

**THE CITY OF LAKE FOREST
CITY COUNCIL AGENDA**
Monday, November 1, 2021 at 6:30 pm

REMOTE ACCESS MEETING

Please be advised that all of the City Council members will be remotely attending this Council meeting by electronic means, in compliance with the recent amendments to the Open Meetings Act. The Mayor of the City Council has determined that it is not prudent or practical to conduct an in-person meeting due to the COVID-19 pandemic and that it is not feasible to have the City Council members or members of the public physically present at the meeting due to the pandemic disaster.

The City will be providing members of the public with various opportunities to watch or attend this meeting, as well as provide public comment at the meeting. For example, members of the public can participate remotely in the meeting by following the public audience link which will provide both video and audio means to attend the meeting.

Public Access Link

<https://us02web.zoom.us/j/86071070334?pwd=SVdGL25QZXVobmFBNEpNEpNUT09>

Webinar ID: 860 7107 0334

Passcode: 1861

CALL TO ORDER AND ROLL CALL

6:30 p.m.

Honorable Mayor, George Pandaleon

James E. Morris, Alderman First Ward

Jim Preschlack, Alderman Third Ward

Jennifer Karras, Alderman First Ward

Ara Goshgarian, Alderman Third Ward

Melanie Rummel, Alderman Second Ward

Raymond Buschmann, Alderman Fourth Ward

Edward U. Notz, Jr., Alderman Second Ward

Eileen Looby Weber, Alderman Fourth Ward

PLEDGE OF ALLEGIANCE

REPORTS OF CITY OFFICERS

| |
|-----------------------------|
| 1. COMMENTS BY MAYOR |
|-----------------------------|

A. 2021-2022 Board and Commission Appointments and Reappointments

SENIOR RESOURCES COMMISSION

| NAME OF MEMBER | APPOINT/REAPPOINT | WARD |
|----------------|-------------------|------|
| | | |
| Mark Dewart | APPOINT | LB |

A copy of the Volunteer Profile sheet begins on **page 9**

COUNCIL ACTION: Approve the Mayors Appointment

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| 2. COMMENTS BY CITY MANAGER |
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| 3. OPPORTUNITY FOR CITIZENS TO ADDRESS THE CITY COUNCIL |
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Members of the public can provide public comment by calling the following number during the meeting: 847-810-3643

| |
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| 4. COMMITTEE REPORTS |
|-----------------------------|

AUDIT COMMITTEE

1. Audit Committee Report and Presentation of the Fiscal Year 2021 Comprehensive Annual Financial Report

PRESENTED BY: Vincent Sparrow, Audit Committee Chairman
STAFF CONTACT: Diane Hall, Assistant Finance Director (847-810-3614)

PURPOSE AND ACTION REQUESTED: Staff requests receipt of the audit report for the fiscal year ended April 30, 2021.

BACKGROUND/DISCUSSION: The Comprehensive Annual Financial Report for the fiscal year ended April 30, 2021 is provided beginning on **page 11**. A bound copy of the report 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 2021 financial statements.

The City has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for forty-two (42) 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 2021 and highlights of those meetings as well as the audit report will be presented this evening by Audit Committee Chairman Vince Sparrow.

COUNCIL ACTION: Receipt of the audit report for the fiscal year ended April 30, 2021.

FINANCE COMMITTEE

1. Determination of Non-Binding Estimate of the Amount of Revenue to be generated from Property Taxes for the 2021 Calendar Year in Accordance with the Truth in Taxation Statute and Establishment of a Public Hearing Date for the 2021 Tax Levy (if required)

*PRESENTED BY: James Morris, Finance Committee Chair
And 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 2021 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 2021 tax levy by establishing an estimated amount from which staff can prepare a proposed levy ordinance.

The 2021 property tax levy estimate, as considered by the Finance Committee on October 18, is as follows:

| Levy | 2020 Extended | 2021 Levy Estimate | % Increase (Decr.) |
|-------------------|---------------|--------------------|--------------------|
| Aggregate Levy | \$ 33,234,346 | \$ 34,137,604 | 2.72% |
| Debt Service Levy | 1,847,395 | 1,821,451 | -1.40% |
| TOTAL LEVY | \$ 35,081,741 | \$ 35,959,055 | 2.50% |

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

- 1.40% overall increase in compliance with the tax cap applicable to 2021 levies under the Property Tax Extension Limitation Law (PTELL),
- an increase due to new construction as estimated by the Lake County Assessor's Office,
- an increase in funding requirements for police and fire pension as established by a 4/30/21 independent actuarial valuation and recommendation by the Pension Subcommittee, 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.

A discussion regarding the 2021 tax levy is scheduled for the November 8 Finance Committee budget workshop. The tax levy ordinance will be considered by the City Council on November 15 and again on December 6, 2021.

PROJECT REVIEW/RECOMMENDATIONS:

| Reviewed | Date | Comments |
|-------------------|----------|--|
| Finance Committee | 10/18/21 | Approval of 2021 Tax Levy Estimate |
| City Council | 8/3/20 | Approval of revised Pension Funding Policy |

COUNCIL ACTION: Determination of a Non-Binding Estimate of the Amount of Revenue to be generated from Property Taxes for the 2021 Calendar Year and establishment of December 6, 2021 as a public hearing date (if required) in Accordance with the Truth in Taxation Statute.

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| 5. ITEMS FOR OMNIBUS VOTE CONSIDERATION |
|--|

1. Approval of October 18, 2021, City Council Meeting Minutes

A copy of the minutes can be found beginning on **page 203**

COUNCIL ACTION: Approval of October 18, 2021, City Council Meeting Minutes

2. Approval of the Check Register for the Period of September 25 – October 22, 2021

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 25 - October 22, 2021

| | Fund | Invoice | Payroll | Total |
|-----------|----------------------|--------------------|--------------------|--------------------|
| 101 | General | 756,383 | 1,584,678 | 2,341,062 |
| 501 | Water & Sewer | 148,419 | 196,024 | 344,443 |
| 220 | Parks & Recreation | 195,017 | 451,294 | 646,312 |
| 311 | Capital Improvements | 468,477 | 0 | 468,477 |
| 202 | Motor Fuel Tax | 9,691 | 0 | 9,691 |
| 230 | Cemetery | 22,429 | 35,968 | 58,397 |
| 210 | Senior Resources | 9,652 | 30,056 | 39,708 |
| 510 | Deerpath Golf Course | 15,909 | 3,046 | 18,956 |
| 601 | Fleet | 117,734 | 61,760 | 179,494 |
| 416 - 433 | Debt Funds | 0 | 0 | 0 |
| 248 | Housing Trust | 0 | 0 | 0 |
| 201 | Park & Public Land | 0 | 0 | 0 |
| | All other Funds | 877,787 | 170,428 | 1,048,215 |
| | | \$2,621,498 | \$2,533,255 | \$5,154,753 |

The subtotal labeled "All other Funds" includes Self-Insurance Fund claims and expenses of \$583,928.

COUNCIL ACTION: Approval of the Check Register for the Period of September 25 – October 22, 2021

3. Approval of a Resolution of Appreciation for Retiring Members of Boards and Commissions as follows:

| BOARD, COMMISSION OR COMMITTEE | NAME OF MEMBERS(S) |
|--------------------------------|---------------------------|
| | |
| SENIOR RESOURCE COMMISSION | Ed Richardson- Lake Bluff |

A copy of the resolution can be found **on page 206**

COUNCIL ACTION: Approve the Resolution of Appreciation

COUNCIL ACTION: Approval of the three (3) omnibus items as presented.

6. OLD BUSINESS

7. NEW BUSINESS

8. ADDITIONAL ITEMS FOR DISCUSSION/ COMMENTS BY COUNCIL MEMBERS

1. EXECUTIVE SESSION pursuant to 5ILCS 120/2 (c) (11), The City Council will be discussing pending and actually filed litigation.

Adjourn into Executive Session

There will be no additional City business following the adjournment into Executive Session

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| 9. ADJOURNMENT |
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A copy of the Decision Making Parameters is included beginning on **page 7** of this packet.

An instruction guide on how to participate at a City Council meeting is included beginning on **page 8**.

Office of the City Manager

October 27, 2021

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.

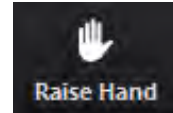
CITY COUNCIL – REMOTE ACCESS MEETING GUIDE

Rules:

- [An online guide to using Zoom is available here](#)
- Participants can join using the Zoom application, using the call in number located at the top of the agenda, or can stream the meeting live via YouTube.
- All Participants should use their real name (first and last) to identify themselves in the meeting.

Public Participation:

- Please wait to be recognized by a staff member, and the Mayor prior to making your comment.
- If you would like to address your public comment to the City Council live, you can use one of two options
 - The Raise hand function via the zoom application.
 - If you are using the raise hand function, wait to be promoted to turn on your microphone to make a comment. There is a slight delay after you are promoted. You can then unmute yourself and address your comments to the City Council.
 - Calling the public comment line at 847-810-3643
 - If you are calling the public comment line, be sure to step away from your computer or TV, where you are watching the meeting, to avoid feedback.



| | Device | Audio | Connection |
|---------------|---|--|--|
| Ideal | Zoom app on a desktop or Laptop | A headset with microphone | Wired connection via Ethernet |
| Better | Zoom app on a mobile phone or tablet | A headset (using built-in microphone) Using a phone to dial in | Connected Wirelessly via WiFi |
| Okay | Calling into conference line (without Zoom app) | Computer speakers (using built-in microphone) Speakerphone on phone | Connected via 4G / LTE (cellular data) Using a phone to dial in |
| Tips | Make sure your device is fully charged and you have access to Zoom on your device | When Participating, pick a quite space to avoid any background noise | If you have to use WiFi, try to pick a workspace close to your router. |

Contact Info

First Name: Mark
 Last Name: Dewart
 E-mail: myata5@yahoo.com
 Title: Engineering Development Manager (Retired)
 Organization:
 Address: 454 Park Lane
 Address Line 2:
 City: Lake Bluff
 State: Illinois
 Zip: 60044
 Mobile Phone:
 Home Phone:
 Notes:

Resident Data/Stats

Ward: Ward 1
 Precinct: 240
 US Citizen: Yes
 Registered Voter: Yes
 Lake Forest Resident since(YYYY): Lake Bluff resident since 1982. (Lake Forest resident 1980-1982)
 Business Name:
 Type of Business:
 Business Phone:
 Position:
 Date of Birth (Optional):
 Education: AB. Wabash College. Biology, Chemistry
 MA. Vanderbilt University. Biology
 MS. Purdue University. Industrial Administration (MBA)
 Spouse's Name: Sharon
 Children's Birth Years:

Interest in Community Positions

Mayor: No Interest at this time
 Alderman: No Interest at this time
 #67 School Board: No Interest at this time
 #115 School Board: No Interest at this time
 Caucus Committee: No Interest at this time
 Audit Committee: No Interest at this time
 Board of Fire & Police Commissioners: No Interest at this time
 Building Review Board (BRB): No Interest at this time
 Cemetery Commission: No Interest at this time
 Committee Representing Our Young Adults (CROYA): No Interest at this time
 Construction Codes Commission: No Interest at this time
 Elawa Farm Commission: No Interest at this time
 Fireman's Pension Fund - Board of Trustees: No Interest at this time
 Gorton Community Center Board of Directors: No Interest at this time
 Historic Preservation Commission: No Interest at this time
 Legal Committee: No Interest at this time
 Library Board: No Interest at this time
 Park & Recreation Board: No Interest at this time
 Planning Commission Labels: No Interest at this time
 Police Pension Fund - Board of Trustees: No Interest at this time
 Senior Resources Commission: I am currently applying / Consider me for this position in the future
 Zoning Board of Appeals (ZBA): No Interest at this time
 Other Positions:

Other Considerations

Please list any regular commitments or travel that would interfere with your attendance at scheduled meetings:

None.

Please list any current or previous community service activities, interests, directorships, etc. -- public or private. For each activity please indicate years served and positions held:

- Past Member of LF/LB Senior Resource Commission. (Resigned to return to Lake Bluff Village Board)
- Member of the LF/LB Senior Citizens Foundation.
- Past Lake Bluff Village Trustee, Chair of Finance Committee.
- Chair of the Lake Bluff 125th Anniversary Committee.
- Board member of the Lake Bluff History Museum.
- Board member and past-president of Lake Forest-Lake Bluff Rotary Club.
- Past president of the Lake Bluff Community Development Association. (An advocacy group, notably for senior housing in Lake Bluff.)
- Past chairman of the Gorton Community Center.
- Past president and board member of the Wabash College Alumni Association.
- Past president of the of Grace United Methodist Church, Lake Bluff.

Please list other activities, specialized skills, knowledge, or professional experience that would contribute to your effectiveness in the position(s) for which you are applying or expressing possible future interest:

Management, finance and operations. Group leadership and consultative Skills.

References (Optional):

Please state briefly why you are volunteering to serve The City of Lake Forest:

I wish to serve and support the seniors, and senior programming, in the Lake Bluff and Lake Forest communities.

Please list any interests or activities that could lead to, or BE PERCEIVED as, a conflict of interest if you become a candidate or appointee.

None. Statement of Economic Interests filed March 2021.

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2021

Comprehensive Annual Financial Report of the City of Lake Forest, Illinois

Fiscal Year Ended April 30, 2021

City of Lake Forest Finance Department

Elizabeth Holleb, Finance Director
Diane Hall, Assistant Finance Director

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October 21, 2021

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, 2021, 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.

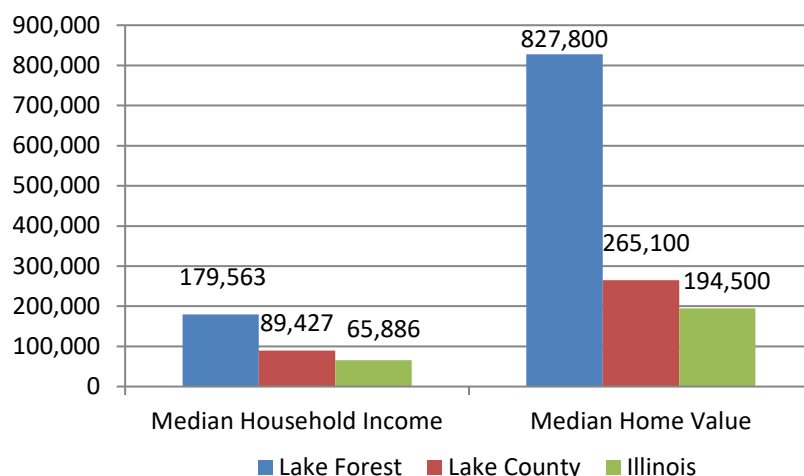
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

The City's financial statements have been audited by Baker Tilly US, 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, 2021, 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, 2021, 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, 2015-2019 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, Parks and Recreation Fund and General Cemetery Fund, considered major funds, this comparison is presented 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.

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 2020, the City's annual average unemployment rate was estimated to be 6.3%, compared to 8.1% for Lake County and 9.5% 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 August 2021, the index was 115.2, down from 129.1 in July, and comparing favorably to the August 2020 index of 86.3. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.

As revenues declined in 2008-2010 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) 2004-2022, 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 was 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 FY2021 budget estimates in aggregate. Effective May 1, 2014, the City implemented a new sanitation fee that generates \$915,000 per year. This revenue is currently deposited to the General 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. Effective July 1, 2019, the City increased the Home Rule Sales tax from .5% to 1% to fund capital improvement projects.

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. In recent years, the State has reduced income tax distributions and imposed an administration fee of 2% on home rule sales tax collections (reduced to 1.5% for SFY19). The City Council and staff continue to budget conservatively and 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.

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 through FY2021. 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.

In March 2020, the world was dramatically affected by the COVID-19 pandemic. While the General Fund revenues were not greatly affected in FY2020 by COVID-19, other areas of the City were significantly impacted. The City budgeted reduced sales tax and income tax revenue for FY2021. Both sales tax and income tax exceeded FY21 budget projections. The Police and Fire Pension investments resulted in larger losses as of April 30, 2020. Investments rebounded in FY21, resulting in returns in excess of 25%. The City's Parks and Recreation programs were placed on hold in March 2020 resulting in the cancellation of many of the spring and summer programs reducing the revenue of the fund. Programs remained at reduced capacities throughout FY21. The City's golf course was shut down in March and was able to open at a limited capacity as of May 1. A revised FY21 preliminary budget was presented to the City for approval, reflecting changes based on anticipated reductions in consumer driven revenue. The Golf Course thrived by offering outside services for residents. The City continues to seek grant opportunities to assist with the financial impact of the pandemic. The City successfully applied for CARES funding and received \$899,471, through Lake County. The City has been awarded \$2.6 million in America Rescue Plan Act (ARPA) funds to be received in FY22 and FY23. To date, the City has received \$203,482 in Federal Emergency Management Agency (FEMA) funding to assist with COVID-19 expenses.

Long-Term Financial Planning. The City is funding infrastructure expenditures primarily on a pay-as-you-go basis from dedicated revenues. A real estate transfer tax is imposed on residential and commercial real estate transactions and is deposited into the Capital Improvements Fund. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate. FY2021 real estate transfer tax revenue totaled \$2.7 million, which is \$1.8 million over budget. 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 provided an additional \$300,000 in funding. The City Council approved moving the Sanitation fee to the General Fund beginning in FY2020 to align the revenue with the Sanitation Division operating expenses. The Capital Fund Tax Levy has been increased for the Capital Improvement 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 fund 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 address 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, 2021, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 58.8% and for the Firefighters' Pension Plan is 78.2%.

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, 2020 due to a 2020 investment return of 14.79%, the funded ratio for IMRF is 104.16%, 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 April 30, 2017 actuarial valuations, increasing the funding requirement for FY2019 by a combined \$800,000 and additional \$190,000 in FY2020. The City Council approved a FY2021 transfer of \$500,000 to each pension fund from FY2020 General Fund excess fund balance to provide additional funding. 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 4 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 FY2021, 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. As of April 30, 2021 construction of the three apartment buildings is complete and nearly fully occupied. The first of the two condominiums is complete with 17 units sold and one additional under contract. Construction of the second building has not started. Seven single family homes have been sold.
- In March 2020, the City Council authorized \$443,150 to renovate the Fire Department locker room.
- In April 2020, the City Council authorized \$764,811 for improvements to South Park. The City received an OSLAD grant in the amount of \$280,000 to assist with the project funding.
- In May 2020, the City Council authorized \$800,000 for inflow and infiltration repairs to the City's sanitary sewer lines.

- Staff pursued Federal grant funding through the CARES ACT to recover costs associated with the Coronavirus pandemic. The City received \$899,471 from Lake County's CARES allocation. The City transferred \$50,624 to Lake Forest Library to assist with their additional expenses.
- The City provided \$116,686 in COVID-19 stimulus grants to City businesses to assist with economic hardships related to the COVID-19 pandemic.
- The City transferred \$500,000 from the General Fund to the Parks and Recreation Fund due to COVID-19 related losses.
- In July 2021, the City Council authorized transferring from FY2021 General Fund surplus, \$750,000 to the Park and Public Land Fund and Housing Trust Fund and \$2,842,640 to the Capital Improvement Fund for future projects.

Awards and Acknowledgements

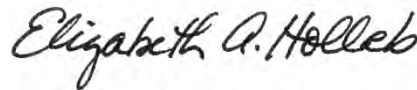
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Lake Forest for its comprehensive annual financial report for the fiscal year ended April 30, 2020. This was the 42nd consecutive year that the City of Lake Forest 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
for Excellence
in Financial
Reporting

Presented to

**City of Lake Forest
Illinois**

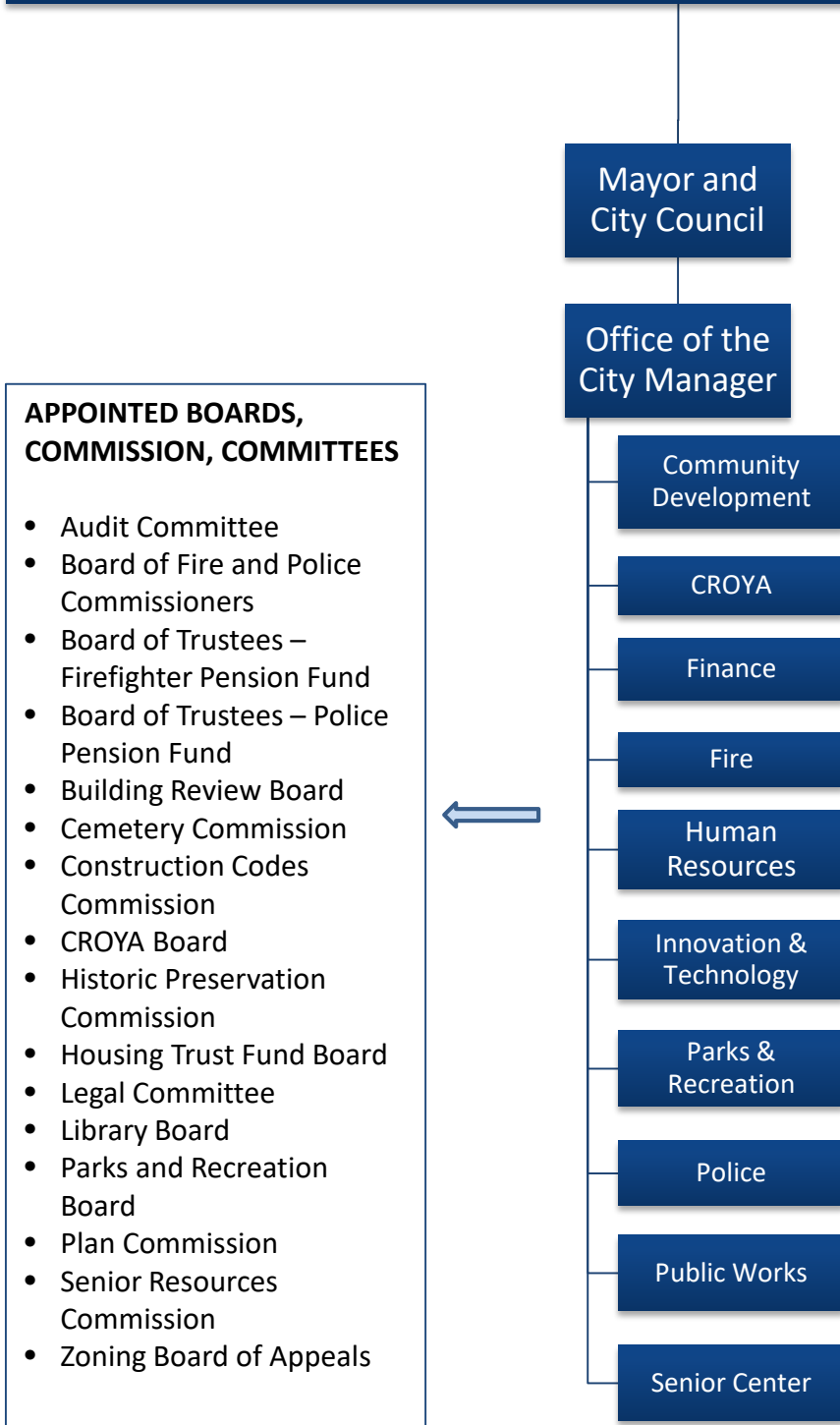
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

April 30, 2020

Christopher P. Morrell

Executive Director/CEO

Voters and Residents of The City of Lake Forest



List of Principal Officials

Year Ended April 30, 2021

LEGISLATIVE

City Council

George Pandaleon, Mayor

Jennifer Karras

Melanie Rummel

James E. Morris

Ted Notz

Jim Preschlack

Ara Goshgarian

Raymond P. Buschmann

Eileen Weber

AUDIT COMMITTEE

Vince Sparrow, Chairman

Tighe Magnuson

William McFadden

Mark Dillon

Tara Janos

George Pandaleon, 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 of
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, 2021, 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.

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, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Forest's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 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 US, LLP

Oak Brook, Illinois
October 21, 2021

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

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 and the City's financial statements.

Financial Highlights

- The City's net position increased \$12.2 million for the fiscal year ending April 30, 2021 (FY21). Governmental net position increased \$11.9 million and business-type net position increased \$.3 million.
- The governmental activities revenue increased by \$4.9 million (8.6%) due to increased taxes, capital grants/contributions, investment income and coronavirus relief funds, offset by decreases to charges for services and operating grants and contributions. The expenses decreased by \$8.7 million (17.4 %) due primarily to adjustments related to pensions and reduced expenditures due to the pandemic.
- The business-type activities revenue increased by \$1.3 million (13.7%) primarily due to an increase in charges for services in the Water and Sewer Fund and Golf Course Fund offset by a decrease in investment income. The City's business-type activity expenses increased by \$.4 million (4.0 %) due primarily to pension adjustments and non-capitalized improvements.
- The total cost of all City programs decreased from \$68.8 million in FY20 to \$60.5 million in FY21 – a decrease of \$8.3 million or 13.7% - attributable to decreased expenses attributed to the pandemic, 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 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 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, 2021

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 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 and Cemetery Trust 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 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. 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, 2021

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The City's combined net position increased by \$12.2 million for FY21 – from \$223.4 million to \$235.6 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 \$11.9 million – from \$174.7 million to \$186.6 million. The business-type activities net position increased by \$.3 million – from \$48.7 million to \$49.0 million. Table 1 reflects the condensed Statement of Net Position compared to FY20. 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, 2020 and 2021
(in millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---------------------------|--------------------------------|----------------|---------------------------------|---------------|---------------------------------|----------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current and Other Assets | \$103.0 | \$117.8 | \$11.8 | \$13.5 | \$114.8 | \$131.3 |
| Capital Assets | 195.6 | 193.2 | 55.9 | 52.9 | 251.5 | 246.1 |
| Total Assets | 298.6 | 311.0 | 67.7 | 66.4 | 366.3 | 377.4 |
| Deferred Outflows | 15.2 | 10.1 | .4 | 0.2 | 15.6 | 10.3 |
| Long- Term Liabilities | 97.1 | 76.7 | 18.0 | 15.2 | 115.1 | 91.9 |
| Other Liabilities | 7.3 | 7.8 | 0.8 | 1.0 | 8.1 | 8.8 |
| Total Liabilities | 104.4 | 84.5 | 18.8 | 16.2 | 123.2 | 100.7 |
| Deferred Inflows | 34.7 | 50.0 | 0.6 | 1.3 | 35.3 | 51.3 |
| Net Position: | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 165.2 | 164.8 | 39.0 | 38.1 | 204.2 | 202.9 |
| Restricted | 27.8 | 36.5 | 0.0 | 0.6 | 27.8 | 37.1 |
| Unrestricted | (18.3) | (14.7) | 9.7 | 10.3 | (8.6) | (4.4) |
| Total Net Position | \$174.7 | \$186.6 | \$48.7 | \$49.0 | \$223.4 | \$235.6 |

For more detailed information see the Statement of Net Position.

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, 2021

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 \$12.2 million increase in combined net position (which is the City's bottom line) was the result of the governmental activities net position increasing by \$11.9 million and the business-type activities net position increasing by \$.3 million.

The governmental activities total assets increased by \$12.4 million (>.4 %) while the governmental activities total liabilities decreased by \$19.9 million (23.6 %). 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 and net pension assets. The decrease in total liabilities is due primarily to decreases in long term obligations relating to pension liabilities. 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.

The decrease in deferred outflows of \$5.1 million related to pensions, while an increase in deferred inflows of \$15.3 million related to pensions, OPEB and an increase in property taxes levied for future periods.

Net investment in capital assets decreased by \$.4 million (>.1%) due to depreciation and the pay down of G.O. Bonds that funded the capital assets. Restricted net position increased \$8.7 million largely due to excess fund balance from the General Fund transferred to the Capital Improvement Fund to fund current year capital improvements and Cemetery increased investment income. Unrestricted net position increased by \$3.6 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 increased by \$.3 million, from \$48.7 million to \$49.0 million. The primary change in assets of the business-type activities was a decrease in capital assets, offset by an increase in restricted net position for employee retirements.

Long-term liabilities decreased by \$2.8 million due to scheduled maturities of debt obligations and decreases to net pension liabilities. Net investment in capital assets decreased by \$.9 million due to bond-funded capital improvements, restricted net position increased by \$.6 million and unrestricted net position increased by \$.6 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 \$7.7 million per year and interest expense on bonds is \$.5 million.

Changes in Net Position

The City's combined change in net position was an increase of \$12.2 million in FY21. The City's total revenues increased by \$6.2 million, primarily driven by increased property taxes, intergovernmental taxes and investment income. The City's cost of all programs decreased by \$8.3 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.

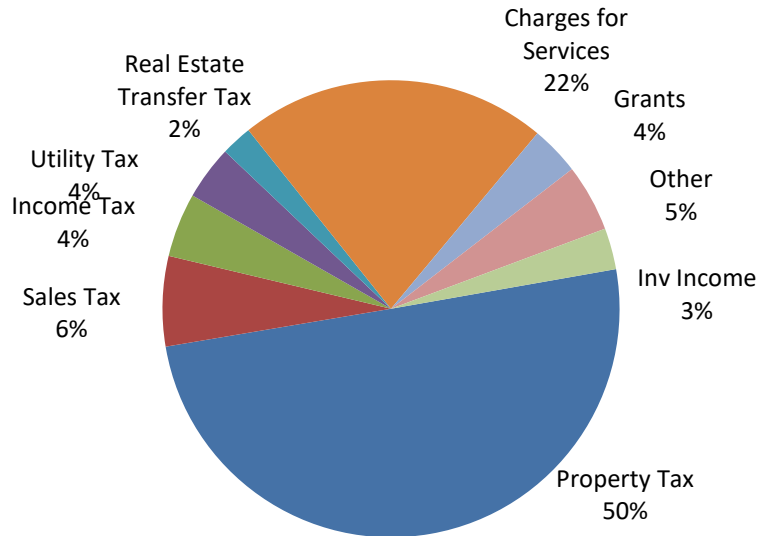
CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2020 and 2021
(in millions)

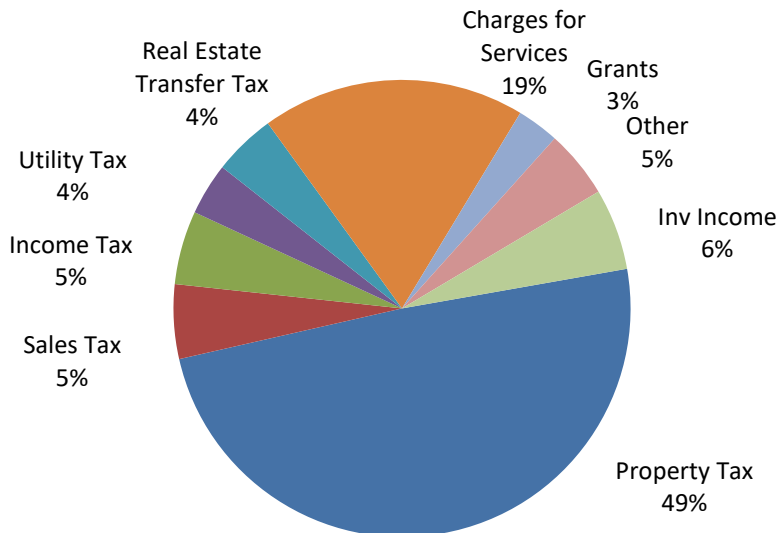
| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---------------------------------|------------------------------------|----------------|-------------------------------------|---------------|-------------------------------------|----------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| REVENUE | | | | | | |
| Program Revenue | | | | | | |
| Charges for Services | \$12.4 | \$11.5 | \$9.0 | \$10.4 | \$21.4 | \$21.9 |
| Grants and Contributions | | | | | | |
| Operating | 1.5 | 1.1 | 0.0 | 0.0 | 1.5 | 1.1 |
| Capital | 0.5 | 0.8 | | | 0.5 | 0.8 |
| General Revenue | | | | | | |
| Property Taxes | 28.6 | 30.4 | | | 28.6 | 30.4 |
| Other Taxes | 4.7 | 6.3 | | | 4.7 | 6.3 |
| Intergovernmental - Taxes | 6.3 | 6.9 | | | 6.3 | 6.9 |
| Interest Revenue | 1.7 | 3.6 | 0.2 | 0.1 | 1.9 | 3.7 |
| Other | 1.3 | 1.3 | 0.3 | 0.3 | 1.6 | 1.6 |
| Total Revenue | 57.0 | 61.9 | 9.5 | 10.8 | 66.5 | 72.7 |
| EXPENSES | | | | | | |
| Governmental Activities | | | | | | |
| General Government | 13.9 | 12.9 | | | 13.9 | 12.9 |
| Highways and Streets | 8.7 | 7.5 | | | 8.7 | 7.5 |
| Sanitation | 2.7 | 2.4 | | | 2.7 | 2.4 |
| Culture and Recreation | 9.0 | 9.5 | | | 9.0 | 9.5 |
| Public Safety | 23.3 | 16.8 | | | 23.3 | 16.8 |
| Interest | 1.1 | 0.9 | | | 1.1 | 0.9 |
| Business-Type Activities | | | | | | |
| Water and Sewer | | | 8.2 | 8.5 | 8.2 | 8.5 |
| Golf | | | 1.9 | 2.0 | 1.9 | 2.0 |
| Total Expenses | 58.7 | 50.0 | 10.1 | 10.5 | 68.8 | 60.5 |
| Excess before Transfers | (1.7) | 11.9 | (0.6) | 0.3 | (2.3) | 12.2 |
| Transfers In (out) | (0.2) | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| Change in Net Position | (1.9) | 11.9 | (0.4) | 0.3 | (2.3) | 12.2 |
| Net Position - Beginning | 176.6 | 174.7 | 49.1 | 48.7 | 225.7 | 223.4 |
| Net Position - Ending | \$174.7 | \$186.6 | \$48.7 | \$49.0 | \$223.4 | \$235.6 |

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

FY2020 Governmental Activities Revenue

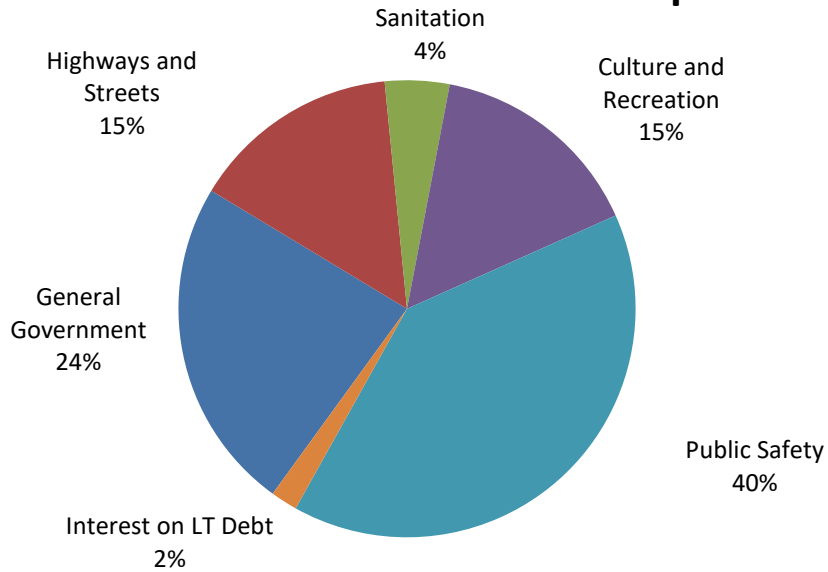


FY2021 Governmental Activities Revenue

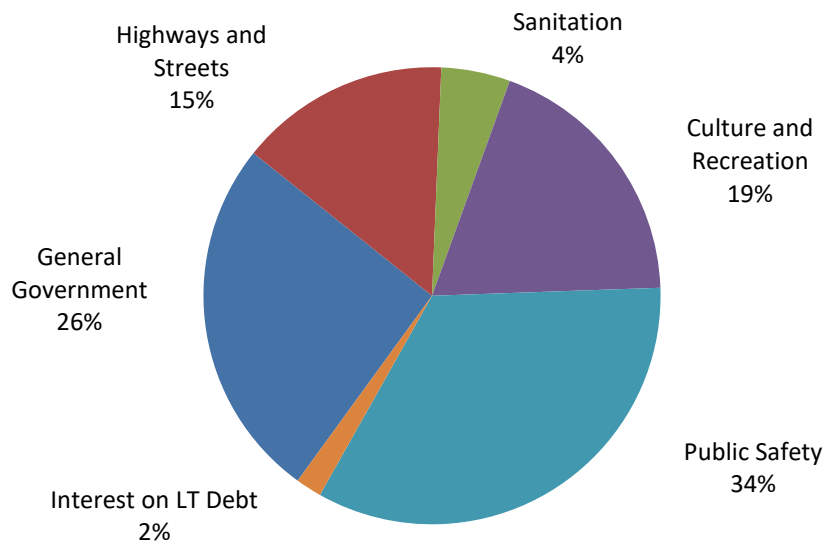


CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

FY2020 Governmental Activities Expenses



FY2021 Governmental Activities Expenses



CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

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, 2021, revenues from governmental activities totaled \$61.9 million, increasing \$4.9 million compared to FY20. The primary changes occurred in Property Taxes (up \$1.8 million), Real Estate Transfer Tax (up \$1.4 million) Charges for Services (down \$.9 million), Operating Grants and Contributions (down \$.4 million), Sales Taxes (down \$.3 million), Income Taxes (up \$.6 million) Interest Revenue (up \$1.9 million) and coronavirus relief funds (up \$.5 million) The decrease in Charges for Services was largely due to the cancellation of Recreation programs due to COVID-19. Sales Taxes decrease was due primarily to the pandemic's effect on business operations. Real Estate Transfer Tax increased due to a record year in home sales. Investment income increased due to return on investments. Property tax revenue continues to be the City's single largest revenue source, contributing \$30.4 million (49 %) of governmental activities revenue.

Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$41.9 million and represent 68% of the total governmental activities revenue.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

The real estate transfer tax became effective July 5, 2006 with 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 2020 equalized assessed valuation decreased 2.6% compared to the prior year and totaled \$2,396,662,125. 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 6.3% over FY20 in property taxes was generated as a result of the City Council adopting a 4.64% increase in the levy and new growth. The City received \$.8 million from the Laurel/Western Redevelopment TIF District, which are not included in the City Council approved tax levy. While the tax cap applicable to this levy was 1.9%, the levies for debt service and capital improvements combined exceeded the tax cap.

Investment income increased by \$1.9 million, from \$1.7 million to \$3.6 million. The City's strategy for investing did not change but the City benefitted from improved market conditions primarily in the Cemetery Fund.

Expenses

For the fiscal year ended April 30, 2021, expenses for governmental activities totaled \$50.0 million, a decrease of \$8.7 million (17.4 %). The decrease is due in large part to pension adjustments and cancellation of Recreation programs due to the pandemic. 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 FY21 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 \$1.3 million (13.7%) primarily due to an increase of charges for services in the Water and Sewerage Fund and Golf Course Fund, offset by a decrease in investment income.

Expenses

The City's business-type activity expenses increased by \$.4 million (4.0 %) primarily due to increased operating expenses in the Water and Sewerage Fund.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2021, the governmental funds (as presented on the balance sheet) reported a combined fund balance of \$64.8 million which is an \$8.2 million (14.5%) increase from the beginning of the year (\$56.6 million). This increase was largely driven by excess of revenues over expenditures in the General Fund and Cemetery Fund and decrease of revenue to the Parks and Recreation Fund. The City Council elected to transfer from the General Fund an additional \$3.5 million of the FY21 operating surplus to the Capital Improvement Fund to provide additional funding for capital improvements, \$.7 million was transferred to the Parks and Public Lands Fund and Affordable Housing Fund to support future projects and \$.5 million to the Parks and Recreation Fund of the surplus set aside in FY20 for assistance to other funds for COVID-19 related expenses in FY21. The Motor Fuel Tax fund received additional funding from a Rebuild Illinois Grant received issued by the state. Of the total fund balance of \$64.8 million, \$.2 million is not available for continuing City services and capital projects, and \$36.7 million is restricted in its use. The unassigned fund balance for the total of all governmental funds is \$27.8 million, which is a \$.9 million (3.0%) decrease over the prior year. The City had reserved \$1.0 million of FY2020 General Fund operating surplus for potential impacts related to COVID-19 in FY2021.

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 \$1.2 million or 4.3% from FY20 (from \$29.6 million to \$28.4 million). The General Fund revenues increased by \$1.3 million (3.4%) due primarily to higher property taxes and grants and contribution revenue offset by decreases in charges for services and interest revenue. The General Fund expenditures increased by \$1.0 million (3.0%) due to personnel costs. The excess of revenues over expenditures (before transfers) for FY21 of \$5.2 million was \$.3 million greater than FY20 \$4.9 million. The other financing sources (uses) for FY21 of \$6.4 million was significantly higher than FY20 \$4.3 million due to one-time revenues being transferred to other funds for capital improvements and to provide assistance for COVID-19 reduced revenues.

Property taxes increased \$1.2 million, while charges for services decreased \$.5 million and contributions increased \$.8 million due to the City pursuing CARES Act funding for COVID-19 impacts on City expenses. 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 2019 levy extension (FY21 revenue) allowed for a 4.64% increase as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government increased 5.0%, highways and streets increased 13.0% (personnel; snow and ice control), sanitation and public safety remained constant.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

Table 3
General Fund Budgetary Highlights
(in millions)

| General Fund | Original Budget | Final Budget | Actual |
|-------------------------------|--------------------|-----------------|----------------|
| Revenues: | | | |
| Taxes | \$22.6 | \$22.6 | \$22.5 |
| Intergovernmental | 4.6 | 4.6 | 6.6 |
| Other | 8.7 | 8.7 | 10.0 |
| Total | 35.9 | 35.9 | 39.1 |
| Expenditures and Transfers: | | | |
| Expenditures | 38.6 | 39.3 | 33.9 |
| Transfers (Net) | 1.0 | 1.4 | 6.4 |
| Total | 39.6 | 40.7 | 40.3 |
| Change in Fund Balance | (\$3.7) | (\$4.8) | (\$1.2) |

Actual General Fund revenues were higher than budgeted revenues by \$3.2 million during FY21. The primary variance resulted from income tax, sales tax and building permits exceeding projections and receiving \$.8 million in coronavirus relief funding. 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 \$3.7 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 FY21. Additional information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

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 increased by \$.1 million, from \$1.3 million to \$1.4 million. The Parks and Recreation Fund revenues decreased by \$.8 million due to cancellation of programs as the result of COVID-19 and reduced investment income. Expenses decreased by \$1 million due to cancellation of programs as the result of COVID-19. Total other financing sources (uses) were \$.1 million in FY20, but \$.8 million in FY21, due to a onetime transfer from the General Fund to assist with COVID-19 related impacts and decreased transfers to the Golf Course Fund for capital improvements.

The Capital Improvements Fund is reported as a Major Fund for FY21 and is used to account for revenues associated with City building and infrastructure projects. Fund balance of this fund increased by \$4.9 million in FY21. Compared to FY20, revenue increased by \$1.3 million due to increases in real estate transfer taxes offset by decreases in property taxes and investment income. Total expenditures decreased by \$2.8 million in the capital outlay category. Transfers in of \$3.9 million for FY21 consisted of one time fund balance transfer of the General Fund for one-time capital improvements.

The Cemetery Fund is reported as a Major Fund in FY21 and is used to account for the operations of the Cemetery Commission. Fund balance for this fund increased by \$3.3 million in FY21. Compared to FY20, revenues increased \$2.9 million due to investment income. Expenses remained constant in FY21.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

CAPITAL ASSETS

Table 4
Capital Assets at Year End - 2020 and 2021
Net of Depreciation
(in millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------|-------------------------|----------------|--------------------------|---------------|--------------------------|----------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Land and Improvements | \$40.2 | \$40.6 | \$0.5 | \$0.5 | \$40.7 | \$41.1 |
| Infrastructure - Land | 66.7 | 66.7 | | | 66.7 | 66.7 |
| Construction in Progress | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 |
| Infrastructure | 53.1 | 50.9 | | | 53.1 | 50.9 |
| Buildings | 17.0 | 16.3 | 9.4 | 8.4 | 26.4 | 24.7 |
| Improvements | 14.4 | 14.3 | 32.3 | 31.1 | 46.7 | 45.4 |
| Machinery and Equipment | 4.1 | 4.3 | 1.6 | 1.4 | 5.7 | 5.7 |
| Sanitary Sewers | 0.0 | 0.0 | 12.1 | 11.5 | 12.1 | 11.5 |
| Total | \$195.6 | \$193.2 | \$55.9 | \$52.9 | \$251.5 | \$246.1 |

At the end of FY21, the City had a combined total of \$246.1 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$5.4 million. The net decrease is attributable to a \$2.4 million decrease in governmental activities and a \$3.0 million decrease in the business-type activities.

The decrease in the governmental activities was due to depreciation exceeding additions by \$2.9 million. The decrease in business-type activities was due primarily to \$3.0 million of depreciation exceeding additions.

The following reconciliation summarizes the changes in Capital Assets which are presented in detail in Note 3.

Table 5
Change in Capital Assets
(in millions)

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------|-------------------------|--------------------------|----------------|
| Beginning Balance | \$195.6 | \$55.9 | \$251.5 |
| Additions | | | |
| Depreciable | 3.2 | 0.3 | 3.5 |
| Construction in Progress | 0.1 | 0.0 | 0.1 |
| Retirements | | | |
| Depreciable | (0.4) | (0.1) | (0.5) |
| Depreciation | (5.7) | (3.3) | (9.0) |
| Retirements | 0.4 | 0.1 | 0.5 |
| Ending Balance | \$193.2 | \$52.9 | \$246.1 |

The increase in Governmental Activities of \$3.2 million was due to equipment purchases and improvements to South Park.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2021

Debt Outstanding

The City had \$42.0 million of general obligation bonds outstanding at April 30, 2021. Of this amount \$21.1 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 \$5,409 and \$4,330 if self-supporting debt is excluded.

The City operated as a home rule community for FY21. 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 the notes to the financial statements.

As of April 30, 2021, the City's net pension liability is \$44.1 million, a decrease of \$18.6 million compared to the \$62.7 million balance as of April 30, 2020. Additional information regarding the net pension liability can be found in Note 4.

As of April 30, 2021, the City's OPEB liability is \$2.3 million, a decrease of \$.5 million compared to the \$2.8 million balance as of April 30, 2020. Additional information regarding the OPEB liability can be found in Note 3.

Economic Factors

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2020, the City's annual average unemployment rate was estimated to be 6.3%, compared to 8.1% for Lake County and 9.5% 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

April 30, 2021

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|--------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Lake Forest Library |
| Assets and Deferred Outflows of Resources | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 63,241,382 | \$ 10,179,676 | \$ 73,421,058 | \$ 6,269,624 |
| Investments | 10,216,223 | - | 10,216,223 | - |
| Receivables (net): | | | | |
| Property taxes | 30,539,126 | - | 30,539,126 | 4,329,806 |
| Other taxes | 366,880 | - | 366,880 | 13,581 |
| Accounts | 1,376,157 | 1,484,338 | 2,860,495 | - |
| Loans | 10,559 | - | 10,559 | - |
| Other | 5,622,731 | 3,976 | 5,626,707 | - |
| Due from other governmental units | 2,164,910 | - | 2,164,910 | - |
| Internal balances | (1,019,708) | 1,019,708 | - | - |
| Inventories | 520,639 | 101,152 | 621,791 | - |
| Prepaid items | 757,056 | 90,745 | 847,801 | - |
| Net pension asset | 3,773,917 | 580,012 | 4,353,929 | 451,219 |
| Due from fiduciary funds | 222,845 | - | 222,845 | - |
| Capital assets: | | | | |
| Capital assets not being depreciated | 107,476,009 | 441,413 | 107,917,422 | 238,500 |
| Capital assets being depreciated, net of accumulated depreciation | <u>85,689,936</u> | <u>52,456,796</u> | <u>138,146,732</u> | <u>2,446,033</u> |
| Total assets | <u>310,958,662</u> | <u>66,357,816</u> | <u>377,316,478</u> | <u>13,748,763</u> |
| Deferred Outflows of Resources | | | | |
| Deferred charge on refunding | - | 717 | 717 | - |
| Deferred outflows related to pensions | 9,795,605 | 168,784 | 9,964,389 | 134,645 |
| Deferred outflows related to total OPEB liability | <u>300,562</u> | <u>28,259</u> | <u>328,821</u> | <u>6,127</u> |
| Total deferred outflows of resources | <u>10,096,167</u> | <u>197,760</u> | <u>10,293,927</u> | <u>140,772</u> |

See notes to financial statements

City of Lake Forest

Statement of Net Position

April 30, 2021

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Lake Forest Library |
| Liabilities, Deferred inflows of Resources and Net Position | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 2,570,986 | \$ 303,716 | \$ 2,874,702 | \$ 77,795 |
| Accrued liabilities | 1,606,468 | 60,517 | 1,666,985 | 54,991 |
| Accrued interest payable | 260,061 | 198,987 | 459,048 | - |
| Deposits | 920,335 | - | 920,335 | - |
| Unearned revenue | 2,356,880 | 413,985 | 2,770,865 | - |
| Due to fiduciary funds | 72,962 | - | 72,962 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 2,129,665 | 1,876,947 | 4,006,612 | 39,756 |
| Due in more than one year | 74,563,511 | 13,340,243 | 87,903,754 | 277,108 |
| Total liabilities | <u>84,480,868</u> | <u>16,194,395</u> | <u>100,675,263</u> | <u>449,650</u> |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for future periods | 30,539,126 | - | 30,539,126 | 4,329,806 |
| Deferred inflows related to pensions | 19,017,112 | 1,312,370 | 20,329,482 | 1,020,954 |
| Deferred inflows related to total OPEB liability | 394,576 | 37,098 | 431,674 | 19,963 |
| Deferred charge on refunding | <u>28,365</u> | <u>-</u> | <u>28,365</u> | <u>-</u> |
| Total deferred inflows of resources | <u>49,979,179</u> | <u>1,349,468</u> | <u>51,328,647</u> | <u>5,370,723</u> |
| Net Position | | | | |
| Net investment in capital assets | 164,798,332 | 38,142,896 | 202,941,228 | 2,636,468 |
| Restricted for: | | | | |
| Culture and recreation | 3,077,211 | - | 3,077,211 | - |
| Highways and streets | 1,344,272 | - | 1,344,272 | - |
| Public safety | 1,224,850 | - | 1,224,850 | - |
| Cemetery purposes | 11,353,154 | - | 11,353,154 | - |
| Affordable housing | 1,647,067 | - | 1,647,067 | - |
| Capital projects | 16,222,288 | - | 16,222,288 | - |
| Debt service | 1,640,674 | - | 1,640,674 | - |
| Employee retirement | - | 580,012 | 580,012 | 451,219 |
| Unrestricted | <u>(14,713,066)</u> | <u>10,288,805</u> | <u>(4,424,261)</u> | <u>4,981,475</u> |
| Total net position | <u>\$ 186,594,782</u> | <u>\$ 49,011,713</u> | <u>\$235,606,495</u> | <u>\$ 8,069,162</u> |

City of Lake Forest

Statement of Activities Year Ended April 30, 2021

| Functions/Programs | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | | |
|--------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Unit |
| | | | | | Governmental Activities | Business-Type Activities | Total | Lake Forest Library |
| Primary Government | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 12,863,134 | \$ 3,754,897 | \$ 69,253 | \$ 138,610 | \$ (8,900,374) | \$ - | \$ (8,900,374) | \$ - |
| Highway and streets | 7,457,325 | 2,476,794 | 693,704 | 638,444 | (3,648,383) | - | (3,648,383) | - |
| Sanitation | 2,438,916 | 1,053,692 | - | - | (1,385,224) | - | (1,385,224) | - |
| Culture and recreation | 9,453,397 | 1,733,927 | 326,712 | - | (7,392,758) | - | (7,392,758) | - |
| Public safety | 16,854,590 | 2,517,398 | 7,730 | - | (14,329,462) | - | (14,329,462) | - |
| Interest on long-term debt | 920,485 | - | - | - | (920,485) | - | (920,485) | - |
| Total governmental activities | 49,987,847 | 11,536,708 | 1,097,399 | 777,054 | (36,576,686) | - | (36,576,686) | - |
| Business-type activities: | | | | | | | | |
| Waterworks and Sewerage | 8,486,272 | 8,569,806 | - | - | - | 83,534 | 83,534 | - |
| Deerpath Golf Course | 2,042,874 | 1,864,338 | - | - | - | (178,536) | (178,536) | - |
| Total business-type activities | 10,529,146 | 10,434,144 | - | - | - | (95,002) | (95,002) | - |
| Total primary government | \$ 60,516,993 | \$ 21,970,852 | \$ 1,097,399 | \$ 777,054 | (36,576,686) | (95,002) | (36,671,688) | - |
| Component Unit | | | | | | | | |
| Lake Forest Library | \$ 3,508,284 | \$ 40,251 | \$ 185,550 | \$ - | - | - | - | (3,282,483) |
| General Revenues | | | | | | | | |
| Taxes | | | | | | | | |
| Property | | | | | 30,459,112 | - | 30,459,112 | 4,260,835 |
| Home rule sales | | | | | 1,081,489 | - | 1,081,489 | - |
| Utility | | | | | 2,282,346 | - | 2,282,346 | - |
| Real estate transfer | | | | | 2,735,405 | - | 2,735,405 | - |
| Other | | | | | 156,412 | - | 156,412 | - |
| Intergovernmental, unrestricted | | | | | | | | |
| Sales | | | | | 2,175,264 | - | 2,175,264 | - |
| Income | | | | | 3,223,407 | - | 3,223,407 | - |
| Telecommunication | | | | | 820,169 | - | 820,169 | - |
| Replacement | | | | | 179,967 | - | 179,967 | 48,298 |
| Coronavirus relief fund | | | | | 502,065 | - | 502,065 | - |
| Other | | | | | 1,294,923 | 290,648 | 1,585,571 | - |
| Investment income | | | | | 3,564,117 | 42,285 | 3,606,402 | 28,467 |
| Total general revenues | | | | | 48,474,676 | 332,933 | 48,807,609 | 4,337,600 |
| Transfers | | | | | (29,500) | 29,500 | - | - |
| Total general revenues and transfers | | | | | 48,445,176 | 362,433 | 48,807,609 | 4,337,600 |
| Change in net position | | | | | 11,868,490 | 267,431 | 12,135,921 | 1,055,117 |
| Net Position, Beginning | | | | | 174,726,292 | 48,744,282 | 223,470,574 | 7,014,045 |
| Net Position, Ending | | | | | \$ 186,594,782 | \$ 49,011,713 | \$ 235,606,495 | \$ 8,069,162 |

See notes to financial statements

City of Lake Forest

Balance Sheet
Governmental Funds
April 30, 2021

| | <u>General</u> | <u>Parks and Recreation</u> | <u>General Cemetery</u> | <u>Capital Improvements</u> |
|---|----------------------|-----------------------------|-------------------------|-----------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 28,883,403 | \$ 1,702,865 | \$ 916,970 | \$ 15,790,833 |
| Investments | - | - | 10,216,223 | - |
| Receivables (net): | | | | |
| Property taxes | 20,571,984 | 6,369,188 | - | 1,528,217 |
| Other taxes | 366,880 | - | - | - |
| Accounts | 1,097,550 | 269,858 | - | 8,749 |
| Loans | 10,559 | - | - | - |
| Other | 200,000 | - | 76,050 | - |
| Due from other governments | 1,280,112 | 16,107 | - | 524,467 |
| Advances to other funds | - | - | - | - |
| Due from other funds | - | 125,000 | - | 624,815 |
| Due from fiduciary funds | - | - | 222,845 | - |
| Inventories | 104,760 | - | - | - |
| Prepaid items | 103,901 | - | - | - |
| | <u>\$ 52,619,149</u> | <u>\$ 8,483,018</u> | <u>\$ 11,432,088</u> | <u>\$ 18,477,081</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 416,536 | \$ 98,718 | \$ 70,446 | \$ 309,828 |
| Accrued liabilities | 617,483 | 81,097 | 5,838 | - |
| Deposits | 874,335 | - | - | 28,000 |
| Unearned revenue | 1,708,921 | 498,246 | 2,650 | 8,749 |
| Due to other funds | - | - | - | - |
| Due to fiduciary funds | 72,962 | - | - | - |
| Advances from other funds | - | - | - | 380,000 |
| | <u>3,690,237</u> | <u>678,061</u> | <u>78,934</u> | <u>726,577</u> |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for a future period | 20,571,984 | 6,369,189 | - | 1,528,216 |
| Unavailable revenues | - | - | - | 31,449 |
| | <u>20,571,984</u> | <u>6,369,189</u> | <u>-</u> | <u>1,559,665</u> |
| Fund Balances | | | | |
| Nonspendable | 208,661 | - | - | - |
| Restricted | - | 1,435,768 | 11,353,154 | 16,190,839 |
| Unassigned | 28,148,267 | - | - | - |
| | <u>28,356,928</u> | <u>1,435,768</u> | <u>11,353,154</u> | <u>16,190,839</u> |
| Total fund balances | <u>28,356,928</u> | <u>1,435,768</u> | <u>11,353,154</u> | <u>16,190,839</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 52,619,149</u> | <u>\$ 8,483,018</u> | <u>\$ 11,432,088</u> | <u>\$ 18,477,081</u> |

See notes to financial statements

| Nonmajor Governmental Funds | Total |
|--|-----------------------|
| \$ 7,318,054 | \$ 54,612,125 |
| - | 10,216,223 |
| 2,069,737 | 30,539,126 |
| - | 366,880 |
| - | 1,376,157 |
| - | 10,559 |
| 885,732 | 1,161,782 |
| 344,224 | 2,164,910 |
| 380,000 | 380,000 |
| - | 749,815 |
| - | 222,845 |
| - | 104,760 |
| <u>28,878</u> | <u>132,779</u> |
| <u>\$ 11,026,625</u> | <u>\$ 102,037,961</u> |

| | |
|------------------|------------------|
| \$ 688,221 | \$ 1,583,749 |
| 4,508 | 708,926 |
| 18,000 | 920,335 |
| 138,314 | 2,356,880 |
| 624,815 | 624,815 |
| - | 72,962 |
| <u>-</u> | <u>380,000</u> |
| <u>1,473,858</u> | <u>6,647,667</u> |

| | |
|------------------|-------------------|
| 2,069,737 | 30,539,126 |
| <u>-</u> | <u>31,449</u> |
| <u>2,069,737</u> | <u>30,570,575</u> |

| | |
|------------------|-------------------|
| 28,878 | 237,539 |
| 7,758,367 | 36,738,128 |
| <u>(304,215)</u> | <u>27,844,052</u> |
| <u>7,483,030</u> | <u>64,819,719</u> |

| | |
|----------------------|-----------------------|
| <u>\$ 11,026,625</u> | <u>\$ 102,037,961</u> |
|----------------------|-----------------------|

City of Lake Forest

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2021

| | |
|--|------------------------------|
| Total Fund Balances, Governmental Funds | \$ 64,819,719 |
| 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. | 193,165,945 |
| 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. | 31,449 |
| The net pension asset does not relate to current financial resources and is not reported in the governmental funds. | 3,773,917 |
| Less amount reported in the internal service fund below. | (181,912) |
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | 9,795,605 |
| Less amount reported in the internal service fund below. | (52,500) |
| Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. | (19,017,112) |
| Less amount reported in the internal service fund below. | 411,603 |
| Deferred outflows of resources related to total OPEB liability do not relate to current financial resources and are not reported in the governmental funds. | 300,562 |
| Less amount reported in the internal service fund below. | (9,020) |
| Deferred inflows of resources related to total OPEB liability do not relate to current financial resources and are not reported in the governmental funds. | (394,576) |
| Less amount reported in the internal service fund below. | 11,842 |
| 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 | (27,631,868) |
| Compensated absences | (2,167,764) |
| Accrued interest | (260,061) |
| Unamortized debt premium | (707,380) |
| Net pension liabilities | (44,127,517) |
| Total OPEB liability | (2,058,647) |
| Less internal service fund long-term liabilities | 100,121 |
| 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. | (28,365) |
| Internal service funds are reported in the statement of net position as governmental activities. | <u>10,820,741</u> |
| Net Position of Governmental Activities | <u>\$ 186,594,782</u> |

City of Lake Forest

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended April 30, 2021

| | <u>General</u> | <u>Parks and Recreation</u> | <u>General Cemetery</u> | <u>Capital Improvements</u> |
|---|----------------------|---------------------------------|-----------------------------|---------------------------------|
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 20,128,373 | \$ 5,866,617 | \$ - | \$ 1,540,186 |
| Other taxes | 2,371,746 | - | - | 3,300,150 |
| Intergovernmental | 6,591,951 | 57,390 | - | - |
| Licenses and permits | 3,133,137 | - | - | - |
| Fines, forfeitures and penalties | 260,726 | - | - | - |
| Charges for services | 4,358,718 | 1,520,239 | 796,458 | 108,896 |
| Grants and contributions | 857,585 | 214,577 | 12,915 | 597,073 |
| Investment income | 109,451 | 8,962 | 3,336,237 | 48,333 |
| Miscellaneous revenues | <u>1,294,224</u> | <u>8,136</u> | <u>-</u> | <u>43,015</u> |
| Total revenues | <u>39,105,911</u> | <u>7,675,921</u> | <u>4,145,610</u> | <u>5,637,653</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 10,436,328 | - | 685,410 | 1,614,995 |
| Highways and streets | 2,643,326 | - | - | 588,833 |
| Sanitation | 2,628,512 | - | - | 25,126 |
| Culture and recreation | - | 8,069,319 | - | 104,090 |
| Public safety | 18,163,049 | - | - | - |
| Capital Outlay | - | 251,758 | 172,616 | 2,327,808 |
| Debt Service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>33,871,215</u> | <u>8,321,077</u> | <u>858,026</u> | <u>4,660,852</u> |
| Excess (deficiency) of revenues over expenditures | <u>5,234,696</u> | <u>(645,156)</u> | <u>3,287,584</u> | <u>976,801</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 802,000 | - | 3,892,640 |
| Transfers out | (6,455,153) | (23,000) | - | - |
| Proceeds from capital asset sales | <u>-</u> | <u>9,323</u> | <u>-</u> | <u>5,520</u> |
| Total other financing sources (uses) | <u>(6,455,153)</u> | <u>788,323</u> | <u>-</u> | <u>3,898,160</u> |
| Net change in fund balances | (1,220,457) | 143,167 | 3,287,584 | 4,874,961 |
| Fund Balances, Beginning | <u>29,577,385</u> | <u>1,292,601</u> | <u>8,065,570</u> | <u>11,315,878</u> |
| Fund Balances, Ending | <u>\$ 28,356,928</u> | <u>\$ 1,435,768</u> | <u>\$ 11,353,154</u> | <u>\$ 16,190,839</u> |

See notes to financial statements

| Nonmajor Governmental Funds | Total |
|--|-----------------------------|
| <u> </u> | <u> </u> |
| \$ 2,923,936 | \$ 30,459,112 |
| 564,744 | 6,236,640 |
| 1,333,442 | 7,982,783 |
| - | 3,133,137 |
| - | 260,726 |
| 827,483 | 7,611,794 |
| 277,139 | 1,959,289 |
| 28,514 | 3,531,497 |
| <u>1,146</u> | <u>1,346,521</u> |
| <u>5,956,404</u> | <u>62,521,499</u> |
| 405,738 | 13,142,471 |
| - | 3,232,159 |
| - | 2,653,638 |
| 1,086,968 | 9,260,377 |
| 286,764 | 18,449,813 |
| 1,816,113 | 4,568,295 |
| 1,910,089 | 1,910,089 |
| <u>1,026,472</u> | <u>1,026,472</u> |
| <u>6,532,144</u> | <u>54,243,314</u> |
| <u>(575,740)</u> | <u>8,278,185</u> |
| 2,110,201 | 6,804,841 |
| (356,688) | (6,834,841) |
| <u>-</u> | <u>14,843</u> |
| <u>1,753,513</u> | <u>(15,157)</u> |
| 1,177,773 | 8,263,028 |
| <u>6,305,257</u> | <u>56,556,691</u> |
| <u>\$ 7,483,030</u> | <u>\$ 64,819,719</u> |

City of Lake Forest

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended April 30, 2021

| | |
|--|---------------------|
| Net Change in Fund Balances, Total Governmental Funds | \$ 8,263,028 |
|--|---------------------|

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 | 3,286,798 |
| Depreciation is reported in the government-wide financial statements | (5,658,178) |
| Retirement of capital assets | (15,269) |

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 | (671,611) |
|---------------------|-----------|

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 | 1,910,089 |
|------------------|-----------|

Governmental funds report debt premiums and discounts as other financing sources or 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 premium | 91,617 |
|--------------|--------|

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 | 42,724 |
| Accrued interest on debt | 10,690 |
| Amortization of deferred charge on refunding | 3,678 |
| Net pension asset | 3,773,917 |
| Deferred outflows of resources related to pensions | (5,101,085) |
| Deferred inflows of resources related to pensions | (13,655,602) |
| Net pension liability | 17,890,241 |
| Deferred outflows of resources related to OPEB Liability | (26,313) |
| Deferred inflows of resources related to OPEB Liability | (394,576) |
| Total OPEB liability | 465,030 |
| Less amount reported in internal service funds below | (77,141) |

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

| |
|------------------|
| <u>1,730,453</u> |
|------------------|

| | |
|--|-----------------------------|
| Change in Net Position of Governmental Activities | <u>\$ 11,868,490</u> |
|--|-----------------------------|

City of Lake Forest

Statement of Net Position
Proprietary Funds
April 30, 2021

| | <u>Business-Type Activities - Enterprise Funds</u> | | | |
|---|---|---|---------------------|--|
| | <u>Waterworks and Sewerage</u> | <u>Nonmajor Enterprise Fund - Deerpath Golf Course</u> | <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 9,517,054 | \$ 662,622 | \$ 10,179,676 | \$ 8,629,257 |
| Receivables: | | | | |
| Accounts | 1,482,846 | 1,492 | 1,484,338 | - |
| Other | 3,976 | - | 3,976 | 4,460,949 |
| Inventories | - | 101,152 | 101,152 | 415,879 |
| Prepaid items | - | 90,745 | 90,745 | 624,277 |
| Total current assets | <u>11,003,876</u> | <u>856,011</u> | <u>11,859,887</u> | <u>14,130,362</u> |
| Noncurrent assets: | | | | |
| Net pension asset | 570,454 | 9,558 | 580,012 | 181,912 |
| Capital assets: | | | | |
| Capital assets not being depreciated | 345,896 | 95,517 | 441,413 | - |
| Capital assets being depreciated | 116,011,893 | 5,580,364 | 121,592,257 | 48,047 |
| Less accumulated depreciation | <u>(65,505,453)</u> | <u>(3,630,008)</u> | <u>(69,135,461)</u> | <u>(48,047)</u> |
| Total noncurrent assets | <u>51,422,790</u> | <u>2,055,431</u> | <u>53,478,221</u> | <u>181,912</u> |
| Total assets | <u>62,426,666</u> | <u>2,911,442</u> | <u>65,338,108</u> | <u>14,312,274</u> |
| Deferred Outflows of Resources | | | | |
| Deferred charge on refunding | 717 | - | 717 | - |
| Deferred outflows related to pensions | 163,221 | 5,563 | 168,784 | 52,500 |
| Deferred outflows related to total OPEB liability | <u>27,804</u> | <u>455</u> | <u>28,259</u> | <u>9,020</u> |
| Total deferred outflows of resources | <u>191,742</u> | <u>6,018</u> | <u>197,760</u> | <u>61,520</u> |

See notes to financial statements

City of Lake Forest

Statement of Net Position
Proprietary Funds
April 30, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|--|----------------------|---|
| | Waterworks and Sewerage | Nonmajor Enterprise Fund - Deerpath Golf Course | Totals | Governmental Activities - Internal Service Funds |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 142,830 | \$ 160,886 | \$ 303,716 | \$ 987,237 |
| Accrued liabilities | 48,063 | 12,454 | 60,517 | 897,542 |
| Accrued interest payable | 193,968 | 5,019 | 198,987 | - |
| Unearned revenue | 24,229 | 389,756 | 413,985 | - |
| General obligation bonds | 1,782,347 | 89,600 | 1,871,947 | - |
| Compensated absences | 4,981 | 19 | 5,000 | - |
| Due to other funds | - | 125,000 | 125,000 | - |
| Total current liabilities | <u>2,196,418</u> | <u>782,734</u> | <u>2,979,152</u> | <u>1,884,779</u> |
| Noncurrent liabilities: | | | | |
| Long-term debt: | | | | |
| General obligation debt payable | 12,692,949 | 191,134 | 12,884,083 | - |
| Compensated absences | 256,740 | 5,864 | 262,604 | 38,338 |
| Total OPEB liability | <u>190,441</u> | <u>3,115</u> | <u>193,556</u> | <u>61,783</u> |
| Total noncurrent liabilities | <u>13,140,130</u> | <u>200,113</u> | <u>13,340,243</u> | <u>100,121</u> |
| Total liabilities | <u>15,336,548</u> | <u>982,847</u> | <u>16,319,395</u> | <u>1,984,900</u> |
| Deferred Inflows of Resources | | | | |
| Deferred inflows related to pensions | 1,290,745 | 21,625 | 1,312,370 | 411,603 |
| Deferred inflows related to total OPEB liability | <u>36,501</u> | <u>597</u> | <u>37,098</u> | <u>11,842</u> |
| Total deferred inflows of resources | <u>1,327,246</u> | <u>22,222</u> | <u>1,349,468</u> | <u>423,445</u> |
| Net Position | | | | |
| Net investment in capital assets | 36,377,757 | 1,765,139 | 38,142,896 | - |
| Restricted for: | | | | |
| Employee retirement | 570,454 | 9,558 | 580,012 | 181,912 |
| Unrestricted | <u>9,006,403</u> | <u>137,694</u> | <u>9,144,097</u> | <u>11,783,537</u> |
| Total net position | <u>\$ 45,954,614</u> | <u>\$ 1,912,391</u> | 47,867,005 | <u>\$ 11,965,449</u> |
| Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds. | | | <u>1,144,708</u> | |
| Net position business-type activities | | | <u>\$ 49,011,713</u> | |

