

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF LAKE FOREST, ILLINOIS**  
As of and for the Year Ended April 30, 2016

City of Lake Forest Finance Department

Elizabeth Holleb, Finance Director  
Diane Hall, Assistant Finance Director

# CITY OF LAKE FOREST

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October 20, 2016

The Honorable Mayor Schoenheider  
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, 2016, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

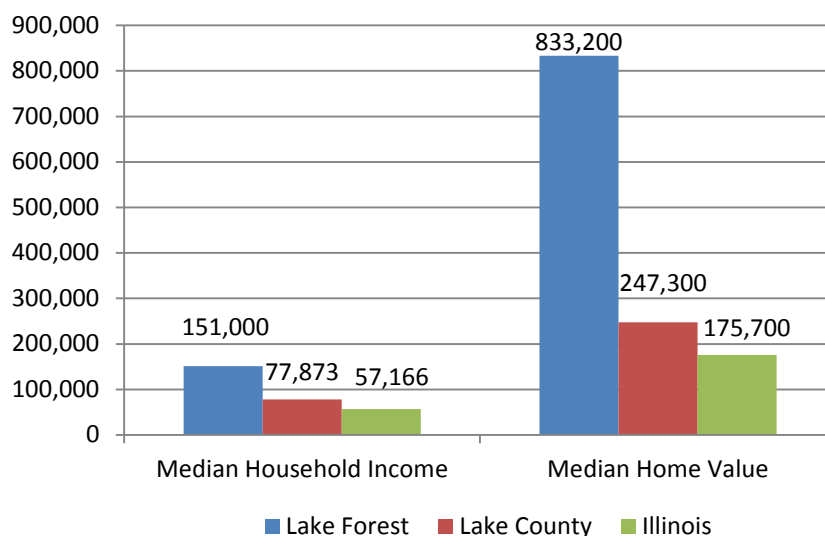
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Lake Forest for the fiscal year ended April 30, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's 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, 2010-2014 estimates, the U.S. Census Bureau reported the City had a median household income and median home value significantly higher than comparable figures for Lake County and the State of Illinois:



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

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

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

Each year the City of Lake Forest prepares an annual budget document. This plan contains the following sections: the budget message and fiscal policy; summary tables of revenues, expenditures and fund balance for the fiscal year; operating budgets for each department; pay plan and personnel data; and debt and statistical information. The budget message highlights the significant expenditure events that will occur and the objectives to accomplish these events. It justifies the increases in 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 in expenditures in an amount above those actually budgeted. Each separate fund includes an item labeled contingency, with an appropriated amount equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency line item, the City Council and City staff follow the adopted budget as its spending guideline and not the Appropriation Ordinance. This practice has been followed for more than thirty years and has worked very efficiently as a mechanism to address unanticipated items that may arise throughout the fiscal year.

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

### ***Factors Affecting Financial Condition***

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

- Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2015, the City's annual average unemployment rate was estimated to be 4.7%, compared to 5.5% for Lake County and 5.9% 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 2016, the index was 101.1, up from 96.7 in July, and comparing favorably to the August 2015 index of 101.5. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.



As revenues declined in recent years due to national economic conditions, the City has proactively reduced operating expenses to ensure a balanced budget and compliance with the City's fiscal policies. Since personnel costs represent nearly 70% of the General Fund operating budget, it has been necessary to achieve cost savings through reduced personnel. In fiscal years (FY) 2009-2017, the City has reduced budgeted full time employees by 41 positions, returning the City's total employee count below FY1992 levels. FY2016 budgeted full-time positions were reduced by 10 positions alone primarily by outsourcing dispatch operations.

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

In September 2014, the City transitioned to a consolidated dispatch operation with the Villages of Glenview and Lake Bluff, as well as the City of Highland Park. The consolidation of dispatch operations is projected to save 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 FY2016 budget estimates in aggregate. However, these revenues have yet to reach levels prior to the 2008 recession. Effective May 1, 2014, the City implemented a new sanitation fee that generates \$600,000 per year. This revenue is currently deposited to the Capital Improvements Fund.

The financial condition of the State of Illinois continues to be a significant concern although the City has limited reliance on the State for direct funding. The City is vigilant in monitoring any legislation that may be introduced that could have a negative impact on the City's budget and vigorously opposes such legislation.

In order to assist the business community and enhance sales tax revenues, economic development initiatives are conducted through the Office of the City Manager. The City has enlisted the services of an Economic Development Coordinator who acts as a liaison between the City, Lake Forest/Lake Bluff Chamber of Commerce and the business districts in Lake Forest. The City is committed to attracting desired businesses and to promote the viability of the business districts. More information can be found on the main page of the City's website under Economic Development.

In September 2015, Lake Forest was proud to host the BMW Championship, which brought the 70 top professional golfers from around the world to the City as part of the PGA Tour playoffs for the FedEx Cup. As it did in 2013, the City actively embraced the event as a unique opportunity to market the community on an international stage. As testament to the continued success of the event, the BMW Championship will return to Lake Forest in 2017. More than 115,000 spectators attended the 2015 event.

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 that clarified the applicability of the Property Tax Extension Limitation Act to the City, established a policy for setting aside reserves to meet the City's Other Post-Employment Benefits (OPEB) liability, revised the financing parameters for establishment of Special Service Areas, and committed to minimizing reliance on State and/or Federal revenues to fund core services.

**Long-Term Financial Planning.** The City is funding infrastructure expenditures primarily with a real estate transfer tax that was approved by voter referendum. This real estate transfer tax is imposed on residential and commercial real estate transactions. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate.

FY2016 real estate transfer tax revenue totaled \$1.29 million. Significant fluctuations occur in this revenue source due to changes in economic conditions, and more specifically the housing market. The City will remain conservative in projecting this revenue source and in spending monies on capital projects.

A Public Works Committee which consists 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 budget meeting, typically held in November.

Five-year fund balance forecasts are prepared for major funds of the City each year as part of the budget development process to assist the City in identifying budget challenges on the horizon and ensure that a proactive approach is taken to addressing these challenges.

**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, 2016, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 52.1% and for the Firefighters' Pension Plan is 69.6%.

All other employees of the City who work over 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. Benefit provisions and funding requirements are established by State statutes and may only be changed by the Illinois General Assembly. Employees participating are required to contribute 4.5% of their annual wages and the City is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan. As of December 31, 2015, the funded ratio for IMRF is 86.95%, 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 currently employed police officers and firefighters - only those hired after January 1, 2011. Although little of the cost savings from both bills will 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. Over the past few years, the City has made adjustments to the mortality table and interest rate assumptions for its police and fire pension fund actuarial valuations. These changes have reduced the funded ratio but are 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.

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

## **Major Initiatives**

The City is committed to maintaining the quality of life and the preservation of 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 FY2016, 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. This is the former site of the City's municipal services center and has long been a focus of redevelopment for the City. In FY2016, the City completed required demolition of existing structures and remediation of the site. In April 2016, this effort took a major step forward with the City Council's approval of 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. In FY2017, the City and developer will close on the sale of the property and construction will begin.

- Significant improvements were made elsewhere in the City's Commercial Business District, including a \$5 million investment in Market Square by its new owner. Following a year-long extensive renovation and restoration, historic Deer Path Inn reopened in December 2015. The City continued restoration of the City's historic train station which is largely funded by grant revenues.
- Construction of a new \$180 million replacement hospital on the campus of the existing Northwestern Lake Forest Hospital is underway. City and Hospital representatives have worked closely on the planning and construction. The new hospital is scheduled to open Fall 2017.



- In February 2016, the City Council authorized final design of water plant improvements that will increase the plant capacity to 14 MGD (million gallons per day) and utilize GE membrane filters. It is anticipated that design will be completed and bidding will occur in FY2017 with construction to begin in FY2018.
- Capital expenditures in Fiscal Year 2016 included: street improvements (\$1.7 million), Regency Lane Sanitary Sewer system (\$779,000 – SSA), Emerald Ash Borer tree removal and replacement (\$311,000), and Water/Sanitary Sewer capital improvements (\$2.4 million).

