 | 3652.000 | 3,250 | 3,162 | 3,499 | 3,550 | 3,430 |
| Peak daily consumption (MGD) | 9.389 | 8.982 | 11.805 | 10.298 | 8.611 | 7.345 | 8268.000 | 8,315 | 8,926 | 7,247 |
| Rated daily pumping capacity (MGD) | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Total gallons pumped during fiscal year (in millions) | 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 | 1,252.0 |
| 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 | 142,654 | 145,496 | 145,539 | 147,330 | 148,318 | 146,214 | 146,153 | 221,568 | 248,598 | 147,024 |
| Registered borrowers | 15,145 | 15,645 | 16,200 | 15,160 | 15,403 | 15,440 | 15,460 | 15,518 | 13,588 | 13,946 |
| Fiscal yearbooks, items or materials circulation | 488,056 | 465,927 | 485,450 | 457,632 | 450,876 | 410,852 | 383,561 | 376,144 | 551,232 | 366,128 |

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 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 23 | 23 | 23 | 25 | 23 | 23 | 21 | 24 | 24 | 23 |
| Fire protection | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Vehicles | 14 | 14 | 14 | 14 | 17 | 15 | 17 | 17 | 15 | 18 |
| Public Works | | | | | | | | | | |
| Bridges | | | | | | | | | | |
| Vehicle | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Pedestrian | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 13 |
| Streets | | | | | | | | | | |
| Streets (centerline miles) | 119.00 | 119.00 | 119.00 | 119.00 | 119.24 | 119.24 | 119.24 | 119.24 | 119.24 | 119.24 |
| Streetlights | | | | | | | | | | |
| Gas | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 |
| Electric | 1,473 | 1,526 | 1,526 | 1,526 | 1,536 | 1,570 | 1,570 | 1,570 | 1,570 | 1,570 |
| Storm sewer (miles) | 219.17 | 219.35 | 219.41 | 219.41 | 219.41 | 219.41 | 219.43 | 219.43 | 219.46 | 219.54 |
| Parks and Recreation | | | | | | | | | | |
| Acreage | 395.5 | 415.0 | 404 | 404 | 404 | 404 | 405 | 405 | 405 | 344 |
| Water | | | | | | | | | | |
| Water mains (miles) | 165.25 | 165.25 | 165.25 | 165.25 | 165.79 | 166.44 | 166.44 | 166.89 | 167.68 | 167.68 |
| Fire hydrants | 1,362 | 1,362 | 1,362 | 1,362 | 1,362 | 1,511 | 1,511 | 1,511 | 1,519 | 1,374 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 138.90 | 138.90 | 138.95 | 138.90 | 138.95 | 138.95 | 139.43 | 139.43 | 140.25 | 140.25 |

Data Source

City departments

N/A = data not available

The City of Lake Forest
CITY COUNCIL
Proceedings of the Monday, October 21, 2019
City Council Meeting - City Council Chambers

CALL TO ORDER AND ROLL CALL: Honorable Mayor Pandaleon called the meeting to order at 6:56pm, and the City Clerk Margaret Boyer called the roll of Council members.

Present: Honorable Mayor Pandaleon, Alderman Beidler, Alderman Morris, Alderman Newman, Alderman Rummel, Alderman Preschlack, Alderman Goshgarian, Alderman Moreno and Alderman Buschmann.

Absent: none

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE was recited by all those present in the Chambers.

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

Mayor Pandaleon reported on recent correspondence received regarding a certification of Human Resource Director, DeSha Kalmar. He stated that the performance level of the Executive Staff at The City of Lake Forest is on the leading edge.

COMMENTS BY CITY MANAGER

Mike Strong, Assistant to the City Manager, introduced Sally Swarthout, Director of Parks & Recreation. She gave an overview of the "Nature Walk Event at Forest Park", the "Annual Halloween Tricks" celebrated at the Recreation Center for 3-9 year olds, the "Annual Halloween Sailing Regatta", and "Dinner with Santa". More information is available on the City's website.

Mike Strong gave background information from Illinois 1st Community Solar Project and presented the Mayor with a plaque. Photos were taken.

COMMITTEE REPORTS

FINANCE COMMITTEE

1. Acknowledge Receipt of the FY2019 Treasurer's Report

Mayor Pandaleon introduced Assistant Finance Director Diane Hall. Ms. Hall asked if there were any additional questions, as this item was heard at the preceding Finance Committee meeting.

Mayor Pandaleon asked if there was anyone from the audience who wanted to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: Acknowledge Receipt of the FY2019 Treasurer's Report

Alderman Morris made a motion to acknowledge receipt of the FY2019 Treasurer's Report, seconded by Alderman Preschlack. The following voted "Aye": Alderman Beidler, Morris, Notz, Rummel, Preschlack, Goshgarian, Moreno and Buschmann. The following voted "Nay": None. 8-Ayes, 0 Nays, motion carried.

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

Larry Crone brought up a concern for a missing stop sign on Lake Road.

Deb Fisher encouraged residents to shop, dine and think local over the holiday season and share it on social media.

ITEMS FOR OMNIBUS VOTE CONSIDERATION

1. **Approval of the October 7, 2019 City Council Meeting Minutes**
2. **Approval of Revisions to the City Investment Policy**
3. **Approval of an Intergovernmental Agreement (IGA) Between The City of Lake Forest and The Illinois Department of Healthcare and Family Services (HFS) Regarding Enhanced Rates for Ambulance Services and Authorization to make required payments to HFS consistent with the IGA**
4. **Approve an Addendum to Include New Equipment to the current HVAC Preventive Maintenance Contract Awarded to First Point Mechanical Services, L.L.C. for an Additional Sum of \$ 7,221.50.**
5. **Approval of a First Amendment to the Restated Agreement Relating to the Gorton Property**
6. **Award of Two Year Contract for Seasonal Brochure Printing for the Recreation Department as Approved by Park and Recreation Board**

COUNCIL ACTION: Approval of the six (6) Omnibus items as presented

Mayor Pandaleon again asked members of the Council if they would like to remove any item or take it separately. Hearing none, Mayor Pandaleon asked for a motion to approve the six (6) Omnibus items as presented.

Alderman Rummel made a motion to approve the six (6) Omnibus items as presented, seconded by Alderman Buschmann. The following voted "Aye": Alderman Beidler, Morris, Notz, Rummel, Preschlack, Goshgarian, Moreno and Buschmann. The following voted "Nay": None. 8-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

1. **Consideration of an Ordinance Amending Chapter 40, titled "Governmental Ethics" of the City Code (Final Reading)**

City Attorney Julie Tappendorf reported that since the October 7, 2019, City Council meeting, the Legal Committee reviewed a recommendation from the Mayor to modify the preambles of the Ordinance and

definition of “relative”, which further modifies the purpose and policy subsection D, and definition of relative.

Alderman Rummel read a statement that summarized the intention of the Legal Committee’s review which included recommending reorganizing the ethics regulations, revising the language to make it more reader-friendly, expanding the definitions, expanding the local conflicts of interest regulations for City officers and employees; and incorporating the statutory conflicts of interest into the ethics regulations, along with streamlining the administration and enforcement provisions.