See notes to financial statements

City of Lake Forest

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended April 30, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|--|-------------------|---|
| | Waterworks and Sewerage | Nonmajor Enterprise Fund - Deerpath Golf Course | Total | Governmental Activities - Internal Service Funds |
| Operating Revenues | | | | |
| Charges for services | \$ 8,669,225 | \$ 1,864,338 | \$ 10,533,563 | \$ 10,117,701 |
| Connection fees | 182,688 | - | 182,688 | - |
| Miscellaneous | <u>5,845</u> | <u>-</u> | <u>5,845</u> | <u>-</u> |
| Total operating revenues | <u>8,857,758</u> | <u>1,864,338</u> | <u>10,722,096</u> | <u>10,117,701</u> |
| Operating Expenses | | | | |
| General and administrative | 2,210,663 | 677,589 | 2,888,252 | 8,247,697 |
| Operations and maintenance | 2,996,457 | 1,053,520 | 4,049,977 | - |
| Depreciation and amortization | <u>2,993,900</u> | <u>348,026</u> | <u>3,341,926</u> | <u>-</u> |
| Total operating expenses | <u>8,201,020</u> | <u>2,079,135</u> | <u>10,280,155</u> | <u>8,247,697</u> |
| Operating income (loss) | <u>656,738</u> | <u>(214,797)</u> | <u>441,941</u> | <u>1,870,004</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment income | 39,495 | 2,790 | 42,285 | 32,620 |
| Gain on disposal of capital assets | 1,221 | - | 1,221 | - |
| Other | 1,475 | - | 1,475 | - |
| Interest expense | (411,948) | (8,528) | (420,476) | - |
| Paying agent fees | <u>(1,176)</u> | <u>(10)</u> | <u>(1,186)</u> | <u>-</u> |
| Total nonoperating revenues (expenses) | <u>(370,933)</u> | <u>(5,748)</u> | <u>(376,681)</u> | <u>32,620</u> |
| Income (loss) before transfers | <u>285,805</u> | <u>(220,545)</u> | <u>65,260</u> | <u>1,902,624</u> |
| Transfers | | | | |
| Transfers in | <u>6,500</u> | <u>23,000</u> | <u>29,500</u> | <u>500</u> |
| Total transfers | <u>6,500</u> | <u>23,000</u> | <u>29,500</u> | <u>500</u> |
| Change in net position | 292,305 | (197,545) | 94,760 | 1,903,124 |
| Net Position, Beginning | <u>45,662,309</u> | <u>2,109,936</u> | <u>47,772,245</u> | <u>10,062,325</u> |
| Net Position, Ending | <u>\$ 45,954,614</u> | <u>\$ 1,912,391</u> | <u>47,867,005</u> | <u>\$ 11,965,449</u> |
| Adjustment to change in net position to reflect the consolidation of internal service funds activities related to enterprise funds | | | <u>172,671</u> | |
| Change in net position of business-type activities | | | <u>\$ 267,431</u> | |

See notes to financial statements

City of Lake Forest

Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2021

| | Business-Type Activities - Enterprise Funds | | | |
|---|--|--|----------------------|---|
| | Waterworks and Sewerage | Nonmajor Enterprise Fund - Deerpath Golf Course | Total | Governmental Activities - Internal Service Funds |
| Cash Flows From Operating Activities | | | | |
| Received from customers | \$ 8,702,583 | \$ 2,099,089 | \$ 10,801,672 | \$ 8,928,998 |
| Paid to suppliers for goods and services | (2,981,694) | (1,030,081) | (4,011,775) | (7,305,935) |
| Paid to employees for services | (2,591,253) | (687,138) | (3,278,391) | (663,606) |
| Net cash flows from operating activities | <u>3,129,636</u> | <u>381,870</u> | <u>3,511,506</u> | <u>959,457</u> |
| Cash Flows From Investing Activities | | | | |
| Investment income | <u>39,495</u> | <u>2,790</u> | <u>42,285</u> | <u>32,620</u> |
| Net cash flows from investing activities | <u>39,495</u> | <u>2,790</u> | <u>42,285</u> | <u>32,620</u> |
| Cash Flows From Noncapital Financing Activities | | | | |
| Transfers from (to) other funds | 6,500 | 23,000 | 29,500 | 500 |
| Miscellaneous | <u>2,696</u> | <u>-</u> | <u>2,696</u> | <u>-</u> |
| Net cash flows from noncapital financing activities | <u>9,196</u> | <u>23,000</u> | <u>32,196</u> | <u>500</u> |
| Cash Flows From Capital and Related Financing Activities | | | | |
| Principal paid | (1,844,332) | (90,081) | (1,934,413) | - |
| Interest paid | (598,000) | (17,592) | (615,592) | - |
| Acquisition and construction of capital assets | (183,505) | (142,444) | (325,949) | - |
| Other, paying agent fees | <u>(1,176)</u> | <u>(10)</u> | <u>(1,186)</u> | <u>-</u> |
| Net cash flows from capital and related financing activities | <u>(2,627,013)</u> | <u>(250,127)</u> | <u>(2,877,140)</u> | <u>-</u> |
| Net change in cash and cash equivalents | 551,314 | 157,533 | 708,847 | 992,577 |
| Cash and Cash Equivalents, Beginning | <u>8,965,740</u> | <u>505,089</u> | <u>9,470,829</u> | <u>7,636,680</u> |
| Cash and Cash Equivalents, Ending | <u>\$ 9,517,054</u> | <u>\$ 662,622</u> | <u>\$ 10,179,676</u> | <u>\$ 8,629,257</u> |

See notes to financial statements

City of Lake Forest

Statement of Cash Flows
Proprietary Funds
Year Ended April 30, 2021

| <u>Business-Type Activities - Enterprise Funds</u> | | | | |
|--|---|---|---------------------|--|
| | <u>Waterworks and Sewerage</u> | <u>Nonmajor Enterprise Fund - Deerpath Golf Course</u> | <u>Total</u> | <u>Governmental Activities - Internal Service Funds</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities | | | | |
| Operating income (loss) | \$ 656,738 | \$ (214,797) | \$ 441,941 | \$ 1,870,004 |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | | |
| Depreciation | 2,993,900 | 348,026 | 3,341,926 | - |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (161,107) | 7,318 | (153,789) | (1,187,575) |
| Inventories | - | (19,017) | (19,017) | (31,416) |
| Prepaid items | - | 2,823 | 2,823 | (39,424) |
| Net pension asset | (570,454) | - | (570,454) | (181,912) |
| Deferred outflows related to pensions | 214,390 | 516 | 214,906 | 61,012 |
| Deferred outflows related to OPEB | 3,654 | 32 | 3,686 | 327 |
| Accounts payable | 14,763 | 39,633 | 54,396 | 261,700 |
| Accrued liabilities | - | - | - | 164,437 |
| Accrued salaries | (43,144) | (4,788) | (47,932) | - |
| Net pension liability | (650,249) | (19,947) | (670,196) | (194,028) |
| Deferred inflows related to pensions | 677,903 | 11,834 | 689,737 | 228,737 |
| Deferred inflows related to OPEB | 36,501 | 597 | 37,098 | 11,842 |
| Unearned revenue | 5,932 | 227,433 | 233,365 | (1,128) |
| Compensated absences | 3,241 | 2,850 | 6,091 | 7,262 |
| Total OPEB liability | <u>(52,432)</u> | <u>(643)</u> | <u>(53,075)</u> | <u>(10,381)</u> |
| Net cash flows from operating activities | <u>\$ 3,129,636</u> | <u>\$ 381,870</u> | <u>\$ 3,511,506</u> | <u>\$ 959,457</u> |
| Noncash Capital and Related Financing Activities | | | | |
| None | | | | |

See notes to financial statements

City of Lake Forest

Statement of Fiduciary Net Position

Fiduciary Funds

April 30, 2021

| | Private Purpose Trust Fund | Pension Trust Funds |
|---------------------------------|----------------------------------|------------------------|
| Assets | | |
| Cash | \$ - | \$ 172,980 |
| Money markets | 13,655 | 4,062,853 |
| Investments: | | |
| U.S. Treasury obligations | - | 11,316,487 |
| U.S. Government agencies | - | 3,400,195 |
| Municipal/corporate bonds | - | 11,125,412 |
| Equity securities | 519,035 | - |
| Mutual funds | 495,198 | 58,859,929 |
| Real estate investment fund | - | 3,929,533 |
| Receivables: | | |
| Interest | - | 149,785 |
| Prepaid items | - | 15,332 |
| Due from other funds | - | 72,962 |
| | <u>1,027,888</u> | <u>93,105,468</u> |
| Liabilities | | |
| Accounts payable | - | 60,725 |
| Due to primary government | <u>222,845</u> | <u>-</u> |
| | <u>222,845</u> | <u>60,725</u> |
| Net Position | | |
| Restricted for pension benefits | - | 93,044,743 |
| Restricted for other purposes | <u>805,043</u> | <u>-</u> |
| | <u>\$ 805,043</u> | <u>\$ 93,044,743</u> |
| Total net position | | |

City of Lake Forest

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended April 30, 2021

| | Private Purpose Trust Fund | Pension Trust Funds |
|---|----------------------------------|------------------------|
| Additions | | |
| Contributions: | | |
| Employer | \$ - | \$ 6,148,605 |
| Employee | - | 776,960 |
| Total contributions | - | 6,925,565 |
| Investment income: | | |
| Interest | 11,646 | 1,310,521 |
| Net appreciation in fair value of investments | 304,886 | 18,340,725 |
| Total investment income | 316,532 | 19,651,246 |
| Less Investment expense | - | (152,494) |
| Net investment income | 316,532 | 19,498,752 |
| Miscellaneous | - | 837 |
| Total additions | 316,532 | 26,425,154 |
| Deductions | | |
| Pension benefits and refunds | - | 5,928,689 |
| Other administrative expenses | 55,270 | 83,726 |
| Total deductions | 55,270 | 6,012,415 |
| Change in fiduciary net position | 261,262 | 20,412,739 |
| Net Position, Beginning | 543,781 | 72,632,004 |
| Net Position, Ending | <u>\$ 805,043</u> | <u>\$ 93,044,743</u> |

City of Lake Forest

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April 30, 2021

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1. 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).

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 three methods, discrete presentation, blended or fiduciary. 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.

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.

Fiduciary Component Units

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 approval of the City Council, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. 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 approval of the City Council, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPERS.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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 percent 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 percent test is at least 5 percent 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

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.

Special Revenue Funds

Parks and Recreation Fund is 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.

General Cemetery Fund is to account for the operations of the cemetery commission. Financing is provided by the proceeds from cemetery lot sales, user charges and donations.

Capital Projects Fund

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

Enterprise Fund

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.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

Special Revenue Funds are 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
- Senior Resources Commission
- Housing Trust

Debt Service Fund

Debt Service Fund is 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

Capital Projects Fund is 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

Enterprise Fund is 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

Internal Service Funds are 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

Private-Purpose Trust Fund

Private-Purpose Trust Fund is used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations or other governments.

Cemetery Trust

Pension Trust Funds

Pension Trust Funds are 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.

Police Pension
Firefighters' Pension

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. Interfund services provided and used are not eliminated in the process of consolidation.

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 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 Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

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. Special assessments are recorded as receivables and contribution revenue when levied. 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.

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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

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;

City of Lake Forest

Notes to Financial Statements
April 30, 2021

- 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 percent of the corporation's outstanding obligations and such purchases cannot exceed one-third of funds;
- 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 percent of the fund's investments.

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 percent 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 percent 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

April 30, 2021

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 | 35.00 % | 2.10 % |
| Domestic equities | 39.00 | 5.80 |
| International equities | 15.00 | 6.30 |
| Real estate | 10.00 | 5.50 |
| Cash and cash equivalents | 1.00 | 0.10 |

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

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 |
|-------------------------|---------------|---|
| Cash | 6.00 % | 0.85 % |
| US Fixed Income Taxable | 27.60 | 1.75 |
| US Large Cap | 49.00 | 6.95 |
| US Mid Cap | 6.70 | 7.45 |
| US Small Cap | 1.60 | 7.35 |
| International Equities | 7.60 | 6.05 |
| Equity Hedge Assets | 1.50 | 4.65 |

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

Interest Rate Risk

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.

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.

Credit Risk

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.

Concentration of Credit Risk

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

Custodial Credit Risk, Deposits

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 percent 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.

Custodial Credit Risk, Investments

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.

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 methods and inputs as outlined in Note 3. 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.

See Note 3 for further information.

Receivables

Property taxes for levy year 2020 attaches as an enforceable lien on January 1, 2020, 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 2021 tax levy, which attached as an enforceable lien on the property as of January 1, 2021, has not been recorded as a receivable as of April 30, 2021, as the tax has not yet been levied by the City and will not be levied until December 2021 and therefore, the levy is not measurable at April 30, 2021.

Tax bills for levy year 2020 are prepared by Lake County and issued on or about May, 2021 and are payable in two installments, on or about June 1, 2021 and September 1, 2021 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2020 property tax levy is recognized as a receivable and deferred inflows in fiscal 2021, net the 1.5 percent allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2021, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2020 levy.

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.

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.

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 their estimated acquisition value at the date of donation.

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.

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.

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.

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 liabilities 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.

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.

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.
- 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 3 for further information.

Fiduciary fund net position is classified as restricted for pension benefits and other purposes on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income and the City believes it is in compliance with all significant restrictions.

2. Stewardship, Compliance and Accountability

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.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

- (3) The budget and the appropriation ordinance, which is 10 percent 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.

Deficit Balances

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

As of April 30, 2021, the following individual fund held a deficit balance:

| Fund | Amount |
|---|---------------|
| Laurel/Western Redevelopment TIF Improvements | \$ 304,215 |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

3. Detailed Notes on All Funds

Deposits and Investments

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

| | <u>Carrying Value</u> | <u>Statement Balances</u> | <u>Associated Risks</u> |
|--|---------------------------|-------------------------------|---|
| Deposits | \$ 61,691,770 | \$ 62,034,628 | Custodial Credit Risk, Deposits |
| Money markets | 4,371,828 | 4,371,828 | Custodial Credit Risk, Deposits |
| U.S. government agencies, explicitly guaranteed | 5,994 | 5,994 | Custodial Credit Risk - Investments, Interest Rate Risk |
| U.S. government agencies, implicitly guaranteed | 3,394,201 | 3,394,201 | Credit Risk, Custodial Credit Risk, Investments, Concentration of Credit Risk, Interest Rate Risk |
| Mutual funds, other than bonds | 61,080,975 | 61,080,975 | N/A |
| U.S. treasury obligations | 11,316,487 | 11,316,487 | Custodial Credit Risk, Investments, Interest Rate Risk |
| Real estate investment fund | 3,929,533 | 3,929,533 | Custodial Credit Risk, Investments |
| Municipal/corporate bonds | 11,125,412 | 11,125,412 | Credit Risk, Custodial Credit Risk, Investments, Concentration of Credit Risk, Interest Rate Risk |
| Illinois funds | 17,865,247 | 17,865,247 | Credit Risk |
| Equity securities | 6,662,695 | 6,662,695 | Custodial Credit Risk, Investments, Foreign Currency Risk |
| Mutual funds, bond funds | 2,346,715 | 2,346,715 | Credit Risk, Interest Rate Risk |
| Petty cash | <u>11,325</u> | <u>-</u> | |
| Total deposits and investments | <u>\$183,802,182</u> | <u>\$184,133,715</u> | |

City of Lake Forest

Notes to Financial Statements

April 30, 2021

Reconciliation to financial statements

Per statement of net position

| | |
|--|---------------|
| Cash and cash equivalents, primary government | \$ 73,421,058 |
| Investments - primary government | 10,216,223 |
| Cash and cash equivalents, Lake Forest Library | 6,269,624 |

Per statement of net position, fiduciary funds

| | |
|---|------------------|
| Private Purpose Trust, money markets | 13,655 |
| Private Purpose Trust, equity securities | 519,035 |
| Private Purpose Trust, mutual funds | 495,198 |
| Pension Trusts, cash | 172,980 |
| Pension Trusts, money markets | 4,062,853 |
| Pension Trusts, U.S. treasury obligations | 11,316,487 |
| Pension Trusts, U.S. government agencies | 3,400,195 |
| Pension Trusts, Municipal/corporate bonds | 11,125,412 |
| Pension Trusts, mutual funds | 58,859,929 |
| Pension Trusts, real estate investment fund | <u>3,929,533</u> |

Total deposits and investments \$183,802,182

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

April 30, 2021

The valuation methods for recurring fair value measurements are as follows:

- For Level 2 inputs, the City utilizes investments valued by a pricing service that uses matrix pricing. A Level 2 input would be a price or yield of a similar investment.
- 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 \$3,929,533 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).

City

| Investment Type | April 30, 2021 | | | |
|-------------------------------------|----------------------|-------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity securities | \$ 6,143,660 | \$ - | \$ - | \$ 6,143,660 |
| Mutual funds, bond funds | 2,125,762 | - | - | 2,125,762 |
| Mutual funds, other than bond funds | 1,946,801 | - | - | 1,946,801 |
| Total | <u>\$ 10,216,223</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,216,223</u> |

Private Purpose Trust

| Investment Type | April 30, 2021 | | | |
|-------------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity securities | \$ 519,035 | \$ - | \$ - | \$ 519,035 |
| Mutual funds, bond funds | 220,953 | - | - | 220,953 |
| Mutual funds, other than bond funds | 274,245 | - | - | 274,245 |
| Total | <u>\$ 1,014,233</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,014,233</u> |

Police Pension Fund

| Investment Type | April 30, 2021 | | | |
|-------------------------------------|----------------------|---------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. treasury obligations | \$ 8,151,306 | \$ - | \$ - | \$ 8,151,306 |
| U.S. government agencies | - | 208,595 | - | 208,595 |
| Mutual funds, other than bond funds | 26,252,509 | - | - | 26,252,509 |
| Corporate bonds | - | 4,196,108 | - | 4,196,108 |
| Total | <u>\$ 34,403,815</u> | <u>\$ 4,404,703</u> | <u>\$ -</u> | <u>\$ 38,808,518</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Firefighter's Pension Fund

| Investment Type | April 30, 2021 | | | |
|-------------------------------------|----------------------|----------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| U.S. treasury obligations | \$ 3,165,181 | \$ - | \$ - | \$ 3,165,181 |
| U.S. government agencies | - | 3,191,600 | - | 3,191,600 |
| Mutual funds, other than bond funds | 32,607,420 | - | - | 32,607,420 |
| Municipal bonds | - | 334,826 | - | 334,826 |
| Corporate bonds | - | 6,594,478 | - | 6,594,478 |
| Total | <u>\$ 35,772,601</u> | <u>\$ 10,120,904</u> | <u>\$ -</u> | <u>\$ 45,893,505</u> |

Custodial Credit Risk

Deposits

Custodial credit risk 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 does not have any deposits exposed to custodial credit risk.

Investments

For an investment, 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 the possession of an outside party.

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

Credit Risk

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

As of April 30, 2021, the City's investments were rated as follows:

| Investment Type | Standard & Poors | Moody's Investors Services |
|--|------------------|----------------------------|
| Illinois funds | AAAm | Not rated |
| U.S. government agencies - implicitly guaranteed | Not rated to AA+ | Not rated to Aaa |
| Municipal bonds | Not rated to AAA | Aa2 to Aaa |
| Corporate bonds | BBB- to AAA | Baa3 to Aaa |
| Mutual funds - bond funds | Not rated | Not rated |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2021, the City's investments were as follows:

Police Pension Fund

| Investment Type | Fair Value | Maturity (In Months) | | |
|---------------------------|----------------------|----------------------|---------------------|---------------------|
| | | Less Than One Year | 1 - 5 Years | 6-10 Years |
| U.S. treasury obligations | \$ 8,151,306 | \$ - | \$ 7,187,183 | \$ 964,123 |
| U.S. government agencies | 208,595 | 116,860 | 91,735 | - |
| Corporate bonds | <u>4,196,108</u> | <u>157,136</u> | <u>660,361</u> | <u>3,378,611</u> |
| Total | <u>\$ 12,556,009</u> | <u>\$ 273,996</u> | <u>\$ 7,939,279</u> | <u>\$ 4,342,734</u> |

Firefighters' Pension Fund

| Investment Type | Fair Value | Maturity (In Months) | | | |
|---------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| | | Less than One Year | 1 - 5 Years | 6 - 10 Years | More Than 10 Years |
| U.S. treasury obligations | \$ 3,165,181 | \$ - | \$ 487,114 | \$ 1,071,054 | \$ 1,607,013 |
| U.S. government agencies | 3,191,600 | 1,516 | 649,907 | 517,477 | 2,022,700 |
| Municipal bonds | 334,826 | 233,230 | 42,556 | 59,040 | - |
| Corporate bonds | <u>6,594,478</u> | <u>259,878</u> | <u>1,822,837</u> | <u>3,000,023</u> | <u>1,511,740</u> |
| Total | <u>\$ 13,286,085</u> | <u>\$ 494,624</u> | <u>\$ 3,002,414</u> | <u>\$ 4,647,594</u> | <u>\$ 5,141,453</u> |

The City and Private Purpose Trust have \$2,346,715 invested in mutual funds, bond funds that have a maturity of less than one year.

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2021, the annual money-weighted rate of return on the Police Pension plan investments, net of pension plan investment expense, was 25.29 percent. 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, 2021, the annual money-weighted rate of return on the Firefighters' Pension plan investments, net of pension plan investment expense, was 28.13 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Capital Assets

Capital asset activity for the year ended April 30, 2021, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|-----------------------|------------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land and land improvements | \$ 40,168,317 | \$ 431,122 | \$ - | \$ 40,599,439 |
| Infrastructure - land | 66,740,770 | - | - | 66,740,770 |
| Construction in progress | 19,560 | 116,240 | - | 135,800 |
| Total capital assets not being depreciated | <u>106,928,647</u> | <u>547,362</u> | <u>-</u> | <u>107,476,009</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 188,028,723 | 266,235 | - | 188,294,958 |
| Buildings | 30,002,059 | - | - | 30,002,059 |
| Improvements other than buildings | 34,014,111 | 1,065,562 | - | 35,079,673 |
| Machinery and equipment | 19,177,952 | 1,407,639 | 407,437 | 20,178,154 |
| Total capital assets being depreciated | <u>271,222,845</u> | <u>2,739,436</u> | <u>407,437</u> | <u>273,554,844</u> |
| Total capital assets | <u>378,151,492</u> | <u>3,286,798</u> | <u>407,437</u> | <u>381,030,853</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (134,902,356) | (2,458,894) | - | (137,361,250) |
| Buildings | (13,037,172) | (658,228) | - | (13,695,400) |
| Improvements other than buildings | (19,597,606) | (1,265,463) | - | (20,863,069) |
| Machinery and equipment | (15,061,764) | (1,275,593) | 392,168 | (15,945,189) |
| Total accumulated depreciation | <u>(182,598,898)</u> | <u>(5,658,178)</u> | <u>392,168</u> | <u>(187,864,908)</u> |
| Net capital assets being depreciated | <u>88,623,947</u> | <u>(2,918,742)</u> | <u>15,269</u> | <u>85,689,936</u> |
| Total governmental activities capital assets, net of accumulated depreciation | <u>\$ 195,552,594</u> | <u>\$ (2,371,380)</u> | <u>\$ 15,269</u> | <u>\$ 193,165,945</u> |

Depreciation expense was charged to functions as follows:

| | |
|--|---------------------|
| Governmental Activities | |
| General Government | \$ 1,425,711 |
| Highways and streets | 2,601,247 |
| Sanitation | 101,410 |
| Culture and recreation | 1,012,953 |
| Public safety | <u>516,857</u> |
| Total governmental activities depreciation expense | <u>\$ 5,658,178</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-----------------------|------------------|----------------------|
| Business-Type Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 441,413 | \$ - | \$ - | \$ 441,413 |
| Construction in progress | 14,929 | - | 14,929 | - |
| Total capital assets not being depreciated | 456,342 | - | 14,929 | 441,413 |
| Capital assets being depreciated: | | | | |
| Buildings | 27,020,235 | - | - | 27,020,235 |
| Improvements other than buildings | 57,740,682 | 190,273 | 10,301 | 57,920,654 |
| Machinery and equipment | 5,497,324 | 150,605 | 54,315 | 5,593,614 |
| Sanitary sewers and related property | 31,057,754 | - | - | 31,057,754 |
| Total capital assets being depreciated | 121,315,995 | 340,878 | 64,616 | 121,592,257 |
| Total capital assets | 121,772,337 | 340,878 | 79,545 | 122,033,670 |
| Less accumulated depreciation for: | | | | |
| Buildings | (17,609,560) | (1,003,574) | - | (18,613,134) |
| Improvements other than buildings | (25,459,559) | (1,400,097) | 10,301 | (26,849,355) |
| Machinery and equipment | (3,882,504) | (364,480) | 54,315 | (4,192,669) |
| Sanitary sewers and related property | (18,906,528) | (573,775) | - | (19,480,303) |
| Total accumulated depreciation | (65,858,151) | (3,341,926) | 64,616 | (69,135,461) |
| Net capital assets being depreciated | 55,457,844 | (3,001,048) | - | 52,456,796 |
| Business-type capital assets, net of accumulated depreciation | <u>\$ 55,914,186</u> | <u>\$ (3,001,048)</u> | <u>\$ 14,929</u> | <u>\$ 52,898,209</u> |
| Component Unit | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 70,000 | \$ - | \$ - | \$ 70,000 |
| Art | 168,500 | - | - | 168,500 |
| Total capital assets not being depreciated | 238,500 | - | - | 238,500 |
| Capital assets being depreciated: | | | | |
| Buildings | 1,180,907 | - | - | 1,180,907 |
| Improvements other than buildings | 2,271,093 | - | - | 2,271,093 |
| Machinery and equipment | 3,892,724 | 280,024 | 350,944 | 3,821,804 |
| Total capital assets being depreciated | 7,344,724 | 280,024 | 350,944 | 7,273,804 |
| Total capital assets | 7,583,224 | 280,024 | 350,944 | 7,512,304 |
| Less accumulated depreciation for: | | | | |
| Buildings | (766,929) | (19,713) | - | (786,642) |
| Improvements other than buildings | (1,606,441) | (63,615) | - | (1,670,056) |
| Machinery and equipment | (2,361,593) | (360,424) | 350,944 | (2,371,073) |
| Total accumulated depreciation | (4,734,963) | (443,752) | 350,944 | (4,827,771) |
| Net capital assets being depreciated | 2,609,761 | (163,728) | - | 2,446,033 |
| Total component units capital assets, net of accumulated depreciation | <u>\$ 2,848,261</u> | <u>\$ (163,728)</u> | <u>\$ -</u> | <u>\$ 2,684,533</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---|-------------------------------------|------------------------------|
| Parks and Recreation | Deerpath Golf Course | \$ 125,000 |
| Capital Improvements | Laurel/Western Redevelopment TIF | <u>624,815</u> |
| Total, fund financial statements | | 749,815 |
| Less interfund receivables created with internal service fund eliminations | | (1,144,708) |
| Less government-wide eliminations | | <u>(624,815)</u> |
| Total internal balances, government-wide statement of net position | | <u><u>\$ (1,019,708)</u></u> |

All amounts are due within one year.

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

Advances

The following is a schedule of interfund advances:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>Amount Not Due Within One Year</u> |
|---|----------------------|--------------------|---|
| Laurel/Western Redevelopment TIF | Capital Improvements | <u>\$ 380,000</u> | \$ 380,000 |
| Total, fund financial statements | | 380,000 | |
| Less fund eliminations | | <u>(380,000)</u> | |
| Total, interfund advances, government-wide statement of net position | | <u><u>\$ -</u></u> | |

The principal purpose of this advance is 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 fiscal year 2017 and the receipts were recorded within the Capital Improvements Fund. The amount is not expected to be repaid within 1 year as it is based on TIF increment proceeds.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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 | \$ 802,000 | Funding for parks and recreation operations as well as for debt service payment |
| Water and Sewer | General | 6,500 | Funding for budgeted salary amounts |
| Internal service fund | General | 500 | Funding for budgeted salary amounts |
| Nonmajor government | General | 253,513 | Funding for debt service payment |
| Nonmajor government | Nonmajor government | 356,688 | Funding for debt service payment |
| Nonmajor government | General | 1,500,000 | Funding for projects relating to the purposes of the Housing Trust as well as Parks and Public Land funds |
| Capital Improvement | General | 3,892,640 | Funding for capital outlay projects |
| Nonmajor enterprise | Parks and Recreation | <u>23,000</u> | Funding for debt service payment |
| Total, fund financial statements | | 6,834,841 | |
| Less government-wide eliminations | | <u>(6,805,341)</u> | |
| Total transfers, government-wide statement of activities | | <u>\$ 29,500</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
April 30, 2021

Long-Term Obligations

Long-term obligations activity for the year ended April 30, 2021, was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Amounts Due Within One Year</u> |
|--|------------------------------|----------------------|----------------------|---------------------------|--|
| Governmental Activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 29,541,957 | \$ - | \$ 1,910,089 | \$ 27,631,868 | \$ 2,009,665 |
| Premiums | <u>798,997</u> | <u>-</u> | <u>91,617</u> | <u>707,380</u> | <u>-</u> |
| Total bonds and notes payable | <u>30,340,954</u> | <u>-</u> | <u>2,001,706</u> | <u>28,339,248</u> | <u>2,009,665</u> |
| Other liabilities: | | | | | |
| Compensated absences | 2,210,488 | 2,613,952 | 2,656,676 | 2,167,764 | 120,000 |
| Total OPEB liability | 2,523,677 | 121,290 | 586,320 | 2,058,647 | - |
| Net pension liability | <u>62,017,758</u> | <u>17,944,742</u> | <u>35,834,983</u> | <u>44,127,517</u> | <u>-</u> |
| Total other liabilities | <u>66,751,923</u> | <u>20,679,984</u> | <u>39,077,979</u> | <u>48,353,928</u> | <u>120,000</u> |
| Total governmental activities long-term liabilities | <u>\$ 97,092,877</u> | <u>\$ 20,679,984</u> | <u>\$ 41,079,685</u> | <u>\$ 76,693,176</u> | <u>\$ 2,129,665</u> |
| Business-Type Activities | | | | | |
| Bonds and notes payable: | | | | | |
| General obligation debt | \$ 16,348,978 | \$ - | \$ 1,934,413 | \$ 14,414,565 | \$ 1,871,947 |
| Premium | <u>514,441</u> | <u>-</u> | <u>172,976</u> | <u>341,465</u> | <u>-</u> |
| Total bonds and notes payable | <u>16,863,419</u> | <u>-</u> | <u>2,107,389</u> | <u>14,756,030</u> | <u>1,871,947</u> |
| Other liabilities: | | | | | |
| Compensated absences | 261,513 | 248,838 | 242,747 | 267,604 | 5,000 |
| Total OPEB liability | 246,631 | 11,404 | 64,479 | 193,556 | - |
| Net pension liability | <u>660,638</u> | <u>1,145,058</u> | <u>1,805,696</u> | <u>-</u> | <u>-</u> |
| Total other liabilities | <u>1,168,782</u> | <u>1,405,300</u> | <u>2,112,922</u> | <u>461,160</u> | <u>5,000</u> |
| Total business-type activities long-term liabilities | <u>\$ 18,032,201</u> | <u>\$ 1,405,300</u> | <u>\$ 4,220,311</u> | <u>\$ 15,217,190</u> | <u>\$ 1,876,947</u> |
| Component Unit | | | | | |
| Other liabilities: | | | | | |
| Compensated absences | \$ 149,402 | \$ 99,187 | \$ 139,667 | \$ 108,922 | \$ 5,000 |
| Capital leases | 82,475 | - | 34,410 | 48,065 | 34,756 |
| Total OPEB liability | 200,580 | 6,843 | 47,546 | 159,877 | - |
| Net pension liability | <u>521,685</u> | <u>890,795</u> | <u>1,412,480</u> | <u>-</u> | <u>-</u> |
| Total other liabilities | <u>954,142</u> | <u>996,825</u> | <u>1,634,103</u> | <u>316,864</u> | <u>39,756</u> |
| Total component units long-term liabilities | <u>\$ 954,142</u> | <u>\$ 996,825</u> | <u>\$ 1,634,103</u> | <u>\$ 316,864</u> | <u>\$ 39,756</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

General Obligation Debt

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

Governmental Activities

| <u>General Obligation Debt</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance April 30, 2021</u> |
|--------------------------------|----------------------|-----------------------|-----------------------|------------------------------|-------------------------------|
| Special Service Area 25 | 5/1/2003 | 12/15/2022 | 1.95-2.95% | \$ 1,050,000 | \$ 150,000 |
| Special Service Area 26 | 10/7/2003 | 12/15/2022 | 2.50-3.40% | 276,500 | 40,444 |
| Special Service Area 29 | 12/20/2004 | 12/15/2023 | 2.55-3.65% | 2,000,000 | 430,989 |
| 2013 Series | 9/16/2013 | 12/15/2032 | 2.00-4.00% | 9,715,000 | 8,455,000 |
| 2015 Series | 8/3/2015 | 12/15/2036 | 2.50-3.75% | 9,780,000 | 8,760,000 |
| 2019 Series Refunding | 12/19/2019 | 12/15/2032 | 2.00-5.00% | 10,751,022 | 9,795,435 |

Total governmental activities, general obligation debt \$ 27,631,868

Business-Type Activities

| <u>General Obligation Debt</u> | <u>Date of Issue</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Original Indebtedness</u> | <u>Balance April 30, 2021</u> |
|--------------------------------|----------------------|-----------------------|-----------------------|------------------------------|-------------------------------|
| 2017 Series | 6/5/2017 | 12/15/2037 | 2.00-3.50% | \$ 9,295,000 | \$ 9,295,000 |
| 2019 Series Refunding | 12/15/2019 | 12/15/2032 | 2.00-5.00% | 6,913,978 | 5,119,565 |

Total business-type activities, general obligation debt \$ 14,414,565

Debt service requirements to maturity are as follows:

| <u>Years</u> | <u>Governmental Activities General Obligation Debt</u> | | <u>Business-Type Activities General Obligation Debt</u> | |
|--------------|--|---------------------|---|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2022 | \$ 2,009,665 | \$ 957,822 | \$ 1,871,947 | \$ 526,731 |
| 2023 | 2,087,958 | 878,328 | 1,976,252 | 433,540 |
| 2024 | 2,069,245 | 795,704 | 1,786,366 | 334,721 |
| 2025 | 1,475,000 | 712,525 | 525,000 | 260,853 |
| 2026 | 1,540,000 | 657,600 | 535,000 | 247,728 |
| 2027-2031 | 10,575,000 | 2,394,170 | 2,895,000 | 1,027,108 |
| 2032-2036 | 7,525,000 | 592,736 | 3,335,000 | 582,625 |
| 2037-2038 | 350,000 | 13,125 | 1,490,000 | 78,750 |
| Total | <u>\$ 27,631,868</u> | <u>\$ 7,002,010</u> | <u>\$ 14,414,565</u> | <u>\$ 3,492,056</u> |

Other Debt Information

Estimated payments of compensated absences, total OPEB liability and net pension liability are not included in the debt service requirement schedules. The 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 attributable to governmental activities will be liquidated primarily by the General Fund.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Lease Disclosures

Lessee, Capital Leases

In 2020 the Library acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$105,225, 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, 2021, are as follows:

| <u>Years</u> | <u>Component Unit</u> | | |
|--------------|-----------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2022 | \$ 34,756 | \$ 322 | \$ 35,078 |
| 2023 | 13,309 | 30 | 13,339 |
| Total | <u>\$ 48,065</u> | <u>\$ 352</u> | <u>\$ 48,417</u> |

Fund Balances

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2021, include the following:

| | <u>General Fund</u> | <u>Parks and Recreation Fund</u> | <u>Capital Improvements Fund</u> | <u>General Cemetery Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|-------------------------|----------------------|----------------------------------|----------------------------------|------------------------------|------------------------------------|----------------------|
| Fund Balances | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | \$ 103,901 | \$ - | \$ - | \$ - | \$ 28,878 | \$ 132,779 |
| Inventories | 104,760 | - | - | - | - | 104,760 |
| Subtotal | <u>208,661</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,878</u> | <u>237,539</u> |
| Restricted for: | | | | | | |
| Culture and recreation | - | 1,435,768 | - | - | 1,641,443 | 3,077,211 |
| Highway and streets | - | - | - | - | 1,344,272 | 1,344,272 |
| Public safety, fire | - | - | - | - | 350,664 | 350,664 |
| Public safety, police | - | - | - | - | 874,186 | 874,186 |
| Cemetery perpetual care | - | - | - | 11,353,154 | - | 11,353,154 |
| Affordable housing | - | - | - | - | 1,647,067 | 1,647,067 |
| Capital projects | - | - | 16,190,839 | - | - | 16,190,839 |
| Debt service | - | - | - | - | 1,900,735 | 1,900,735 |
| Subtotal | <u>-</u> | <u>1,435,768</u> | <u>16,190,839</u> | <u>11,353,154</u> | <u>7,758,367</u> | <u>36,738,128</u> |
| Unassigned: | <u>28,148,267</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(304,215)</u> | <u>27,844,052</u> |
| Total fund balances | <u>\$ 28,356,928</u> | <u>\$ 1,435,768</u> | <u>\$ 16,190,839</u> | <u>\$ 11,353,154</u> | <u>\$ 7,483,030</u> | <u>\$ 64,819,719</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

4. Other Information

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, benefit 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. This report is also available for download at www.imrf.org.