### ***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, 2015. This was the 37th consecutive year that The City of Lake Forest has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

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

Robert R. Kiely, Jr.  
City Manager

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

Elizabeth A. Holleb  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
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, 2015**

Executive Director/CEO

Voters and Residents of  
The City of Lake Forest

**APPOINTED BOARDS, COMMISSION, COMMITTEES**

Audit Committee  
Board of Fire and Police Commissioners  
Board of Trustees – Firefighter Pension Fund  
Board of Trustees – Police Pension Fund  
Building Review Board  
Cemetery Commission  
Construction Codes Commission  
CROYA Board  
Elawa Farm Commission  
Historic Preservation Commission  
Housing Trust Fund Board  
Legal Committee  
Library Board  
Parks and Recreation Board  
Plan Commission  
Senior Resources Commission  
Zoning Board of Appeals



Mayor and City  
Council

Office of the City  
Manager

CROYA

Community  
Development

Finance / IT

Fire

Human  
Resources

Parks /  
Recreation

Police

Public Works

Senior Center

List of Principal Officials

Year Ended April 30, 2016

LEGISLATIVE

City Council

Donald P. Schoenheider, Mayor

Prue R. Beidler

Catherine A. Waldeck

George A. Pandaleon

Timothy Newman

Stanford Tack

Jack Reisenberg

Michael R. Adelman

Michelle Moreno

AUDIT COMMITTEE

Don O'Callaghan, Chairman

Amy Krebs

Andrew Logan

William McFadden

Dean Stieber

Donald P. Schoenheider, Mayor (ex-officio)

George Pandaleon, Finance Committee Chairman (ex-officio)

EXECUTIVE

Robert R. Kiely Jr., City Manager

DEPARTMENT OF FINANCE

Elizabeth Holleb, Director of Finance

Diane Hall, Assistant Finance Director



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Forest, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Lake Forest's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Forest, Illinois, as of April 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, the City of Lake Forest adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective May 1, 2015. Net position as of April 30, 2015 has been restated as a result. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

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

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

*Other Information*

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

*Baker Tilly Vichow Krause, LLP*

Oak Brook, Illinois  
October 20, 2016

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the City's financial statements (beginning on page 17).

**Financial Highlights**

- The City's net position increased by \$2.9 million during the fiscal year ending April 30, 2016 (FY16). The governmental net position increased by \$1.8 million and the business-type activities net position increased by \$1.1 million.
- The governmental activities revenue increased by \$2.2 million (4.4%) due primarily to permit fees related to construction of a new hospital. The expenses decreased by \$1.6 million (3.1%) due primarily to adjustments related to pensions and reduced capital expenses. Transfers increased by \$.7 million related to a capital contribution from the Capital Improvements Fund to the Water and Sewer Fund.
- The business-type activities revenue decreased by \$.1 million (1.1%) and expenses decreased by \$.8 (8.1%) million due to a one-time contribution for a water main project and purchase of additional membranes for the water treatment plant, both occurring in FY15. The transfers increased by \$.7 million as noted above.
- The total cost of all City programs decreased from \$60.7 million in FY15 to \$58.3 million in FY16 – a decrease of 4.0% - largely attributable to reduced capital expenses not meeting the threshold for capitalization as well as adjustments related to pensions.

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

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

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 17-19) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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

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.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

**Fund Financial Statements**

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

The Governmental Major Funds (see pages 20 and 22) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

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

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 24 - 27) is essentially the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 21 and 23). The flow of current financial resources will reflect debt proceeds and inter-fund transfers as other financing sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

**Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) were 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, 2016**

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Position**

The City's combined net position increased by \$2.9 million for FY16 – from \$224.5 million (FY15 restated) to \$227.4 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 \$1.8 million – from \$179.7 million to \$181.5 million. The business-type activities net position increased by \$1.1 million – from \$44.8 million to \$45.9 million. Table 1 reflects the condensed Statement of Net Position compared to FY15. Table 2 will focus on the changes in net position of the governmental and business-type activities.

**Statement of Net Position**  
**As of April 30, 2015 (restated) and 2016**  
**(in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
Current and Other Assets	\$73.8	\$85.2	\$10.2	\$9.8	\$84.0	\$95.0
Capital Assets	215.2	214.7	53.6	52.7	268.8	267.4
<b>Total Assets</b>	<b>289.0</b>	<b>299.9</b>	<b>63.8</b>	<b>62.5</b>	<b>352.8</b>	<b>362.4</b>
<b>Deferred Outflows</b>	<b>0.5</b>	<b>10.6</b>	<b>0.6</b>	<b>1.5</b>	<b>1.1</b>	<b>12.1</b>
Long-Term Liabilities	78.2	94.2	18.5	17.3	96.7	111.5
Other Liabilities	6.9	7.3	1.1	0.8	8.0	8.1
<b>Total Liabilities</b>	<b>85.1</b>	<b>101.5</b>	<b>19.6</b>	<b>18.1</b>	<b>104.7</b>	<b>119.6</b>
<b>Deferred Inflows</b>	<b>24.7</b>	<b>27.5</b>	<b>0.1</b>	<b>0.0</b>	<b>24.8</b>	<b>27.5</b>
<b>Net Position:</b>						
Net Investment in						
Capital Assets	181.1	181.5	36.6	37.6	217.7	219.1
Restricted	15.7	18.5	0.0	0.0	15.7	18.5
Unrestricted	(17.1)	(18.5)	8.2	8.3	(8.9)	(10.2)
<b>Total Net Position</b>	<b>\$179.7</b>	<b>\$181.5</b>	<b>\$44.8</b>	<b>\$45.9</b>	<b>\$224.5</b>	<b>\$227.4</b>

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

**Normal Impacts**

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

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

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

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

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

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

*Principal Payment on Debt* will (a) reduce current assets and reduce long-term debt; and (b) reduce unrestricted net position and increase net investment in capital assets.

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

**Current Year Impacts**

The City's \$2.9 million increase in combined net position (which is the City's bottom line) was the result of the governmental activities net position increasing by \$1.8 million and the business-type activities net position increasing by \$1.1 million.

The governmental activities total assets increased by \$10.9 million (3.8%) and the governmental activities total liabilities increased by \$16.4 million (19.3%). With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, long-term liabilities now include the net pension liability previously only disclosed in the notes to the financial statements. The increase in total assets is primarily due to the issuance of \$9.78 million in general obligation bonds. The increase in total liabilities is due to the bond issuance as well as a \$7.2 million increase in the net pension liability. See additional information in the Debt Outstanding section of the MD&A.

Increases in both deferred outflows and deferred inflows related to pensions. A \$10.1 million increase in deferred outflows was due primarily to the difference between actual and projected earnings on pension plan investments. A \$2.8 million increase in deferred inflows resulted from the difference between expected and actual experience for pensions, as well as an increase in property taxes levied for future periods.

Net investment in capital assets increased a modest \$.6 million. Restricted assets increased \$2.8 million largely due to bond proceeds restricted for capital improvements. Unrestricted net position decreased by \$1.4 million primarily due to the net effect of GASB 68 reporting of pension obligations.

The net position of business-type activities increased by \$1.1 million, from \$44.8 million (restated) to \$45.9 million. The primary change in assets of the business-type activities was a decrease in capital assets due to depreciation expense exceeding capital additions.

Long-term liabilities decreased by \$1.2 million due to scheduled maturities of debt obligations. Net investment in capital assets increased by \$1.0 million, and unrestricted net position increased by \$.1 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 \$6.8 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 \$2.9 million in FY16. The City's total revenues increased by \$2.1 million, primarily driven by one time permit fees. The City's cost of all programs decreased by \$2.4 million, largely attributable to reduced capital expenses and adjustments related to pensions.