The City Council had discussion on the additional recommendations and thanked the Legal Committee, along with members of the City Council, for all their work.

Mayor Pandaleon asked if there was anyone from the audience who wanted to comment.

JoAnn Desmond offered her opinion on the improvements made to the code.

Mayor Pandaleon again asked if there was anyone from the audience who wanted to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: Grant final reading of an Ordinance amending Chapter 40, titled “Governmental Ethics” of the City Code

Alderman Rummel made a motion to grant final reading of an Ordinance amending Chapter 40, titled “Governmental Ethics” of the City Code, seconded by Alderman Buschmann. The following voted “Aye”: Alderman Beidler, Morris, Notz, Rummel, Preschlack, Goshgarian, Moreno and Buschmann. The following voted “Nay”: None. 8-Ayes, 0 Nays, motion carried.

| |
|---------------------|
| NEW BUSINESS |
|---------------------|

1. Approval of a Professional Services Agreement with Baxter & Woodman for Design and Specifications of the Burr Oak Storm Sewer Project in the Amount of \$189,000

Michael Thomas, Director of Public Works reviewed the background on this proposed project and the 2019 Stormwater Master Plan Update. The Burr Oak storm sewer project, along with all FY’21 capital improvement requests, will be considered at the November 12, 2019 capital budget meeting. Should the Finance Committee decide to proceed with the Burr Oak storm sewer project in FY’21 and desires construction to be completed in calendar year 2020, a completed set of design drawings and specifications will need to be completed and placed out to bid by early spring. Mr. Thomas stated that staff is recommending City Council approve a professional services agreement with Baxter & Woodman for the design and specifications.

The City Council had discussion on project timing, pipe size, other stormwater analysis, and asked if this approval obligates the City to complete the project. Additional discussion included 25, 50-year analytics, current flooding, the approach of the timing of this proposed project and how this project may be funded.

Mayor Pandaleon asked if there was anyone from the audience who wanted to comment. Seeing none, he asked for a motion.

COUNCIL ACTION: Approval of a Professional Services Agreement with Baxter & Woodman for Design and Specifications of the Burr Oak Storm Sewer Project in the Amount of \$189,000

Alderman Rummel made a motion to approve a Professional Services Agreement with Baxter & Woodman for Design and Specifications of the Burr Oak Storm Sewer Project in the Amount of \$189,000, seconded by Alderman Beidler. The following voted "Aye": Alderman Beidler, Morris, Notz, Rummel, Preschlack, Goshgarian, Moreno and Buschmann. The following voted "Nay": None. 8-Ayes, 0 Nays, motion carried.

| |
|--|
| ADDITIONAL ITEMS FOR COUNCIL DISCUSSION/COMMENTS BY COUNCIL MEMBERS |
|--|

| |
|--------------------|
| ADJOURNMENT |
|--------------------|

There being no further business Mayor Pandaleon asked for a motion. Alderman Goshgarian made a motion to adjourn, seconded by Alderman Moreno. Motion carried unanimously by voice vote at 8:03 pm.

Respectfully Submitted
Margaret Boyer, City Clerk

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.

AMENDED 2020 City Council and Finance Committee Dates

** = This date represents a change from the traditional dates, due to holiday or other conflicts

Meeting dates highlighted in blue represent Workshops

Meeting dates **BOLDED** represent Finance Committee meetings (**FC**)

| | | |
|---------------------------|------------------------------------|--|
| **January 6, 2020 | MUNICIPAL SERVICES BUILDING | CANCELLED |
| **January 21, 2020 | COUNCIL CHAMBERS | FC 6:30- CC to immediately follow |
| February 3, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| **February 18, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| March 2, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| **March 12, 2020 | MUNICIPAL SERVICES BUILDING | 5:00 Operating Budget WS |
| March 16, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| April 6, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| April 20, 2020 | COUNCIL CHAMBERS | FC 6:30- CC to immediately follow |
| May 4, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| May 18, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| June 1, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| June 15, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| July 6, 2020 | MUNICIPAL SERVICES BUILDING | 6:30 Workshop Meeting |
| July 20, 2020 | COUNCIL CHAMBERS | FC 6:30- CC to immediately follow |
| August 3, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| August 17, 2020 | NO MEETING | NO MEETING |
| **September 8, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| September 21, 2020 | MUNICIPAL SERVICES BUILDING | 6:30 Workshop Meeting |
| October 5, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| October 19, 2020 | COUNCIL CHAMBERS | FC 6:30- CC to immediately follow |
| November 2, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| **November 9, 2020 | MUNICIPAL SERVICES BUILDING | 5:00 Capital Budget WS |
| November 16, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| December 7, 2020 | COUNCIL CHAMBERS | 6:30 City Council |
| December 21, 2020 | NO MEETING | NO MEETING |



PROCLAMATION

National American Indian Heritage Month

WHEREAS, the history and culture of our great nation have been significantly influenced by American Indians and indigenous peoples; and

WHEREAS, the contributions of American Indians have enhanced the freedom, prosperity, and greatness of America today, and