For the year ended April 30, 2021, the City recognized the following balances in the government-wide financial statements:

| | Total Pension Liability | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|----------------------------|--|----------------------------------|---|--|----------------------------|
| IMRF | \$ 115,430,285 | \$ - | \$ 1,410,752 | \$ 10,872,405 | \$ 889,698 |
| Police Pension Plan | 73,432,245 | 30,232,313 | 4,459,766 | 4,520,746 | 3,538,008 |
| Firefighters' Pension Plan | <u>63,740,015</u> | <u>13,895,204</u> | <u>4,228,516</u> | <u>5,957,285</u> | <u>1,705,170</u> |
| Total | <u>\$252,602,545</u> | <u>\$ 44,127,517</u> | <u>\$ 10,099,034</u> | <u>\$ 21,350,436</u> | <u>\$ 6,132,876</u> |

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 percent 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 percent for each year thereafter to a maximum of 75 percent 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 percent of their final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service after 15 years to a maximum of 75 percent 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 percent of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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, 2020, the measurement date, membership in the plan was as follows:

| | |
|------------------------------|-------------------|
| Retirees and beneficiaries | 297 |
| Inactive, nonretired members | 186 |
| Active members | <u>187</u> |
| Total | <u><u>670</u></u> |

Contributions

As set by statute, City and Library employees participating in IMRF are required to contribute 4.50 percent 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 2020 was 11.92 percent 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, 2020 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, 2020 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 | 2.85% to 13.75%, including inflation |
| Price inflation | 2.25% |

Mortality

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

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 % | 6.35 % | 5.00 % |
| International equities | 18.00 | 7.65 | 6.00 |
| Fixed income | 28.00 | 1.40 | 1.30 |
| Real estate | 9.00 | 7.10 | 6.20 |
| Alternatives | 7.00 | | |
| Private equity | | 10.35 | 6.95 |
| Hedge funds | | - | - |
| Commodities | | 3.90 | 2.85 |
| Cash equivalents | 1.00 | 0.70 | 0.70 |

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25 percent. The discount rate calculated using the December 31, 2019 measurement date was 7.25 percent. 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

April 30, 2021

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 the net pension liability/(asset) of the City calculated using the discount rate of 7.25 percent 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 percent) or 1 percentage point higher (8.25 percent) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-------------------------------|---------------------|----------------------------------|------------------------|
| City: | | | |
| Total pension liability | \$ 113,838,442 | \$ 102,234,444 | \$ 92,944,044 |
| Plan fiduciary net position | <u>106,588,373</u> | <u>106,588,373</u> | <u>106,588,373</u> |
| Net pension liability/(asset) | <u>\$ 7,250,069</u> | <u>\$ (4,353,929)</u> | <u>\$ (13,644,329)</u> |
| Library: | | | |
| Total pension liability | \$ 14,693,619 | \$ 13,195,841 | \$ 11,996,689 |
| Plan fiduciary net position | <u>13,647,060</u> | <u>13,647,060</u> | <u>13,647,060</u> |
| Net pension liability/(asset) | <u>\$ 1,046,559</u> | <u>\$ (451,219)</u> | <u>\$ (1,650,371)</u> |
| Total: | | | |
| Total pension liability | \$ 128,532,061 | \$ 115,430,285 | \$ 104,940,733 |
| Plan fiduciary net position | <u>120,235,433</u> | <u>120,235,433</u> | <u>120,235,433</u> |
| Net pension liability/(asset) | <u>\$ 8,296,628</u> | <u>\$ (4,805,148)</u> | <u>\$ (15,294,700)</u> |

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2020 were as follows:

| | <u>Increase (Decrease)</u> | | |
|--|--|--|--|
| | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability/(Asset) (a) - (b)</u> |
| City: | | | |
| Balances at December 31, 2019 | \$ 100,882,053 | \$ 96,060,540 | \$ 4,821,513 |
| Service cost | 1,268,902 | - | 1,268,902 |
| Interest on total pension liability | 7,326,612 | - | 7,326,612 |
| Differences between expected and actual experience of the total pension liability | (786,697) | - | (786,697) |
| Change of assumptions | (783,863) | - | (783,863) |
| Benefit payments, including refunds of employee contributions | (5,672,563) | (5,672,563) | - |
| Contributions, employer | - | 1,525,544 | (1,525,544) |
| Contributions, employee | - | 610,488 | (610,488) |
| Net investment income | - | 14,246,702 | (14,246,702) |
| Other (net transfer) | - | (182,338) | 182,338 |
| Balances at December 31, 2020 | <u>\$ 102,234,444</u> | <u>\$ 106,588,373</u> | <u>\$ (4,353,929)</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| | (a) | (b) | (a) - (b) |
| Library: | | | |
| Balances at December 31, 2019 | \$ 13,077,695 | \$ 12,556,010 | \$ 521,685 |
| Service cost | 131,502 | - | 131,502 |
| Interest on total pension liability | 759,293 | - | 759,293 |
| Differences between expected and actual experience of the total pension liability | (81,529) | - | (81,529) |
| Change of assumptions | (103,244) | - | (103,244) |
| Benefit payments, including refunds of employee contributions | (587,876) | (587,876) | - |
| Contributions, employer | - | 158,100 | (158,100) |
| Contributions, employee | - | 63,268 | (63,268) |
| Net investment income | - | 1,476,456 | (1,476,456) |
| Other (net transfer) | - | (18,898) | 18,898 |
| Balances at December 31, 2020 | <u>\$ 13,195,841</u> | <u>\$ 13,647,060</u> | <u>\$ (451,219)</u> |
| Total: | | | |
| Balances at December 31, 2019 | \$ 113,959,748 | \$ 108,616,550 | \$ 5,343,198 |
| Service cost | 1,400,404 | - | 1,400,404 |
| Interest on total pension liability | 8,085,905 | - | 8,085,905 |
| Differences between expected and actual experience of the total pension liability | (868,226) | - | (868,226) |
| Change of assumptions | (887,107) | - | (887,107) |
| Benefit payments, including refunds of employee contributions | (6,260,439) | (6,260,439) | - |
| Contributions, employer | - | 1,683,644 | (1,683,644) |
| Contributions, employee | - | 673,756 | (673,756) |
| Net investment income | - | 15,723,158 | (15,723,158) |
| Other (net transfer) | - | (201,236) | 201,236 |
| Balances at December 31, 2020 | <u>\$ 115,430,285</u> | <u>\$ 120,235,433</u> | <u>\$ (4,805,148)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 104.16 % |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the City recognized pension expense of \$889,698. The City reported deferred outflows and inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| City: | | |
| Difference between expected and actual experience | \$ 565,970 | \$ 535,010 |
| Assumption changes | 143,882 | 546,645 |
| Net difference between projected and actual earnings on pension plan investments | - | 8,769,796 |
| Contributions subsequent to the measurement date | <u>566,255</u> | <u>-</u> |
| Total | <u>\$ 1,276,107</u> | <u>\$ 9,851,451</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Library: | | |
| Difference between expected and actual experience | \$ 59,717 | \$ 55,446 |
| Assumption changes | 15,181 | 56,651 |
| Net difference between projected and actual earnings on pension plan investments | - | 908,857 |
| Contributions subsequent to the measurement date | <u>59,747</u> | <u>-</u> |
| Total | <u>\$ 134,645</u> | <u>\$ 1,020,954</u> |
| Total: | | |
| Difference between expected and actual experience | \$ 625,687 | \$ 590,456 |
| Assumption changes | 159,063 | 603,296 |
| Net difference between projected and actual earnings on pension plan investments | - | 9,678,653 |
| Contributions subsequent to the measurement date | <u>626,002</u> | <u>-</u> |
| Total | <u>\$ 1,410,752</u> | <u>\$ 10,872,405</u> |

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, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions is \$(10,087,655) and will be recognized in pension expense as follows:

| Year Ending December 31, | City | Library | Total |
|--------------------------|-----------------------|---------------------|------------------------|
| 2021 | \$ (2,635,306) | \$ (272,726) | \$ (2,908,032) |
| 2022 | (1,531,313) | (158,474) | (1,689,787) |
| 2023 | (3,525,534) | (364,854) | (3,890,388) |
| 2024 | <u>(1,449,446)</u> | <u>(150,002)</u> | <u>(1,599,448)</u> |
| Total | <u>\$ (9,141,599)</u> | <u>\$ (946,056)</u> | <u>\$ (10,087,655)</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.

City of Lake Forest

Notes to Financial Statements
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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 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent 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 percent of the original pension and 3 percent 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 percent 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 percent 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 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 percent or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At April 30, 2021, the Police Pension membership consisted of:

| | |
|------------------------------|------------------|
| Retirees and beneficiaries | 44 |
| Inactive, nonretired members | 10 |
| Active members | <u>38</u> |
| Total | <u><u>92</u></u> |

Contributions

Covered employees are required to contribute 9.91 percent 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 percent funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2021 was 75.80 percent of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of April 30, 2021 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.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2021 using the following actuarial methods and assumptions:

| | |
|----------------------------|-----------------------------|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market Value |
| Actuarial assumptions | |
| Interest rate | 6.50% |
| Inflation | 2.50% |
| Projected salary increases | Service Based |
| Cost-of-living adjustments | Tier 1: 3.00% Tier 2: 1.25% |

Mortality rates for active lives, inactive lives, survivor lives and disabled lives were based on the PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2020. Ten percent of active deaths are assumed to be in the line of duty. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 6.50 percent, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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 6.50 percent 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 (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------------|----------------------|----------------------------------|----------------------|
| Total pension liability | \$ 83,996,580 | \$ 73,432,245 | \$ 64,816,382 |
| Plan fiduciary net position | <u>43,199,932</u> | <u>43,199,932</u> | <u>43,199,932</u> |
| Net pension liability | <u>\$ 40,796,648</u> | <u>\$ 30,232,313</u> | <u>\$ 21,616,450</u> |

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended April 30, 2021 was as follows:

| | <u>Increase (Decrease)</u> | | |
|---|--|--|--|
| | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability/Asset (a) - (b)</u> |
| Balances at April 30, 2020 | \$ 69,868,229 | \$ 33,562,716 | \$ 36,305,513 |
| Service cost | 1,053,151 | - | 1,053,151 |
| Interest on total pension liability | 4,511,442 | - | 4,511,442 |
| Differences between expected and actual experience of the total pension liability | 1,028,579 | - | 1,028,579 |
| Benefit payments, including refunds of employee contributions | (3,029,156) | (3,029,156) | - |
| Contributions, employer | - | 3,581,389 | (3,581,389) |
| Contributions, employee | - | 427,305 | (427,305) |
| Net investment income | - | 8,702,747 | (8,702,747) |
| Administration | - | (45,069) | 45,069 |
| Balances at April 30, 2021 | <u>\$ 73,432,245</u> | <u>\$ 43,199,932</u> | <u>\$ 30,232,313</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 58.83 % |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the City recognized pension expense of \$3,538,008. 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 | \$ 1,640,176 | \$ 786,565 |
| Assumption changes | 2,819,590 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 3,734,181 |
| Total | <u>\$ 4,459,766</u> | <u>\$ 4,520,746</u> |

The amounts reported as deferred outflows and inflows of resources related to pensions is \$(60,980) and will be recognized in pension expense as follows:

| <u>Year Ending April 30,</u> | <u>Amount</u> |
|------------------------------|--------------------|
| 2022 | \$ 756,867 |
| 2023 | 762,426 |
| 2024 | (487,829) |
| 2025 | <u>(1,092,444)</u> |
| Total | <u>\$ (60,980)</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.

City of Lake Forest

Notes to Financial Statements
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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 percent of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75 percent 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 percent of the original pension and 3 percent 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 percent 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 percent 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 percent or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At April 30, 2021, the Firefighters' Pension Plan membership consisted of:

| | |
|------------------------------|------------------|
| Retirees and beneficiaries | 45 |
| Inactive, nonretired members | 2 |
| Active members | <u>33</u> |
| Total | <u><u>80</u></u> |

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2021, the contribution percentage was 9.455 percent. 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 percent funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2021 was 58.83 percent of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of April 30, 2021 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.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2021 using the following actuarial methods and assumptions:

| | |
|----------------------------|-----------------------------|
| Actuarial cost method | Entry Age |
| Asset valuation method | 5-year average Market Value |
| Actuarial assumptions | |
| Interest rate | 6.5% |
| Inflation | 2.50% |
| Projected salary increases | Service based |
| Cost-of-living adjustments | Tier 1: 3.00% Tier 2: 1.25% |

Mortality rates for active lives, inactive lives, survivor lives and disabled lives were based on the PubS-2010 Employee Mortality, projected 5 years past the valuation date with Scale MP-2020. Twenty percent of active deaths are assumed to be in the line of duty. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.50 percent, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Lake Forest

Notes to Financial Statements

April 30, 2021

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 6.50 percent 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 (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------------|----------------------|----------------------------------|---------------------|
| Total pension liability | \$ 72,753,647 | \$ 63,740,015 | \$ 56,383,988 |
| Plan fiduciary net position | <u>49,844,811</u> | <u>49,844,811</u> | <u>49,844,811</u> |
| Net pension liability | <u>\$ 22,908,836</u> | <u>\$ 13,895,204</u> | <u>\$ 6,539,177</u> |

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended April 30, 2021 was as follows:

| | <u>Increase (Decrease)</u> | | |
|--|--|--|--|
| | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability/Asset (a) - (b)</u> |
| Balances at April 30, 2020 | \$ 60,620,657 | \$ 39,069,288 | \$ 21,551,369 |
| Service cost | 1,017,451 | - | 1,017,451 |
| Interest on total pension liability | 3,912,242 | - | 3,912,242 |
| Differences between expected and actual experience of the total pension liability | 1,089,198 | - | 1,089,198 |
| Benefit payments, including refunds of employee contributions | (2,899,533) | (2,899,533) | - |
| Contributions, employer | - | 2,567,216 | (2,567,216) |
| Contributions, employee | - | 349,655 | (349,655) |
| Net investment income | - | 10,796,842 | (10,796,842) |
| Administration | - | (38,657) | 38,657 |
| Balances at April 30, 2021 | <u>\$ 63,740,015</u> | <u>\$ 49,844,811</u> | <u>\$ 13,895,204</u> |

Plan fiduciary net position as a percentage of
the total pension liability 78.20 %

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2021, the City recognized pension expense of \$1,705,170. 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 | \$ 1,177,093 | \$ - |
| Assumption changes | 3,051,423 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,957,285 |
| Total | <u>\$ 4,228,516</u> | <u>\$ 5,957,285</u> |

The amounts reported as deferred outflows and inflows of resources related to pensions is \$(1,728,769) and will be recognized in pension expense as follows:

| <u>Year Ending April 30,</u> | <u>Amount</u> |
|-------------------------------------|-----------------------|
| 2022 | \$ (174,309) |
| 2023 | (339,347) |
| 2024 | (265,670) |
| 2025 | (1,130,976) |
| 2026 | 181,533 |
| Total | <u>\$ (1,728,769)</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Pension Segment Information

Fiduciary Net Position

| | Pension Trust | | Total |
|---------------------------------|----------------------|-----------------------|----------------------|
| | Police Pension | Firefighters' Pension | |
| Assets | | | |
| Cash | \$ 148,721 | \$ 24,259 | \$ 172,980 |
| Money markets | 213,021 | 3,849,832 | 4,062,853 |
| Investments: | | | |
| U.S. treasury obligations | 8,151,306 | 3,165,181 | 11,316,487 |
| U.S. government agencies | 208,595 | 3,191,600 | 3,400,195 |
| Municipal/corporate bonds | 4,196,108 | 6,929,304 | 11,125,412 |
| Mutual funds | 26,252,509 | 32,607,420 | 58,859,929 |
| Real estate investment fund | 3,929,533 | - | 3,929,533 |
| Receivables | | | |
| Interest | 55,396 | 94,389 | 149,785 |
| Prepaid items | 11,203 | 4,129 | 15,332 |
| Due from primary government | 46,581 | 26,381 | 72,962 |
| Total assets | <u>43,212,973</u> | <u>49,892,495</u> | <u>93,105,468</u> |
| Liabilities | | | |
| Accounts payable | <u>13,041</u> | <u>47,684</u> | <u>60,725</u> |
| Total liabilities | <u>13,041</u> | <u>47,684</u> | <u>60,725</u> |
| Net Position | | | |
| Restricted for pension benefits | <u>\$ 43,199,932</u> | <u>\$ 49,844,811</u> | <u>\$ 93,044,743</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Changes in Plan Net Position

| | Pension Trust | | |
|---|----------------------|-----------------------|----------------------|
| | Police Pension | Firefighters' Pension | Total |
| Additions | | | |
| Contributions: | | | |
| Employer | \$ 3,581,389 | \$ 2,567,216 | \$ 6,148,605 |
| Employee | 427,305 | 349,655 | 776,960 |
| Total contributions | 4,008,694 | 2,916,871 | 6,925,565 |
| Investment income: | | | |
| Interest | 562,525 | 747,996 | 1,310,521 |
| Net appreciation in fair value of investments | 8,227,219 | 10,113,506 | 18,340,725 |
| Total investment income | 8,789,744 | 10,861,502 | 19,651,246 |
| Less investment expense | (87,734) | (64,760) | (152,494) |
| Net investment income | 8,702,010 | 10,796,742 | 19,498,752 |
| Miscellaneous | 737 | 100 | 837 |
| Total additions | 12,711,441 | 13,713,713 | 26,425,154 |
| Deductions | | | |
| Pension benefits and refunds | 3,029,156 | 2,899,533 | 5,928,689 |
| Other administrative expenses | 45,069 | 38,657 | 83,726 |
| Total deductions | 3,074,225 | 2,938,190 | 6,012,415 |
| Change in net position | 9,637,216 | 10,775,523 | 20,412,739 |
| Net Position, Beginning | 33,562,716 | 39,069,288 | 72,632,004 |
| Net Position, Ending | <u>\$ 43,199,932</u> | <u>\$ 49,844,811</u> | <u>\$ 93,044,743</u> |

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.

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.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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. Each member 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 |
|-----------|---|--|---------------------------|---|
| 2019-2020 | \$ 213,395 | \$ 262,847 | \$ 273,503 | \$ 202,739 |
| 2020-2021 | 202,739 | 307,508 | 292,523 | 217,724 |

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.

Changes in the balances of claims liabilities for the years ended April 30, 2021 and 2020 are as follows:

| | Beginning of Fiscal Year Liability | Changes in Estimates | Claim Payments | End of Fiscal Year Liability |
|-----------|---|---------------------------------|---------------------------|---|
| 2019-2020 | \$ 568,106 | \$ 4,535,326 | \$ 4,534,148 | \$ 569,284 |
| 2020-2021 | 569,284 | 4,737,417 | 4,530,320 | 776,381 |

Joint Ventures

Solid Waste Agency of Lake County

The City of Lake Forest and 41 other municipalities jointly operate the Solid Waste Agency of Lake County, which is called 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.

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

The City does not have an equity interest in the Solid Waste Agency of Lake County.

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.

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, which are single-employer 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.

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, 2021, the following employees were covered by the benefit terms:

| | <u>City</u> | <u>Library</u> |
|---|-------------------|------------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 46 | 5 |
| Active plan members | <u>196</u> | <u>24</u> |
| Total | <u><u>242</u></u> | <u><u>29</u></u> |

Total OPEB Liability

The City's total OPEB liability of \$2,252,203 was measured as of April 30, 2021 and was determined by an actuarial valuation as of that date. The Library's total OPEB liability of \$159,877 was measured as of April 30, 2021 and was determined by an actuarial valuation as of that date.

City of Lake Forest

Notes to Financial Statements
April 30, 2021

Actuarial Assumptions and Other Inputs

For both the City and Library, the total OPEB liability in the April 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Inflation | 2.25% |
| Salary increases | 2.50 |
| Healthcare cost trend rates | 6.00% - 5.50% 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.

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 improvements rates, for IMRF members. For police and fire members, mortality rates were based on the PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates.

The actuarial assumptions used in the April 30, 2021 valuation were based on the results of an actuarial experience study dated November 8, 2017.

Changes in the Total OPEB Liability

| | <u>City- Total OPEB Liability</u> | <u>Library- Total OPEB Liability</u> |
|--|---------------------------------------|--|
| Balances at April 30, 2020 | \$ 2,770,308 | \$ 200,580 |
| Changes for the year: | | |
| Service cost | 64,125 | 2,014 |
| Interest | 68,569 | 4,829 |
| Differences between expected and actual experience | (473,423) | (19,803) |
| Changes in assumptions or other inputs | 6,339 | (3,818) |
| Benefit payments | <u>(183,715)</u> | <u>(23,925)</u> |
| Net changes | <u>(518,105)</u> | <u>(40,703)</u> |
| Balances at April 30, 2021 | <u>\$ 2,252,203</u> | <u>\$ 159,877</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.56 percent in 2020 to 2.27 percent in 2021 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 (1.3 percent) or 1-percentage-point higher (3.3 percent) than the current discount rate:

| | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|-------------------------------|---------------------|----------------------|---------------------|
| Total OPEB liability, City | <u>\$ 2,398,345</u> | <u>\$ 2,252,203</u> | <u>\$ 2,113,139</u> |
| Total OPEB liability, Library | <u>\$ 162,859</u> | <u>\$ 159,877</u> | <u>\$ 156,965</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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 total OPEB liability would be for each if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0 percent decreasing to 4.5 percent) or 1-percentage-point higher (7.0 percent decreasing to 6.5 percent) than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|-------------------------------|---------------------|--|---------------------|
| Total OPEB liability, City | \$ <u>2,011,653</u> | \$ <u>2,252,203</u> | \$ <u>2,535,652</u> |
| Total OPEB liability, Library | \$ <u>156,041</u> | \$ <u>159,877</u> | \$ <u>163,922</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2021, the City recognized OPEB expense of \$127,283. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 431,674 |
| Changes of assumptions or other inputs | <u>328,821</u> | <u>-</u> |
| Total | \$ <u>328,821</u> | \$ <u>431,674</u> |

For the year ended April 30, 2021, the Library recognized OPEB expense of \$4,011. At April 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 16,737 |
| Changes of assumptions or other inputs | <u>6,127</u> | <u>3,226</u> |
| Total | \$ <u>6,127</u> | \$ <u>19,963</u> |

City of Lake Forest

Notes to Financial Statements
April 30, 2021

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> |
|------------------------------------|----------------------------|---------------------------|
| 2022 | \$ (5,411) | \$ (2,832) |
| 2023 | (5,411) | (2,832) |
| 2024 | (5,411) | (2,832) |
| 2025 | (5,411) | (2,832) |
| 2026 | (5,411) | (2,832) |
| Thereafter | (75,798) | 324 |
| Total | <u><u>\$ (102,853)</u></u> | <u><u>\$ (13,836)</u></u> |

Subsequent Event

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City's award is \$2,643,571, which will be used for eligible expenses under ARPA. The City will receive 50 percent of the funds in fiscal year 2022, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

On August 19, 2021 the City issued general obligation refunding bonds in the amount of \$7,590,000 with an interest rate of 2.00 percent. This amount will be used to refund \$8,020,000 of the City's 2013 series bonds.

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, 2021, the City received \$857,998 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, 2021.

A redevelopment agreement between the City and developer was also executed in September 2016. As of April 30, 2021, 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 2021, construction of the three apartment buildings is complete and the buildings are nearly fully occupied on an ongoing basis with a normal rate of turnover as leases expire. The first of two condominiums is complete with seventeen (17) condominiums sold and one additional condominium under contract. Construction of the second condominium building has not yet started. Seven (7) single family homes are completed and have been sold. Five (5) vacant single family lots remain.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*

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
Year Ended April 30, 2021

| | Budgeted Amounts | | | Variance with |
|--|------------------------------|------------------------------|-----------------------------|----------------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 20,230,689 | \$ 20,230,689 | \$ 20,128,373 | \$ (102,316) |
| Other taxes | 2,427,249 | 2,427,249 | 2,371,746 | (55,503) |
| Intergovernmental | 4,628,374 | 4,628,374 | 6,591,951 | 1,963,577 |
| Licenses and permits | 2,262,630 | 2,262,630 | 3,133,137 | 870,507 |
| Fines, forfeitures and penalties | 226,500 | 226,500 | 260,726 | 34,226 |
| Charges for services | 4,320,537 | 4,320,537 | 4,358,718 | 38,181 |
| Grants and contributions | - | - | 857,585 | 857,585 |
| Investment income | 550,150 | 550,150 | 109,451 | (440,699) |
| Miscellaneous revenues | <u>1,277,500</u> | <u>1,277,500</u> | <u>1,294,224</u> | <u>16,724</u> |
| Total revenues | <u>35,923,629</u> | <u>35,923,629</u> | <u>39,105,911</u> | <u>3,182,282</u> |
| Expenditures | | | | |
| General government | 11,258,915 | 11,907,372 | 10,436,328 | 1,471,044 |
| Highways and streets | 2,631,198 | 2,655,321 | 2,643,326 | 11,995 |
| Sanitation | 2,507,366 | 2,507,366 | 2,628,512 | (121,146) |
| Public safety | 18,515,269 | 18,554,955 | 18,163,049 | 391,906 |
| Contingency | <u>3,700,824</u> | <u>3,700,824</u> | <u>-</u> | <u>3,700,824</u> |
| Total expenditures | <u>38,613,572</u> | <u>39,325,838</u> | <u>33,871,215</u> | <u>5,454,623</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,689,943)</u> | <u>(3,402,209)</u> | <u>5,234,696</u> | <u>8,636,905</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | <u>(964,222)</u> | <u>(1,383,222)</u> | <u>(6,455,153)</u> | <u>(5,071,931)</u> |
| Total other financing sources (uses) | <u>(964,222)</u> | <u>(1,383,222)</u> | <u>(6,455,153)</u> | <u>(5,071,931)</u> |
| Net change in fund balance | <u><u>\$ (3,654,165)</u></u> | <u><u>\$ (4,785,431)</u></u> | <u>(1,220,457)</u> | <u><u>\$ 3,564,974</u></u> |
| Fund Balance, Beginning | | | <u>29,577,385</u> | |
| Fund Balance, Ending | | | <u><u>\$ 28,356,928</u></u> | |

See 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
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------------------|------------------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 5,898,289 | \$ 5,898,289 | \$ 5,866,617 | \$ (31,672) |
| Intergovernmental | 40,000 | 40,000 | 57,390 | 17,390 |
| Charges for services | 2,298,976 | 2,298,976 | 1,520,239 | (778,737) |
| Grants and contributions | 188,000 | 188,000 | 214,577 | 26,577 |
| Investment income | 87,000 | 87,000 | 8,962 | (78,038) |
| Miscellaneous revenues | <u>30,500</u> | <u>30,500</u> | <u>8,136</u> | <u>(22,364)</u> |
| Total revenues | <u>8,542,765</u> | <u>8,542,765</u> | <u>7,675,921</u> | <u>(866,844)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 9,464,265 | 9,489,564 | 8,069,319 | 1,420,245 |
| Capital Outlay | 316,686 | 374,999 | 251,758 | 123,241 |
| Contingency | <u>1,010,956</u> | <u>1,010,956</u> | <u>-</u> | <u>1,010,956</u> |
| Total expenditures | <u>10,791,907</u> | <u>10,875,519</u> | <u>8,321,077</u> | <u>2,554,442</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,249,142)</u> | <u>(2,332,754)</u> | <u>(645,156)</u> | <u>1,687,598</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 285,000 | 285,000 | 802,000 | 517,000 |
| Transfers out | (90,000) | (90,000) | (23,000) | 67,000 |
| Proceeds from capital asset sales | <u>-</u> | <u>-</u> | <u>9,323</u> | <u>9,323</u> |
| Total other financing sources (uses) | <u>195,000</u> | <u>195,000</u> | <u>788,323</u> | <u>593,323</u> |
| Net change in fund balance | <u><u>\$ (2,054,142)</u></u> | <u><u>\$ (2,137,754)</u></u> | <u>143,167</u> | <u><u>\$ 2,280,921</u></u> |
| Fund Balance, Beginning | | | <u>1,292,601</u> | |
| Fund Balance, Ending | | | <u><u>\$ 1,435,768</u></u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Cemetery Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|---------------------|----------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 767,900 | \$ 767,900 | \$ 796,458 | \$ 28,558 |
| Grants and contributions | 12,000 | 12,000 | 12,915 | 915 |
| Investment income | <u>50,000</u> | <u>50,000</u> | <u>3,336,237</u> | <u>3,286,237</u> |
| Total revenues | <u>829,900</u> | <u>829,900</u> | <u>4,145,610</u> | <u>3,315,710</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 667,224 | 667,224 | 685,410 | (18,186) |
| Capital Outlay | 1,930,000 | 1,945,299 | 172,616 | 1,772,683 |
| Contingency | <u>261,252</u> | <u>261,252</u> | <u>-</u> | <u>261,252</u> |
| Total expenditures | <u>2,858,476</u> | <u>2,873,775</u> | <u>858,026</u> | <u>2,015,749</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,028,576)</u> | <u>(2,043,875)</u> | <u>3,287,584</u> | <u>5,331,459</u> |
| Other Financing Sources (Uses) | | | | |
| Refunding debt issued | <u>1,600,000</u> | <u>1,600,000</u> | <u>-</u> | <u>(1,600,000)</u> |
| Total other financing sources (uses) | <u>1,600,000</u> | <u>1,600,000</u> | <u>-</u> | <u>(1,600,000)</u> |
| Net change in fund balance | <u>\$ (428,576)</u> | <u>\$ (443,875)</u> | <u>3,287,584</u> | <u>\$ 3,731,459</u> |
| Fund Balance, Beginning | | | <u>8,065,570</u> | |
| Fund Balance, Ending | | | <u>\$ 11,353,154</u> | |

City of Lake Forest

Illinois Municipal Retirement Fund
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Past Six Fiscal Years

| | 2016 | | | 2017 | | | 2018 | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | City | Library | Total | City | Library | Total | City | Library | Total |
| Total pension liability | | | | | | | | | |
| Service cost | \$ 1,549,831 | \$ 208,143 | \$ 1,757,974 | \$ 1,315,386 | \$ 160,837 | \$ 1,476,223 | \$ 1,230,871 | \$ 146,913 | \$ 1,377,784 |
| Interest on total pension liability | 7,086,670 | 951,742 | 8,038,412 | 6,584,652 | 668,406 | 7,253,058 | 6,690,906 | 767,094 | 7,458,000 |
| Differences between expected and actual experience of the total pension liability | 796,382 | 106,954 | 903,336 | (689,342) | (84,288) | (773,630) | 79,717 | 9,515 | 89,232 |
| Changes of assumptions | 103,436 | 13,891 | 117,327 | (209,390) | (25,603) | (234,993) | (2,740,693) | (327,120) | (3,067,813) |
| 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) | (4,566,385) | (558,348) | (5,124,733) | (4,708,228) | (561,958) | (5,270,186) |
| Net change in total pension liability | (9,230,623) | (1,239,675) | (10,470,298) | 2,434,921 | 161,004 | 2,595,925 | 552,573 | 34,444 | 587,017 |
| Total pension liability - beginning | 96,324,203 | 12,936,367 | 109,260,570 | 87,093,580 | 11,696,692 | 98,790,272 | 89,528,501 | 11,857,696 | 101,386,197 |
| Total pension liability - ending (a) | <u>\$ 87,093,580</u> | <u>\$ 11,696,692</u> | <u>\$ 98,790,272</u> | <u>\$ 89,528,501</u> | <u>\$ 11,857,696</u> | <u>\$ 101,386,197</u> | <u>\$ 90,081,074</u> | <u>\$ 11,892,140</u> | <u>\$ 101,973,214</u> |
| Plan fiduciary net position | | | | | | | | | |
| Employer contributions | \$ 1,757,095 | \$ 235,978 | \$ 1,993,073 | \$ 1,494,964 | \$ 182,795 | \$ 1,677,759 | \$ 1,485,109 | \$ 177,258 | \$ 1,662,367 |
| Employee contributions | 664,444 | 89,235 | 753,679 | 558,977 | 68,348 | 627,325 | 532,665 | 63,577 | 596,242 |
| Net investment income | 442,808 | 59,469 | 502,277 | 5,250,256 | 641,968 | 5,892,224 | 14,307,003 | 1,707,636 | 16,014,639 |
| Benefit payments, including refunds of member contributions | (4,968,065) | (667,212) | (5,635,277) | (4,566,385) | (558,348) | (5,124,733) | (4,708,228) | (561,958) | (5,270,186) |
| Other (net transfer) | (12,005,830) | (1,612,386) | (13,618,216) | 262,841 | 32,138 | 294,979 | (1,329,766) | (158,716) | (1,488,482) |
| Net change in plan fiduciary net position | (14,109,548) | (1,894,916) | (16,004,464) | 3,000,653 | 366,901 | 3,367,554 | 10,286,783 | 1,227,797 | 11,514,580 |
| Plan fiduciary net position - beginning | 89,834,842 | 12,064,844 | 101,899,686 | 75,725,294 | 10,169,928 | 85,895,222 | 78,725,947 | 10,536,829 | 89,262,776 |
| Plan fiduciary net position - ending (b) | <u>\$ 75,725,294</u> | <u>\$ 10,169,928</u> | <u>\$ 85,895,222</u> | <u>\$ 78,725,947</u> | <u>\$ 10,536,829</u> | <u>\$ 89,262,776</u> | <u>\$ 89,012,730</u> | <u>\$ 11,764,626</u> | <u>\$ 100,777,356</u> |
| Employer's net pension liability - ending (a) - (b) | <u>\$ 11,368,286</u> | <u>\$ 1,526,764</u> | <u>\$ 12,895,050</u> | <u>\$ 10,802,554</u> | <u>\$ 1,320,867</u> | <u>\$ 12,123,421</u> | <u>\$ 1,068,344</u> | <u>\$ 127,514</u> | <u>\$ 1,195,858</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 86.95% | | | 88.04% | | | 98.83% |
| Covered payroll | | | \$ 13,391,112 | | | \$ 13,135,941 | | | \$ 13,224,884 |
| Employer's net pension liability as a percentage of covered payroll | | | 96.30% | | | 92.29% | | | 9.04% |

Notes to Schedule:

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

See 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

Past Six Fiscal Years

| | 2019 | | | 2020 | | | 2021 | | |
|---|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | City | Library | Total | City | Library | Total | City | Library | Total |
| Total pension liability | | | | | | | | | |
| Service cost | \$ 1,162,585 | \$ 120,326 | \$ 1,282,911 | \$ 1,244,941 | \$ 134,702 | \$ 1,379,643 | 1,268,902 | 131,502 | \$ 1,400,404 |
| Interest on total pension liability | 6,788,684 | 702,616 | 7,491,300 | 6,990,156 | 756,331 | 7,746,487 | 7,326,612 | 759,293 | 8,085,905 |
| Differences between expected and actual experience of the total pension liability | 819,901 | 84,858 | 904,759 | 1,465,195 | 158,533 | 1,623,728 | (786,697) | (81,529) | (868,226) |
| Changes of assumptions | 2,657,676 | 258,123 | 2,915,799 | (58,022) | 58,022 | - | (783,863) | (103,244) | (887,107) |
| Transfer of liability | - | - | - | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (4,949,110) | (512,224) | (5,461,334) | (5,321,027) | (575,732) | (5,896,759) | (5,672,563) | (587,876) | (6,260,439) |
| Net change in total pension liability | 6,479,736 | 653,699 | 7,133,435 | 4,321,243 | 531,856 | 4,853,099 | 1,352,391 | 118,146 | 1,470,537 |
| Total pension liability - beginning | 90,081,074 | 11,892,140 | 101,973,214 | 96,560,810 | 12,545,839 | 109,106,649 | 100,882,053 | 13,077,695 | 113,959,748 |
| Total pension liability - ending (a) | <u>\$ 96,560,810</u> | <u>\$ 12,545,839</u> | <u>\$ 109,106,649</u> | <u>\$ 100,882,053</u> | <u>\$ 13,077,695</u> | <u>\$ 113,959,748</u> | <u>\$ 102,234,444</u> | <u>\$ 13,195,841</u> | <u>\$ 115,430,285</u> |
| Plan fiduciary net position | | | | | | | | | |
| Employer contributions | \$ 1,535,144 | \$ 158,885 | \$ 1,694,029 | \$ 1,224,123 | \$ 132,449 | \$ 1,356,572 | 1,525,544 | 158,100 | \$ 1,683,644 |
| Employee contributions | 557,075 | 57,656 | 614,731 | 575,110 | 62,227 | 637,337 | 610,488 | 63,268 | 673,756 |
| Net investment income | (5,144,778) | (532,475) | (5,677,253) | 16,063,705 | 1,738,084 | 17,801,789 | 14,246,702 | 1,476,456 | 15,723,158 |
| Benefit payments, including refunds of member contributions | (4,949,110) | (512,224) | (5,461,334) | (5,321,027) | (575,732) | (5,896,759) | (5,672,563) | (587,876) | (6,260,439) |
| Other (net transfer) | 1,872,470 | 193,797 | 2,066,267 | 635,098 | 68,717 | 703,815 | (182,338) | (18,898) | (201,236) |
| Net change in plan fiduciary net position | (6,129,199) | (634,361) | (6,763,560) | 13,177,009 | 1,425,745 | 14,602,754 | 10,527,833 | 1,091,050 | 11,618,883 |
| Plan fiduciary net position - beginning | 89,012,730 | 11,764,626 | 100,777,356 | 82,883,531 | 11,130,265 | 94,013,796 | 96,060,540 | 12,556,010 | 108,616,550 |
| Plan fiduciary net position - ending (b) | <u>\$ 82,883,531</u> | <u>\$ 11,130,265</u> | <u>\$ 94,013,796</u> | <u>\$ 96,060,540</u> | <u>\$ 12,556,010</u> | <u>\$ 108,616,550</u> | <u>\$ 106,588,373</u> | <u>\$ 13,647,060</u> | <u>\$ 120,235,433</u> |
| Employer's net pension liability - ending (a) - (b) | <u>\$ 13,677,279</u> | <u>\$ 1,415,574</u> | <u>\$ 15,092,853</u> | <u>\$ 4,821,513</u> | <u>\$ 521,685</u> | <u>\$ 5,343,198</u> | <u>\$ (4,353,929)</u> | <u>\$ (451,219)</u> | <u>\$ (4,805,148)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | | 86.17% | | | 95.31% | | | 104.16% |
| Covered payroll | | | \$ 13,522,211 | | | \$ 14,163,049 | | | 14,122,896 |
| Employer's net pension liability as a percentage of covered payroll | | | 111.62% | | | 37.73% | | | -34.02% |

Notes to Schedule:

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

See notes to required supplementary information

City of Lake Forest

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Past Six Fiscal Years

| | 2021 | | | 2020 | | | 2019 | | |
|--|-----------------|----------------|-----------------|-------------------|-----------------|-------------------|--------------------|-------------------|--------------------|
| | City | Library | Total | City | Library | Total | City | Library | Total |
| Actuarially determined contribution | \$ 1,525,367 | 158,082 | \$ 1,683,449 | \$ 1,217,957 | \$ 131,782 | \$ 1,349,739 | \$ 1,514,588 | \$ 156,757 | \$ 1,671,345 |
| Contributions in relation to the actuarially determined contribution | (1,525,544) | (158,100) | (1,683,644) | (1,224,123) | (132,449) | (1,356,572) | (1,535,144) | (158,885) | (1,694,029) |
| Contribution deficiency (excess) | <u>\$ (177)</u> | <u>\$ (18)</u> | <u>\$ (195)</u> | <u>\$ (6,166)</u> | <u>\$ (667)</u> | <u>\$ (6,833)</u> | <u>\$ (20,556)</u> | <u>\$ (2,128)</u> | <u>\$ (22,684)</u> |
| Covered payroll | | | 15,519,529 | | | \$ 14,612,252 | | | \$ 14,446,880 |
| Contributions as a percentage of covered payroll | | | 10.85% | | | 9.28% | | | 11.73% |

| | 2018 | | | 2017 | | | 2016 | | |
|--|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|
| | City | Library | Total | City | Library | Total | City | Library | Total |
| Actuarially determined contribution | \$ 1,447,303 | \$ 172,745 | \$ 1,620,048 | \$ 1,454,901 | \$ 177,896 | \$ 1,632,797 | \$ 1,741,632 | \$ 233,902 | \$ 1,975,534 |
| Contributions in relation to the actuarially determined contribution | (1,485,109) | (177,258) | (1,662,367) | (1,494,964) | (182,795) | (1,677,759) | (1,757,095) | (235,978) | (1,993,073) |
| Contribution deficiency (excess) | <u>\$ (37,806)</u> | <u>\$ (4,513)</u> | <u>\$ (42,319)</u> | <u>\$ (40,063)</u> | <u>\$ (4,899)</u> | <u>\$ (44,962)</u> | <u>\$ (15,463)</u> | <u>\$ (2,076)</u> | <u>\$ (17,539)</u> |
| Covered payroll | | | \$ 13,247,776 | | | \$ 13,135,941 | | | \$ 13,391,112 |
| Contributions as a percentage of covered payroll | | | 12.55% | | | 12.77% | | | 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 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Aggregate Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 23 years |
| Asset valuation method | 5-Year Smoothed Market, 20% corridor |
| Inflation | 2.50% |
| Salary increases | 3.35% to 14.25%, including inflation |
| Investment rate of return | 7.25% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2014 Employee Mortality Table, adjusted to match current IMRF experience |

Other information:

There were no benefit changes during the year.

See notes to required supplementary information

City of Lake Forest

Police Pension Fund

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

Last Seven Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | |
| Service cost | \$ 845,979 | \$ 883,178 | \$ 931,083 | \$ 895,320 | \$ 900,450 | \$ 908,951 | \$ 1,053,151 |
| Interest on total pension liability | 3,219,893 | 3,657,765 | 3,660,514 | 3,908,626 | 4,051,210 | 4,435,870 | 4,511,442 |
| Change on benefit terms | | | | | | 231,490 | |
| Differences between expected and actual experience of the total pension liability | 2,713 | (2,129,040) | 306,030 | (39,964) | 2,043,281 | (1,297,619) | 1,028,579 |
| Changes of assumptions | 3,568,719 | - | 1,248,764 | - | 3,709,450 | 2,226,349 | |
| Benefit payments, including refunds of member contributions | (2,193,705) | (2,320,588) | (2,520,473) | (2,611,864) | (2,852,542) | (2,888,907) | (3,029,156) |
| Other | (16,057) | - | - | - | - | - | - |
| Net change in total pension liability | 5,427,542 | 91,315 | 3,625,918 | 2,152,118 | 7,851,849 | 3,616,134 | 3,564,016 |
| Total pension liability - beginning | 47,103,353 | 52,530,895 | 52,622,210 | 56,248,128 | 58,400,246 | 66,252,095 | 69,868,229 |
| Total pension liability - ending (a) | \$ 52,530,895 | \$ 52,622,210 | \$ 56,248,128 | \$ 58,400,246 | \$ 66,252,095 | \$ 69,868,229 | \$ 73,432,245 |
| Plan fiduciary net position | | | | | | | |
| Employer contributions | \$ 1,706,203 | \$ 1,806,270 | \$ 1,895,500 | \$ 2,094,124 | \$ 2,504,581 | \$ 2,589,534 | \$ 3,581,389 |
| Employee contributions | 360,156 | 373,216 | 371,695 | 379,500 | 392,258 | 404,985 | 427,305 |
| Net investment income | 1,669,508 | (475,655) | 2,635,379 | 2,064,885 | 1,716,441 | 158,635 | 8,702,747 |
| Benefit payments, including refunds of member contributions | (2,193,705) | (2,320,588) | (2,520,473) | (2,611,864) | (2,852,542) | (2,888,907) | (3,029,156) |
| Administrative expenses | (4,150) | (4,835) | (27,816) | (34,158) | (60,847) | (52,357) | (45,069) |
| Net change in plan fiduciary net position | 1,538,012 | (621,592) | 2,354,285 | 1,892,487 | 1,699,891 | 211,890 | 9,637,216 |
| Plan fiduciary net position - beginning | 26,487,743 | 28,025,755 | 27,404,163 | 29,758,448 | 31,650,935 | 33,350,826 | 33,562,716 |
| Plan fiduciary net position - ending (b) | \$ 28,025,755 | \$ 27,404,163 | \$ 29,758,448 | \$ 31,650,935 | \$ 33,350,826 | \$ 33,562,716 | \$ 43,199,932 |
| City's net pension liability - ending (a) - (b) | \$ 24,505,140 | \$ 25,218,047 | \$ 26,489,680 | \$ 26,749,311 | \$ 32,901,269 | \$ 36,305,513 | \$ 30,232,313 |
| Plan fiduciary net position as a percentage of the total pension liability | 53.35% | 52.08% | 52.91% | 54.20% | 50.34% | 48.04% | 58.83% |
| Covered payroll | \$ 3,590,934 | \$ 3,759,611 | \$ 3,750,706 | \$ 3,800,841 | \$ 3,940,419 | \$ 4,059,797 | \$ 4,077,656 |
| City's net pension liability as a percentage of covered payroll | 682.42% | 670.76% | 706.26% | 703.77% | 834.97% | 894.27% | 741.41% |

Notes to Schedule:

Changes of assumptions.

There were no assumption or method changes since the prior valuation.

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

See notes to required supplementary information

City of Lake Forest

Police Pension Fund
Schedule of Employer Contributions
Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,372,431 | \$ 1,375,906 | \$ 1,384,307 | \$ 1,508,450 |
| Contributions in relation to the actuarially determined contribution | 1,515,074 | 1,502,075 | 1,563,964 | 1,706,203 |
| Contribution deficiency (excess) | <u>\$ (142,643)</u> | <u>\$ (126,169)</u> | <u>\$ (179,657)</u> | <u>\$ (197,753)</u> |
| Covered payroll | \$ 3,359,679 | \$ 3,170,518 | \$ 3,518,797 | \$ 3,590,934 |
| Contributions as a percentage of covered payroll | 45.10% | 47.38% | 44.45% | 47.51% |

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 | 5/1/2016 valuation); 22 years (as of 5/1/2019 valuation); 21 years (as of 5/1/2020 valuation); 21 years (as of 5/1/2021 valuation) |
| Asset valuation method | Investment gains and losses are smoothed over a 5- year period |
| Inflation | 2.50% |
| Salary increases | 5.21% |
| Investment rate of return | 6.50%, net of pension plan investment expense |
| Retirement age | 50-70 |
| Mortality | PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|---------------------|---------------------|------------------|------------------|---------------------|
| \$ 1,810,315 | \$ 1,737,445 | \$ 1,832,059 | \$ 2,505,888 | \$ 2,594,845 | \$ 3,090,726 |
| <u>1,806,270</u> | <u>1,895,500</u> | <u>2,094,124</u> | <u>2,504,581</u> | <u>2,589,534</u> | <u>3,581,389</u> |
| <u>\$ 4,045</u> | <u>\$ (158,055)</u> | <u>\$ (262,065)</u> | <u>\$ 1,307</u> | <u>\$ 5,311</u> | <u>\$ (490,663)</u> |
| \$ 3,759,611 | \$ 3,750,706 | \$ 3,800,841 | \$ 3,940,419 | \$ 4,059,797 | \$ 4,077,656 |
| 48.04% | 50.54% | 55.10% | 63.56% | 63.78% | 87.83% |

City of Lake Forest

Police Pension Fund
Schedule of Investment Returns
Last Seven Fiscal Years

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 6.79% | -1.44% | 9.67% | 7.03% | 5.48% | 0.59% | 25.29% |

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 Seven Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | |
| Service cost | \$ 912,154 | \$ 926,420 | \$ 860,148 | \$ 854,245 | \$ 891,741 | \$ 876,151 | \$ 1,017,451 |
| Interest on total pension liability | 2,754,242 | 3,072,945 | 3,190,325 | 3,425,477 | 3,564,977 | 3,779,365 | 3,912,242 |
| Changes in benefit terms | | | | | | 172,556 | |
| Differences between expected and actual experience | | | | | | | |
| actual experience of the total pension liability | (213,530) | (186,474) | 227,730 | 176,286 | 166,664 | 134,069 | 1,089,198 |
| Changes of assumptions | 2,024,054 | - | 1,401,097 | - | 3,101,793 | 1,900,513 | - |
| Benefit payments, including refunds of member contributions | (1,769,849) | (1,931,047) | (2,208,471) | (2,419,682) | (2,581,621) | (2,712,864) | (2,899,533) |
| Net change in total pension liability | 3,707,071 | 1,881,844 | 3,470,829 | 2,036,326 | 5,143,554 | 4,149,790 | 3,119,358 |
| Total pension liability - beginning | 40,231,243 | 43,938,314 | 45,820,158 | 49,290,987 | 51,327,313 | 56,470,867 | 60,620,657 |
| Total pension liability - ending (a) | \$ 43,938,314 | \$ 45,820,158 | \$ 49,290,987 | \$ 51,327,313 | \$ 56,470,867 | \$ 60,620,657 | \$ 63,740,015 |
| Plan fiduciary net position | | | | | | | |
| Employer contributions | \$ 1,168,287 | \$ 1,216,585 | \$ 1,211,587 | \$ 1,308,348 | \$ 1,719,445 | \$ 1,822,064 | \$ 2,567,216 |
| Employee contributions | 296,676 | 297,946 | 290,383 | 296,202 | 311,675 | 330,725 | 349,655 |
| Net investment income | 1,871,817 | 60,335 | 3,053,497 | 2,897,100 | 3,032,134 | 988,063 | 10,796,842 |
| 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) | (2,712,864) | (2,899,533) |
| Administrative expenses | (4,150) | (4,835) | (34,006) | (35,547) | (52,598) | (44,220) | (38,657) |
| Net change in plan fiduciary net position | 1,562,781 | (360,916) | 2,312,990 | 2,046,421 | 2,429,035 | 383,768 | 10,775,523 |
| Plan fiduciary net position - beginning | 30,695,209 | 32,257,990 | 31,897,074 | 34,210,064 | 36,256,485 | 38,685,520 | 39,069,288 |
| Plan fiduciary net position - ending (b) | \$ 32,257,990 | \$ 31,897,074 | \$ 34,210,064 | \$ 36,256,485 | \$ 38,685,520 | \$ 39,069,288 | \$ 49,844,811 |
| City's net pension liability - ending (a) - (b) | \$ 11,680,324 | \$ 13,923,084 | \$ 15,080,923 | \$ 15,070,828 | \$ 17,785,347 | \$ 21,551,369 | \$ 13,895,204 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.42% | 69.61% | 69.40% | 70.64% | 68.51% | 64.45% | 78.20% |
| Covered payroll | \$ 3,111,216 | \$ 2,924,893 | \$ 3,071,211 | \$ 3,237,410 | \$ 3,338,448 | \$ 3,440,901 | \$ 3,527,518 |
| City's net pension liability as a percentage of covered payroll | 375.43% | 476.02% | 491.04% | 465.52% | 532.74% | 626.33% | 393.91% |

Notes to Schedule:

Changes of assumptions.

There were no assumption or method changes since the prior valuation.

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

See notes to required supplementary information

City of Lake Forest

Firefighters' Pension Fund

Schedule of Employer Contributions

Last Ten Fiscal Years

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 862,452 | \$ 894,551 | \$ 894,384 | \$ 950,325 |
| Contributions in relation to the actuarially determined contribution | <u>983,298</u> | <u>1,026,345</u> | <u>1,090,695</u> | <u>1,168,287</u> |
| Contribution deficiency (excess) | <u>\$ (120,846)</u> | <u>\$ (131,794)</u> | <u>\$ (196,311)</u> | <u>\$ (217,962)</u> |
| Covered payroll | \$ 2,941,767 | \$ 3,049,732 | \$ 3,004,889 | \$ 3,111,216 |
| Contributions as a percentage of covered payroll | 33.43% | 33.65% | 36.30% | 37.55% |

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); 21 years (as of 5/1/2020 valuation); 20 years (as of 5/1/2021 valuation) |
| Asset valuation method | 5-year average market value |
| Salary increases | 5.90% |
| Investment rate of return | 6.50%, net of pension plan investment expense |
| Retirement age | 50-70 |
| Mortality | PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|--------------------|--------------------|------------------|------------------|---------------------|
| \$ 1,217,702 | \$ 1,137,826 | \$ 1,298,188 | \$ 1,721,953 | \$ 1,826,568 | \$ 2,075,171 |
| <u>1,216,585</u> | <u>1,211,587</u> | <u>1,308,348</u> | <u>1,719,445</u> | <u>1,822,064</u> | <u>2,567,216</u> |
| \$ <u>1,117</u> | \$ <u>(73,761)</u> | \$ <u>(10,160)</u> | \$ <u>2,508</u> | \$ <u>4,504</u> | \$ <u>(492,045)</u> |
| \$ 2,924,893 | \$ 3,071,211 | \$ 3,237,410 | \$ 3,388,448 | \$ 3,440,901 | \$ 3,527,518 |
| 41.59% | 39.45% | 40.41% | 50.74% | 52.95% | 72.78% |

See notes to required supplementary information

City of Lake Forest

Firefighters' Pension Fund
Schedule of Investment Returns
Last Seven Fiscal Years

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 6.48% | 0.26% | 9.66% | 8.65% | 8.56% | 2.63% | 28.13% |

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 City's Total OPEB Liability and Related Ratios

Last Three Fiscal Years

| | 2019 | | 2020 | | 2021 | |
|--|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| | City | Library | City | Library | City | Library |
| Total OPEB liability | | | | | | |
| Service cost | \$ 46,323 | \$ 1,620 | \$ 49,721 | \$ 1,718 | \$ 64,125 | \$ 2,014 |
| Interest | 93,093 | 8,019 | 89,145 | 7,379 | 68,569 | 4,829 |
| Differences between expected and actual experience | - | - | - | - | (473,423) | (19,803) |
| Changes of assumptions | 32,177 | 1,221 | 365,319 | 6,686 | 6,339 | (3,818) |
| Benefit payments, including refunds of member contributions | <u>(157,993)</u> | <u>(16,545)</u> | <u>(171,388)</u> | <u>(19,768)</u> | <u>(183,715)</u> | <u>(23,925)</u> |
| Net change in total OPEB liability | 13,600 | (5,685) | 332,797 | (3,985) | (518,105) | (40,703) |
| Total OPEB liability - beginning | <u>2,423,911</u> | <u>210,250</u> | <u>2,437,511</u> | <u>204,565</u> | <u>2,770,308</u> | <u>200,580</u> |
| Total OPEB liability - ending (a) | <u>\$ 2,437,511</u> | <u>\$ 204,565</u> | <u>\$ 2,770,308</u> | <u>\$ 200,580</u> | <u>\$ 2,252,203</u> | <u>\$ 159,877</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered payroll | \$ 20,233,763 | \$ 1,467,746 | \$ 20,794,094 | \$ 1,382,150 | \$ 22,059,672 | \$ 1,458,298 |
| City's total OPEB liability as a percentage of covered payroll | 12.05% | 13.94% | 13.32% | 14.51% | 10.21% | 10.96% |

Notes to Schedule:

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

City of Lake Forest

Notes to Required Supplementary Information
Year Ended April 30, 2021

Budgetary Information

Budgets for the General and major special revenue funds 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.

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
April 30, 2021

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------------------|------------------------|--------------------------|---------------------|
| | Police Restricted | Foreign Fire Insurance Tax | Emergency Telephone | Parks and Public Land | Motor Fuel Tax |
| Assets | | | | | |
| Cash and cash equivalents | \$ 117,877 | \$ 350,664 | \$ (107,870) | \$ 1,488,087 | \$ 1,885,669 |
| Receivables: | | | | | |
| Property taxes | - | - | - | - | - |
| Other | 390 | - | 865,386 | - | - |
| Due from other governments | - | - | - | 138,314 | 63,827 |
| Advances to other funds | - | - | - | - | - |
| Prepaid items | - | - | 28,878 | - | - |
| | <u>-</u> | <u>-</u> | <u>28,878</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 118,267</u> | <u>\$ 350,664</u> | <u>\$ 786,394</u> | <u>\$ 1,626,401</u> | <u>\$ 1,949,496</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ 1,597 | \$ - | \$ 605,224 |
| Accrued liabilities | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Unearned revenues | - | - | - | 138,314 | - |
| Due to other funds | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>1,597</u> | <u>138,314</u> | <u>605,224</u> |
| Deferred Inflows of Resources | | | | | |
| Property taxes levied for a future period | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | |
| Nonspendable for prepaid items | - | - | 28,878 | - | - |
| Restricted for culture and recreation | - | - | - | 1,488,087 | - |
| Restricted for highways and streets | - | - | - | - | 1,344,272 |
| Restricted for public safety | 118,267 | 350,664 | 755,919 | - | - |
| Restricted for affordable housing | - | - | - | - | - |
| Restricted for debt service purposes | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>118,267</u> | <u>350,664</u> | <u>784,797</u> | <u>1,488,087</u> | <u>1,344,272</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 118,267</u> | <u>\$ 350,664</u> | <u>\$ 786,394</u> | <u>\$ 1,626,401</u> | <u>\$ 1,949,496</u> |

| Special Revenue Funds | | Debt Service Funds | Capital Projects Fund | Total Nonmajor Governmental Funds |
|-----------------------------|---------------------|---------------------|----------------------------------|-----------------------------------|
| Senior Resources Commission | Housing Trust | Debt Service | Laurel/Western Redevelopment TIF | |
| \$ 153,978 | \$ 1,670,997 | \$ 1,758,652 | \$ - | \$ 7,318,054 |
| - | - | 2,069,737 | - | 2,069,737 |
| 19,956 | - | - | - | 885,732 |
| - | - | 142,083 | - | 344,224 |
| - | - | - | 380,000 | 380,000 |
| - | - | - | - | 28,878 |
| <u>\$ 173,934</u> | <u>\$ 1,670,997</u> | <u>\$ 3,970,472</u> | <u>\$ 380,000</u> | <u>\$ 11,026,625</u> |
| | | | | |
| \$ 16,070 | \$ 5,930 | \$ - | \$ 59,400 | \$ 688,221 |
| 4,508 | - | - | - | 4,508 |
| - | 18,000 | - | - | 18,000 |
| - | - | - | - | 138,314 |
| - | - | - | 624,815 | 624,815 |
| <u>20,578</u> | <u>23,930</u> | <u>-</u> | <u>684,215</u> | <u>1,473,858</u> |
| | | | | |
| - | - | 2,069,737 | - | 2,069,737 |
| - | - | 2,069,737 | - | 2,069,737 |
| - | - | - | - | 28,878 |
| 153,356 | - | - | - | 1,641,443 |
| - | - | - | - | 1,344,272 |
| - | - | - | - | 1,224,850 |
| - | 1,647,067 | - | - | 1,647,067 |
| - | - | 1,900,735 | - | 1,900,735 |
| - | - | - | (304,215) | (304,215) |
| <u>153,356</u> | <u>1,647,067</u> | <u>1,900,735</u> | <u>(304,215)</u> | <u>7,483,030</u> |
| | | | | |
| <u>\$ 173,934</u> | <u>\$ 1,670,997</u> | <u>\$ 3,970,472</u> | <u>\$ 380,000</u> | <u>\$ 11,026,625</u> |

City of Lake Forest

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended April 30, 2021

| | Special Revenue Funds | | | | |
|---|------------------------------|---|--------------------------------|----------------------------------|---------------------------|
| | Police Restricted | Foreign Fire Insurance Tax | Emergency Telephone | Parks and Public Land | Motor Fuel Tax |
| Revenues | | | | | |
| Taxes: | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - | - |
| Intergovernmental | 1,294 | - | - | - | 1,332,148 |
| Charges for services | 27,184 | 159,441 | 435,032 | 151,024 | - |
| Grants and contributions | - | - | - | 112,135 | - |
| Investment income | 437 | 52 | 3,011 | 3,761 | 6,694 |
| Miscellaneous revenues | - | - | - | - | - |
| Total revenues | <u>28,915</u> | <u>159,493</u> | <u>438,043</u> | <u>266,920</u> | <u>1,338,842</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Culture and recreation | - | - | - | 618,854 | - |
| Public safety | 450 | 71,833 | 214,481 | - | - |
| Capital Outlay | - | - | 64,993 | - | 1,751,120 |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Total expenditures | <u>450</u> | <u>71,833</u> | <u>279,474</u> | <u>618,854</u> | <u>1,751,120</u> |
| Excess (deficiency) of revenues over expenditures | <u>28,465</u> | <u>87,660</u> | <u>158,569</u> | <u>(351,934)</u> | <u>(412,278)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | - | - | 750,000 | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>750,000</u> | <u>-</u> |
| Net change in fund balances | 28,465 | 87,660 | 158,569 | 398,066 | (412,278) |
| Fund Balances (Deficit), Beginning | <u>89,802</u> | <u>263,004</u> | <u>626,228</u> | <u>1,090,021</u> | <u>1,756,550</u> |
| Fund Balances (Deficit), Ending | <u>\$ 118,267</u> | <u>\$ 350,664</u> | <u>\$ 784,797</u> | <u>\$ 1,488,087</u> | <u>\$ 1,344,272</u> |

| <u>Special Revenue Funds</u> | | <u>Debt Service Funds</u> | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|------------------------------------|----------------------|---------------------------|---|--|
| <u>Senior Resources Commission</u> | <u>Housing Trust</u> | <u>Debt Service</u> | <u>Laurel/Western Redevelopment TIF</u> | |
| \$ - | \$ - | \$ 2,065,938 | \$ 857,998 | \$ 2,923,936 |
| - | 24,000 | 540,744 | - | 564,744 |
| - | - | - | - | 1,333,442 |
| 54,802 | - | - | - | 827,483 |
| 165,004 | - | - | - | 277,139 |
| 759 | 4,827 | 8,973 | - | 28,514 |
| <u>1,146</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,146</u> |
| <u>221,711</u> | <u>28,827</u> | <u>2,615,655</u> | <u>857,998</u> | <u>5,956,404</u> |
| - | 341,278 | 2,039 | 62,421 | 405,738 |
| 468,114 | - | - | - | 1,086,968 |
| - | - | - | - | 286,764 |
| - | - | - | - | 1,816,113 |
| - | - | 1,910,089 | - | 1,910,089 |
| <u>-</u> | <u>-</u> | <u>1,026,472</u> | <u>-</u> | <u>1,026,472</u> |
| <u>468,114</u> | <u>341,278</u> | <u>2,938,600</u> | <u>62,421</u> | <u>6,532,144</u> |
| <u>(246,403)</u> | <u>(312,451)</u> | <u>(322,945)</u> | <u>795,577</u> | <u>(575,740)</u> |
| 253,513 | 750,000 | 356,688 | - | 2,110,201 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(356,688)</u> | <u>(356,688)</u> |
| <u>253,513</u> | <u>750,000</u> | <u>356,688</u> | <u>(356,688)</u> | <u>1,753,513</u> |
| 7,110 | 437,549 | 33,743 | 438,889 | 1,177,773 |
| <u>146,246</u> | <u>1,209,518</u> | <u>1,866,992</u> | <u>(743,104)</u> | <u>6,305,257</u> |
| <u>\$ 153,356</u> | <u>\$ 1,647,067</u> | <u>\$ 1,900,735</u> | <u>\$ (304,215)</u> | <u>\$ 7,483,030</u> |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Police Restricted Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------------|-------------------------|--------------------|--------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 8,500 | \$ 8,500 | \$ 1,294 | \$ (7,206) |
| Charges for services | 34,400 | 34,400 | 27,184 | (7,216) |
| Investment income | <u>2,000</u> | <u>2,000</u> | <u>437</u> | <u>(1,563)</u> |
| Total revenues | <u>44,900</u> | <u>44,900</u> | <u>28,915</u> | <u>(15,985)</u> |
| Expenditures | | | | |
| Public safety | 88,000 | 88,000 | 450 | 87,550 |
| Contingency | <u>8,800</u> | <u>8,800</u> | <u>-</u> | <u>8,800</u> |
| Total expenditures | <u>96,800</u> | <u>96,800</u> | <u>450</u> | <u>96,350</u> |
| Net change in fund balance | <u>\$ (51,900)</u> | <u>\$ (51,900)</u> | 28,465 | <u>\$ 80,365</u> |
| Fund Balance, Beginning | | | <u>89,802</u> | |
| Fund Balance, Ending | | | <u><u>\$ 118,267</u></u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Foreign Fire Insurance Tax Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------------|-------------------------|--------------|---------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 100,000 | \$ 100,000 | \$ 159,441 | \$ 59,441 |
| Investment income | - | - | 52 | 52 |
| Total revenues | 100,000 | 100,000 | 159,493 | 59,493 |
| Expenditures | | | | |
| Public safety | 100,000 | 100,000 | 71,833 | 28,167 |
| Total expenditures | 100,000 | 100,000 | 71,833 | 28,167 |
| Net change in fund balance | \$ - | \$ - | 87,660 | \$ 87,660 |
| Fund Balance, Beginning | | | 263,004 | |
| Fund Balance, Ending | | | \$ 350,664 | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Emergency Telephone Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------------|-------------------------|-------------------|--------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 420,000 | \$ 420,000 | \$ 435,032 | \$ 15,032 |
| Investment income | <u>5,000</u> | <u>5,000</u> | <u>3,011</u> | <u>(1,989)</u> |
| Total revenues | <u>425,000</u> | <u>425,000</u> | <u>438,043</u> | <u>13,043</u> |
| Expenditures | | | | |
| Public safety | 220,944 | 220,944 | 214,481 | 6,463 |
| Capital outlay | 54,712 | 54,712 | 64,993 | (10,281) |
| Contingency | <u>27,566</u> | <u>27,566</u> | <u>-</u> | <u>27,566</u> |
| Total expenditures | <u>303,222</u> | <u>303,222</u> | <u>279,474</u> | <u>23,748</u> |
| Net change in fund balance | <u>\$ 121,778</u> | <u>\$ 121,778</u> | 158,569 | <u>\$ 36,791</u> |
| Fund Balance, Beginning | | | <u>626,228</u> | |
| Fund Balance, Ending | | | <u><u>\$ 784,797</u></u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Parks and Public Land Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-----------------------|---------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 79,604 | \$ 79,604 | \$ 151,024 | \$ 71,420 |
| Grants and contributions | 50,000 | 302,135 | 112,135 | (190,000) |
| Investment income | 8,000 | 8,000 | 3,761 | (4,239) |
| Total revenues | <u>137,604</u> | <u>389,739</u> | <u>266,920</u> | <u>(122,819)</u> |
| Expenditures | | | | |
| Culture and recreation | 380,000 | 1,258,226 | 618,854 | 639,372 |
| Capital outlay | 50,000 | 50,000 | - | 50,000 |
| Contingency | <u>130,823</u> | <u>130,823</u> | <u>-</u> | <u>130,823</u> |
| Total expenditures | <u>560,823</u> | <u>1,439,049</u> | <u>618,854</u> | <u>820,195</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(423,219)</u> | <u>(1,049,310)</u> | <u>(351,934)</u> | <u>697,376</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>750,000</u> | <u>750,000</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>750,000</u> | <u>750,000</u> |
| Net change in fund balance | <u>\$ (423,219)</u> | <u>\$ (1,049,310)</u> | <u>398,066</u> | <u>\$ 1,447,376</u> |
| Fund Balance, Beginning | | | <u>1,090,021</u> | |
| Fund Balance, Ending | | | <u>\$ 1,488,087</u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Motor Fuel Tax Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------------|-------------------------|-----------------------|----------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 689,149 | \$ 689,149 | \$ 1,332,148 | \$ 642,999 |
| Grants and contributions | - | 1,344 | - | (1,344) |
| Investment income | <u>22,000</u> | <u>22,000</u> | <u>6,694</u> | <u>(15,306)</u> |
| Total revenues | <u>711,149</u> | <u>712,493</u> | <u>1,338,842</u> | <u>626,349</u> |
| Expenditures | | | | |
| Capital outlay | 1,750,000 | 1,750,000 | 1,751,120 | (1,120) |
| Contingency | <u>175,000</u> | <u>175,000</u> | <u>-</u> | <u>175,000</u> |
| Total expenditures | <u>1,925,000</u> | <u>1,925,000</u> | <u>1,751,120</u> | <u>173,880</u> |
| Net change in fund balance | <u>\$ (1,213,851)</u> | <u>\$ (1,212,507)</u> | <u>(412,278)</u> | <u>\$ 800,229</u> |
| Fund Balance, Beginning | | | <u>1,756,550</u> | |
| Fund Balance, Ending | | | <u><u>\$ 1,344,272</u></u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Senior Resources Commission Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|--------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 162,345 | \$ 162,345 | \$ 54,802 | \$ (107,543) |
| Grants and contributions | 170,976 | 170,976 | 165,004 | (5,972) |
| Investment income | 2,500 | 2,500 | 759 | (1,741) |
| Miscellaneous revenues | - | - | 1,146 | 1,146 |
| Total revenues | <u>335,821</u> | <u>335,821</u> | <u>221,711</u> | <u>(114,110)</u> |
| Expenditures | | | | |
| Culture and recreation | 605,708 | 605,708 | 468,114 | 137,594 |
| Contingency | <u>60,571</u> | <u>60,571</u> | - | <u>60,571</u> |
| Total expenditures | <u>666,279</u> | <u>666,279</u> | <u>468,114</u> | <u>198,165</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(330,458)</u> | <u>(330,458)</u> | <u>(246,403)</u> | <u>84,055</u> |
| Other Financing Sources | | | | |
| Transfers in | <u>274,222</u> | <u>274,222</u> | <u>253,513</u> | <u>(20,709)</u> |
| Total other financing sources | <u>274,222</u> | <u>274,222</u> | <u>253,513</u> | <u>(20,709)</u> |
| Net change in fund balance | <u>\$ (56,236)</u> | <u>\$ (56,236)</u> | 7,110 | <u>\$ 63,346</u> |
| Fund Balance, Beginning | | | <u>146,246</u> | |
| Fund Balance, Ending | | | <u>\$ 153,356</u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Housing Trust Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|--------------|---------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Other taxes | \$ 36,000 | \$ 36,000 | \$ 24,000 | \$ (12,000) |
| Investment income | 25,000 | 25,000 | 4,827 | (20,173) |
| Total revenues | 61,000 | 61,000 | 28,827 | (32,173) |
| Expenditures | | | | |
| General government | 565,000 | 565,000 | 341,278 | 223,722 |
| Contingency | 56,500 | 56,500 | - | 56,500 |
| Total expenditures | 621,500 | 621,500 | 341,278 | 280,222 |
| Excess (deficiency) of revenues over (under) expenditures | (560,500) | (560,500) | (312,451) | 248,049 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | 750,000 | 750,000 |
| Total other financing sources (uses) | - | - | 750,000 | 750,000 |
| Net change in fund balance | \$ (560,500) | \$ (560,500) | 437,549 | \$ 998,049 |
| Fund Balance, Beginning | | | 1,209,518 | |
| Fund Balance, Ending | | | <u>\$ 1,647,067</u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Debt Service Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|------------------|---------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 2,058,441 | \$ 2,058,441 | \$ 2,065,938 | \$ 7,497 |
| Other taxes | 520,000 | 520,000 | 540,744 | 20,744 |
| Investment income | <u>38,350</u> | <u>38,350</u> | <u>8,973</u> | <u>(29,377)</u> |
| Total revenues | <u>2,616,791</u> | <u>2,616,791</u> | <u>2,615,655</u> | <u>(1,136)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,750 | 3,750 | 2,039 | 1,711 |
| Debt service: | | | | |
| Principal retirement | 1,910,090 | 1,910,090 | 1,910,089 | 1 |
| Interest and fiscal charges | <u>1,026,470</u> | <u>1,026,470</u> | <u>1,026,472</u> | <u>(2)</u> |
| Total expenditures | <u>2,940,310</u> | <u>2,940,310</u> | <u>2,938,600</u> | <u>1,710</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(323,519)</u> | <u>(323,519)</u> | <u>(322,945)</u> | <u>574</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>356,688</u> | <u>356,688</u> | <u>356,688</u> | <u>-</u> |
| Total other financing sources (uses) | <u>356,688</u> | <u>356,688</u> | <u>356,688</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 33,169</u> | <u>\$ 33,169</u> | 33,743 | <u>\$ 574</u> |
| Fund Balance, Beginning | | | <u>1,866,992</u> | |
| Fund Balance, Ending | | | <u>\$ 1,900,735</u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Laurel/Western Redevelopment TIF Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|--------------|---------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 311,415 | \$ 311,415 | \$ 857,998 | \$ 546,583 |
| Total revenues | 311,415 | 311,415 | 857,998 | 546,583 |
| Expenditures | | | | |
| General government | 138,766 | 338,766 | 62,421 | 276,345 |
| Capital Outlay | 100,000 | 100,000 | - | 100,000 |
| Contingency | 59,545 | 59,545 | - | 59,545 |
| Total expenditures | 298,311 | 498,311 | 62,421 | 435,890 |
| Excess (deficiency) of revenues over (under) expenditures | 13,104 | (186,896) | 795,577 | 982,473 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (356,688) | (356,688) | (356,688) | - |
| Total other financing sources (uses) | (356,688) | (356,688) | (356,688) | - |
| Net change in fund balance | \$ (343,584) | \$ (543,584) | 438,889 | \$ 982,473 |
| Fund Balance (Deficit), Beginning | | | (743,104) | |
| Fund Balance (Deficit), Ending | | | <u>\$ (304,215)</u> | |