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

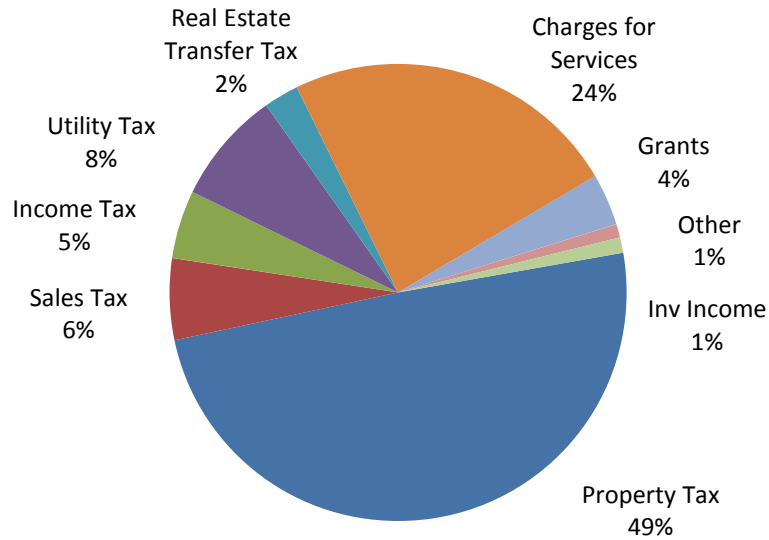
**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

<b>Table 2</b>						
<b>Changes in Net Position</b>						
<b>For the Fiscal Year Ended April 30, 2015 and 2016</b>						
<b>(in millions)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>REVENUE</b>						
Program Revenue						
Charges for Services	\$11.8	\$14.7	\$9.4	\$9.2	\$21.2	\$23.9
Grants and Contributions						
Operating	1.3	1.4			1.3	1.4
Capital	0.5	0.3			0.5	0.3
General Revenue						
Property Taxes	24.5	25.0			24.5	25.0
Other Taxes	4.6	4.3			4.6	4.3
Intergovernmental - Taxes	6.4	6.1			6.4	6.1
Interest Revenue	0.5	0.1			0.5	0.1
Other	0.1	0.0		0.1	0.1	0.1
<b>Total Revenue</b>	<b>49.7</b>	<b>51.9</b>	<b>9.4</b>	<b>9.3</b>	<b>59.1</b>	<b>61.2</b>
<b>EXPENSES</b>						
Governmental Activities						
General Government	12.6	11.7			12.6	11.7
Highways and Streets	8.8	9.2			8.8	9.2
Sanitation	2.5	2.2			2.5	2.2
Culture and Recreation	10.2	8.5			10.2	8.5
Public Safety	15.3	16.3			15.3	16.3
Interest	1.4	1.3			1.4	1.3
Business-Type Activities						
Water and Sewer			8.3	7.2	8.3	7.2
Golf			1.6	1.9	1.6	1.9
<b>Total Expenses</b>	<b>50.8</b>	<b>49.2</b>	<b>9.9</b>	<b>9.1</b>	<b>60.7</b>	<b>58.3</b>
<b>Excess before Transfers</b>	<b>(1.1)</b>	<b>2.7</b>	<b>(0.5)</b>	<b>0.2</b>	<b>(1.6)</b>	<b>2.9</b>
Transfers In (out)	(0.2)	(0.9)	0.2	0.9	0.0	0.0
Change in Net Position	(1.3)	1.8	(0.3)	1.1	(1.6)	2.9
<b>Net Position - Beginning*</b>	<b>181.0</b>	<b>179.7</b>	<b>45.1</b>	<b>44.8</b>	<b>226.1</b>	<b>224.5</b>
<b>Net Position - Ending</b>	<b>\$179.7</b>	<b>\$181.5</b>	<b>\$44.8</b>	<b>\$45.9</b>	<b>\$224.5</b>	<b>\$227.4</b>

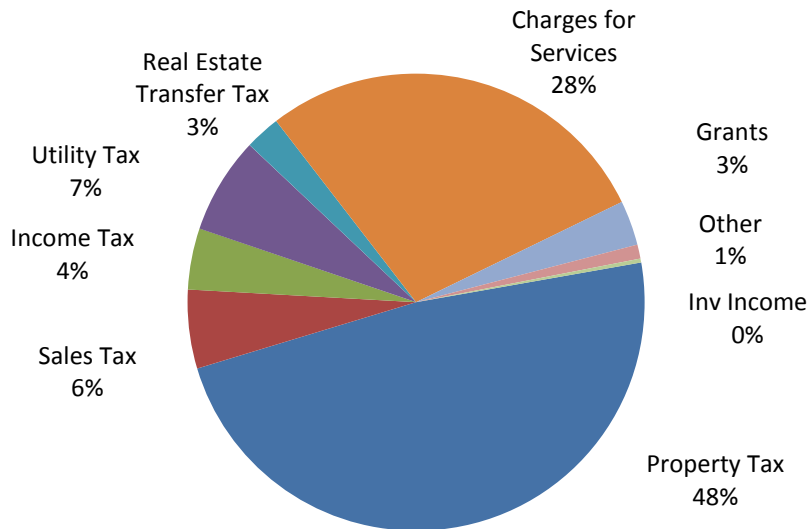
\* Beginning Net Position restated. The effect of the implementation of GASB 68 on FY15 has been fully adjusted to beginning net position. If actuarial valuations were available for the year ended 4/30/15, adjustments to expense amounts may have been necessary to fully restate FY15.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
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**FY2015 Governmental Activities Revenue**



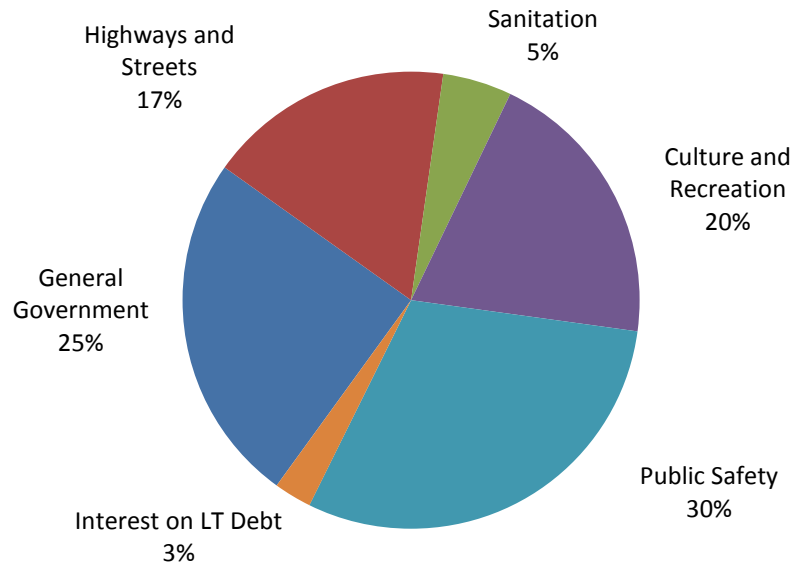
**FY2016 Governmental Activities Revenue**



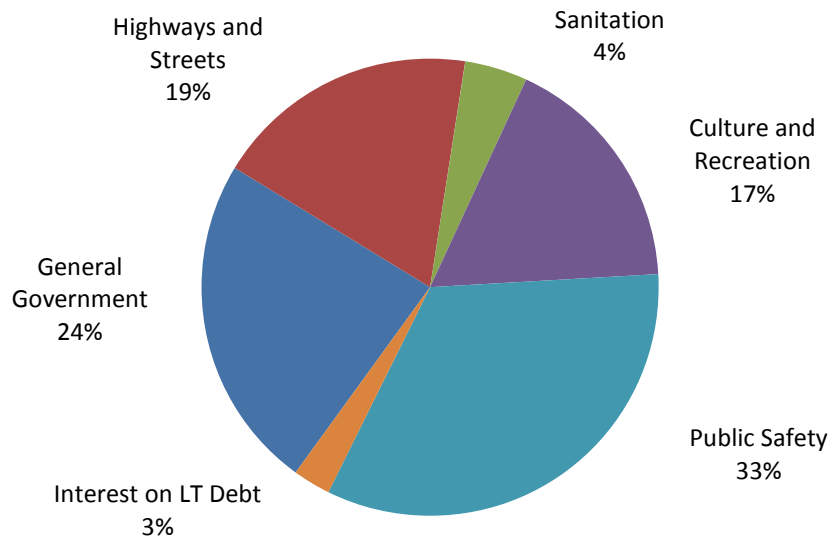


**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
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**FY2015 Governmental Activities Expenses**



**FY2016 Governmental Activities Expenses**



**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

**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, 2016, revenues from governmental activities totaled \$51.9 million, increasing \$2.2 million compared to FY15. The primary change occurred in Charges for Services, up \$2.9m largely due to permit fees related to construction of a new hospital. Property tax revenue increased \$.5 million (2.0%), other taxes declined \$.3 million primarily in utility taxes, intergovernmental revenue was down \$.3 million, and interest revenue was down \$.4 million due to investment losses in the Cemetery Fund. Property tax revenue continues to be the City's single largest revenue source, contributing \$25 million (48%) of governmental activities revenue.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
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Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$35 million and represent 67% of the total governmental activities revenue.