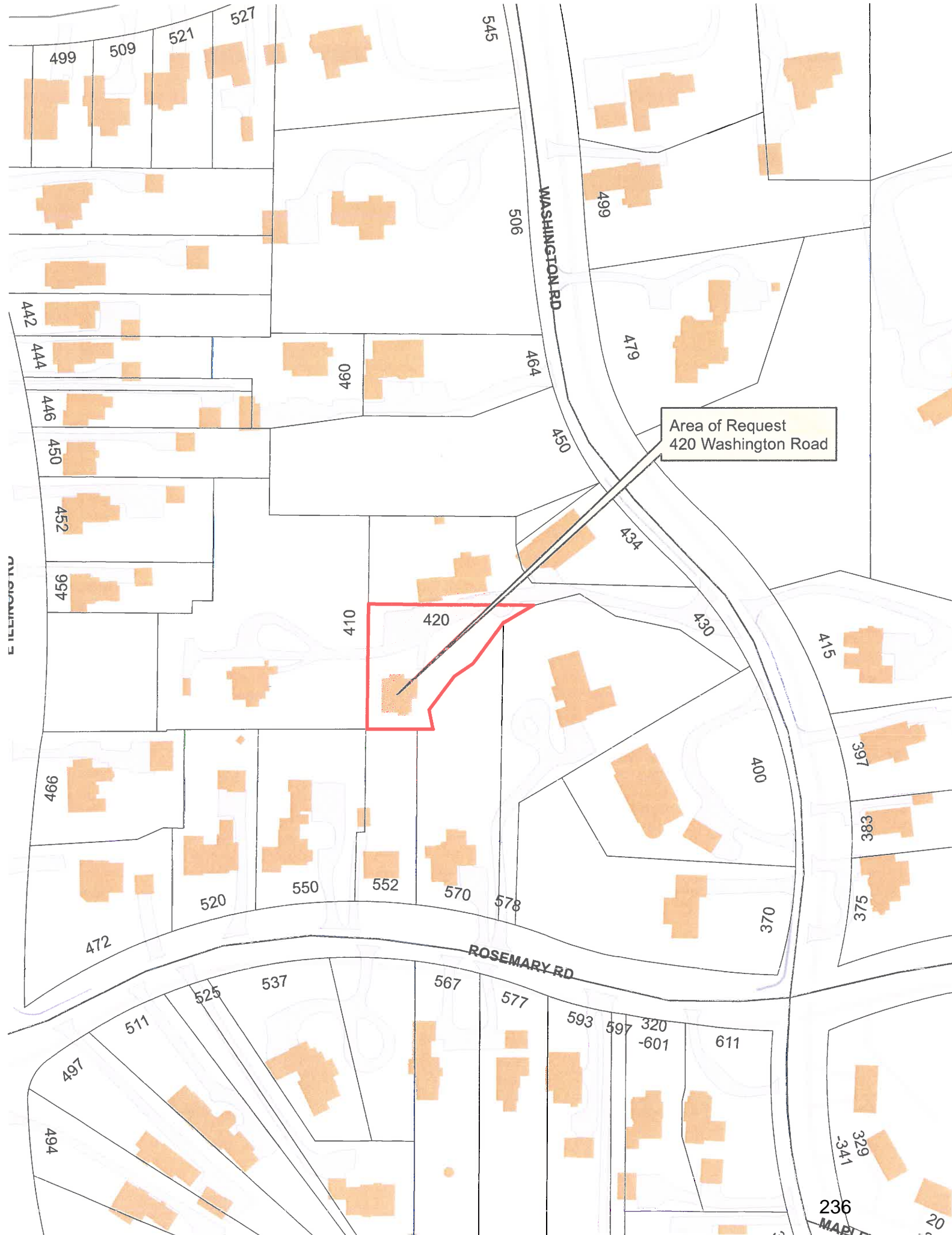
WHEREAS, their customs and traditions are respected and celebrated as part of a rich legacy throughout the United States; and

WHEREAS, Native American Awareness Week began in 1976 and recognition was expanded by Congress and approved by President George Bush in August 1990, designating the month of November, as National American Indian Heritage Month; and

WHEREAS, in honor of National American Indian Heritage Month, community celebrations as well as numerous cultural, artistic, educational, and historical activities have been planned;

NOW THEREFORE, I, George A. Pandaleon, on behalf of the Council and the Community do hereby proclaim November as the National American Indian Heritage Month, in, and urge all our citizens to observe this month with appropriate programs, ceremonies and activities.

George A. Pandaleon, Mayor



Area of Request
420 Washington Road

WASHINGTON RD

ROSEMARY RD

420

414

479

434

430

415

397

388

375

400

370

520

550

552

570

578

567

577

593

597

320

601

611

511

525

537

497

494

236

MART

20

THE CITY OF LAKE FOREST

ORDINANCE NO. 2019-__

AN ORDINANCE GRANTING VARIANCES FROM THE LOT IN DEPTH AND STEEP SLOPE
SETBACK REQUIREMENTS FOR PROPERTY LOCATED AT 420 WASHINGTON ROAD

WHEREAS, Alling C. Brown Trust (Bank of America & Thomas E. Quinlan successor co-trustees) ("**Owners**") are the owners of that certain real property commonly known as 420 Washington Road, Lake Forest, Illinois and legally described in Exhibit A, attached hereto ("**Property**"); and

WHEREAS, the Property is located in the R-3, Single Family Residence Zoning District; and

WHEREAS, the Owners desire to construct improvements, including two small additions, a rear facing dormer and two at-grade patios ("**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**") requesting approval of a variance from Section 159.083, R-3, Single Family Residence and Section 159.015, Steep Slopes, both of the City of Lake Forest Code to allow construction of the Improvements within the lot in depth and steep slope setbacks; and

WHEREAS, pursuant to notice duly published, the ZBA reviewed and evaluated the Plans at a public hearing held on May 29, 2019; and

WHEREAS, the ZBA, 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 requested lot-in-depth and steep slope setback variances will not alter the essential character of the neighborhood since the additions are relatively small and generally in the location of existing elements on the residence. The massing of the proposed additions are compatible with the house.
2. The conditions upon which the variances are requested are not generally applicable to other properties in the same zoning district due to the uniqueness and history of this property and the siting of the existing historic house.
3. The hardship in conforming to the lot-in-depth and steep slope setbacks result from the adoption of the current Code requirements and the

application of the R-3 Zoning District well after the house was constructed.

4. The variances and the resulting small additions and patios will not impair light or ventilation to adjacent properties, increase congestion, endanger public safety, or substantially diminish property values in the area.
5. The City Engineer has determined that the limited construction proposed within the steep slope setback will not threaten the stability of the ravine.
6. The proposed additions are modest and will update the existing house making it livable for current and future owners.
7. The proposed additions do not encroach further into the setbacks than the existing house.

and recommended that the City Council approve the variances 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 ZBA, have determined that it is in the best interests of the City and its residents to grant approval of the requested variances 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 159.042 of the City Code, and subject to the limitations therein and the conditions set forth in Section Four 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: Lot in Depth and Steep Slope Setback Variances Granted. Based on the findings presented above, the City Council does hereby grant approval of the requested variances to allow construction of two small additions; a one story addition on the west side of the house is permitted to encroach up to 10 feet into the setback on the south side of the property, a two story infill addition and a roof dormer are permitted to encroach into the setbacks no further than the south wall of the existing house and the two at-grade patios are permitted no closer than three feet to the south property line and no closer than 14 feet and nine feet respectively, to the east property line.

SECTION FOUR: Conditions on Approval. The approval granted pursuant to Sections Two and Three 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 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. Approval by City Engineer. Prior to the issuance of a building permit, the plans shall be subject to review and approval by the City Engineer.
- E. Compliance with the Plans. The Improvements must be developed on the Property in substantial compliance with the Plans.
- F. 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 Owners 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.

- G. Other conditions. The improvements shall be substantially in conformance with the Board's deliberations as reflected on Exhibit C attached hereto and made a part hereof.

SECTION FIVE: 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 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. 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 _____, 2019.

AYES: ()

NAYS: ()

ABSENT: ()

ABSTAIN: ()

PASSED THIS __ DAY OF _____, 2019.

Mayor

ATTEST:

City Clerk

site plan

fc

Lot 5 in Alling Subdivision according to the plat thereof recorded as Document No. 2743088 on November 23, 1988, in the north east 1/4 of Section 33, Township 44 North, Range 12 East of the 3rd Principal Meridian, City of Lake Forest, Lake County, Illinois, and that part of Lot 6 in said Alling Subdivision described as follows: beginning at the south east corner of said Lot 6; thence north 0 degrees 33 minutes 06 seconds west (record) north 0 degrees 38 minutes 42 seconds west (measure) along the east line of said Lot 6, 140.00 feet (record) 140.03 feet (measure), more or less, to the north west corner of Lot 5 in said Alling Subdivision; thence south 88 degrees 42 minutes 50 seconds west (record) south 88 degrees 52 minutes 04 seconds west (measure) along the north line of said Lot 5 extended west, 40.00 feet, more or less, to the point of intersection with a line 40.00 feet west of and parallel with said east line of Lot 6; thence south 0 degrees 38 minutes 42 seconds east along said line 40.00 feet west of and parallel with the east line of Lot 6, 139.28 feet, more or less, to a point on the south line of said Lot 6; and thence south 89 degrees 56 minutes 21 seconds east (record) north 89 degrees 56 minutes 37 seconds east (measure) along said south line of Lot 6, 40.00 feet, more or less, to the point of beginning














scale: 1 inch = 10 feet

All dimensions hereon shown unless it is otherwise noted are given in feet and decimal parts thereof.