City of Lake Forest

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Capital Improvements Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-----------------------|----------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 1,547,764 | \$ 1,547,764 | \$ 1,540,186 | \$ (7,578) |
| Other taxes | 1,456,000 | 1,456,000 | 3,300,150 | 1,844,150 |
| Charges for services | 76,210 | 76,210 | 108,896 | 32,686 |
| Grants and contributions | - | 733,577 | 597,073 | (136,504) |
| Investment income | 60,000 | 60,000 | 48,333 | (11,667) |
| Miscellaneous | <u>5,000</u> | <u>5,000</u> | <u>43,015</u> | <u>38,015</u> |
| Total revenues | <u>3,144,974</u> | <u>3,878,551</u> | <u>5,637,653</u> | <u>1,759,102</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,564,100 | 2,168,281 | 1,614,995 | 553,286 |
| Highways and streets | 590,000 | 626,622 | 588,833 | 37,789 |
| Sanitation | 67,000 | 75,125 | 25,126 | 49,999 |
| Culture and recreation | 80,000 | 95,000 | 104,090 | (9,090) |
| Capital outlay | 1,962,000 | 2,718,676 | 2,327,808 | 390,868 |
| Contingency | <u>568,370</u> | <u>568,370</u> | <u>-</u> | <u>568,370</u> |
| Total expenditures | <u>4,831,470</u> | <u>6,252,074</u> | <u>4,660,852</u> | <u>1,591,222</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,686,496)</u> | <u>(2,373,523)</u> | <u>976,801</u> | <u>3,350,324</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 300,000 | 300,000 | 3,892,640 | 3,592,640 |
| Proceeds from capital asset sales | <u>20,000</u> | <u>20,000</u> | <u>5,520</u> | <u>(14,480)</u> |
| Total other financing sources (uses) | <u>320,000</u> | <u>320,000</u> | <u>3,898,160</u> | <u>3,578,160</u> |
| Net change in fund balance | <u>\$ (1,366,496)</u> | <u>\$ (2,053,523)</u> | <u>4,874,961</u> | <u>\$ 6,928,484</u> |
| Fund Balance, Beginning | | | <u>11,315,878</u> | |
| Fund Balance, Ending | | | <u>\$ 16,190,839</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
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------------|--------------------|--------------------|---------------------------------------|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for services | \$ 8,291,084 | \$ 8,291,084 | \$ 8,669,225 | \$ 378,141 |
| Connection fees | 74,500 | 74,500 | 182,688 | 108,188 |
| Miscellaneous | 8,427 | 8,427 | 5,845 | (2,582) |
| Total operating revenues | <u>8,374,011</u> | <u>8,374,011</u> | <u>8,857,758</u> | <u>483,747</u> |
| Operating Expenses | | | | |
| General and administrative | 2,528,903 | 2,528,903 | 2,210,663 | 318,240 |
| Operations and maintenance | 3,341,496 | 3,585,562 | 2,996,457 | 589,105 |
| Contingency | 980,980 | 980,980 | - | 980,980 |
| Total operating expenses | <u>6,851,379</u> | <u>7,095,445</u> | <u>5,207,120</u> | <u>1,888,325</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment income | 140,000 | 140,000 | 39,495 | (100,505) |
| Gain on disposal of capital assets | - | - | 1,221 | 1,221 |
| Other | - | - | 1,475 | 1,475 |
| Principal retirement | (1,844,332) | (1,844,332) | (1,844,332) | - |
| Interest expense | (598,005) | (598,005) | (411,948) | 186,057 |
| Paying agent fees | (3,000) | (3,000) | (1,176) | 1,824 |
| Total nonoperating revenues (expenses) | <u>(2,305,337)</u> | <u>(2,305,337)</u> | <u>(2,215,265)</u> | <u>90,072</u> |

City of Lake Forest

Schedule of Revenues, Expenses and Nonoperating Revenues (Expenses) - Budget and Actual (Budgetary Basis) -
Deerpath Golf Course Fund
Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for services | \$ 1,466,657 | \$ 1,466,657 | \$ 1,864,338 | \$ 397,681 |
| Miscellaneous | 5,033 | 5,033 | - | (5,033) |
| Total operating revenues | <u>1,471,690</u> | <u>1,471,690</u> | <u>1,864,338</u> | <u>392,648</u> |
| Operating Expenses | | | | |
| General and administrative | 704,780 | 704,780 | 677,589 | 27,191 |
| Operations and maintenance | 1,064,970 | 1,285,041 | 1,053,520 | 231,521 |
| Contingency | 210,067 | 210,067 | - | 210,067 |
| Total operating expenses | <u>1,979,817</u> | <u>2,199,888</u> | <u>1,731,109</u> | <u>468,779</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment income | - | - | 2,790 | 2,790 |
| Principal retirement | (100,000) | (100,000) | (90,081) | 9,919 |
| Interest expense | (10,518) | (10,518) | (8,528) | 1,990 |
| Paying agent fees | (329) | (329) | (10) | 319 |
| Total nonoperating revenues (expenses) | <u>(110,847)</u> | <u>(110,847)</u> | <u>(95,829)</u> | <u>15,018</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
April 30, 2021

| | <u>Fleet</u> | <u>Self Insurance</u> | <u>Liability Insurance</u> | <u>Total</u> |
|---|-------------------|-----------------------|----------------------------|----------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 734,097 | \$ 5,881,058 | \$ 2,014,102 | \$ 8,629,257 |
| Receivables: | | | | |
| Other | - | 28,010 | 4,432,939 | 4,460,949 |
| Inventories | 415,879 | - | - | 415,879 |
| Prepaid items | - | - | 624,277 | 624,277 |
| | <u>1,149,976</u> | <u>5,909,068</u> | <u>7,071,318</u> | <u>14,130,362</u> |
| Total current assets | | | | |
| Noncurrent assets: | | | | |
| Net pension asset | 181,912 | - | - | 181,912 |
| Capital assets (net of accumulated depreciation): | | | | |
| Property and equipment | 48,047 | - | - | 48,047 |
| Accumulated depreciation | <u>(48,047)</u> | <u>-</u> | <u>-</u> | <u>(48,047)</u> |
| Total noncurrent assets | <u>181,912</u> | <u>-</u> | <u>-</u> | <u>181,912</u> |
| Total assets | <u>1,331,888</u> | <u>5,909,068</u> | <u>7,071,318</u> | <u>14,312,274</u> |
| Deferred Outflows of Resources | | | | |
| Deferred outflows related to pensions | 52,500 | - | - | 52,500 |
| Deferred outflows related to total OPEB liability | <u>9,020</u> | <u>-</u> | <u>-</u> | <u>9,020</u> |
| Total deferred outflows of resources | <u>61,520</u> | <u>-</u> | <u>-</u> | <u>61,520</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 12,100 | 867,720 | 107,417 | 987,237 |
| Accrued liabilities | <u>10,854</u> | <u>776,381</u> | <u>110,307</u> | <u>897,542</u> |
| Total current liabilities | <u>22,954</u> | <u>1,644,101</u> | <u>217,724</u> | <u>1,884,779</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 38,338 | - | - | 38,338 |
| Total OPEB liability | <u>61,783</u> | <u>-</u> | <u>-</u> | <u>61,783</u> |
| Total noncurrent liabilities | <u>100,121</u> | <u>-</u> | <u>-</u> | <u>100,121</u> |
| Total liabilities | <u>123,075</u> | <u>1,644,101</u> | <u>217,724</u> | <u>1,984,900</u> |
| Deferred Inflows of Resources | | | | |
| Deferred inflows related to pensions | 411,603 | - | - | 411,603 |
| Deferred inflows related to total OPEB liability | <u>11,842</u> | <u>-</u> | <u>-</u> | <u>11,842</u> |
| Total deferred inflows of resources | <u>423,445</u> | <u>-</u> | <u>-</u> | <u>423,445</u> |
| Net Position | | | | |
| Restricted for: | | | | |
| Employee retirement | 181,912 | - | - | 181,912 |
| Unrestricted | <u>664,976</u> | <u>4,264,967</u> | <u>6,853,594</u> | <u>11,783,537</u> |
| Total net position | <u>\$ 846,888</u> | <u>\$ 4,264,967</u> | <u>\$ 6,853,594</u> | <u>\$ 11,965,449</u> |

City of Lake Forest

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended April 30, 2021

| | <u>Fleet</u> | <u>Self Insurance</u> | <u>Liability Insurance</u> | <u>Totals</u> |
|--------------------------------|--------------------------|----------------------------|--------------------------------|-----------------------------|
| Operating Revenues | | | | |
| Charges for services | <u>\$ 1,868,085</u> | <u>\$ 5,737,171</u> | <u>\$ 2,512,445</u> | <u>\$ 10,117,701</u> |
| Total operating revenues | <u>1,868,085</u> | <u>5,737,171</u> | <u>2,512,445</u> | <u>10,117,701</u> |
| Operating Expenses | | | | |
| General and administrative | <u>1,836,097</u> | <u>5,204,101</u> | <u>1,207,499</u> | <u>8,247,697</u> |
| Total operating expenses | <u>1,836,097</u> | <u>5,204,101</u> | <u>1,207,499</u> | <u>8,247,697</u> |
| Operating income | <u>31,988</u> | <u>533,070</u> | <u>1,304,946</u> | <u>1,870,004</u> |
| Nonoperating Revenues | | | | |
| Investment income | <u>3,524</u> | <u>19,962</u> | <u>9,134</u> | <u>32,620</u> |
| Total nonoperating revenues | <u>3,524</u> | <u>19,962</u> | <u>9,134</u> | <u>32,620</u> |
| Income before transfers | <u>35,512</u> | <u>553,032</u> | <u>1,314,080</u> | <u>1,902,624</u> |
| Transfers | | | | |
| Transfers in | <u>500</u> | <u>-</u> | <u>-</u> | <u>500</u> |
| Total transfers | <u>500</u> | <u>-</u> | <u>-</u> | <u>500</u> |
| Change in net position | <u>36,012</u> | <u>553,032</u> | <u>1,314,080</u> | <u>1,903,124</u> |
| Net Position, Beginning | <u>810,876</u> | <u>3,711,935</u> | <u>5,539,514</u> | <u>10,062,325</u> |
| Net Position, Ending | <u><u>\$ 846,888</u></u> | <u><u>\$ 4,264,967</u></u> | <u><u>\$ 6,853,594</u></u> | <u><u>\$ 11,965,449</u></u> |

City of Lake Forest

Combining Statement of Cash Flows
Internal Service Funds
Year Ended April 30, 2021

| | <u>Fleet</u> | <u>Self Insurance</u> | <u>Liability Insurance</u> | <u>Total</u> |
|---|--------------------|-----------------------|----------------------------|---------------------|
| Cash Flows From Operating Activities | | | | |
| Received from customers | \$ 1,868,085 | \$ 5,733,557 | \$ 1,327,356 | \$ 8,928,998 |
| Paid to suppliers for goods and services | (1,294,725) | (4,779,272) | (1,231,938) | (7,305,935) |
| Paid to employees for services | (663,606) | - | - | (663,606) |
| Net cash flows from operating activities | <u>(90,246)</u> | <u>954,285</u> | <u>95,418</u> | <u>959,457</u> |
| Cash Flows From Investing Activities | | | | |
| Investment income | <u>3,524</u> | <u>19,962</u> | <u>9,134</u> | <u>32,620</u> |
| Net cash flows from investing activities | <u>3,524</u> | <u>19,962</u> | <u>9,134</u> | <u>32,620</u> |
| Cash Flows From Noncapital Financing Activities | | | | |
| Transfers from (to) other funds | <u>500</u> | <u>-</u> | <u>-</u> | <u>500</u> |
| Net cash flows from noncapital financing activities | <u>500</u> | <u>-</u> | <u>-</u> | <u>500</u> |
| Net change in cash and cash equivalents | (86,222) | 974,247 | 104,552 | 992,577 |
| Cash and Cash Equivalents, Beginning | <u>820,319</u> | <u>4,906,811</u> | <u>1,909,550</u> | <u>7,636,680</u> |
| Cash and Cash Equivalents, Ending | <u>\$ 734,097</u> | <u>\$ 5,881,058</u> | <u>\$ 2,014,102</u> | <u>\$ 8,629,257</u> |
| Reconciliation of Operating Income to Net Cash Flows From Operating Activities | | | | |
| Operating income | \$ 31,988 | \$ 533,070 | \$ 1,304,946 | \$ 1,870,004 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 1,128 | (3,614) | (1,185,089) | (1,187,575) |
| Inventories | (31,416) | - | - | (31,416) |
| Prepaid items | - | - | (39,424) | (39,424) |
| Net pension asset | (181,912) | - | - | (181,912) |
| Deferred outflows related to pensions | 61,012 | - | - | 61,012 |
| Accounts payable | 3,691 | 217,732 | 40,277 | 261,700 |
| Accrued liabilities | (17,368) | 207,097 | (25,292) | 164,437 |
| Net pension liability | (194,028) | - | - | (194,028) |
| Deferred inflows related to pensions | 228,737 | - | - | 228,737 |
| Deferred revenue | (1,128) | - | - | (1,128) |
| Compensated absences | 7,262 | - | - | 7,262 |
| Deferred outflows related to total OPEB liability | 327 | - | - | 327 |
| Deferred inflows related to total OPEB liability | 11,842 | - | - | 11,842 |
| Total OPEB liability | <u>(10,381)</u> | <u>-</u> | <u>-</u> | <u>(10,381)</u> |
| Net cash flows from operating activities | <u>\$ (90,246)</u> | <u>\$ 954,285</u> | <u>\$ 95,418</u> | <u>\$ 959,457</u> |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position | | | | |
| Cash and cash equivalents | <u>\$ 734,097</u> | <u>\$ 5,881,058</u> | <u>\$ 2,014,102</u> | <u>\$ 8,629,257</u> |

City of Lake Forest

Schedule of Revenues, Expenses and Nonoperating Revenues - Budget and Actual (Budgetary Basis)

Fleet Fund

Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|------------------------------|-------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for services | \$ 1,869,437 | \$ 1,869,437 | \$ 1,868,085 | \$ (1,352) |
| Total operating revenues | <u>1,869,437</u> | <u>1,869,437</u> | <u>1,868,085</u> | <u>(1,352)</u> |
| Operating Expenses | | | | |
| General and administrative | 1,991,365 | 2,044,094 | 1,836,097 | 207,997 |
| Contingency | <u>204,409</u> | <u>204,409</u> | <u>-</u> | <u>204,409</u> |
| Total operating expenses | <u>2,195,774</u> | <u>2,248,503</u> | <u>1,836,097</u> | <u>412,406</u> |
| Nonoperating Revenues | | | | |
| Investment income | <u>11,000</u> | <u>11,000</u> | <u>3,524</u> | <u>(7,476)</u> |
| Total nonoperating revenues | <u>11,000</u> | <u>11,000</u> | <u>3,524</u> | <u>(7,476)</u> |

City of Lake Forest

Schedule of Revenues, Expenses and Nonoperating Revenues - Budget and Actual (Budgetary Basis)

Self Insurance Fund

Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|------------------------------|-------------------------|---------------------|---------------------|---------------------------------------|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for services | <u>\$ 5,508,000</u> | <u>\$ 5,508,000</u> | <u>\$ 5,737,171</u> | <u>\$ 229,171</u> |
| Total operating revenues | <u>5,508,000</u> | <u>5,508,000</u> | <u>5,737,171</u> | <u>229,171</u> |
| Operating Expenses | | | | |
| General and administrative | 5,585,000 | 5,585,000 | 5,204,101 | 380,899 |
| Contingency | <u>588,500</u> | <u>588,500</u> | <u>-</u> | <u>588,500</u> |
| Total operating expenses | <u>6,173,500</u> | <u>6,173,500</u> | <u>5,204,101</u> | <u>969,399</u> |
| Nonoperating Revenues | | | | |
| Investment income | <u>68,000</u> | <u>68,000</u> | <u>19,962</u> | <u>(48,038)</u> |
| Total nonoperating revenues | <u>68,000</u> | <u>68,000</u> | <u>19,962</u> | <u>(48,038)</u> |

City of Lake Forest

Schedule of Revenues, Expenses and Nonoperating Revenues - Budget and Actual (Budgetary Basis)

Liability Insurance Fund

Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|------------------------------|-------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for services | \$ 1,327,348 | \$ 1,327,348 | \$ 2,512,445 | \$ 1,185,097 |
| Total operating revenues | <u>1,327,348</u> | <u>1,327,348</u> | <u>2,512,445</u> | <u>1,185,097</u> |
| Operating Expenses | | | | |
| General and administrative | 1,252,787 | 1,252,787 | 1,207,499 | 45,288 |
| Contingency | <u>125,279</u> | <u>125,279</u> | <u>-</u> | <u>125,279</u> |
| Total operating expenses | <u>1,378,066</u> | <u>1,378,066</u> | <u>1,207,499</u> | <u>170,567</u> |
| Nonoperating Revenues | | | | |
| Investment income | <u>31,000</u> | <u>31,000</u> | <u>9,134</u> | <u>(21,866)</u> |
| Total nonoperating revenues | <u>31,000</u> | <u>31,000</u> | <u>9,134</u> | <u>(21,866)</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.

City of Lake Forest

Combining Statement of Fiduciary Net Position
Pension Trust Funds
April 30, 2021

| | Police Pension | Firefighters' Pension | Total |
|---------------------------------|---------------------------|----------------------------------|----------------------|
| Assets | | | |
| Cash | \$ 148,721 | \$ 24,259 | \$ 172,980 |
| Money markets | 213,021 | 3,849,832 | 4,062,853 |
| Investments: | | | |
| U.S. Treasury obligations | 8,151,306 | 3,165,181 | 11,316,487 |
| U.S. Government agencies | 208,595 | 3,191,600 | 3,400,195 |
| Municipal/corporate bonds | 4,196,108 | 6,929,304 | 11,125,412 |
| Mutual funds | 26,252,509 | 32,607,420 | 58,859,929 |
| Real estate investment fund | 3,929,533 | - | 3,929,533 |
| Receivables | 55,396 | 94,389 | 149,785 |
| Prepaid items | 11,203 | 4,129 | 15,332 |
| Due from primary government | 46,581 | 26,381 | 72,962 |
| | <u>43,212,973</u> | <u>49,892,495</u> | <u>93,105,468</u> |
| Liabilities | | | |
| Accounts payable | <u>13,041</u> | <u>47,684</u> | <u>60,725</u> |
| | <u>13,041</u> | <u>47,684</u> | <u>60,725</u> |
| Net Position | | | |
| Restricted for pension benefits | <u>\$ 43,199,932</u> | <u>\$ 49,844,811</u> | <u>\$ 93,044,743</u> |

City of Lake Forest

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended April 30, 2021

| | Police Pension | Firefighters' Pension | Total |
|---|---------------------------|----------------------------------|----------------------|
| Additions | | | |
| Contributions: | | | |
| Employer | \$ 3,581,389 | \$ 2,567,216 | \$ 6,148,605 |
| Employee | <u>427,305</u> | <u>349,655</u> | <u>776,960</u> |
| Total contributions | <u>4,008,694</u> | <u>2,916,871</u> | <u>6,925,565</u> |
| Investment income: | | | |
| Interest | 562,525 | 747,996 | 1,310,521 |
| Net appreciation in fair value of investments | <u>8,227,219</u> | <u>10,113,506</u> | <u>18,340,725</u> |
| Total investment income | 8,789,744 | 10,861,502 | 19,651,246 |
| Less Investment expense | <u>(87,734)</u> | <u>(64,760)</u> | <u>(152,494)</u> |
| Net investment income | <u>8,702,010</u> | <u>10,796,742</u> | <u>19,498,752</u> |
| Miscellaneous | <u>737</u> | <u>100</u> | <u>837</u> |
| Total additions | <u>12,711,441</u> | <u>13,713,713</u> | <u>26,425,154</u> |
| Deductions | | | |
| Pension benefits and refunds | 3,029,156 | 2,899,533 | 5,928,689 |
| Other administrative expenses | <u>45,069</u> | <u>38,657</u> | <u>83,726</u> |
| Total deductions | <u>3,074,225</u> | <u>2,938,190</u> | <u>6,012,415</u> |
| Change in net position | 9,637,216 | 10,775,523 | 20,412,739 |
| Net Position, Beginning | <u>33,562,716</u> | <u>39,069,288</u> | <u>72,632,004</u> |
| Net Position, Ending | <u>\$ 43,199,932</u> | <u>\$ 49,844,811</u> | <u>\$ 93,044,743</u> |

City of Lake Forest

Schedule of Changes in Fiduciary Net Position - Budget and Actual

Police Pension Fund

Year Ended April 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|---------------------|----------------------|---------------------------------------|
| | Original | Final | | |
| Additions | | | | |
| Contributions: | | | | |
| Employer | \$ 3,090,726 | \$ 3,090,726 | \$ 3,581,389 | \$ 490,663 |
| Employee | <u>420,000</u> | <u>420,000</u> | <u>427,305</u> | <u>7,305</u> |
| Total contributions | <u>3,510,726</u> | <u>3,510,726</u> | <u>4,008,694</u> | <u>497,968</u> |
| Investment income: | | | | |
| Interest | 800,000 | 800,000 | 562,525 | (237,475) |
| Net appreciation in fair value of investments | <u>1,630,000</u> | <u>1,630,000</u> | <u>8,227,219</u> | <u>6,597,219</u> |
| Total investment income | 2,430,000 | 2,430,000 | 8,789,744 | 6,359,744 |
| Less Investment expense | <u>(150,000)</u> | <u>(150,000)</u> | <u>(87,734)</u> | <u>62,266</u> |
| Net investment income | 2,280,000 | 2,280,000 | 8,702,010 | 6,422,010 |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>737</u> | <u>737</u> |
| Total additions | <u>5,790,726</u> | <u>5,790,726</u> | <u>12,711,441</u> | <u>6,920,715</u> |
| Deductions | | | | |
| Pension benefits and refunds | 3,140,626 | 3,140,626 | 3,029,156 | 111,470 |
| Other administrative expenses | 70,180 | 70,180 | 45,069 | 25,111 |
| Contingency | <u>336,081</u> | <u>336,081</u> | <u>-</u> | <u>336,081</u> |
| Total deductions | <u>3,546,887</u> | <u>3,546,887</u> | <u>3,074,225</u> | <u>472,662</u> |
| Change in net position | <u>\$ 2,243,839</u> | <u>\$ 2,243,839</u> | 9,637,216 | <u>\$ 7,393,377</u> |
| Net Position, Beginning | | | <u>33,562,716</u> | |
| Net Position, Ending | | | <u>\$ 43,199,932</u> | |

City of Lake Forest

Schedule of Changes in Fiduciary Net Position - Budget and Actual
 Firefighters' Pension Fund
 Year Ended April 30, 2021

| | Budgeted Amounts | | | Variance with |
|---|-------------------------|---------------------|----------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Additions | | | | |
| Contributions: | | | | |
| Employer | \$ 2,075,171 | \$ 2,075,171 | \$ 2,567,216 | \$ 492,045 |
| Employee | <u>315,650</u> | <u>315,650</u> | <u>349,655</u> | <u>34,005</u> |
| Total contributions | <u>2,390,821</u> | <u>2,390,821</u> | <u>2,916,871</u> | <u>526,050</u> |
| Investment income: | | | | |
| Interest | 900,000 | 900,000 | 747,996 | (152,004) |
| Net appreciation in fair value of investments | <u>1,867,500</u> | <u>1,867,500</u> | <u>10,113,506</u> | <u>8,246,006</u> |
| Total investment income | 2,767,500 | 2,767,500 | 10,861,502 | 8,094,002 |
| Less Investment expense | <u>(80,000)</u> | <u>(80,000)</u> | <u>(64,760)</u> | <u>15,240</u> |
| Net investment income | 2,687,500 | 2,687,500 | 10,796,742 | 8,109,242 |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>100</u> | <u>100</u> |
| Total additions | <u>5,078,321</u> | <u>5,078,321</u> | <u>13,713,713</u> | <u>8,635,392</u> |
| Deductions | | | | |
| Pension benefits and refunds | 3,038,410 | 3,038,410 | 2,899,533 | 138,877 |
| Other administrative expenses | 65,180 | 65,180 | 38,657 | 26,523 |
| Contingency | <u>318,359</u> | <u>318,359</u> | <u>-</u> | <u>318,359</u> |
| Total deductions | <u>3,421,949</u> | <u>3,421,949</u> | <u>2,938,190</u> | <u>483,759</u> |
| Change in net position | <u>\$ 1,656,372</u> | <u>\$ 1,656,372</u> | 10,775,523 | <u>\$ 9,119,151</u> |
| Net Position, Beginning | | | <u>39,069,288</u> | |
| Net Position, Ending | | | <u>\$ 49,844,811</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
April 30, 2021

| | General Fund | Adjustments | Statement of Net Position |
|--|-----------------|--------------|------------------------------|
| Assets and Deferred Outflows of Resources | | | |
| Assets | | | |
| Cash and cash equivalents | \$ 6,269,624 | \$ - | \$ 6,269,624 |
| Receivables (net of allowance for uncollectibles) | | | |
| Property taxes | 4,329,806 | - | 4,329,806 |
| Other taxes | 13,581 | - | 13,581 |
| Net pension asset | - | 451,219 | 451,219 |
| Capital assets | | | |
| Capital assets not depreciated | - | 238,500 | 238,500 |
| Capital assets depreciated, net of accumulated depreciation | - | 2,446,033 | 2,446,033 |
| Total assets | 10,613,011 | 3,135,752 | 13,748,763 |
| Deferred outflows of Resources | | | |
| Deferred outflows related to pensions | - | 134,645 | 134,645 |
| Deferred outflows related to total OPEB liability | - | 6,127 | 6,127 |
| Total deferred outflows of resources | - | 140,772 | 140,772 |
| Total assets and deferred outflows of resources | \$ 10,613,011 | \$ 3,276,524 | \$ 13,889,535 |
| Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position | | | |
| Liabilities | | | |
| Accounts payable | \$ 77,795 | \$ - | \$ 77,795 |
| Accrued liabilities | 54,991 | - | 54,991 |
| Long-term obligations | | | |
| Due within one year | - | 39,756 | 39,756 |
| Due in more than one year | - | 277,108 | 277,108 |
| Total liabilities | 132,786 | 316,864 | 449,650 |
| Deferred Inflows of Resources | | | |
| Property taxes levied for future periods | 4,329,806 | - | 4,329,806 |
| Deferred inflows related to pensions | | 1,020,954 | 1,020,954 |
| Deferred inflows related to total OPEB liability | - | 19,963 | 19,963 |
| Total deferred inflows of resources | 4,329,806 | 1,040,917 | 5,370,723 |
| Fund Balance/Net Position | | | |
| Unassigned | 6,150,419 | (6,150,419) | - |
| Net position | | | |
| Net investment in capital assets | - | 2,636,468 | 2,636,468 |
| Restricted for employee retirement | - | 451,219 | 451,219 |
| Unrestricted | - | 4,981,475 | 4,981,475 |
| Total fund balance/net position | 6,150,419 | 1,918,743 | 8,069,162 |
| Total liabilities, deferred inflows of resources and fund balance/net position | \$ 10,613,011 | \$ 3,276,524 | \$ 13,889,535 |

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

Year Ended April 30, 2021

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|-------------------------|---------------------|--|
| Revenues | | | |
| Property taxes | \$ 4,260,835 | \$ - | \$ 4,260,835 |
| Intergovernmental | 48,298 | - | 48,298 |
| Charges for services | 38,536 | - | 38,536 |
| Grants and contributions | 185,550 | - | 185,550 |
| Fines | 1,715 | - | 1,715 |
| Investment Income | <u>28,467</u> | <u>-</u> | <u>28,467</u> |
| Total revenues | <u>4,563,401</u> | <u>-</u> | <u>4,563,401</u> |
| Expenditures/expenses | | | |
| Current | 3,629,830 | (121,546) | 3,508,284 |
| Capital Outlay | <u>78,643</u> | <u>(78,643)</u> | <u>-</u> |
| Total expenditures/expenses | <u>3,708,473</u> | <u>(200,189)</u> | <u>3,508,284</u> |
| Net change in fund balance/net position | <u>854,928</u> | <u>200,189</u> | <u>1,055,117</u> |
| Fund Balance/Net Position, Beginning | <u>5,295,491</u> | <u>1,718,554</u> | <u>7,014,045</u> |
| Fund Balance/Net Position, Ending | <u>\$ 6,150,419</u> | <u>\$ 1,918,743</u> | <u>\$ 8,069,162</u> |

City of Lake Forest

Summary of Debt Service Requirements to Maturity
April 30, 2021

| Fiscal Year | General Obligation Bonds |
|------------------------|---|
| 2022 | \$ 5,366,166 |
| 2023 | 5,376,077 |
| 2024 | 4,986,036 |
| 2025 | 2,973,378 |
| 2026 | 2,980,328 |
| 2027 | 2,967,201 |
| 2028 | 2,981,652 |
| 2029 | 3,592,402 |
| 2030 | 3,613,536 |
| 2031 | 3,736,487 |
| 2032 | 3,684,162 |
| 2033 | 3,649,323 |
| 2034 | 2,402,563 |
| 2035 | 1,149,063 |
| 2036 | 1,150,250 |
| 2037 | 1,145,275 |
| 2038 | 786,600 |
| | <u>\$ 52,540,499</u> |

City of Lake Forest

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2021

| 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 |
| 2022 | \$ 75,000 | \$ 4,350 | \$ 19,743 | \$ 1,365 | \$ 136,870 | \$ 15,034 |
| 2023 | 75,000 | 2,213 | 20,701 | 704 | 143,508 | 10,448 |
| 2024 | - | - | - | - | 150,611 | 5,497 |
| 2025 | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - |
| 2029 | - | - | - | - | - | - |
| 2030 | - | - | - | - | - | - |
| 2031 | - | - | - | - | - | - |
| 2032 | - | - | - | - | - | - |
| 2033 | - | - | - | - | - | - |
| 2034 | - | - | - | - | - | - |
| 2035 | - | - | - | - | - | - |
| 2036 | - | - | - | - | - | - |
| 2037 | - | - | - | - | - | - |
| 2038 | - | - | - | - | - | - |
| | <u>\$ 150,000</u> | <u>\$ 6,563</u> | <u>\$ 40,444</u> | <u>\$ 2,069</u> | <u>\$ 430,989</u> | <u>\$ 30,979</u> |

City of Lake Forest

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2021

| Fiscal Year | Series 2013 Obligation Bonds | | Series 2015 Obligation Bonds | | Series 2017 Obligation Bonds | |
|----------------|---------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2022 | \$ 435,000 | \$ 312,013 | \$ 340,000 | \$ 269,425 | \$ - | \$ 271,153 |
| 2023 | 440,000 | 298,962 | 355,000 | 260,925 | - | 271,153 |
| 2024 | 450,000 | 285,762 | 370,000 | 252,050 | 515,000 | 271,153 |
| 2025 | 460,000 | 272,262 | 385,000 | 242,800 | 525,000 | 260,853 |
| 2026 | 475,000 | 258,462 | 405,000 | 233,175 | 535,000 | 247,728 |
| 2027 | 480,000 | 241,837 | 410,000 | 223,050 | 550,000 | 234,352 |
| 2028 | 495,000 | 225,037 | 435,000 | 212,800 | 565,000 | 220,602 |
| 2029 | 930,000 | 206,475 | 650,000 | 200,837 | 580,000 | 206,477 |
| 2030 | 960,000 | 171,600 | 695,000 | 181,337 | 590,000 | 191,687 |
| 2031 | 1,085,000 | 133,200 | 740,000 | 160,488 | 610,000 | 173,987 |
| 2032 | 1,120,000 | 89,800 | 705,000 | 136,438 | 630,000 | 155,687 |
| 2033 | 1,125,000 | 45,000 | 720,000 | 113,525 | 645,000 | 136,787 |
| 2034 | - | - | 1,530,000 | 90,125 | 665,000 | 117,438 |
| 2035 | - | - | 330,000 | 36,575 | 685,000 | 97,488 |
| 2036 | - | - | 340,000 | 25,025 | 710,000 | 75,225 |
| 2037 | - | - | 350,000 | 13,125 | 730,000 | 52,150 |
| 2038 | - | - | - | - | 760,000 | 26,600 |
| | <u>\$ 8,455,000</u> | <u>\$ 2,540,410</u> | <u>\$ 8,760,000</u> | <u>\$ 2,651,700</u> | <u>\$ 9,295,000</u> | <u>\$ 3,010,520</u> |

City of Lake Forest**Debt Service Requirements to Maturity - General Obligation Bonds**

April 30, 2021

| Fiscal Year | Series 2019 Obligation Bonds | | Total Requirements | | |
|------------------------|---|---------------------|-------------------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Total |
| 2022 | \$ 2,875,000 | \$ 611,213 | \$ 3,881,613 | \$ 1,484,553 | \$ 5,366,166 |
| 2023 | 3,030,000 | 467,463 | 4,064,209 | 1,311,868 | 5,376,077 |
| 2024 | 2,370,000 | 315,963 | 3,855,611 | 1,130,425 | 4,986,036 |
| 2025 | 630,000 | 197,463 | 2,000,000 | 973,378 | 2,973,378 |
| 2026 | 660,000 | 165,963 | 2,075,000 | 905,328 | 2,980,328 |
| 2027 | 695,000 | 132,962 | 2,135,000 | 832,201 | 2,967,201 |
| 2028 | 730,000 | 98,213 | 2,225,000 | 756,652 | 2,981,652 |
| 2029 | 735,000 | 83,613 | 2,895,000 | 697,402 | 3,592,402 |
| 2030 | 755,000 | 68,912 | 3,000,000 | 613,536 | 3,613,536 |
| 2031 | 780,000 | 53,812 | 3,215,000 | 521,487 | 3,736,487 |
| 2032 | 810,000 | 37,237 | 3,265,000 | 419,162 | 3,684,162 |
| 2033 | 845,000 | 19,011 | 3,335,000 | 314,323 | 3,649,323 |
| 2034 | - | - | 2,195,000 | 207,563 | 2,402,563 |
| 2035 | - | - | 1,015,000 | 134,063 | 1,149,063 |
| 2036 | - | - | 1,050,000 | 100,250 | 1,150,250 |
| 2037 | - | - | 1,080,000 | 65,275 | 1,145,275 |
| 2038 | - | - | 760,000 | 26,600 | 786,600 |
| | <u>\$ 14,915,000</u> | <u>\$ 2,251,825</u> | <u>\$ 42,046,433</u> | <u>\$ 10,494,066</u> | <u>\$ 52,540,499</u> |