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

The City's 2015 equalized assessed valuation increased 2.6% compared to the prior year and totaled \$2,307,936,059. 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 2.00% over FY15 in property taxes was generated as a result of the 1.50% tax cap and new construction.

Investment income decreased by \$0.4 million (\$0.5 million to \$0.1 million). The City's strategy for investing did not change, but investment losses occurred in the Cemetery Fund due to market conditions.

**Expenses**

For the fiscal year ended April 30, 2016, expenses for governmental activities totaled \$49.2 million, a decrease of \$1.6 million (3.1%). This decrease is due in large part to pension adjustments, as well as reduced capital expenses. 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 FY16 expenses included funding for the City's performance based employee compensation package plus a 2.5% general salary adjustment.

Reductions in General Government and Public Safety were due primarily to pension adjustments, while the reduction in Culture and Recreation was due to pension adjustments and decreased capital expenses.

***Business-type Activities***

**Revenue**

Total revenue for the business-type activities decreased by \$.1 million, due to a one-time contribution by the Army for a water main extension in FY15.

**Expenses**

The City's business-type activity expenses decreased by \$.8 million or 8% due primarily to a purchase of additional water membrane modules for the water treatment plant in FY15.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds**

At April 30, 2016, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$46.0 million which is a \$10 million (28%) increase from the beginning of the year (\$36 million). This increase was largely driven by the issuance of bonds to fund capital improvements. Of the total fund balance of \$46 million, \$1.7 million is not available for continuing City services and capital projects. The unassigned fund balance for the total of all governmental funds is \$22.5 million, which is a \$5.6 million (33%) increase over the prior year.

**Major Governmental Funds**

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total Fund Balance of the General Fund increased by \$3.3 million or 16.1% from FY15 (\$20.5 million to \$23.8 million). The General Fund revenues increased by \$2.4 million (7.2%) due to permit fees for construction of a hospital. The General Fund expenditures increased by \$2.2 million (7.6%) due to personnel cost increases and a \$1.3 million increase in capital outlay. The excess of revenues over expenditures (before transfers) for FY16 of \$5.0 million was comparable to FY15 (\$4.8 million). The other financing sources (uses) decreased by \$0.2 million from \$(1.9) million to \$(1.7) million.

Property taxes increased \$.4 million, while licenses and permits increased \$2.4 million. Although the City became a home rule unit in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Law (PTELL), otherwise known as the tax cap. The 2014 levy extension (FY16 revenue) allowed for a 1.5% CPI factor as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government increased 3.4%, highways and streets decreased 9.2% (primarily snow and ice control), sanitation increased 1.8% and public safety costs increased 4.0%. In addition, General Fund capital outlay costs increased by \$1.3 million over FY15.

Table 3			
General Fund Budgetary Highlights			
(in millions)			
General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$20.9	\$20.9	\$20.3
Intergovernmental - Taxes	6.5	6.5	6.1
Other	9.5	9.5	9.5
Total	36.9	36.9	35.9
Expenditures and Transfers:			
Expenditures	32.2	32.2	30.9
Transfers (Net)	1.8	1.8	1.7
Total	34.0	34.0	32.6
<b>Change in Fund Balance</b>	<b>\$2.9</b>	<b>\$2.9</b>	<b>\$3.3</b>

Actual General Fund revenues were lower than the original budgeted revenues by \$1 million during FY16. The primary variances resulted from utility tax, sales tax and income tax falling short of projections. Actual General Fund expenditures were lower than the original and final budget by \$1.3 million. It is the

**CITY OF LAKE FOREST, ILLINOIS**  
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City's policy to add 10%, which is \$3.2 million, of contingency funding to the budget appropriation. The contingency amount is only for specific uses as determined by the City Council and a portion of the contingency was used in FY16 for capital outlay. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 70.

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 \$.25 million, from \$2.76 million to \$3.0 million. The Parks and Recreation Fund revenues and expenditures were consistent with the prior year. Total other financing sources (uses) increased by \$.2 million, contributing to a net change in fund balance of \$256,477 compared to \$11,902 for the prior year.

The Capital Improvements Fund is reported as a Major Fund for FY16 and is used to account for revenues used to fund City building and infrastructure projects. Fund balance of this fund increased by \$2.6 million to \$6.0 million due to a \$4.7 million bond issue. Compared to FY15, revenue increased by \$.4 million due to increases in grant, real estate transfer tax, and high impact traffic fee revenue. Total expenditures decreased by \$2.7 million in the capital outlay category. Transfers to this fund increased by \$.8 million compared to FY15.

**CAPITAL ASSETS**

Table 4						
Capital Assets at Year End - 2015 and 2016						
Net of Depreciation						
(in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Land and Improvements	\$45.3	\$46.4	\$0.5	\$0.5	\$45.8	\$46.9
Infrastructure - Land	66.7	66.7			66.7	66.7
Construction in Progress	0.6	0.0	0.9	0.0	1.5	0.0
Infrastructure	59.7	57.0			59.7	57.0
Buildings	20.8	20.2	14.4	13.4	35.2	33.6
Improvements	18.4	19.8	22.7	23.6	41.1	43.4
Machinery and Equipment	3.7	4.6	1.7	1.6	5.4	6.2
Sanitary Sewers	0.0	0.0	13.4	13.6	13.4	13.6
Total	\$215.2	\$214.7	\$53.6	\$52.7	\$268.8	\$267.4

At the end of FY16, the City had a combined total of \$267.4 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$1.4 million. The net decrease is attributable to a \$.5 million decrease in governmental activities and a \$.9 million decrease in the business-type activities.

The \$.5 million decrease in the governmental activities was due to \$6 million of depreciation offset by \$6.2 million of capital asset additions, as well as deletions of \$.7 million. The \$.9 million decrease in business-type activities was due to \$2.8 million of depreciation offset by \$2.9 million in asset additions, as well as deletions of \$1.0 million.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 54-56 of the Notes.

Table 5			
Change in Capital Assets			
(in millions)			
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Beginning Balance</b>	\$215.2	\$53.6	\$268.8
Additions			
Depreciable	5.1	2.9	8.0
Non-Depreciable	1.1		1.1
Construction in Progress			0.0
Retirements			
Depreciable	(1.0)	(0.1)	(1.1)
Non-Depreciable			0.0
Construction in Progress	(0.6)	(1.0)	(1.6)
Depreciation	(6.0)	(2.8)	(8.8)
Retirements	0.9	0.1	1.0
<b>Ending Balance</b>	<b>\$214.7</b>	<b>\$52.7</b>	<b>\$267.4</b>

**Debt Outstanding**

The City had \$57.9 million of general obligation bonds outstanding at April 30, 2016. Of this amount \$36.98 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 \$6,663 and \$5,583 if self-supporting debt is excluded.

The City operated as a home rule community for FY16. The City was granted home rule status via a referendum held on November 2, 2004. Under home rule authority, the City will not have a legal debt limit. For more detailed information on long-term debt activity, see pages 59-62.

The City issued \$9.78 million in general obligation bonds in FY16.

As of April 30, 2016, the City's net pension liability is \$50.5 million, an increase of \$7.8 million over the restated balance as of April 30, 2015. Additional information regarding the net pension liability can be found in Note IV.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**APRIL 30, 2016**

**Economic Factors**

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2015, the City's annual average unemployment rate was estimated to be 4.7%, compared to 5.5% for Lake County and 5.9% 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.