ADDITIONS AND PATIOS

SETBACK LINE

LEGENT

- | | |
|---|--------------------|
|  | monolith |
|  | catch basin |
|  | water valve |
|  | fire hydrant |
|  | gas meter |
|  | light |
|  | electric meter |
|  | electric transform |
|  | air conditioner |
|  | telephone pedest |
|  | utility pole |
|  | sewer |
|  | sign |

field work completed on October 15, 2018

for
Michael Hrusovsky
648 South Waveland Road
Lake Forest, Illinois, 60045

from the office of and
James Anderson Company
Engineers, Planners, and Surveyors
920 West North Shore Drive
Lake Bluff, Illinois, 60044
(847) 295-3322
Professional Design Firm 184.00384

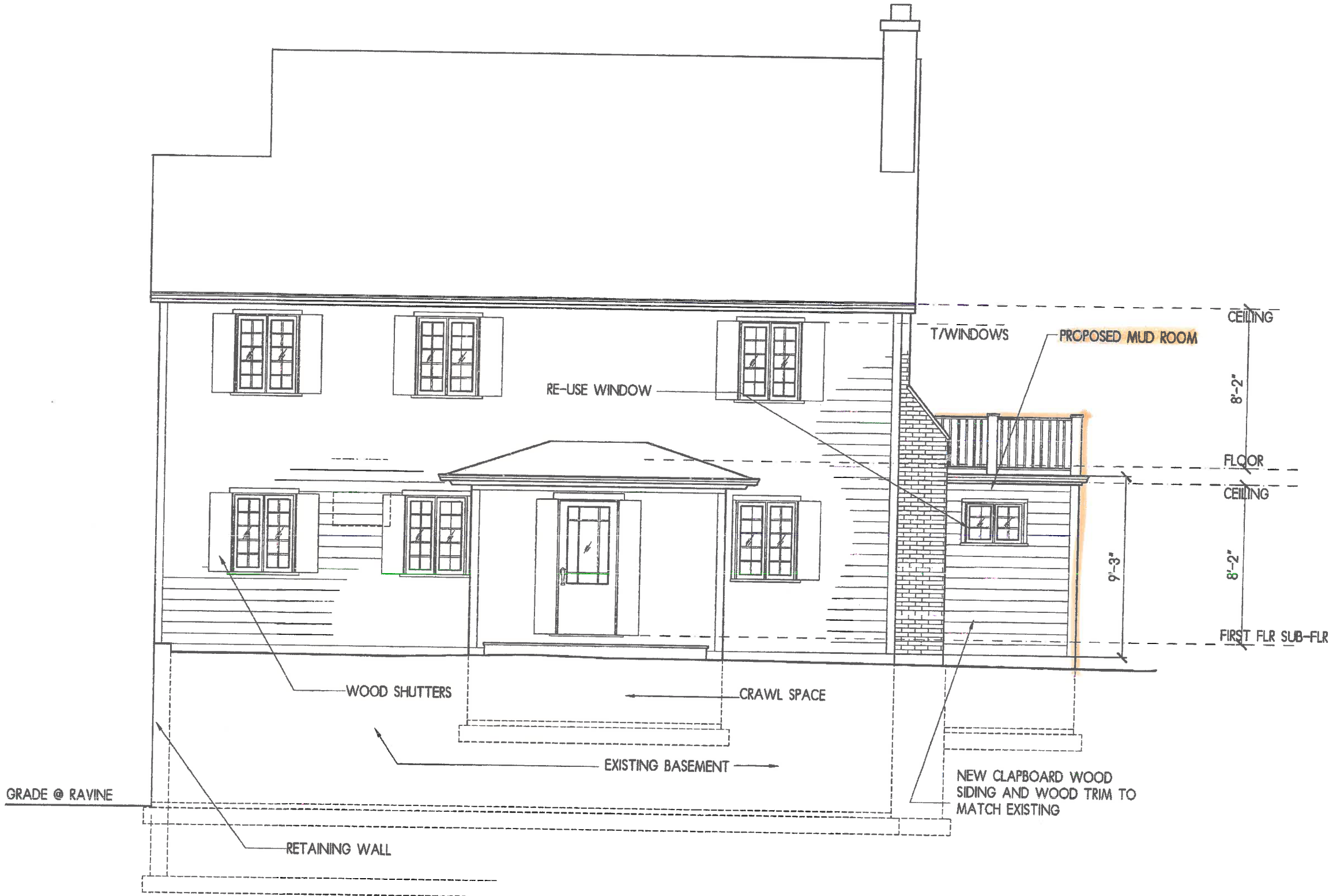
Order No. 18565
Field Book C58.6 page 70
Date May 23 , 2011
File No. none

[illegible]

surveyor's notes:

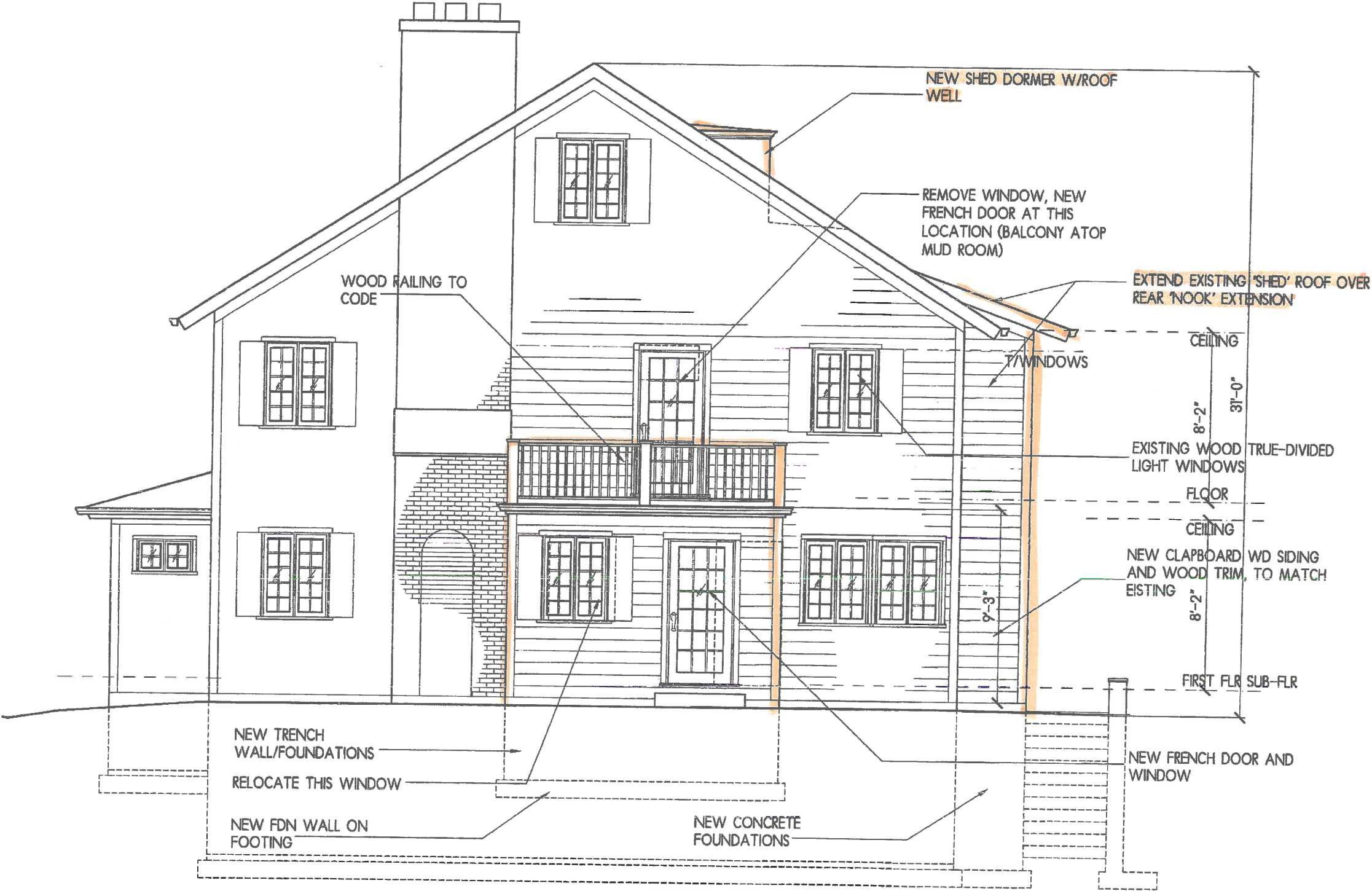
The area of the property described in the caption hereon is 23,082 square feet, which is equivalent to 0.530± acres.

The Plans



proposed
FRONT ELEVATION
SCALE 3/16" = 1'-0" 420 WASHINGTON RD

The Plans

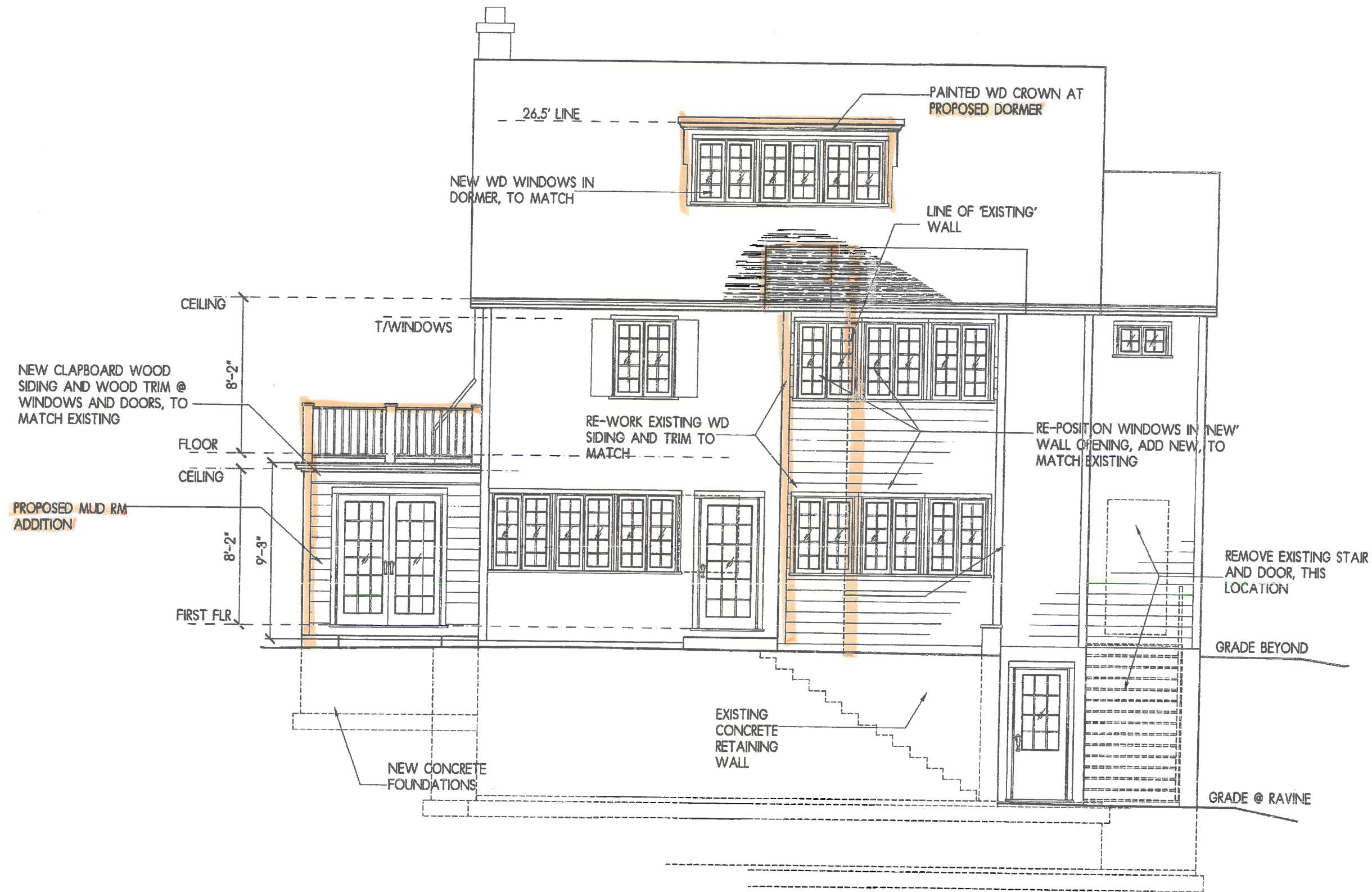


proposed
RIGHT SIDE ELEVATION

SCALE 3/16" = 1'-0"