City of Lake Forest

Special Service Area 25 Special Tax Bonds – 2003 Series
 April 30, 2021

| | |
|------------------------|---|
| Date of issue: | May 1, 2003 |
| Date of maturity: | December 15, 2022 |
| Authorized issue: | \$ 1,050,000 |
| Denomination of bonds: | \$ 5,000 |
| Interest rate: | 1.95-2.95% |
| Interest dates: | June 15 and December 15 |
| Payable at: | Lake Forest Bank and Trust Lake Forest, Illinois |

**Redeemable Annually
on December 15**

Amount

| | |
|------|-------------------|
| 2021 | \$ 75,000 |
| 2022 | 75,000 |
| | <u>\$ 150,000</u> |

Bond Principal and Interest Requirements

| Tax Levy Year | Tax Levy | | | Coupons Due on | | | |
|---------------------|-------------------|-----------------|-------------------|----------------|----------|-------------|----------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 2020 | \$ 75,000 | \$ 4,350 | \$ 79,350 | 2021 | \$ 2,175 | 2021 | \$ 2,175 |
| 2021 | 75,000 | 2,213 | 77,213 | 2022 | 1,107 | 2022 | 1,106 |
| | <u>\$ 150,000</u> | <u>\$ 6,563</u> | <u>\$ 156,563</u> | | | | |

City of Lake Forest

Special Service Area 26 Special Tax Bonds – 2003 Series
 April 30, 2021

| | |
|------------------------|---|
| 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 | |
|---------------|------------------|
| 2021 | \$ 19,743 |
| 2022 | 20,701 |
| | <u>\$ 40,444</u> |

Bond Principal and Interest Requirements

| Tax Levy Year | Tax Levy | | | Coupons Due on | | | |
|------------------------------|------------------|-----------------|------------------|-----------------------|---------------|--------------------|---------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 2020 | \$ 19,743 | \$ 1,365 | \$ 21,108 | 2021 | \$ 683 | 2021 | \$ 682 |
| 2021 | 20,701 | 704 | 21,405 | 2022 | 352 | 2022 | 352 |
| | <u>\$ 40,444</u> | <u>\$ 2,069</u> | <u>\$ 42,513</u> | | | | |

City of Lake Forest

Special Service Area 29 Special Tax Bonds - 2004 Series
April 30, 2021

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

| <u>Redeemable Annually on December 15</u> | <u>Amount</u> |
|---|-------------------|
| 2021 | \$ 136,870 |
| 2022 | 143,508 |
| 2023 | <u>150,611</u> |
| | <u>\$ 430,989</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> |
| 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 | <u>150,611</u> | <u>5,497</u> | <u>156,108</u> | 2023 | 2,749 | 2023 | 2,748 |
| | <u>\$ 430,989</u> | <u>\$ 30,979</u> | <u>\$ 461,968</u> | | | | |

City of Lake Forest

General Obligation Bonds – 2013
April 30, 2021

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

| <u>Redeemable Annually on December 15</u> | <u>Amount</u> |
|---|---------------------|
| 2021 | \$ 435,000 |
| 2022 | 440,000 |
| 2023 | 450,000 |
| 2024 | 460,000 |
| 2025 | 475,000 |
| Thereafter | 6,195,000 |
| | <u>\$ 8,455,000</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> |
| 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 |
| 2023 | 460,000 | 272,262 | 732,262 | 2024 | 136,131 | 2024 | 136,281 |
| 2024 | 475,000 | 258,462 | 733,462 | 2025 | 129,231 | 2025 | 129,231 |
| Thereafter | 6,195,000 | 1,112,949 | 7,307,949 | Thereafter | 556,475 | Thereafter | 556,474 |
| | <u>\$ 8,455,000</u> | <u>\$ 2,540,410</u> | <u>\$10,995,410</u> | | | | |

City of Lake Forest

General Obligation Bonds – 2015
April 30, 2021

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

| <u>Redeemable Annually on December 15</u> | <u>Amount</u> |
|---|---------------------|
| 2021 | \$ 340,000 |
| 2022 | 355,000 |
| 2023 | 370,000 |
| 2024 | 385,000 |
| 2025 | 405,000 |
| Thereafter | 6,905,000 |
| | <u>\$ 8,760,000</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> |
| 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 |
| 2023 | 385,000 | 242,800 | 627,800 | 2024 | 121,587 | 2024 | 121,588 |
| 2024 | 405,000 | 233,175 | 638,175 | 2025 | 116,588 | 2025 | 116,587 |
| Thereafter | 6,905,000 | 1,393,325 | 8,298,325 | Thereafter | 696,663 | Thereafter | 696,662 |
| | <u>\$ 8,760,000</u> | <u>\$ 2,651,700</u> | <u>\$11,411,700</u> | | | | |

City of Lake Forest

General Obligation Bonds – 2017
April 30, 2021

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

| | |
|------------|---------------------|
| 2021 | \$ - |
| 2022 | - |
| 2023 | 515,000 |
| 2024 | 525,000 |
| 2025 | 535,000 |
| Thereafter | 7,720,000 |
| | <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 |
| 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 |
| 2023 | 525,000 | 260,853 | 785,853 | 2024 | 130,426 | 2024 | 130,427 |
| 2024 | 535,000 | 247,728 | 782,728 | 2025 | 123,864 | 2025 | 123,864 |
| Thereafter | 7,720,000 | 1,688,480 | 9,408,480 | Thereafter | 844,240 | Thereafter | 844,240 |
| | <u>\$ 9,295,000</u> | <u>\$ 3,010,520</u> | <u>\$12,305,520</u> | | | | |

City of Lake Forest

General Obligation Bonds – 2019
April 30, 2021

| | |
|------------------------|---------------------------------------|
| Date of issue: | December 19, 2019 |
| Date of maturity: | December 15, 2032 |
| Authorized issue: | \$ 17,655,000 |
| Denomination of bonds: | \$ 5,000 |
| Interest rates: | 2.25 - 5.00% |
| Interest dates: | June 15 and December 15 |
| Payable at: | Amalgamated Bank Chicago, Illinois |

Redeemable Annually on December 15

Amount

| | |
|------------|---------------------|
| 2021 | \$ 2,875,000 |
| 2022 | 3,030,000 |
| 2023 | 2,370,000 |
| 2024 | 630,000 |
| 2025 | 660,000 |
| Thereafter | 5,350,000 |
| | <u>\$14,915,000</u> |

Bond Principal and Interest Requirements

| Tax Levy Year | Tax Levy | | | Coupons Due on | | | |
|---------------------|---------------------|---------------------|---------------------|----------------|------------|-------------|------------|
| | Principal | Interest | Total | June 15 | Amount | December 15 | Amount |
| 2020 | \$ 2,875,000 | \$ 611,213 | \$ 3,486,213 | 2021 | \$ 305,606 | 2021 | \$ 305,607 |
| 2021 | 3,030,000 | 467,462 | 3,497,462 | 2022 | 233,731 | 2022 | 233,731 |
| 2022 | 2,370,000 | 315,962 | 2,685,962 | 2023 | 157,981 | 2023 | 157,981 |
| 2023 | 630,000 | 197,462 | 827,462 | 2024 | 98,731 | 2024 | 98,731 |
| 2024 | 660,000 | 165,963 | 825,963 | 2025 | 82,982 | 2025 | 82,981 |
| Thereafter | 5,350,000 | 493,763 | 5,843,763 | Thereafter | 246,882 | Thereafter | 246,881 |
| | <u>\$14,915,000</u> | <u>\$ 2,251,825</u> | <u>\$17,166,825</u> | | | | |

City of Lake Forest

Debt Service Fund
Combining Balance Sheet
April 30, 2021

| | 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/2019 General Obligation Bonds |
|---|--|--|--|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 18,197 | \$ 6,050 | \$ 9,126 | \$ 1,596,328 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | 78,652 | 21,284 | 150,117 | - |
| Due from other governments | <u>-</u> | <u>-</u> | <u>-</u> | <u>142,083</u> |
| Total assets | <u>\$ 96,849</u> | <u>\$ 27,334</u> | <u>\$ 159,243</u> | <u>\$ 1,738,411</u> |
| Deferred inflows of resources | | | | |
| Property taxes levied for future periods | <u>\$ 78,652</u> | <u>\$ 21,284</u> | <u>\$ 150,117</u> | <u>\$ -</u> |
| Fund Balance | | | | |
| Fund balance- restricted for debt service | <u>18,197</u> | <u>6,050</u> | <u>9,126</u> | <u>1,738,411</u> |
| Total deferred inflows of resources, liabilities and fund balances | <u>\$ 96,849</u> | <u>\$ 27,334</u> | <u>\$ 159,243</u> | <u>\$ 1,738,411</u> |

| 2009/2019 General Obligation Bonds | 2010/2019 General Obligation Bonds | 2013 General Obligation Bonds | 2015 General Obligation Bonds | Total |
|---|---|--|--|---------------------|
| \$ 34,952 | \$ 54,712 | \$ 34,752 | \$ 4,535 | \$ 1,758,652 |
| 251,401 | 578,274 | 743,172 | 246,837 | 2,069,737 |
| - | - | - | - | 142,083 |
| <u>\$ 286,353</u> | <u>\$ 632,986</u> | <u>\$ 777,924</u> | <u>\$ 251,372</u> | <u>\$ 3,970,472</u> |
| <u>\$ 251,401</u> | <u>\$ 578,274</u> | <u>\$ 743,172</u> | <u>\$ 246,837</u> | <u>\$ 2,069,737</u> |
| <u>34,952</u> | <u>54,712</u> | <u>34,752</u> | <u>4,535</u> | <u>1,900,735</u> |
| <u>\$ 286,353</u> | <u>\$ 632,986</u> | <u>\$ 777,924</u> | <u>\$ 251,372</u> | <u>\$ 3,970,472</u> |

City of Lake Forest**Debt Service Fund****Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**

Year Ended April 30, 2021

| | 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/2019 General Obligation Bonds |
|--|---|---|---|--|
| Revenues | | | | |
| Taxes: | | | | |
| Property taxes | \$ 76,781 | \$ 21,327 | \$ 150,455 | \$ - |
| Other | - | - | - | 540,744 |
| Investment income | <u>192</u> | <u>47</u> | <u>203</u> | <u>6,248</u> |
| Total revenues | <u>76,973</u> | <u>21,374</u> | <u>150,658</u> | <u>546,992</u> |
| Expenditures | | | | |
| General government | - | - | - | 50 |
| Debt Service: | | | | |
| Principal | 70,000 | 18,839 | 130,663 | 430,587 |
| Interest | <u>6,275</u> | <u>1,999</u> | <u>19,280</u> | <u>92,338</u> |
| Total expenditures | <u>76,275</u> | <u>20,838</u> | <u>149,943</u> | <u>522,975</u> |
| Excess (deficiency) of revenues over expenditures | <u>698</u> | <u>536</u> | <u>715</u> | <u>24,017</u> |
| Other financing sources: | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (use) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 698 | 536 | 715 | 24,017 |
| Fund Balances, Beginning | <u>17,499</u> | <u>5,514</u> | <u>8,411</u> | <u>1,714,394</u> |
| Fund Balances, Ending | <u>\$ 18,197</u> | <u>\$ 6,050</u> | <u>\$ 9,126</u> | <u>\$ 1,738,411</u> |

| 2009/2019 General Obligation Bonds | 2010/2019 General Obligation Bonds | 2013 General Obligation Bonds | 2015 General Obligation Bonds | Total |
|---|---|--|--|---------------------|
| \$ 255,070 | \$ 579,705 | \$ 756,515 | \$ 226,085 | \$ 2,065,938 |
| - | - | - | - | 540,744 |
| <u>426</u> | <u>802</u> | <u>861</u> | <u>194</u> | <u>8,973</u> |
| <u>255,496</u> | <u>580,507</u> | <u>757,376</u> | <u>226,279</u> | <u>2,615,655</u> |
| 52 | 187 | 750 | 1,000 | 2,039 |
| 175,000 | 350,000 | 430,000 | 305,000 | 1,910,089 |
| <u>80,545</u> | <u>226,222</u> | <u>322,763</u> | <u>277,050</u> | <u>1,026,472</u> |
| <u>255,597</u> | <u>576,409</u> | <u>753,513</u> | <u>583,050</u> | <u>2,938,600</u> |
| <u>(101)</u> | <u>4,098</u> | <u>3,863</u> | <u>(356,771)</u> | <u>(322,945)</u> |
| - | - | - | 356,688 | 356,688 |
| - | - | - | 356,688 | 356,688 |
| (101) | 4,098 | 3,863 | (83) | 33,743 |
| <u>35,053</u> | <u>50,614</u> | <u>30,889</u> | <u>4,618</u> | <u>1,866,992</u> |
| <u>\$ 34,952</u> | <u>\$ 54,712</u> | <u>\$ 34,752</u> | <u>\$ 4,535</u> | <u>\$ 1,900,735</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.

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|--|--------------------|
| 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. | 143 |
| 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. | 148 |
| 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. | 156 |
| 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. | 161 |
| 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. | 164 |

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
April 30, 2021

| | 2012 | 2013 | 2014 | 2015 | 2016* | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 190,779,593 | \$ 187,500,531 | \$ 184,270,349 | \$ 181,056,601 | \$ 181,481,470 | \$ 170,568,584 | \$ 166,607,491 | \$ 164,675,251 | \$ 165,179,598 | \$ 164,798,332 |
| Restricted | 16,499,487 | 16,064,099 | 16,860,362 | 15,737,797 | 18,506,073 | 15,476,976 | 20,193,505 | 26,714,972 | 27,807,934 | 36,509,516 |
| Unrestricted | <u>19,550,532</u> | <u>21,126,818</u> | <u>23,689,130</u> | <u>26,747,317</u> | <u>(18,479,928)</u> | <u>(9,068,405)</u> | <u>(11,006,718)</u> | <u>(14,809,677)</u> | <u>(18,261,240)</u> | <u>(14,713,066)</u> |
| Total governmental activities net position | <u>\$ 226,829,612</u> | <u>\$ 224,691,448</u> | <u>\$ 224,819,841</u> | <u>\$ 223,541,715</u> | <u>\$ 181,507,615</u> | <u>\$ 176,977,155</u> | <u>\$ 175,794,278</u> | <u>\$ 176,580,546</u> | <u>\$ 174,726,292</u> | <u>\$ 186,594,782</u> |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 36,753,670 | \$ 36,077,752 | \$ 36,163,443 | \$ 36,617,378 | \$ 37,582,505 | \$ 37,504,482 | \$ 40,729,712 | \$ 39,610,155 | \$ 39,052,272 | \$ 38,142,896 |
| Restricted | - | - | - | - | - | - | - | - | - | 580,012 |
| Unrestricted | <u>8,918,142</u> | <u>9,880,856</u> | <u>9,739,336</u> | <u>8,941,920</u> | <u>8,323,401</u> | <u>7,696,321</u> | <u>8,950,670</u> | <u>9,508,483</u> | <u>9,692,010</u> | <u>10,288,805</u> |
| Total business-type activities | <u>\$ 45,671,812</u> | <u>\$ 45,958,608</u> | <u>\$ 45,902,779</u> | <u>\$ 45,559,298</u> | <u>\$ 45,905,906</u> | <u>\$ 45,200,803</u> | <u>\$ 49,680,382</u> | <u>\$ 49,118,638</u> | <u>\$ 48,744,282</u> | <u>\$ 49,011,713</u> |
| Total Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 227,533,263 | \$ 223,578,283 | \$ 220,433,792 | \$ 217,673,979 | \$ 219,063,975 | \$ 208,073,066 | \$ 207,337,203 | \$ 204,285,406 | \$ 204,231,870 | \$ 202,941,228 |
| Restricted | 16,499,487 | 16,064,099 | 16,860,362 | 15,737,797 | 18,506,073 | 15,476,976 | 20,193,505 | 26,714,972 | 27,807,934 | 37,089,528 |
| Unrestricted | <u>28,468,674</u> | <u>31,007,674</u> | <u>33,428,466</u> | <u>35,689,237</u> | <u>(10,156,527)</u> | <u>(1,372,084)</u> | <u>(2,056,048)</u> | <u>(5,301,194)</u> | <u>(8,569,230)</u> | <u>(4,424,261)</u> |
| Total primary government net position | <u>\$ 272,501,424</u> | <u>\$ 270,650,056</u> | <u>\$ 270,722,620</u> | <u>\$ 269,101,013</u> | <u>\$ 227,413,521</u> | <u>\$ 222,177,958</u> | <u>\$ 225,474,660</u> | <u>\$ 225,699,184</u> | <u>\$ 223,470,574</u> | <u>\$ 235,606,495</u> |

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

City of Lake Forest

Change in Net Position

Last Ten Fiscal years

Year Ended April 30, 2021

| | 2012 | 2013 | 2014 | 2015* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | \$ 12,080,189 | \$ 16,176,326 | \$ 12,311,198 | \$ 12,604,331 | \$ 11,675,363 | \$ 16,882,976 | \$ 9,884,646 | \$ 13,773,790 | \$ 13,865,425 | \$ 12,863,134 |
| Highway and streets | 8,304,860 | 7,536,444 | 7,762,403 | 8,839,231 | 9,230,548 | 10,923,639 | 9,621,569 | 9,081,471 | 8,677,958 | 7,457,325 |
| Sanitation | 2,568,820 | 2,512,559 | 2,586,125 | 2,474,355 | 2,208,326 | 2,611,231 | 2,585,940 | 2,580,043 | 2,678,876 | 2,438,916 |
| Culture and recreation | 9,469,832 | 10,352,252 | 10,397,593 | 10,172,391 | 8,463,259 | 10,023,195 | 10,003,119 | 8,859,391 | 8,977,855 | 9,453,397 |
| Public safety | 13,583,116 | 13,748,855 | 14,430,151 | 15,303,399 | 16,360,830 | 17,048,209 | 17,017,092 | 19,769,395 | 23,338,259 | 16,854,590 |
| Interest | 1,420,087 | 1,362,715 | 1,333,267 | 1,357,552 | 1,293,742 | 1,559,100 | 1,271,181 | 1,231,944 | 1,115,802 | 920,485 |
| Total governmental activities expenses | <u>47,426,904</u> | <u>51,689,151</u> | <u>48,820,737</u> | <u>50,751,259</u> | <u>49,232,068</u> | <u>59,048,350</u> | <u>50,383,547</u> | <u>55,296,034</u> | <u>58,654,175</u> | <u>49,987,847</u> |
| Business-Type Activities | | | | | | | | | | |
| Waterworks and sewerage | 7,985,394 | 8,287,297 | 7,476,752 | 8,353,825 | 7,239,042 | 8,510,811 | 8,122,998 | 7,832,615 | 8,168,879 | 8,486,272 |
| Golf | 1,371,380 | 1,459,394 | 1,554,678 | 1,642,121 | 1,868,252 | 2,095,510 | 1,604,261 | 1,875,677 | 1,861,393 | 2,042,874 |
| Total business-type activities | <u>9,356,774</u> | <u>9,746,691</u> | <u>9,031,430</u> | <u>9,995,946</u> | <u>9,107,294</u> | <u>10,606,321</u> | <u>9,727,259</u> | <u>9,708,292</u> | <u>10,030,272</u> | <u>10,529,146</u> |
| Total primary government expenses | <u>\$ 56,783,678</u> | <u>\$ 61,435,842</u> | <u>\$ 57,852,167</u> | <u>\$ 60,747,205</u> | <u>\$ 58,339,362</u> | <u>\$ 69,654,671</u> | <u>\$ 60,110,806</u> | <u>\$ 65,004,326</u> | <u>\$ 68,684,447</u> | <u>\$ 60,516,993</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 4,771,863 | \$ 4,838,151 | \$ 4,756,948 | \$ 5,442,475 | \$ 8,191,440 | \$ 8,860,169 | \$ 5,203,210 | \$ 5,007,655 | \$ 4,077,609 | \$ 3,754,897 |
| Highway and streets | 846,366 | 753,487 | 741,334 | 710,795 | 990,840 | 782,953 | 1,006,644 | 2,730,122 | 2,183,456 | 2,476,794 |
| Sanitation | 81,577 | 58,564 | 77,147 | 682,062 | 697,435 | 734,111 | 721,276 | 749,620 | 1,040,121 | 1,053,692 |
| Culture and recreation | 3,392,303 | 3,342,913 | 3,314,856 | 3,156,699 | 3,257,796 | 2,810,762 | 3,491,365 | 3,117,795 | 2,594,119 | 1,733,927 |
| Public safety | 1,678,032 | 1,861,619 | 1,950,998 | 1,795,521 | 1,552,567 | 1,689,547 | 1,992,985 | 2,117,186 | 2,525,439 | 2,517,398 |
| Operating grants and contributions | 1,433,791 | 1,777,734 | 1,105,191 | 1,345,670 | 1,368,451 | 1,088,579 | 1,298,006 | 985,676 | 1,529,863 | 1,097,399 |
| Capital grants and contributions | 360,407 | 25,000 | 757,239 | 468,255 | 280,675 | 1,174,000 | 356,178 | 505,988 | 448,694 | 777,054 |
| Total governmental activities program revenues | <u>12,564,339</u> | <u>12,657,468</u> | <u>12,703,713</u> | <u>13,601,477</u> | <u>16,339,204</u> | <u>17,140,121</u> | <u>14,069,664</u> | <u>15,214,042</u> | <u>14,399,301</u> | <u>13,411,161</u> |
| Business-Type Activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Waterworks and sewerage | 7,477,637 | 8,598,079 | 7,521,323 | 8,034,469 | 7,477,558 | 7,873,741 | 8,083,554 | 7,818,777 | 7,512,450 | 8,569,806 |
| Golf | 1,238,016 | 1,320,455 | 1,397,836 | 1,414,217 | 1,759,271 | 1,606,661 | 1,480,618 | 1,524,654 | 1,459,127 | 1,864,338 |
| Operating grants and contributions | - | - | - | - | - | - | - | 228,332 | - | - |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | <u>8,715,653</u> | <u>9,918,534</u> | <u>8,919,159</u> | <u>9,448,686</u> | <u>9,236,829</u> | <u>9,480,402</u> | <u>9,564,172</u> | <u>9,571,763</u> | <u>8,971,577</u> | <u>10,434,144</u> |
| Total government program revenues | <u>\$ 21,279,992</u> | <u>\$ 22,576,002</u> | <u>\$ 21,622,872</u> | <u>\$ 23,050,163</u> | <u>\$ 25,576,033</u> | <u>\$ 26,620,523</u> | <u>\$ 23,633,836</u> | <u>\$ 24,785,805</u> | <u>\$ 23,370,878</u> | <u>\$ 23,845,305</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | <u>\$ (34,862,565)</u> | <u>\$ (39,031,683)</u> | <u>\$ (36,117,024)</u> | <u>\$ (37,149,782)</u> | <u>\$ (32,892,864)</u> | <u>\$ (41,908,229)</u> | <u>\$ (36,313,883)</u> | <u>\$ (40,081,992)</u> | <u>\$ (44,254,874)</u> | <u>\$ (36,576,686)</u> |
| Business-Type Activities | <u>(641,121)</u> | <u>171,843</u> | <u>(112,271)</u> | <u>(547,260)</u> | <u>129,535</u> | <u>(1,125,919)</u> | <u>(163,087)</u> | <u>(136,529)</u> | <u>(1,058,695)</u> | <u>(95,002)</u> |
| Total primary government net expense | <u>\$ (35,503,686)</u> | <u>\$ (38,859,840)</u> | <u>\$ (36,229,295)</u> | <u>\$ (37,697,042)</u> | <u>\$ (32,763,329)</u> | <u>\$ (43,034,148)</u> | <u>\$ (36,476,970)</u> | <u>\$ (40,218,521)</u> | <u>\$ (45,313,569)</u> | <u>\$ (36,671,688)</u> |

City of Lake Forest

Change in Net Position

Last Ten Fiscal years

Year Ended April 30, 2021

| | 2012 | 2013 | 2014 | 2015* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------|----------------|---------------|----------------|---------------|----------------|----------------|---------------|----------------|---------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | \$ 25,428,378 | \$ 25,051,411 | \$ 23,744,650 | \$ 24,468,769 | \$ 25,006,224 | \$ 25,928,864 | \$ 26,193,444 | \$ 27,591,773 | \$ 28,569,827 | \$ 30,459,112 |
| Sales | 2,577,304 | 3,183,479 | 3,047,529 | 2,851,103 | 2,889,306 | 2,829,607 | 2,105,736 | 2,095,938 | 2,597,218 | 1,081,489 |
| Income and use | 1,938,686 | 2,131,711 | 2,182,325 | 2,386,567 | 2,251,828 | 2,306,546 | 2,272,639 | 2,593,506 | 2,584,198 | 3,223,407 |
| Telecommunications and utility | 3,981,548 | 3,736,586 | 4,026,972 | 3,954,001 | 3,551,491 | 3,596,175 | 3,440,365 | 3,603,381 | 3,170,895 | 3,102,515 |
| Real estate transfer tax | 1,215,407 | 1,209,113 | 1,633,580 | 1,224,610 | 1,288,175 | 1,398,160 | 1,622,900 | 1,471,595 | 1,256,265 | 2,735,405 |
| Other | 492,746 | 493,418 | 581,443 | 534,625 | 514,231 | 636,368 | 2,178,246 | 2,410,453 | 2,717,862 | 4,308,631 |
| Investment earnings | 264,432 | 491,196 | 637,193 | 547,118 | 145,329 | 1,042,049 | 1,665,391 | 2,215,202 | 1,664,355 | 3,564,117 |
| Miscellaneous | 33,724 | 573,705 | 669,145 | 73,613 | - | - | - | - | - | - |
| Gain on sale of assets | - | - | - | - | - | - | (3,874) | 7,775 | 38,500 | - |
| Transfers | (37,746) | (77,100) | (97,000) | (168,750) | (924,496) | (360,000) | (4,343,841) | 786,850 | (198,500) | (29,500) |
| Total governmental activities | 35,894,479 | 36,793,519 | 36,425,837 | 35,871,656 | 34,722,088 | 37,377,769 | 35,131,006 | 42,776,473 | 42,400,620 | 48,445,176 |
| Business-Type Activities | | | | | | | | | | |
| Investment earnings | 51,376 | 37,853 | 38,550 | 33,408 | 40,362 | 58,366 | 236,990 | 279,189 | 175,969 | 42,285 |
| Other | - | - | - | 1,621 | 6,033 | 2,450 | 61,835 | 299,176 | 309,870 | 290,648 |
| Transfers | 37,746 | 77,100 | 97,000 | 168,750 | 924,496 | 360,000 | 4,343,841 | (786,850) | 198,500 | 29,500 |
| Total business-type activities | 89,122 | 114,953 | 135,550 | 203,779 | 970,891 | 420,816 | 4,642,666 | (208,485) | 684,339 | 362,433 |
| Total primary government | \$ 35,983,601 | \$ 36,908,472 | \$ 36,561,387 | \$ 36,075,435 | \$ 35,692,979 | \$ 37,798,585 | \$ 39,773,672 | \$ 42,567,988 | \$ 43,084,959 | \$ 48,807,609 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,031,914 | \$ (2,238,164) | \$ 308,813 | \$ (1,278,126) | \$ 1,829,224 | \$ (4,530,460) | \$ (1,182,877) | \$ 2,694,481 | \$ (1,854,254) | \$ 11,868,490 |
| Business-type activities | (551,999) | 286,796 | 23,279 | (343,481) | 1,100,426 | (705,103) | 4,479,579 | (345,014) | (374,356) | 267,431 |
| Total primary government change in net position | \$ 479,915 | \$ (1,951,368) | \$ 332,092 | \$ (1,621,607) | \$ 2,929,650 | \$ (5,235,563) | \$ 3,296,702 | \$ 2,349,467 | \$ (2,228,610) | \$ 12,135,921 |

*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.

City of Lake Forest

Fund Balances of Governmental Funds
Last Ten Fiscal Years
April 30, 2021

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 2,159,403 | \$ 2,775,449 | \$ 2,126,990 | \$ 1,648,832 | \$ 1,272,224 | \$ 778,160 | \$ 150,038 | \$ 129,280 | \$ 143,703 | \$ 208,661 |
| Restricted | 957,420 | 957,420 | 957,420 | 957,420 | - | - | - | - | - | - |
| Unassigned | <u>10,601,190</u> | <u>11,020,723</u> | <u>14,530,550</u> | <u>17,910,037</u> | <u>22,509,969</u> | <u>28,799,288</u> | <u>29,130,844</u> | <u>28,815,904</u> | <u>29,433,682</u> | <u>28,148,267</u> |
| Total general fund | <u>\$ 13,718,013</u> | <u>\$ 14,753,592</u> | <u>\$ 17,614,960</u> | <u>\$ 20,516,289</u> | <u>\$ 23,782,193</u> | <u>\$ 29,577,448</u> | <u>\$ 29,280,882</u> | <u>\$ 28,945,184</u> | <u>\$ 29,577,385</u> | <u>\$ 28,356,928</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 43,333 | \$ 43,333 | \$ - | \$ 381,173 | \$ 408,539 | \$ 536,121 | \$ 28,688 | \$ 32,837 | \$ 29,139 | \$ 28,878 |
| Restricted | 16,171,794 | 15,605,203 | 16,127,257 | 14,726,999 | 20,337,111 | 19,420,288 | 20,806,879 | 26,656,696 | 27,693,271 | 36,738,128 |
| Assigned | 1,591,600 | 1,598,819 | 1,449,284 | 1,448,736 | 1,456,053 | - | - | - | - | - |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,022,136)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,686)</u> | <u>(743,104)</u> | <u>(304,215)</u> |
| governmental funds | <u>\$ 17,806,727</u> | <u>\$ 17,247,355</u> | <u>\$ 17,576,541</u> | <u>\$ 15,534,772</u> | <u>\$ 22,201,703</u> | <u>\$ 19,956,409</u> | <u>\$ 20,835,567</u> | <u>\$ 26,685,847</u> | <u>\$ 26,979,306</u> | <u>\$ 36,462,791</u> |
| Total governmental funds | <u>\$ 31,524,740</u> | <u>\$ 32,000,947</u> | <u>\$ 35,191,501</u> | <u>\$ 36,051,061</u> | <u>\$ 45,983,896</u> | <u>\$ 49,533,857</u> | <u>\$ 50,116,449</u> | <u>\$ 55,631,031</u> | <u>\$ 56,556,691</u> | <u>\$ 64,819,719</u> |

City of Lake Forest

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Year Ended April 30, 2021

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$25,428,378 | \$ 25,051,411 | \$ 23,744,650 | \$ 24,468,769 | \$ 25,006,224 | \$ 25,928,864 | \$ 26,193,444 | \$ 27,591,773 | \$ 28,569,827 | \$30,459,112 |
| Other taxes | 10,205,691 | 10,754,307 | 11,471,849 | 4,641,466 | 4,317,316 | 4,609,057 | 4,786,506 | 4,775,587 | 4,702,203 | 6,236,640 |
| Intergovernmental revenues | 589,960 | 612,357 | 576,125 | 6,972,923 | 6,680,193 | 6,656,768 | 6,331,183 | 6,717,794 | 7,274,602 | 7,982,783 |
| Grants and contributions | 1,039,737 | 1,190,377 | 962,249 | 950,823 | 1,056,523 | 1,419,736 | 997,289 | 2,220,550 | 1,082,083 | 1,959,289 |
| Charges for services | 7,028,800 | 7,319,673 | 7,373,500 | 7,935,973 | 8,506,756 | 8,005,317 | 8,833,079 | 8,759,327 | 8,749,224 | 7,611,794 |
| Licenses and permits | 2,475,739 | 2,450,194 | 2,477,338 | 2,821,066 | 5,222,568 | 5,157,398 | 3,232,276 | 3,456,703 | 2,954,115 | 3,133,137 |
| Fines and forfeitures | 372,607 | 368,941 | 297,005 | 287,333 | 260,407 | 321,168 | 345,438 | 355,304 | 271,985 | 260,726 |
| Investment income | 225,225 | 462,579 | 610,601 | 524,150 | 115,462 | 989,515 | 1,553,167 | 2,043,136 | 1,534,251 | 3,531,497 |
| Miscellaneous revenue | 730,813 | 1,225,082 | 759,384 | 790,344 | 779,137 | 841,731 | 1,831,152 | 1,511,534 | 1,360,723 | 1,346,521 |
| Total revenues | 48,096,950 | 49,434,921 | 48,272,701 | 49,392,847 | 51,944,586 | 53,929,554 | 54,103,534 | 57,431,708 | 56,499,013 | 62,521,499 |
| Expenditures | | | | | | | | | | |
| General government | 10,313,031 | 14,242,768 | 10,112,393 | 10,248,830 | 10,811,408 | 11,581,286 | 10,469,740 | 11,657,265 | 11,960,755 | 13,142,471 |
| Highways and streets | 2,139,656 | 2,044,225 | 2,293,840 | 2,371,461 | 2,157,463 | 3,118,461 | 2,354,587 | 4,577,657 | 3,393,599 | 3,232,159 |
| Sanitation | 2,228,844 | 2,193,091 | 2,212,166 | 2,235,135 | 2,276,433 | 2,311,435 | 2,290,986 | 2,480,420 | 2,619,476 | 2,653,638 |
| Culture and recreation | 8,463,547 | 9,282,695 | 8,686,298 | 8,457,043 | 8,338,284 | 8,532,289 | 8,853,547 | 9,319,869 | 9,398,508 | 9,260,377 |
| Public safety | 13,723,801 | 13,826,732 | 14,299,583 | 14,469,408 | 15,090,712 | 15,126,874 | 15,520,779 | 16,900,348 | 18,456,208 | 18,449,813 |
| Capital outlay | 6,641,923 | 4,586,574 | 5,527,772 | 7,582,668 | 10,992,926 | 5,439,469 | 8,746,881 | 3,971,995 | 6,753,993 | 4,568,295 |
| Debt service: | | | | | | | | | | |
| Principal | 2,531,876 | 1,377,736 | 1,400,950 | 1,623,436 | 1,791,579 | 7,906,696 | 1,782,156 | 1,429,625 | 1,730,850 | 1,910,089 |
| Interest | 1,667,372 | 1,392,342 | 1,319,276 | 1,400,609 | 1,293,634 | 1,639,191 | 1,277,596 | 1,242,498 | 1,202,730 | 1,026,472 |
| Total expenditures | 47,710,050 | 48,946,163 | 45,852,278 | 48,388,590 | 52,752,439 | 55,655,701 | 51,296,272 | 51,579,677 | 55,516,119 | 54,243,314 |
| Excess (deficiency) of revenues over expenditures | 386,900 | 488,758 | 2,420,423 | 1,004,257 | (807,853) | (1,726,147) | 2,807,262 | 5,852,031 | 982,894 | 8,278,185 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 2,296,270 | 2,829,243 | 3,224,306 | 2,020,085 | 2,846,321 | 7,776,661 | 4,799,274 | 7,280,685 | 4,627,667 | 6,804,841 |
| Transfers out | (2,334,016) | (2,906,343) | (3,321,306) | (2,188,835) | (2,895,321) | (8,136,661) | (7,050,020) | (7,644,685) | (4,826,167) | (6,834,841) |
| Bonds issued | - | - | - | - | 9,780,000 | - | - | - | - | - |
| Loan proceeds | - | - | - | - | 830,080 | - | - | - | - | - |
| Premium (discount) on bonds issued | 120,828 | - | 26,093 | - | 106,384 | - | - | - | 797,619 | - |
| Proceeds from refunding G.O. bonds | 5,690,000 | - | 9,715,000 | - | - | - | - | - | 10,751,022 | - |
| Payments for refunding G.O. bonds | (5,769,025) | - | (9,665,000) | - | - | - | - | - | (11,445,875) | - |
| Sale of capital assets | 34,055 | 64,549 | 791,038 | 24,053 | 73,224 | 5,636,108 | 26,076 | 26,551 | 38,500 | 14,843 |
| Total other financing sources (uses) | 38,112 | (12,551) | 770,131 | (144,697) | 10,740,688 | 5,276,108 | (2,224,670) | (337,449) | (57,234) | (15,157) |
| Net changes in fund balances | \$ 425,012 | \$ 476,207 | \$ 3,190,554 | \$ 859,560 | \$ 9,932,835 | \$ 3,549,961 | \$ 582,592 | \$ 5,514,582 | \$ 925,660 | \$ 8,263,028 |
| Debt service as a percentage of noncapital expenditures | 8.31% | 5.85% | 6.17% | 6.43% | 6.54% | 17.36% | 6.49% | 5.42% | 5.78% | 5.76% |