## **BASIC FINANCIAL STATEMENTS**



# CITY OF LAKE FOREST

## STATEMENT OF NET POSITION As of April 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Lake Forest Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 48,493,885	\$ 7,710,882	\$ 56,204,767	\$ 2,351,899
Investments	4,487,724	-	4,487,724	-
Receivables (net)				
Property taxes	25,526,738	-	25,526,738	3,859,683
Other taxes	343,289	-	343,289	5,141
Accounts	1,375,185	1,360,155	2,735,340	-
Loans	905,054	-	905,054	-
Other	1,370,947	3,868	1,374,815	-
Due from other governments	1,662,440	-	1,662,440	-
Internal balances	(545,075)	545,075	-	-
Inventories	429,436	74,951	504,387	-
Prepaid items	698,889	52,496	751,385	44,382
Property held for resale	380,000	-	380,000	-
Due from fiduciary funds	18,382	-	18,382	-
Capital Assets				
Capital assets not being depreciated	113,144,182	459,369	113,603,551	219,000
Capital assets being depreciated, net of accumulated depreciation	101,614,443	52,302,681	153,917,124	3,196,179
Total Assets	<u>299,905,519</u>	<u>62,509,477</u>	<u>362,414,996</u>	<u>9,676,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	68,701	500,109	568,810	-
Deferred outflows of resources related to pensions	10,576,993	998,694	11,575,687	1,072,564
Total Deferred Outflows of Resources	<u>10,645,694</u>	<u>1,498,803</u>	<u>12,144,497</u>	<u>1,072,564</u>
<b>LIABILITIES</b>				
Accounts payable	2,272,967	243,742	2,516,709	68,780
Accrued liabilities	1,697,242	82,481	1,779,723	95,679
Accrued interest payable	475,710	150,471	626,181	-
Deposits	953,263	-	953,263	-
Unearned revenue	1,839,321	301,770	2,141,091	-
Noncurrent Liabilities				
Due within one year	1,911,696	1,907,000	3,818,696	5,000
Due in more than one year	92,345,953	15,403,754	107,749,707	1,720,722
Total Liabilities	<u>101,496,152</u>	<u>18,089,218</u>	<u>119,585,370</u>	<u>1,890,181</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	2,020,708	13,156	2,033,864	14,003
Property taxes levied for future periods	25,526,738	-	25,526,738	3,859,683
Total Deferred Inflows of Resources	<u>27,547,446</u>	<u>13,156</u>	<u>27,560,602</u>	<u>3,873,686</u>
<b>NET POSITION</b>				
Net investment in capital assets	181,481,470	37,582,505	219,063,975	3,415,179
Restricted for				
Culture and recreation	3,608,444	-	3,608,444	-
Highways and streets	811,846	-	811,846	-
Public safety	547,826	-	547,826	-
Cemetery purposes	5,143,285	-	5,143,285	-
Affordable housing	702,211	-	702,211	-
Capital projects	6,491,161	-	6,491,161	-
Debt service	1,201,300	-	1,201,300	-
Unrestricted	(18,479,928)	8,323,401	(10,156,527)	1,569,802
<b>TOTAL NET POSITION</b>	<u>\$ 181,507,615</u>	<u>\$ 45,905,906</u>	<u>\$ 227,413,521</u>	<u>\$ 4,984,981</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF ACTIVITIES For the Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 11,675,363	\$ 8,191,440	\$ 241,616	\$ 280,675
Highway and streets	9,230,548	990,840	630,484	-
Sanitation	2,208,326	697,435	-	-
Culture and recreation	8,463,259	3,257,796	483,620	-
Public safety	16,360,830	1,552,567	12,731	-
Interest on long-term debt	<u>1,293,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>49,232,068</u>	<u>14,690,078</u>	<u>1,368,451</u>	<u>280,675</u>
Business-type Activities				
Waterworks and Sewerage	7,239,042	7,477,558	-	-
Deerpath Golf Course	<u>1,868,252</u>	<u>1,759,271</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>9,107,294</u>	<u>9,236,829</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 58,339,362</u>	<u>\$ 23,926,907</u>	<u>\$ 1,368,451</u>	<u>\$ 280,675</u>
Component Unit				
Lake Forest Library	<u>\$ 3,410,169</u>	<u>\$ 103,017</u>	<u>\$ 26,400</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property				
Home rule sales				
Utility				
Real estate transfer				
Other				
Intergovernmental				
Sales				
Income				
Telecommunication				
Replacement				
Other				
Investment income				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				

### Change in net position

NET POSITION - Beginning of Year (as restated)

### NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Lake Forest Library
\$ (2,961,632)	\$ -	\$ (2,961,632)	\$ -
(7,609,224)	-	(7,609,224)	-
(1,510,891)	-	(1,510,891)	-
(4,721,843)	-	(4,721,843)	-
(14,795,532)	-	(14,795,532)	-
(1,293,742)	-	(1,293,742)	-
(32,892,864)	-	(32,892,864)	-
-	238,516	238,516	-
-	(108,981)	(108,981)	-
-	129,535	129,535	-
(32,892,864)	129,535	(32,763,329)	-
-	-	-	(3,280,752)
25,006,224	-	25,006,224	3,871,122
658,551	-	658,551	-
2,195,830	-	2,195,830	-
1,288,175	-	1,288,175	-
174,760	-	174,760	-
2,230,755	-	2,230,755	-
2,251,828	-	2,251,828	-
1,355,661	-	1,355,661	-
115,251	-	115,251	27,435
224,220	6,033	230,253	-
145,329	40,362	185,691	15,717
35,646,584	46,395	35,692,979	3,914,274
(924,496)	924,496	-	-
34,722,088	970,891	35,692,979	3,914,274
1,829,224	1,100,426	2,929,650	633,522
179,678,391	44,805,480	224,483,871	4,351,459
<u>\$ 181,507,615</u>	<u>\$ 45,905,906</u>	<u>\$ 227,413,521</u>	<u>\$ 4,984,981</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2016

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,746,130	\$ 3,583,916	\$ 6,807,936	\$ 8,173,858	\$ 42,311,840
Investments	-	-	-	4,487,724	4,487,724
Property held for resale	-	-	-	380,000	380,000
Receivables (net)					
Property taxes	17,724,843	5,402,595	9,618	2,389,682	25,526,738
Other taxes	343,289	-	-	-	343,289
Accounts	498,560	219,904	656,721	-	1,375,185
Loans	905,054	-	-	-	905,054
Other	65,890	-	-	209,114	275,004
Due from other governments	1,612,648	5,698	-	44,094	1,662,440
Advances to other funds	166,819	-	-	-	166,819
Due from other funds	-	9,642	-	-	9,642
Due from fiduciary funds	-	-	-	18,382	18,382
Inventories	118,730	-	-	-	118,730
Prepaid items	81,621	-	-	28,539	110,160
<b>TOTAL ASSETS</b>	<b>\$ 45,263,584</b>	<b>\$ 9,221,755</b>	<b>\$ 7,474,275</b>	<b>\$ 15,731,393</b>	<b>\$ 77,691,007</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 605,858	\$ 260,569	\$ 938,044	\$ 70,258	\$ 1,874,729
Accrued liabilities	781,834	157,266	4,828	18,274	962,202
Deposits	919,188	75	22,000	12,000	953,263
Unearned revenue	1,449,668	378,494	8,624	-	1,836,786
Total Liabilities	<u>3,756,548</u>	<u>796,404</u>	<u>973,496</u>	<u>100,532</u>	<u>5,626,980</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for a future period	17,724,843	5,402,595	9,618	2,389,682	25,526,738
Unavailable revenues	-	-	520,374	33,019	553,393
Total Deferred Inflows of Resources	<u>17,724,843</u>	<u>5,402,595</u>	<u>529,992</u>	<u>2,422,701</u>	<u>26,080,131</u>
<b>Fund Balances</b>					
Nonspendable	1,272,224	-	-	408,539	1,680,763
Restricted	-	3,022,756	5,970,787	11,343,568	20,337,111
Assigned	-	-	-	1,456,053	1,456,053
Unassigned	22,509,969	-	-	-	22,509,969
Total Fund Balances	<u>23,782,193</u>	<u>3,022,756</u>	<u>5,970,787</u>	<u>13,208,160</u>	<u>45,983,896</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 45,263,584</b>	<b>\$ 9,221,755</b>	<b>\$ 7,474,275</b>	<b>\$ 15,731,393</b>	<b>\$ 77,691,007</b>

See accompanying notes to financial statements.