420 WASHINGTON RD

The Plans

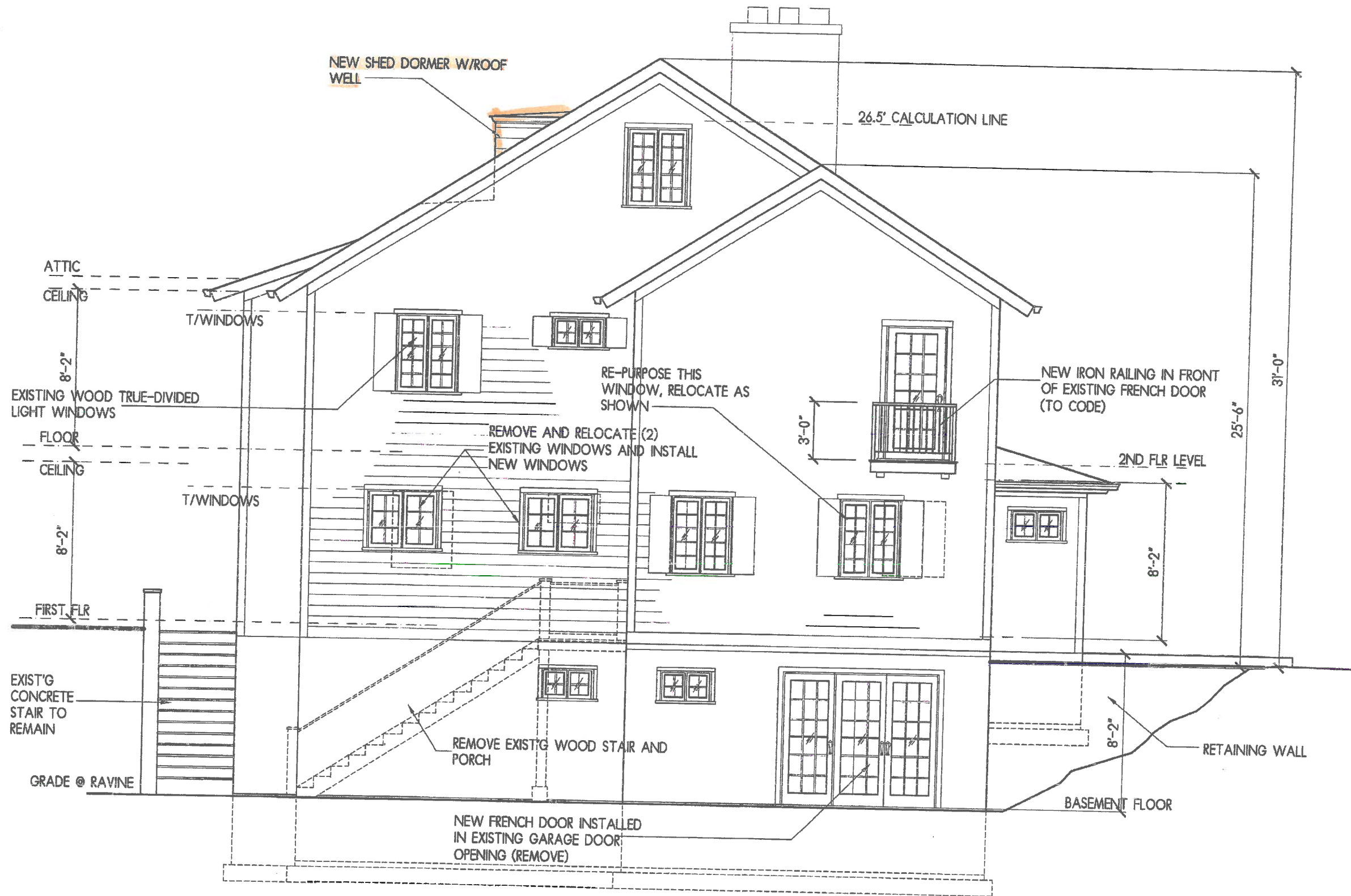


proposed
REAR ELEVATION

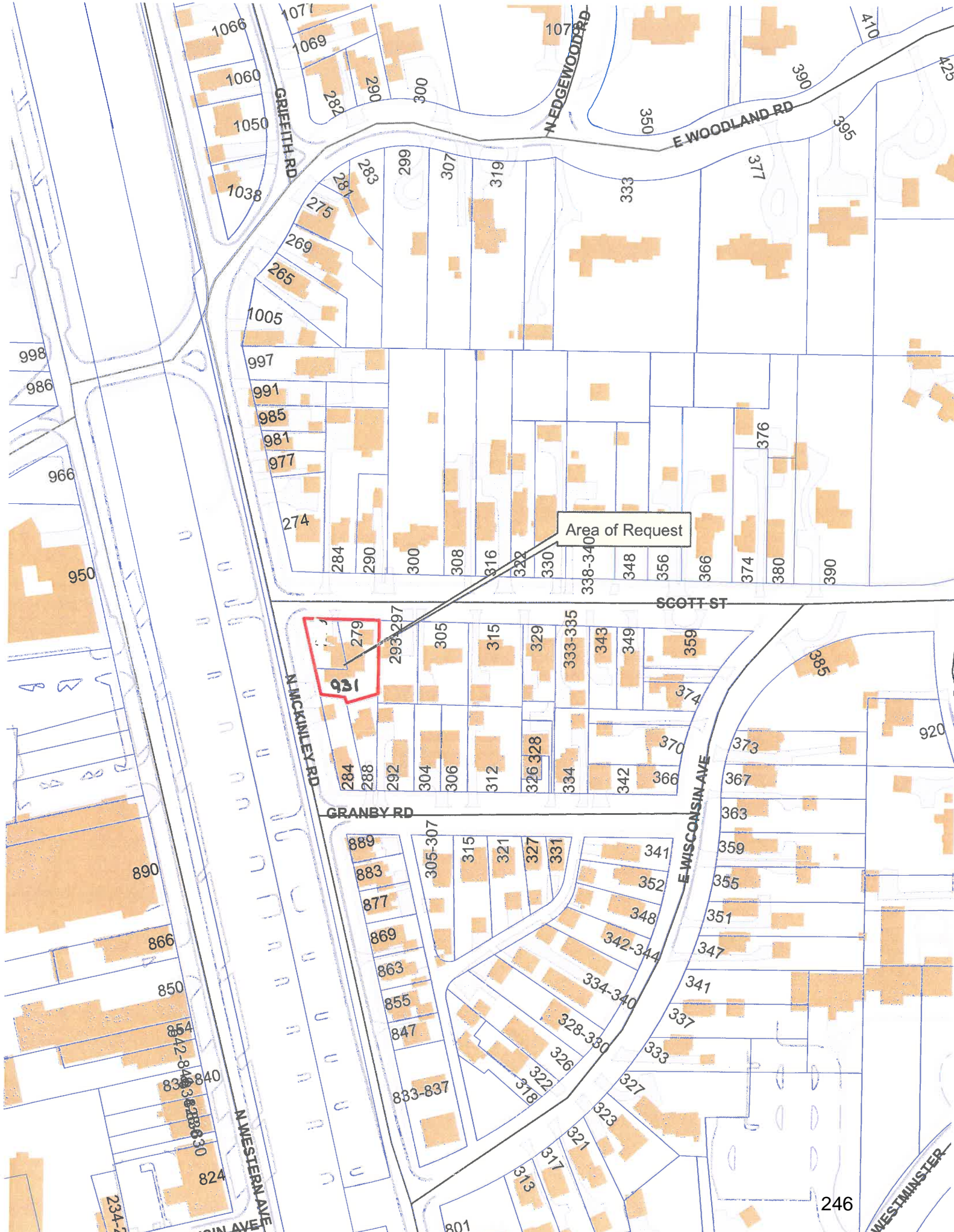
SCALE 3/16" = 1'-0"