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 |
|-----------|----------------------|---------------------|---------------------|----------------|-------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| 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% |
| 2019 | 2,222,762,174 | 228,895,482 | 53,502 | 6,085,440 | 16,133,495 | 2,473,930,093 | 1.3721 | 7,421,790,279 | 33.333% |
| 2020 | 2,168,305,007 | 221,826,768 | 55,722 | 6,474,628 | 22,935,969 | 2,419,598,094 | 1.4638 | 7,258,794,282 | 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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bonds | 0.068 | 0.071 | 0.088 | 0.090 | 0.067 | 0.059 | 0.060 | 0.066 | 0.074 | 0.077 |
| Corporate | 0.483 | 0.544 | 0.580 | 0.590 | 0.619 | 0.603 | 0.600 | 0.620 | 0.646 | 0.663 |
| Firemen's Pension | 0.041 | 0.046 | 0.052 | 0.054 | 0.053 | 0.050 | 0.061 | 0.065 | 0.077 | 0.093 |
| IMRF | 0.032 | 0.035 | 0.037 | 0.038 | 0.037 | 0.035 | 0.035 | 0.035 | 0.037 | 0.039 |
| Library | 0.126 | 0.141 | 0.152 | 0.155 | 0.153 | 0.146 | 0.145 | 0.149 | 0.157 | 0.166 |
| Library Sites & Building | 0.015 | 0.016 | 0.017 | 0.017 | 0.017 | 0.016 | 0.016 | 0.016 | 0.017 | 0.018 |
| Parks/Park Maintenance | 0.114 | 0.123 | 0.191 | 0.194 | 0.196 | 0.187 | 0.184 | 0.188 | 0.197 | 0.139 |
| Playground & Recreation ** | 0.050 | 0.055 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.086 |
| Police Pension | 0.060 | 0.066 | 0.076 | 0.080 | 0.082 | 0.078 | 0.083 | 0.087 | 0.109 | 0.125 |
| Recreation for Handicapped Rec. | 0.014 | 0.016 | 0.018 | 0.018 | 0.018 | 0.018 | 0.018 | 0.019 | 0.020 | 0.021 |
| Social Security | 0.032 | 0.035 | 0.037 | 0.038 | 0.037 | 0.035 | 0.035 | 0.035 | 0.037 | 0.039 |
| City Direct Rates * | 1.035 | 1.148 | 1.248 | 1.274 | 1.279 | 1.227 | 1.237 | 1.280 | 1.371 | 1.464 |
| Overlapping Rates | | | | | | | | | | |
| College of Lake County | 0.240 | 0.272 | 0.296 | 0.306 | 0.299 | 0.285 | 0.281 | 0.282 | 0.282 | 0.290 |
| County of Lake | 0.554 | 0.608 | 0.663 | 0.682 | 0.663 | 0.632 | 0.622 | 0.612 | 0.597 | 0.598 |
| Lake County Forest Preserve | 0.201 | 0.212 | 0.218 | 0.210 | 0.208 | 0.193 | 0.187 | 0.182 | 0.180 | 0.182 |
| North Shore Sanitary District | 0.150 | 0.150 | 0.164 | 0.169 | 0.166 | 0.157 | 0.153 | 0.153 | 0.153 | 0.157 |
| School District 67, Elem. | 1.186 | 1.322 | 1.424 | 1.452 | 1.429 | 1.367 | 1.355 | 1.391 | 1.472 | 1.551 |
| School District 115, High School | 1.191 | 1.322 | 1.420 | 1.450 | 1.409 | 1.329 | 1.314 | 1.336 | 1.375 | 1.445 |
| Township | 0.043 | 0.036 | 0.037 | 0.039 | 0.038 | 0.036 | 0.035 | 0.035 | 0.036 | 0.037 |
| Township Road and Bridge | 0.026 | 0.029 | 0.032 | 0.033 | 0.032 | 0.031 | 0.030 | 0.031 | 0.032 | 0.033 |
| Total tax rate | 4.626 | 5.099 | 5.502 | 5.615 | 5.523 | 5.257 | 5.214 | 5.302 | 5.498 | 5.757 |
| City's share of total tax rate | 22% | 23% | 23% | 23% | 23% | 23% | 24% | 24% | 25% | 25% |

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 | 2021 | | | 2012 | | |
|-----------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation |
| Hospira Inc | \$ 16,895,392 | 1 | 0.70% | \$ 19,412,533 | 1 | 0.76% |
| Kelmscott Park Apartments LLC | 15,808,396 | 2 | 0.65% | | | |
| Abbot Laboratories | 14,250,581 | 3 | 0.59% | 17,157,454 | 2 | 0.67% |
| Chicago Title Land Trust Company | 12,763,427 | 4 | 0.53% | | | |
| Lake Forest Place LLC | 12,551,225 | 5 | 0.52% | | | |
| Chicago Title Land Trust Co | 12,107,300 | 6 | 0.50% | | | |
| Chicago Bears Football Club, Inc | 11,302,562 | 7 | 0.47% | | | |
| CAI Investment Lake Forest Global | 9,854,273 | 8 | 0.41% | | | |
| Lake Forest Investments | 7,658,402 | 9 | 0.32% | | | |
| Lake Forest Landmark Co. LLC | 6,690,664 | 10 | 0.28% | 7,306,026 | 7 | 0.28% |
| Lake Products, Inc | | | | 13,795,850 | 3 | 0.54% |
| CBIZ Property Tax Solutions | | | | 11,089,158 | 4 | 0.43% |
| Trustmark Insurance Co | | | | 7,823,058 | 5 | 0.30% |
| Lake Forest Hosptial | | | | 7,430,902 | 6 | 0.29% |
| Lake Forest Landmark II | | | | 6,221,470 | 8 | 0.24% |
| James Campbell Company, LLC | | | | 5,585,451 | 9 | 0.22% |
| Shawgate Lake Forest, LLC | | | | 5,525,876 | 10 | 0.22% |
| | <u>\$ 102,619,757</u> | | <u>4.95%</u> | <u>\$ 101,109,669</u> | | <u>3.95%</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.

2021 Column is 2020 Assessed Valuation

2012 Column is 2011 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 |
| 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 | 32,533,539 | 32,427,323 | 99.67% | 1,981 | 32,429,304 | 99.68% |
| 2019 | 33,955,313 | 33,779,271 | 99.48% | 151 | 33,779,422 | 99.48% |
| 2020 | 35,081,741 | 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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General | 0.483 | 0.544 | 0.580 | 0.590 | 0.619 | 0.603 | 0.600 | 0.617 | 0.646 | 0.663 |
| IMRF/Social Security | 0.064 | 0.070 | 0.074 | 0.076 | 0.074 | 0.070 | 0.070 | 0.071 | 0.074 | 0.078 |
| Firefighter Pension | 0.041 | 0.046 | 0.052 | 0.054 | 0.053 | 0.050 | 0.061 | 0.065 | 0.077 | 0.093 |
| Police Pension | 0.060 | 0.066 | 0.076 | 0.080 | 0.082 | 0.078 | 0.083 | 0.087 | 0.109 | 0.125 |
| Parks and Recreation | 0.164 | 0.178 | 0.191 | 0.194 | 0.196 | 0.187 | 0.184 | 0.188 | 0.196 | 0.224 |
| Special Recreation | 0.014 | 0.016 | 0.018 | 0.018 | 0.018 | 0.018 | 0.018 | 0.019 | 0.020 | 0.021 |
| General Obligation Bond 2008 | 0.034 | 0.036 | 0.037 | 0.037 | 0.026 | 0.000 | - | - | - | - |
| General Obligation Bond 2009 | 0.011 | 0.012 | 0.013 | 0.013 | 0.009 | 0.012 | 0.012 | 0.011 | 0.011 | 0.011 |
| General Obligation Bond 2010 | 0.023 | 0.023 | 0.012 | 0.025 | 0.015 | 0.020 | 0.020 | 0.019 | 0.019 | 0.019 |
| General Obligation Bond 2013 | 0.000 | 0.000 | 0.026 | 0.015 | 0.010 | 0.018 | 0.018 | 0.027 | 0.027 | 0.027 |
| General Obligation Bond 2015 | - | - | - | - | 0.008 | 0.009 | 0.010 | 0.009 | 0.009 | 0.009 |
| Total tax rate | 0.894 | 0.991 | 1.079 | 1.102 | 1.110 | 1.065 | 1.076 | 1.113 | 1.188 | 1.269 |

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 - Home Rule Sales Tax
Last Ten Calendar Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Merchandise | \$ 12,219 | \$ 9,722 | \$ 7,005 | \$ 7,471 | \$ 5,072 | \$ 4,358 | \$ 4,215 | \$ 5,854 | \$ 4,980 |
| Food | 91,999 | 93,952 | 105,771 | 96,009 | 92,936 | 93,838 | 95,457 | 144,134 | 189,599 |
| Drinking and Eating Places | 155,188 | 165,386 | 180,023 | 163,447 | 173,473 | 182,278 | 177,620 | 261,770 | 216,636 |
| Apparel | 64,317 | 68,135 | 68,291 | 75,606 | 73,785 | 72,540 | 67,069 | 116,944 | 115,308 |
| Furniture & H.H. & Radio | 37,536 | 38,821 | 39,494 | 36,526 | 32,774 | 28,424 | 29,524 | 47,907 | 62,235 |
| Lumber, Building, Hardware | 6,867 | 9,862 | - | - | 7,537 | 8,238 | 9,633 | 17,362 | 27,244 |
| Automobile and Filling Stations | 38,900 | 37,025 | 34,895 | 28,267 | 26,735 | 30,895 | 35,146 | 48,650 | 45,234 |
| Drugs and Miscellaneous Retail | 81,022 | 110,554 | 117,262 | 118,740 | 117,224 | 102,558 | 103,843 | 154,528 | 179,191 |
| Agriculture and All Others | 110,446 | 121,651 | 105,139 | 129,721 | 116,945 | 105,670 | 66,743 | 146,885 | 148,739 |
| Manufacturers | - | - | 7,095 | (3,818) | - | - | - | - | - |
| Censored categories | - | - | - | - | - | - | - | - | - |
| Total | \$ 598,494 | \$ 655,108 | \$ 664,975 | \$ 651,969 | \$ 646,481 | \$ 628,799 | \$ 589,250 | \$ 944,034 | \$ 989,166 |
| Total Number of Payers | 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% | 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.

Effective July 2003, a .5% home rule sales tax was imposed.

Effective July 1 2019, an additional .5% home rule sales tax was imposed.

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 - Municipal Sales Tax
Last Ten Calendar Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019* | 2020 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Merchandise | \$ 72,955 | \$ 24,726 | \$ 19,656 | \$ 14,010 | \$ 14,930 | \$ 11,412 | \$ 10,496 | \$ 10,069 | \$ 8,964 | \$ 5,204 |
| Food | 579,914 | 585,517 | 593,446 | 673,803 | 591,893 | 564,049 | 550,591 | 535,167 | 528,469 | 615,073 |
| Drinking and Eating Places | 286,472 | 317,291 | 338,382 | 364,221 | 329,303 | 350,024 | 372,173 | 362,713 | 349,961 | 224,312 |
| Apparel | 107,453 | 128,633 | 136,270 | 136,582 | 151,212 | 147,576 | 145,141 | 134,201 | 146,455 | 115,423 |
| Furniture & H.H. & Radio | 20,373 | 75,071 | 77,642 | 78,988 | 73,061 | 65,571 | 56,848 | 59,046 | 66,569 | 62,239 |
| Lumber, Building, Hardware | (13,037) | 13,742 | 19,724 | - | - | 15,076 | 16,479 | 19,267 | 21,891 | 27,245 |
| Automobile and Filling Stations | 138,744 | 146,865 | 241,339 | 178,178 | 133,684 | 139,764 | 141,260 | 131,243 | 575,290 | 134,743 |
| Drugs and Miscellaneous Retail | 371,420 | 400,096 | 433,159 | 430,482 | 414,407 | 431,966 | 399,115 | 381,239 | 393,920 | 391,545 |
| Agriculture and All Others | 254,225 | 274,807 | 285,401 | 255,189 | 295,974 | 271,061 | 246,697 | 166,637 | 222,162 | 170,645 |
| Manufacturers | (9,729) | - | - | 14,415 | (5,107) | - | - | - | - | - |
| Censored categories | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 1,808,790 | \$ 1,966,748 | \$ 2,145,019 | \$ 2,145,868 | \$ 1,999,357 | \$ 1,996,499 | \$ 1,938,800 | \$ 1,799,582 | \$ 2,313,681 | \$ 1,746,430 |
| Total Number of Payers | 663 | 647 | 637 | 637 | 673 | 687 | 687 | 604 | 578 | 510 |
| 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

* A onetime estimated payment of \$400,000 was received in November 2019

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 |
|-------------|------------------|------------|------------|---------------------|-------|
| 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% |
| 2020 | 2.00% | 5.00% | 0.50% | 0.50% | 8.00% |
| 2021 | 2.00% | 5.00% | 0.50% | 0.50% | 8.00% |

Data Source

City records

The City of Lake Forest became a home rule community in November 2004.

The City increased the home rules sales tax by .5% July 1, 2019

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 | | | | |
| 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 |
| 2020 | 30,340,954 | - | 16,863,419 | - | 47,204,373 | 1.92% | 3.16% | 2,436.35 |
| 2021 | 28,339,248 | - | 14,756,030 | - | 43,095,278 | 1.80% | 2.89% | 2,224.27 |

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 |
|----------------|-----------------------------|---|---------------|---|---------------|
| 2012 | \$ 61,384,882 | \$ 1,786,492 | \$ 59,068,663 | 0.77% | \$ 3,048.71 |
| 2013 | 58,263,146 | 1,908,750 | 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 | 1,067,027 | 47,073,830 | 0.64% | 2,429.62 |
| 2018 | 54,572,402 | 1,161,697 | 53,410,705 | 0.70% | 2,756.68 |
| 2019 | 51,106,802 | 1,292,816 | 49,813,986 | 0.66% | 2,571.04 |
| 2020 | 47,204,373 | 1,596,241 | 45,608,132 | 0.61% | 2,353.97 |
| 2021 | 43,095,278 | 1,640,674 | 41,454,604 | 0.57% | 2,139.59 |

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

April 30, 2021

| Governmental unit | Gross Debt | Percentage Debt Applicable to the City of Lake Forest* | City of Lake Forest Share of Debt |
|--------------------------------------|-----------------------|--|-----------------------------------|
| Lake County | \$ 147,785,000 | 9.94% | \$ 14,689,829 |
| Lake County Community College #532 | 47,300,000 | 10.48% | 4,957,040 |
| Lake County Forest Preserve District | 200,815,000 | 9.94% | 19,961,011 |
| School District #67 | 3,510,000 | 100.00% | 3,510,000 |
| School District #103 | 6,785,000 | 0.01% | 679 |
| High School District #115 | 20,505,000 | 79.50% | 16,301,475 |
| Subtotal, overlapping debt | 426,700,000 | | 63,374,712 |
| City of Lake Forest direct debt | 28,339,248 | 100.00% | 28,339,248 |
| Total direct and overlapping debt | <u>\$ 455,039,248</u> | | <u>\$ 91,713,960</u> |

Source: Lake County Clerk

District Bond Principal Payments Report

* Determined by ratio of assessed valuation of property subject to taxation in the City of

Lake Forest to valuation of property subject to taxation in overlapping unit.. The Percentage of debt is calculated by the percentage of the City's EAV in relation to the overlapping government's EAV. The gross debt is found on the Lake County website.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Forest. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Lake Forest

Legal Debt Margin Information Last Ten Fiscal Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|------|------|------|------|------|
| Debt limit | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total net debt applicable to limit | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Legal debt margin | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total net debt applicable to the limit as a percentage of debt limit | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Note: Legal debt margin from 1997-2004 was 8.625% of assessed value.

* City of Lake Forest achieved home rule status in November 2004. To date the General Assembly has set no limits for home rule municipalities.

City of Lake Forest

Pledged Revenue Coverage

Last Ten Fiscal Years

| Waterworks and Sewerage and Golf Course Bonds | | | | | | | | |
|---|------------------|-----------------------------|--------------------------|--------------|------------|----------|--|--|
| Fiscal Year | Gross Revenue | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage | | |
| | | | | Principal | Interest | | | |
| 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 | | |
| 2020 | 9,655,908 | 6,253,668 | 3,402,240 | 2,067,000 | 530,673 | 1.31 | | |
| 2021 | 10,796,575 | 6,752,827 | 4,043,748 | 1,934,413 | 607,064 | 1.59 | | |

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

City of Lake Forest

Demographic and Economic Information
Last Ten Fiscal Years

| Fiscal Year | Population | | Equalized Accessed Valuation (EAV) | | Per Capita EAV | | Personal Income | Per Capita Personal Income | Unemployment Rate |
|-------------|------------|-----|------------------------------------|----|----------------|----|-----------------|----------------------------|-------------------|
| 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 | | 130,422 | | 1,493,657,500 | 77,092 | 3.7% |
| 2020 * | 19,375 | (A) | 2,457,796,598 | | 126,854 | | 1,493,657,500 | 77,092 | 3.8% |
| 2021 * | 19,375 | (A) | 2,396,662,125 | | 123,699 | | 1,493,657,500 | 77,092 | 6.3% |

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

City records, Department of Labor and Office of the County Clerk.

* 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 | 2021 | | | 2012 | | |
|--|-----------|------|----------------------------|-----------|------|----------------------------|
| | Employees | Rank | % of Total City Population | Employees | Rank | % of Total City Population |
| Northwestern Medicine Lake Forest Hospital | 1,456 | 1 | 7.51% | 1,600 | 1 | 8.26% |
| Abbott | 826 | 2 | 4.26% | | | |
| Hospira Inc. | 821 | 3 | 4.24% | 1,350 | 2 | 6.97% |
| Pfizer | ** | | | | | |
| Trustmark Insurance Company | 618 | 4 | 3.19% | 800 | 3 | 4.13% |
| Pactiv Corporation | 437 | 5 | 2.26% | 470 | 5 | 2.43% |
| Lake Forest College excludes student employees | 418 | 6 | 2.16% | 514 | 4 | 2.38% |
| Lake Forest H.S. District 115 teacher, support staff | 362 | 7 | 1.87% | 351 | 7 | 1.81% |
| Lake Forest Elem. S.D. No. 67 | 346 | 8 | 1.79% | 357 | 6 | 1.84% |
| Packaging Corporation of America | 298 | 9 | 1.54% | | | |
| City of Lake Forest | 210 | 10 | 1.08% | 227 | 9 | 1.17% |
| Coyote Logistics, LLC | | | | 275 | 8 | 1.42% |
| Brunswick Corporation Packaging Corp | - | | | 200 | 10 | 1.03% |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Government | | | | | | | | | | |
| Administration | 25 | 25 | 25 | 25 | 25.0 | 25.4 | 23.5 | 23.8 | 23.75 | 24.75 |
| Community Development | 12.5 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| Public Safety | | | | | | | | | | |
| Fire Protection | | | | | | | | | | |
| Firefighters | 33 | 33 | 33 | 33 | 33 | 33 | 32 | 32 | 32 | 32 |
| Administrative | 2.5 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Police | | | | | | | | | | |
| Officers | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| Civilians | 18 | 18.0 | 18.0 | 18.0 | 8.0 | 9.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Public Works | | | | | | | | | | |
| Public Works Administration | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Building Maintenance | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Engineering | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Streets | 7 | 8 | 8 | 7.5 | 7.5 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Sanitation | 12 | 12 | 11 | 10.5 | 10.5 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Forestry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fleet (vehicle) Maintenance | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water | | | | | | | | | | |
| Water Plant | 7 | 7 | 7 | 7 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Water and Sewer | 10 | 10 | 9 | 9 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 |
| Parks | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Recreation | 15.4 | 15.4 | 15.4 | 15.4 | 15.4 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 |
| Golf Course | 3.2 | 2.2 | 2.2 | 2.2 | 2.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cemetery | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Senior Resources | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Sub - total City | 227 | 226 | 224 | 224 | 214 | 213.4 | 209.5 | 209.75 | 209.75 | 210.75 |
| Library | 27.90 | 27.8 | 28.2 | 28.2 | 29.2 | 30.5 | 30.5 | 31.0 | 30.0 | 31.0 |
| Total all | 254.9 | 253.8 | 252.2 | 252.2 | 243.2 | 243.9 | 240 | 240.75 | 239.75 | 241.75 |

Data Source

City Departments and employee totals as of April 30th

City of Lake Forest

Operating Indicators

Last Ten Fiscal Years

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | |
| City Clerk | | | | | | | | | | |
| Real Estate Transfer Tax (1) | | | | | | | | | | |
| Number of Transactions | 297 | 382 | 440 | 394 | 355 | 361 | 425 | 418 | 369 | 663 |
| Rebates Issued | 37 | 40 | 67 | 40 | 44 | 37 | 40 | 45 | 33 | 63 |
| Birth Certificates Issued | 2,821 | 2,675 | 2,250 | 2,556 | 2,575 | 2,474 | 2,807 | 2,759 | 2,525 | 2,617 |
| Passports Issued (2) | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Development | | | | | | | | | | |
| Building permits issued | 3,451 | 3,197 | 3,418 | 3,667 | 3,855 | 3,632 | 3,753 | 4,275 | 3,716 | 3,847 |
| Residential construction | 11 | 7 | 13 | 20 | 27 | 21 | 9 | 13 | 18 | 29 |
| Commercial construction | 1 | 2 | 1 | 1 | 1 | 1 | 4 | - | 1 | 2 |
| Building inspections conducted | 8,645 | 8,925 | 8,651 | 9,657 | 11,009 | 11,707 | 10,798 | 11,214 | 10,586 | 10,466 |
| Public Safety | | | | | | | | | | |
| Fire protection | | | | | | | | | | |
| I.S.O. rating | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Number of calls answered | | | | | | | | | | |
| EMS | 1,607 | 1,726 | 1,574 | 1,785 | 1,712 | 1,923 | 1,909 | 1,839 | 2,232 | 1,868 |
| Fire | 1,734 | 1,403 | 1,497 | 1,503 | 1,367 | 1,385 | 1,448 | 1,450 | 1,448 | 1,127 |
| Police (calendar year) | | | | | | | | | | |
| Non traffic arrests | 335 | 237 | 191 | 89 | 166 | 129 | 76 | 157 | 83 | 80 |
| Parking violations | 7,114 | 7,013 | 5,979 | 5,250 | 3,907 | 5,396 | 4,325 | 6,891 | 3,748 | 1,107 |
| Traffic violations | 2,028 | 2,220 | 1,877 | 1,741 | 1,985 | 1,718 | 949 | 1,909 | 1,583 | 1,487 |
| Public Works | | | | | | | | | | |
| Streets | | | | | | | | | | |
| Street resurfacing (miles) (calendar year) | 7.09 | 5.92 | 5.00 | 5.50 | 2.40 | 3.28 | 2.63 | 2.20 | 3.40 | 1.90 |
| Number of snow events | | | | | | | | | | |
| Salting | 14 | 23 | 27 | 21 | 24 | 15 | 10 | 9 | 6 | 5 |
| Plowing | 12 | 12 | 21 | 20 | 10 | 5 | 10 | 9 | 10 | 14 |
| Inches of snow | 21 | 36 | 48 | 50 | 24 | 22 | 45 | 46 | 26 | 63 |
| Sanitation | | | | | | | | | | |
| Refuse collection customers | 6,471 | 6,472 | 6,462 | 6,654 | 6,295 | 6,467 | 6,467 | 6,484 | 6,503 | 6,527 |
| Parks and Recreation (3) | | | | | | | | | | |
| Fitness | | | | | | | | | | |
| Number of programs | 322 | 264 | 336 | 181 | 346 | 215 | 200 | 257 | 246 | 682 |
| Units of participation | 1,196 | 1,060 | 1,587 | 1,216 | 1,271 | 1,473 | 1,430 | 1,446 | 1,442 | 2,079 |
| Athletics | | | | | | | | | | |
| Number of programs | 309 | 283 | 270 | 341 | 168 | 275 | 237 | 466 | 460 | 792 |
| Units of Participation | 2,932 | 2,704 | 2,524 | 2,282 | 1,348 | 2,006 | 2,026 | 1,931 | 1,958 | 561 |
| Lakefront, Early Childhood Education and Lifetime Activities | | | | | | | | | | |
| Number of programs | 395 | 319 | 294 | 126 | 130 | 176 | 161 | 228 | 223 | 298 |
| Units of participation | 1,424 | 1,576 | 1,380 | 752 | 1,393 | 1,221 | 1,385 | 1,679 | 1,685 | 443 |
| Cultural Arts/Special Events | | | | | | | | | | |
| Number of programs | 270 | 306 | 286 | 87 | 147 | 286 | 246 | 310 | 312 | 550 |
| Units of participation | 2,008 | 1,972 | 1,999 | 1,329 | 1,579 | 4,133 | 4,743 | 5,064 | 5,078 | 1,698 |

City of Lake Forest

Operating Indicators (Continued)
Last Ten Fiscal Years

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Wildlife Discovery Center, Ridge Teams Course and Adventure | | | | | | | | | | |
| Number of programs | 104 | 37 | 47 | 20 | 20 | 26 | 34 | 31 | 33 | 24 |
| Units of participation | 582 | 301 | 360 | 2,263 | 2,802 | 3,685 | 2,148 | 2,233 | 2,224 | 98 |
| Developed parks and recreation areas | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 10 | 11 | 11 |
| Developed park acreage | 404 | 404 | 404 | 404 | 405 | 405 | 405 | 344 | 344 | 344 |
| Sites with playgrounds | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Sites with baseball diamonds | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 7 |
| Sites with soccer fields | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Sites with basketball standards | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| 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 | 31,949 | 30,321 | 29,435 | 27,956 | 29,445 | 27,101 | 24,631 | 26,184 | 24,666 | 24,508 |
| Daily fee | 14,466 | 13,646 | 17,449 | 17,646 | 20,478 | 19,755 | 18,660 | 21,172 | 20,089 | 20,380 |
| Seasonal | 17,483 | 16,675 | 11,986 | 10,310 | 8,967 | 7,346 | 5,971 | 5,012 | 4,577 | 4,128 |
| Water | | | | | | | | | | |
| New Connections (tap-ons) | 22 | 20 | 28 | 33 | 66 | 30 | 23 | 29 | 21 | 27 |
| Meters in operation | 6,755 | 6,754 | 6,751 | 6,764 | 6,810 | 6,854 | 6,854 | 6,840 | 6,850 | 6,899 |
| Meters connected to sewerage system | 6,583 | 6,584 | 6,587 | 6,577 | 6,645 | 6,718 | 6,778 | 6,766 | 6,789 | 6,832 |
| Average daily consumption (MGD) | 3.759 | 4.202 | 3.652 | 3.250 | 3.162 | 3.499 | 3.550 | 3.430 | 3.132 | 3.400 |
| Peak daily consumption (MGD) | 11.805 | 10.298 | 8.611 | 7.345 | 8.268 | 8.315 | 8.926 | 7.247 | 7.916 | 8.180 |
| Rated daily pumping capacity (MGD) | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Total gallons pumped during fiscal year (in millions) | 1,372.0 | 1,534.0 | 1,332.8 | 1,187.6 | 1,157.2 | 1,277.0 | 1,296.0 | 1,252.0 | 1,146.4 | 1,241.0 |
| 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 | 145,539 | 147,330 | 148,318 | 146,214 | 146,153 | 221,568 | 248,598 | 147,024 | 149,026 | 122,852 |
| Registered borrowers | 16,200 | 15,160 | 15,403 | 15,440 | 15,460 | 15,518 | 13,588 | 13,946 | 7,908 | 9,408 |
| Fiscal yearbooks, items or materials circulation | 485,450 | 457,632 | 450,876 | 410,852 | 383,561 | 376,144 | 551,232 | 366,128 | 346,603 | 262,366 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 23 | 25 | 23 | 23 | 21 | 24 | 24 | 23 | 23 | 23 |
| Fire protection | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Vehicles | 14 | 14 | 17 | 15 | 17 | 17 | 15 | 18 | 18 | 19 |
| Public Works | | | | | | | | | | |
| Bridges | | | | | | | | | | |
| Vehicle | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Pedestrian | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 13 |
| Streets | | | | | | | | | | |
| Streets (centerline miles) | 119.00 | 119.00 | 119.24 | 119.24 | 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 | 1,526 | 1,526 | 1,536 | 1,570 | 1,570 | 1,570 | 1,570 | 1,570 | 1,570 | 1,570 |
| Storm sewer (miles) | 219.41 | 219.41 | 219.41 | 219.41 | 219.43 | 219.43 | 219.46 | 219.54 | 219.54 | 219.54 |
| Parks and Recreation | | | | | | | | | | |
| Acreage | 403.7 | 404 | 404 | 404 | 405 | 405 | 405 | 344 | 344 | 344 |
| Water | | | | | | | | | | |
| Water mains (miles) | 165.25 | 165.25 | 165.79 | 166.44 | 166.44 | 166.89 | 167.68 | 167.68 | 167.73 | 167.84 |
| Fire hydrants | 1,362 | 1,362 | 1,362 | 1,511 | 1,511 | 1,511 | 1,519 | 1,374 | 1,400 | 1,400 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 138.95 | 138.90 | 138.95 | 138.95 | 139.43 | 139.43 | 140.25 | 140.25 | 140.25 | 140.25 |

Data Source

City departments

N/A = data not available

The City of Lake Forest
CITY COUNCIL MEETING
Proceedings of the Monday, October 18, 2021, immediately following the Finance Committee
City Council Meeting
REMOTE ACCESS MEETING

CALL TO ORDER AND ROLL CALL: Honorable Mayor Pandaleon called the meeting to order at 8:10pm, and the Assistant City Manager Mike Strong called the roll of Council members.

Present: Honorable Mayor Pandaleon, Alderman Morris, Alderman Karras, Alderman Rummel, Alderman Notz, Alderman Preschlack, Alderman Goshgarian, Alderman Buschmann and Alderman Weber.

Absent: none

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE was recited.

REPORTS OF CITY OFFICERS

COMMENTS BY MAYOR

Mayor Pandaleon made the following statement as required by the Open Meetings Act. In accordance with state statute, Mayor Pandaleon has made a determination that it was not practical or prudent to schedule an in-person City Council meeting because of the COVID-19 pandemic, which is why this October 18, 2021 City Council meeting is being held remotely.

Mayor Pandaleon complimented Director of Finance, Elizabeth Holleb and her staff for the finance committee presentation made prior to the City Council meeting. The City has maintained an outstanding financial position, and continues to provide high quality services while being fiscally responsible.

COMMENTS BY CITY MANAGER

City Manager, Jason Wicha, provided a reminder to the City Council regarding Ward meetings. The final meeting, which is the Fourth Ward, will convene via zoom on Tuesday, October 26 at 7 pm.

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

Members of the public can provide public comment by calling into the following number during the meeting: 847-810-3643

Rommy Lopat offered comments to the City Council. Mayor Pandaleon asked the City Attorney to clarify the City Code based on Ms. Lopats comment.

COMMITTEE REPORTS

FINANCE COMMITTEE

1. **Distinguished Budget Presentation Award**
 - **Alderman James Morris, Finance Committee Chairman**

Finance Committee Chairman James Morris presented the Distinguished Budget Presentation Award stating that it is the highest form of recognition in governmental budgeting, and its attainment is a significant accomplishment by a government and its management. This is the sixth consecutive year it has been awarded to the City of Lake Forest. Chairman Morris presented the award to Elizabeth Holleb, Director of Finance, for her efforts in coordinating the preparation of the Annual Budget and for leading the efforts in making the required changes to the City's budget document to meet the stringent requirements of the GFOA budget awards program.

| |
|---|
| ITEMS FOR OMNIBUS VOTE CONSIDERATION |
|---|

- 1. Approval of October 04, 2021, City Council Meeting Minutes**
- 2. Acknowledge Receipt of the FY2021 Treasurer's Report**
- 3. Award of Contract with Advanced Tree Care, for an Amount Not to Exceed \$47,000, to Extend MPI Tree Pruning Services for Tree Pruning in FY2022.**
- 4. Approval of a One-Year Contract Renewal with InterDev for Information Technology Support in the Amount of \$130,200**
- 5. Approve Four Year Agreement with Kaplan Snow for Building Sidewalk Snow & Ice Services included in the FY2022 – FY2025 Operating Budget for the Sum of \$240,000.**
- 6. Consideration of Ordinances Approving Recommendations from the Building Review Board. (First Reading, and if Desired by the City Council, Final Approval)**
- 7. Consideration of Ordinance Approving a Recommendation from the Zoning Board of Appeals. (First Reading, and if Desired by the City Council, Final Approval)**

COUNCIL ACTION: Approval of the seven (7) Omnibus items as presented

Mayor Pandaleon asked members of the Council if they would like to remove any item or take it separately.

Seeing none, he asked for a motion. Alderman Morris made a motion to approve the seven (7) Omnibus items as presented, seconded by Alderman Karras. The following voted "Aye": Alderman Morris, Karras, Rummel, Notz, Preschlack, Goshgarian, Buschmann and Weber. 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 |
|-------------------|

| |
|---------------------|
| OLD BUSINESS |
|---------------------|

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

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

Alderman Weber provided comments regarding trick-or-treating hours, and information about the Lake Forest Caucus.

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

There being no further business Mayor Pandaleon asked for a motion. Alderman Goshgarian made a motion to adjourn, seconded by Alderman Morris. Motion carried unanimously by voice vote at 8:27 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.

RESOLUTION OF APPRECIATION

WHEREAS

has served The City of Lake Forest as a member of the

**BOARD OR COMMISSION
YYYY-YYYY**

WHEREAS, he/she has devoted much valuable time and personal attention to the work of this commission and, on behalf of the citizens of Lake Forest, continually met his/her responsibilities with purpose and dedication; and

WHEREAS, the citizens of Lake Forest recognize and are deeply appreciative of the valuable time and service he/she contributed to the preservation and improvement of the quality of life in our community by serving on this commission;

*NOW, THEREFORE, BE IT RESOLVED that the City Council of The City of Lake Forest, Illinois, hereby expresses the profound gratitude of the citizens of Lake Forest to **NAME** for the loyal and faithful public service he/she has given by means of this resolution, which shall be spread upon the permanent records of the City Council.*

*Adopted by the City Council of
The City of Lake Forest this
1st day of November, 2021*

Mayor