## CITY OF LAKE FOREST

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2016

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Total Fund Balances - Governmental Funds	\$ 45,983,896
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III. C.	214,758,625
Less amount reported in internal service funds below.	(18,523)

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.	553,393
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	10,576,993
Less amount reported in internal service funds below.	(343,367)

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(2,020,708)
Less amount reported in internal service funds below.	4,503

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	(43,047,261)
Compensated absences	(1,730,744)
Accrued interest	(475,710)
Unamortized debt discount	45,482
Unamortized debt premium	(165,507)
Net pension liability	(49,075,081)
Other post-employment obligation	(284,538)
Less amount reported in internal service funds below.	552,825

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.	68,701
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The net position of the internal service funds are included in the governmental activities in the Statement of Net Position.	<u>6,124,636</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 181,507,615</u></b>
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# CITY OF LAKE FOREST

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

For the Year Ended April 30, 2016

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes:					
Property	\$ 17,430,405	\$ 5,312,553	\$ 9,764	\$ 2,253,502	\$ 25,006,224
Other	2,885,141	-	1,360,175	72,000	4,317,316
Intergovernmental	6,145,512	32,203	-	502,478	6,680,193
Licenses and permits	5,222,568	-	-	-	5,222,568
Fines, forfeitures and penalties	254,563	-	-	5,844	260,407
Charges for services	3,074,032	2,742,899	885,529	1,804,296	8,506,756
Grants and contributions	-	232,426	364,297	459,800	1,056,523
Investment income	99,319	23,261	23,716	(30,856)	115,440
Miscellaneous	777,621	1,511	-	27	779,159
Total Revenues	<u>35,889,161</u>	<u>8,344,853</u>	<u>2,643,481</u>	<u>5,067,091</u>	<u>51,944,586</u>
<b>EXPENDITURES</b>					
Current					
General government	9,624,910	-	65,947	1,120,551	10,811,408
Highways and streets	2,157,463	-	-	-	2,157,463
Sanitation	2,276,433	-	-	-	2,276,433
Culture and recreation	-	7,864,490	-	486,394	8,350,884
Public safety	14,879,565	-	-	211,147	15,090,712
Capital Outlay	1,789,865	560,480	6,362,271	2,267,710	10,980,326
Debt Service					
Principal retirement	173,360	-	-	1,618,219	1,791,579
Interest and fiscal charges	-	-	-	1,293,634	1,293,634
Total Expenditures	<u>30,901,596</u>	<u>8,424,970</u>	<u>6,428,218</u>	<u>6,997,655</u>	<u>52,752,439</u>
Excess (deficiency) of revenues over expenditures	<u>4,987,565</u>	<u>(80,117)</u>	<u>(3,784,737)</u>	<u>(1,930,564)</u>	<u>(807,853)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	-	-	4,690,000	5,090,000	9,780,000
Premium on debt issued	-	-	45,960	60,424	106,384
Transfers in	-	381,021	1,618,719	846,581	2,846,321
Transfers out	(2,551,741)	(46,000)	-	(297,580)	(2,895,321)
Proceeds from capital asset sales	-	1,573	67,851	3,800	73,224
Loan proceeds	830,080	-	-	-	830,080
Total Other Financing Sources (Uses)	<u>(1,721,661)</u>	<u>336,594</u>	<u>6,422,530</u>	<u>5,703,225</u>	<u>10,740,688</u>
<b>Net Change in Fund Balances</b>	3,265,904	256,477	2,637,793	3,772,661	9,932,835
FUND BALANCES - Beginning of Year	<u>20,516,289</u>	<u>2,766,279</u>	<u>3,332,994</u>	<u>9,435,499</u>	<u>36,051,061</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 23,782,193</u>	<u>\$ 3,022,756</u>	<u>\$ 5,970,787</u>	<u>\$ 13,208,160</u>	<u>\$ 45,983,896</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2016

Net change in fund balances - total governmental funds	\$ 9,932,835
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	5,613,260
Depreciation is reported in the government-wide financial statements	(6,036,125)
Proceeds from the sales of capital assets are recorded as revenue in the governmental funds, however the gain (loss) on sale is recorded in the statement of activities	(35,711)
Less amount reported in internal service funds below	4,805
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Unavailable revenue	11,313
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.	
Debt issued	(10,610,080)
Principal repaid	1,791,579
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt discount	(6,571)
Debt premium	(83,312)
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	73,138
Accrued interest on debt	12,992
Amortization of deferred charge on refunding	(29,602)
Net pension liability	(7,219,018)
Deferred outflows of resources related to pensions	10,151,426
Deferred inflows of resources related to pensions	(2,020,708)
Other post-employment benefits	(55,062)
Less amount reported in internal service funds below	(104,218)
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	438,283
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,829,224</b>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 7,253,142	\$ 457,740	\$ 7,710,882	\$ 6,182,045
Receivables				
Accounts	1,354,873	5,282	1,360,155	-
Other	3,868	-	3,868	1,095,943
Inventories	-	74,951	74,951	310,706
Prepaid items	-	52,496	52,496	588,729
Total Current Assets	<u>8,611,883</u>	<u>590,469</u>	<u>9,202,352</u>	<u>8,177,423</u>
Noncurrent Assets				
Capital Assets				
Capital assets not being depreciated	363,852	95,517	459,369	-
Capital assets being depreciated	102,530,006	4,002,746	106,532,752	48,047
Less: Accumulated depreciation	<u>(51,509,765)</u>	<u>(2,720,306)</u>	<u>(54,230,071)</u>	<u>(29,524)</u>
Total Noncurrent Assets	<u>51,384,093</u>	<u>1,377,957</u>	<u>52,762,050</u>	<u>18,523</u>
Total Assets	<u>59,995,976</u>	<u>1,968,426</u>	<u>61,964,402</u>	<u>8,195,946</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	476,379	23,730	500,109	-
Deferred outflows of resources related to pensions	<u>994,296</u>	<u>4,398</u>	<u>998,694</u>	<u>343,367</u>
Total Deferred Outflows of Resources	<u>1,470,675</u>	<u>28,128</u>	<u>1,498,803</u>	<u>343,367</u>

See accompanying notes to financial statements.



# CITY OF LAKE FOREST

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	133,772	109,970	243,742	398,238
Accrued liabilities	60,109	22,372	82,481	735,040
Accrued interest payable	143,405	7,066	150,471	-
Unearned revenue	19,767	282,003	301,770	2,535
General obligation bonds	1,822,000	80,000	1,902,000	-
Compensated absences	4,981	19	5,000	-
Due to other funds	-	9,642	9,642	-
Total Current Liabilities	<u>2,184,034</u>	<u>511,072</u>	<u>2,695,106</u>	<u>1,135,813</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	13,128,615	649,039	13,777,654	-
Compensated absences	191,078	686	191,764	61,879
Net pension liability	1,428,058	6,278	1,434,336	490,946
Other Liabilities				
Advances from other funds	<u>166,819</u>	<u>-</u>	<u>166,819</u>	<u>-</u>
Total Noncurrent Liabilities	<u>14,914,570</u>	<u>656,003</u>	<u>15,570,573</u>	<u>552,825</u>
Total Liabilities	<u>17,098,604</u>	<u>1,167,075</u>	<u>18,265,679</u>	<u>1,688,638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	<u>13,098</u>	<u>58</u>	<u>13,156</u>	<u>4,503</u>
Total Deferred Inflows of Resources	<u>13,098</u>	<u>58</u>	<u>13,156</u>	<u>4,503</u>
<b>NET POSITION</b>				
Net investment in capital assets	36,909,857	672,648	37,582,505	18,523
Unrestricted	<u>7,445,092</u>	<u>156,773</u>	<u>7,601,865</u>	<u>6,827,649</u>
<b>TOTAL NET POSITION</b>	<u>\$ 44,354,949</u>	<u>\$ 829,421</u>	<u>\$ 45,184,370</u>	<u>\$ 6,846,172</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>721,536</u>	
Net Position of Business-type Activities reported in the government-wide statement of net position.			<u>\$ 45,905,906</u>	