420 WASHINGTON RD

The Plans



proposed
LEFT SIDE ELEVATION
SCALE 3/16" = 1'-0"
420 WASHINGTON RD



Area of Request

931

N WICKINLEY RD

SCOTT ST

GRANBY RD

E WISCONSIN AVE

N WESTERN AVE

246

E WESTMINSTER



PLAN COMMISSION REPORT AND RECOMMENDATION
Southeast Corner – McKinley Road and Scott Street

| | |
|----------|---|
| TO: | Honorable Mayor Pandaleon and members of the City Council |
| DATE: | June 20, 2019 |
| FROM: | Chairman Kehr and Members of the Plan Commission |
| SUBJECT: | Final Approval of a Plat of Subdivision for Duplex Units |

OWNER

The Weidenhamer Family Trust
Joseph Weidenhamer, Trustee
308 Weatherford Court
Lake Bluff, IL 60044

PROPERTY LOCATION

Southeast Corner of McKinley Road
and Scott Street
279 Scott Street
931 McKinley Road

ZONING

GR-2 General Residence
District

REPRESENTATIVES

Joseph Weidenhamer, owner

Summary of the Request

This is a request for final approval of a plat of resubdivision to allow each duplex unit and the associated attached garage and the surrounding yard area to be held in separate ownerships.

This request is very similar to requests for approval of plats of condominium that come before the Plan Commission. Like plats of condominium, this plat is before the City for review *after* the structure is constructed. The dimensions on the plat reflect the as-built conditions. The purpose of the plat of subdivision is to allow *ownership* of each unit, rather than rental. All of the development approvals are already in place and construction is nearly complete, a necessity prior to this type of subdivision.

Description of the Property and Surrounding Area

The property is located on the east side of McKinley Road and on the south side of Scott Street, on the southeast corner of the intersection. The property is across the street from the railroad tracks and the public parking lot, and is at the edge of a small lot residential neighborhood. The east side of McKinley Road is experiencing some redevelopment activity extending from the multi-family condominium project across from the train station, to the smaller condominium project just north of Wisconsin Avenue, to a duplex recently completed located on McKinley Road to the north of Lake Forest High School. McKinley Road is an area in transition with some older homes and office buildings being replaced by updated housing options. This area offers an easy walk to stores, restaurants, parks, churches and the train station.

The surrounding areas to the east, north and south are established residential neighborhoods with smaller lots and modest homes commonly found close to the business district. As noted above,

some redevelopment activity is occurring in this area including renovation and upgrades to existing homes.

Activity to Date and Current Request

The property that is the subject of this petition is currently considered a single zoning lot and, as noted above, was recently redeveloped with a duplex, two attached single family residences, as permitted in the GR-2 zoning district. The developer, Mr. Weidenhamer, purchased the property in 2018. At the time of purchase, the property was developed with a small house dating back to the 1920's. The house was in serious disrepair and, after closing on the property, at the request of the City, Mr. Weidenhamer proceeded quickly to demolish the existing structure and detached garage and remove the debris from the site. He then proceeded with obtaining the necessary approvals for redevelopment of the site with a duplex.

The final step in the process, the final plat of subdivision, was presented to the Commission for action in June and was forwarded to the Council with a recommendation for approval. As noted above, this action does not impact or modify the development approvals granted to date, but only allows for each unit to be held in a separate ownership.

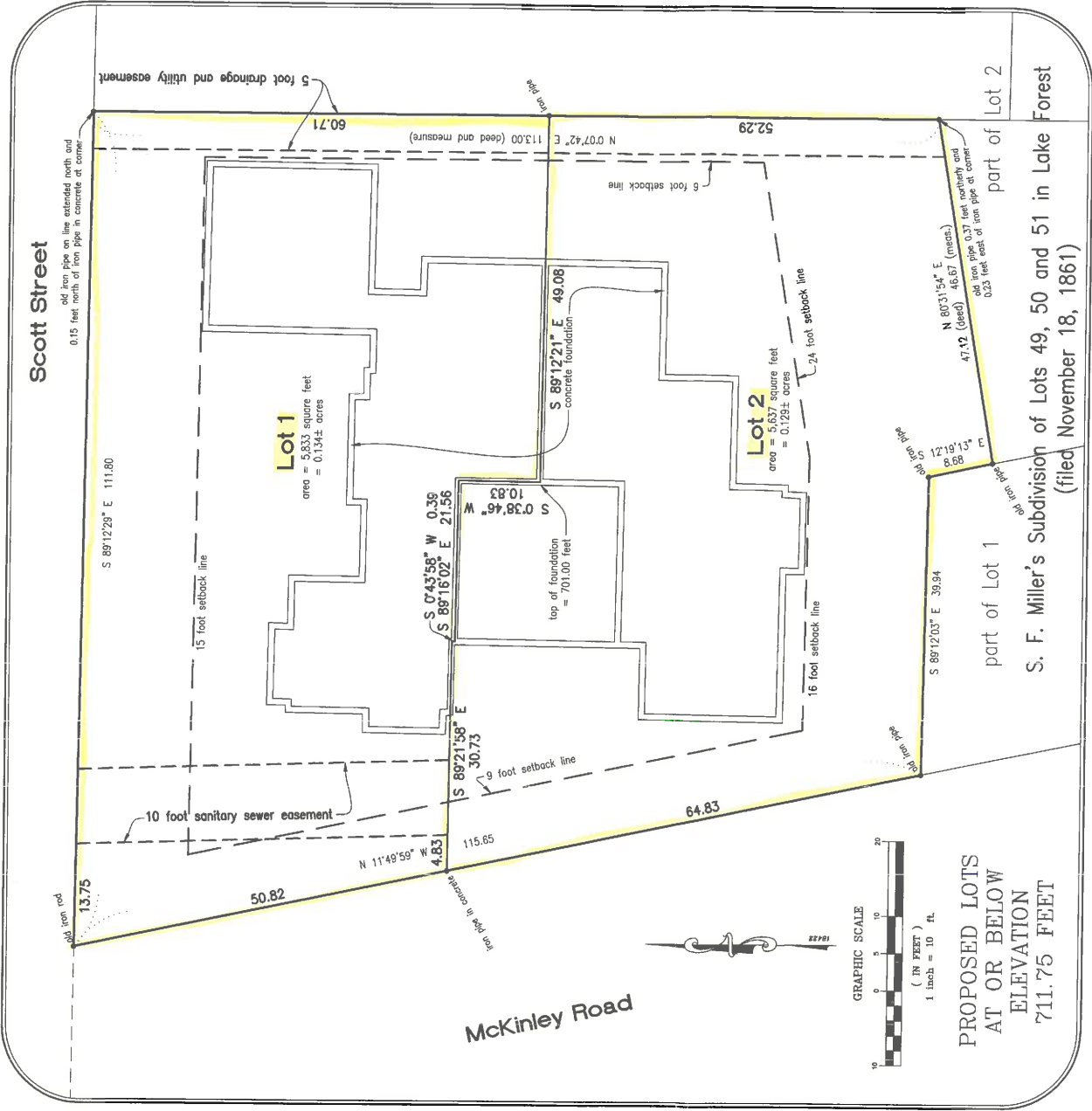
Both the ground level and second floor plats are included in the Commission's packet. The plats delineate the exact boundaries of each ownership, again, similar to a plat of condominium. The subdivision boundary, differs slightly between the ground floor and second floor. The second floor boundary reflects a slight jog in the party wall that differs from the ground floor configuration to accurately delineate the areas of separate ownership. The plat of subdivision as presented is consistent with the standard requirements for plats of subdivision. Upon approval, the plat will be recorded with Lake County and upon recording, the units will be able to be held in two separate ownerships.