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

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

For the Year Ended April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,316,716	\$ 1,757,036	\$ 9,073,752	\$ 8,726,073
Connection fees	153,481	-	153,481	-
Miscellaneous	<u>7,361</u>	<u>2,235</u>	<u>9,596</u>	-
Total Operating Revenues	<u>7,477,558</u>	<u>1,759,271</u>	<u>9,236,829</u>	<u>8,726,073</u>
<b>OPERATING EXPENSES</b>				
General and administrative	1,856,453	623,030	2,479,483	8,294,924
Operations and maintenance	2,254,159	1,087,518	3,341,677	-
Depreciation and amortization	<u>2,648,444</u>	<u>144,117</u>	<u>2,792,561</u>	<u>4,805</u>
Total Operating Expenses	<u>6,759,056</u>	<u>1,854,665</u>	<u>8,613,721</u>	<u>8,299,729</u>
Operating Income (Loss)	<u>718,502</u>	<u>(95,394)</u>	<u>623,108</u>	<u>426,344</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	38,186	2,176	40,362	29,889
Gain on disposal of capital assets	3,792	-	3,792	-
Interest expense	<u>(491,794)</u>	<u>(17,488)</u>	<u>(509,282)</u>	-
Total Nonoperating Revenues (Expenses)	<u>(449,816)</u>	<u>(15,312)</u>	<u>(465,128)</u>	<u>29,889</u>
Income (Loss) Before Contributions and Transfers	<u>268,686</u>	<u>(110,706)</u>	<u>157,980</u>	<u>456,233</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	875,496	-	875,496	-
Transfers in	<u>3,000</u>	<u>46,000</u>	<u>49,000</u>	-
Total Contributions and Transfers	<u>878,496</u>	<u>46,000</u>	<u>924,496</u>	-
<b>Change in Net Position</b>	1,147,182	(64,706)	1,082,476	456,233
NET POSITION - Beginning of Year (as restated)	<u>43,207,767</u>	<u>894,127</u>	<u>44,101,894</u>	<u>6,389,939</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 44,354,949</u>	<u>\$ 829,421</u>	45,184,370	<u>\$ 6,846,172</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>17,950</u>	
Change in Net Position of Business-type Activities reported in the government-wide statement of activities.			<u>\$ 1,100,426</u>	

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	Waterworks and Sewerage	Nonmajor Enterprise Fund - Deerpath Golf Course	Totals	Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 7,311,726	\$ 1,630,620	\$ 8,942,346	\$ -
Received from interfund charges	-	-	-	8,603,785
Paid to suppliers for goods and services	(2,353,518)	(1,173,950)	(3,527,468)	(7,763,823)
Paid to employees	(2,178,155)	(613,176)	(2,791,331)	(780,558)
Net Cash Flows From Operating Activities	<u>2,780,053</u>	<u>(156,506)</u>	<u>2,623,547</u>	<u>59,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<u>41,978</u>	<u>2,176</u>	<u>44,154</u>	<u>29,889</u>
Net Cash Flows From Investing Activities	<u>41,978</u>	<u>2,176</u>	<u>44,154</u>	<u>29,889</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	<u>(163,821)</u>	<u>55,642</u>	<u>(108,179)</u>	-
Net Cash Flows From Noncapital Financing Activities	<u>(163,821)</u>	<u>55,642</u>	<u>(108,179)</u>	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid	(1,795,000)	(82,000)	(1,877,000)	-
Interest paid	(412,080)	(13,432)	(425,512)	-
Acquisition and construction of capital assets	<u>(1,015,388)</u>	<u>(86,412)</u>	<u>(1,101,800)</u>	-
Net Cash Flows From Capital and Related Financing Activities	<u>(3,222,468)</u>	<u>(181,844)</u>	<u>(3,404,312)</u>	-
<b>Net Change in Cash and Cash Equivalents</b>	(564,258)	(280,532)	(844,790)	89,293
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,817,400</u>	<u>738,272</u>	<u>8,555,672</u>	<u>6,092,752</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 7,253,142</u>	<u>\$ 457,740</u>	<u>\$ 7,710,882</u>	<u>\$ 6,182,045</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 718,502	\$ (95,394)	\$ 623,108	\$ 426,344
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	2,648,444	144,117	2,792,561	4,805
Changes in assets and liabilities				
Accounts receivable	(168,616)	795	(167,821)	(124,823)
Inventories	-	8,375	8,375	(238,405)
Prepaid items	355	(41,863)	(41,508)	34,830
Deferred outflows related to pensions	(934,244)	494	(933,750)	(321,562)
Accounts payable	(99,714)	(52,944)	(152,658)	39,719
Accrued salaries	(15,833)	6,641	(9,192)	18,617
Net pension liability	612,879	2,695	615,574	210,699
Deferred inflows related to pensions	13,098	58	13,156	4,503
Unearned revenue	2,784	(129,446)	(126,662)	2,535
Compensated absences	<u>2,398</u>	<u>(34)</u>	<u>2,364</u>	<u>2,142</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 2,780,053</u>	<u>\$ (156,506)</u>	<u>\$ 2,623,547</u>	<u>\$ 59,404</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets contributed by Governmental Activities	<u>\$ 875,496</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2016

	Private Purpose Trust	Pension Trusts	Agency Fund
<b>ASSETS</b>			
Cash	\$ -	\$ 12,389	\$ 60,174
Money markets	9,468	1,220,413	-
Investments			
U.S. treasury obligations	-	12,367,304	-
U.S. government agencies	-	3,835,773	-
Municipal/corporate bonds	-	7,234,830	-
Common stock	486,352	1,196,746	-
Equity mutual funds	-	31,531,371	-
Real estate investment fund	-	1,731,650	-
Other	344	161,476	-
Prepaid items	-	22,253	-
Total Assets	<u>496,164</u>	<u>59,314,205</u>	<u>60,174</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,684	\$ 12,968	\$ -
Due to primary government	18,382	-	-
Due to special assessment districts	-	-	60,174
Total Liabilities	<u>21,066</u>	<u>12,968</u>	<u>60,174</u>
<b>NET POSITION</b>			
Restricted for pension benefits	\$ -	\$ 59,301,237	\$ -
Restricted for other purposes	<u>475,098</u>	<u>-</u>	<u>-</u>
<b>TOTAL NET POSITION</b>	<u>\$ 475,098</u>	<u>\$ 59,301,237</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2016

	Private Purpose Trust	Pension Trusts
<b>ADDITIONS</b>		
Contributions		
Employer	\$ -	\$ 3,022,855
Employee	-	671,162
Miscellaneous	-	3,311
Total Contributions	<u>-</u>	<u>3,697,328</u>
Investment income		
Interest	10,160	1,264,396
Net appreciation (depreciation) in fair value of investments	<u>(26,198)</u>	<u>(1,478,589)</u>
Total Investment Income	(16,038)	(214,193)
Less Investment expense	-	204,338
Net Investment Income	<u>(16,038)</u>	<u>(418,531)</u>
Total Additions	<u>(16,038)</u>	<u>3,278,797</u>
<b>DEDUCTIONS</b>		
Pension benefits and refunds	-	4,251,635
Other administrative expenses	<u>30,427</u>	<u>9,670</u>
Total Deductions	<u>30,427</u>	<u>4,261,305</u>
 <b>Change in Net Position</b>	 (46,465)	 (982,508)
 NET POSITION - Beginning of Year	 <u>521,563</u>	 <u>60,283,745</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 475,098</u>	 <u>\$ 59,301,237</u>

See accompanying notes to financial statements.

# CITY OF LAKE FOREST

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### ***A. REPORTING ENTITY***

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

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



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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#### **A. REPORTING ENTITY (cont.)**

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

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

#### ***Discretely Presented Component Unit***

##### *Lake Forest Library*

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented May 1, 2015.

#### ***Government-Wide Financial Statements***

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

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

#### ***Fund Financial Statements***

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

---

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

---

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

##### ***Fund Financial Statements (cont.)***

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major enterprise fund:

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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

##### ***Fund Financial Statements (cont.)***

The City reports the following nonmajor governmental and enterprise funds:

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

- Asset Forfeiture
- Foreign Fire Insurance Tax
- Emergency Telephone
- Parks and Public Land
- Motor Fuel Tax
- General Cemetery
- Senior Resources
- Housing Trust

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

Capital Projects Funds - 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.

- Route 60 Bridge Improvements
- Route 60 Intersection Improvements
- Laurel/Western Redevelopment TIF

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

- Deerpath Golf Course

In addition, the City reports the following fund types:

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

- Fleet
- Self Insurance
- Liability Insurance

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

---

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

##### ***Fund Financial Statements (cont.)***

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

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

Firefighters' Pension  
Police Pension

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

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

##### ***Government-Wide Financial Statements***

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

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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

##### ***Fund Financial Statements***

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

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

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Waterworks and Sewerage Fund and the Deerpath Golf Course Fund are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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

##### ***All Financial Statements***

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

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

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

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

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

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

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

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

- Common and preferred stock authorized for investments of trust funds under the laws of the State of Illinois limited to 35% of the fund's investments;
- General accounts of Illinois-licensed life insurance companies;



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate limited to 10% of the fund's investments;
- Bonds issued by any county, city, township, village, incorporated town, municipal corporation, or school district in Illinois; and
- Tax anticipation warrants issued by any city, township, village, incorporated town, or fire protection district in Illinois.