Public Notice

Public notice of the Plan Commission hearing was published in a newspaper of local circulation and mailed by the City to residents and property owners in the surrounding area. The agenda for the meeting was posted at five public locations and on the City's website. No public testimony was presented to the Commission on this petition.

Plan Commission Recommendation

After a presentation and brief deliberation, the Commission voted 4 to 0 to recommend approval of the final plat of resubdivision to allow each duplex unit and the associated garage and surrounding yard areas to be sold individually.



All dimensions and elevations hereon shown unless it is otherwise noted are given in feet and decimal parts thereof. Said dimensions were referred to the City of Lake Forest datum plane utilizing Lake Forest Monument Number 59. All bearings hereon shown are assumed bearings.
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surveyor's note:

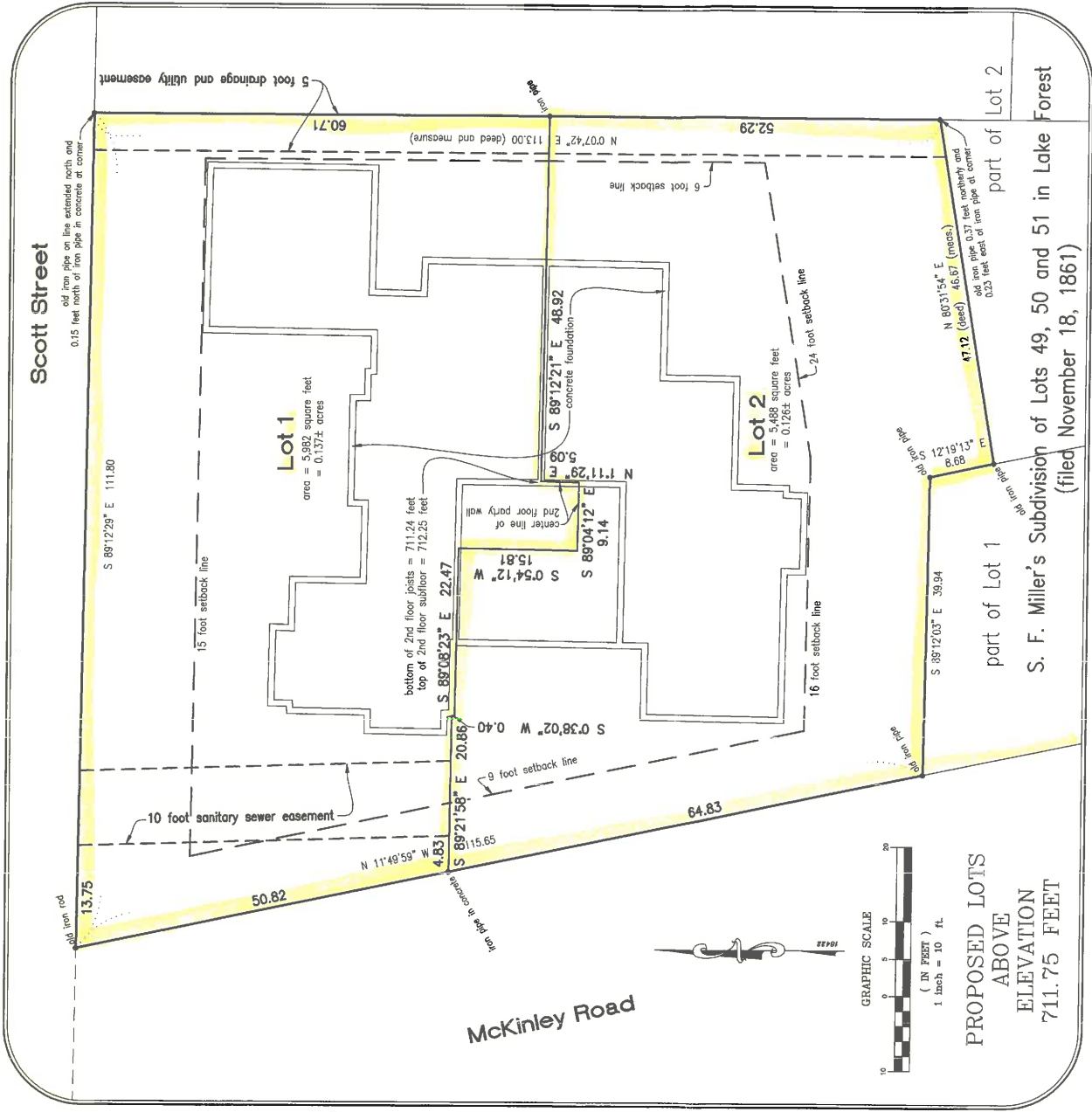
(1) Setback locations depicted hereon have been approved by obtaining a variance from the City of Lake Forest.

for review only

| | |
|---|-------------|
| field work completed on February 27, 2019 | |
| Order No. 18422 | Sheet No. 3 |
| Field Book E685 | page 78 |
| Date March 26, 2019 | of 4 Sheets |
| File No. none | |

from the office of
James Anderson Company
Engineers, Planners, and Surveyors
920 West North Shore Drive
Lake Bluff, Illinois, 60044
(847) 295-3322
Professional Design Firm 184.000847

for
Joseph E. Weidenhamer
308 Weatherford Court
Lake Bluff, Illinois, 60044



All dimensions and elevations hereon shown unless it is otherwise noted are given in feet and decimal parts thereof. Said elevations are referred to the City of Lake Forest datum utilizing Lake Forest Monument Number 59. All bearings hereon shown are assumed bearings.
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surveyor's note:

(1) Setback locations depicted hereon have been approved by obtaining a variance from the City of Lake Forest.

for review only

| | | |
|---|--|---|
| from the office of James Anderson Company Engineers, Planners, and Surveyors 920 West North Shore Drive Lake Bluff, Illinois, 60044 (847) 295-3322 Professional Design Firm 184-000847 | | field work completed on February 27, 2019 |
| for Joseph E. Weidenhamer 308 Weatherford Court Lake Bluff, Illinois, 60044 | Order No. 18422 Field Book E685 Date March 26, 2019 File No. none | Sheet No. 4 of 4 Sheets |