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

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.50%
Domestic Equities	36%	6.00%
International Equities	18%	6.30%
Real Estate	10%	5.40%
Cash	1%	0.30%

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

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
Ultra-Short Fixed Income	2.6%	1.0%
US Fixed Income	39.5%	2.7%
High Yield	2.4%	6.5%
US Large Cap Growth Equity	16.8%	8.0%
US Large Cap Value Equity	13.4%	7.7%
US Mid Cap Value Equity	2.8%	9.0%
US Mid Cap Value Equity	11.7%	8.3%
US Small Cap Value Equity	1.3%	9.1%
Europe Equity	5.9%	7.5%
Japan Equity	1.9%	7.4%
Equity Return Assets	1.7%	4.7%

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

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

See Note III. A. for further information.

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables***

Tax bills for levy year 2015 are prepared by Lake County and issued in May 2016 and are payable in two installments, on or about June 1, 2016 and September 1, 2016 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2015 property tax levy is recognized as a receivable and deferral in fiscal 2016, net the 1.5% allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2016, the property taxes receivable and property taxes levied for future periods consisted of the estimated amount collectible from the 2015 levy.

Property taxes for levy year 2016 attaches as an enforceable lien on January 1, 2016, 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 2016 tax levy, which attached as an enforceable lien on the property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016, as the tax has not yet been levied by the City and will not be levied until December 2016, and therefore, the levy is not measurable at April 30, 2016.

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

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories are recorded at cost. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

##### ***4. Capital Assets***

###### ***Government-Wide Statements***

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***4. Capital Assets (cont.)***

###### ***Government-Wide Statements (cont.)***

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

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

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

###### ***Fund Financial Statements***

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

##### ***5. Deferred Outflows of Resources***

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

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

###### ***6. Compensated Absences***

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

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

###### ***7. Long-Term Obligations***

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

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

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

###### ***8. Deferred Inflows of Resources***

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications***

##### ***Government-Wide Statements***

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

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

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

##### ***Fund Statements***

Governmental fund balances are displayed as follows:

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

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

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

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

See Note III. F. for further information.

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### ***A. BUDGETARY INFORMATION***

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

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



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 48,015,921	\$ 48,775,387	Custodial Credit Risk - Deposits
U.S. government agencies - explicitly guaranteed	3,828,718	3,828,718	Custodial Credit Risk - Investments, Interest Rate Risk
U.S. government agencies - implicitly guaranteed	292,928	292,928	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Mutual funds - other than bonds	32,484,634	32,484,634	N/A
U.S. treasury obligations	13,380,917	13,380,917	Custodial Credit Risk - Investments, Interest Rate Risk
Real estate investment fund	1,731,650	1,731,650	Custodial Credit Risk - Investments
Corporate bonds	6,896,931	6,896,931	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk, Foreign Currency Risk
Municipal bonds	337,899	337,899	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Illinois funds	10,716,028	10,716,028	Credit Risk
Equity securities	4,395,501	4,395,501	Custodial Credit Risk - Investments, Foreign Currency Risk
Mutual funds - bond funds	639,108	639,108	Credit Risk, Interest Rate Risk, Foreign Currency Risk
Petty cash	10,625	-	N/A
Total Deposits and Investments	<u>\$122,730,860</u>	<u>\$123,479,701</u>	

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### **A. DEPOSITS AND INVESTMENTS (cont.)**

###### Reconciliation to financial statements

###### Per statement of net position

Cash and cash equivalents - primary government	\$ 56,204,767
Investments - primary government	4,487,724
Cash and cash equivalents - Lake Forest Library	2,351,899

###### Per statement of net position - fiduciary funds

Private Purpose Trust - money markets	9,468
Private Purpose Trust - common stock	486,352
Agency Fund - cash	60,174
Pension Trusts - cash	12,389
Pension Trusts - money markets	1,220,413
Pension Trusts - U.S. treasury obligations	12,367,304
Pension Trusts - U.S. government agencies	3,835,773
Pension Trusts - Municipal/corporate bonds	7,234,830
Pension Trusts - common stock	1,196,746
Pension Trusts - equity mutual funds	31,531,371
Pension Trusts - real estate investment fund	<u>1,731,650</u>

Total Deposits and Investments \$122,730,860

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.

##### ***Custodial Credit Risk***

###### **Deposits**

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

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### **A. DEPOSITS AND INVESTMENTS** (cont.)

##### ***Custodial Credit Risk*** (cont.)

##### **Investments**

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

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

##### ***Credit Risk***

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

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

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

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

As of April 30, 2016, the City's investments were rated as follows:

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### *Interest Rate Risk*

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

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

As of April 30, 2016, the City's investments were as follows:

##### Police Pension Fund

Investment Type	Fair Value	Maturity		
		Less than one year	1 - 5 years	6-10 years
U.S. treasury obligations	\$ 9,388,651	\$ 90,256	\$ 6,030,191	\$ 3,268,204
U.S. government agencies	768,784	206,800	546,303	15,681
Corporate bonds	<u>1,078,672</u>	<u>378,966</u>	<u>562,832</u>	<u>136,874</u>
Totals	<u>\$ 11,236,107</u>	<u>\$ 676,022</u>	<u>\$ 7,139,326</u>	<u>\$ 3,420,759</u>

##### Firefighters' Pension Fund

Investment Type	Fair Value	Maturity			
		Less than one year	1 - 5 years	6 - 10 years	More than 10 years
U.S. treasury obligation	\$ 3,992,266	\$ 1,117,606	\$ 1,350,390	\$ 1,524,270	\$ -
U.S. government agencies	3,273,789	51,330	844,061	954,129	1,424,269
Municipal bonds	337,899	75,073	163,215	99,611	-
Corporate bonds	<u>5,818,259</u>	<u>177,785</u>	<u>3,782,429</u>	<u>1,725,552</u>	<u>132,493</u>
Totals	<u>\$ 13,422,213</u>	<u>\$ 1,421,794</u>	<u>\$ 6,140,095</u>	<u>\$ 4,303,562</u>	<u>\$ 1,556,762</u>

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

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##### **A. DEPOSITS AND INVESTMENTS (cont.)**

The City also has \$79,073 invested in U.S. government agencies and \$639,108 invested in mutual funds - bond funds that have a maturity of less than one year.

##### ***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. To diversify risk, the Firefighters' Pension Fund uses an equity asset allocation that incorporates a variety of management styles. The allocations are reviewed quarterly and rebalanced if necessary. To diversify risk, the Police Pension funds are well diversified across international regions.

At April 30, 2016, the City was exposed to foreign currency risk as follows:

<u>Investment</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Fair Value</u>
William Blair Funds International - General Cemetery	Various	N/A	\$ 812,045
William Blair Funds International - Cemetery Trust	Various	N/A	141,218
Vanguard Star - Fire Pension	Various	N/A	1,465,560
Franklin Mutual European Z - Fire Pension	Various	N/A	1,155,359
Dodge & Cox International Stock Fund - Police Pension	Various	N/A	2,408,098
Vanguard International Fund - Police Pension	Various	N/A	1,435,303
Foreign Stock Issues - Police Pension	Various	N/A	<u>71,206</u>
Total			<u>\$ 7,488,789</u>

##### ***Money-Weighted Rate of Return***

###### ***Police Pension Fund***

For the year ended April 30, 2016, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was (1.44)%. 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, 2016, the annual money-weighted rate of return on the firefighters' pension plan investments, net of pension plan investment expense, was 0.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year, with the exception of the City's loans receivables. The City receives annual principal payments on the loans through fiscal year 2019.

#### C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land and land improvements	\$ 45,303,412	\$ 1,100,000	\$ -	\$ 46,403,412
Infrastructure - land	66,740,770	-	-	66,740,770
Construction in progress	637,762	-	637,762	-
Total Capital Assets Not Being Depreciated	112,681,944	1,100,000	637,762	113,144,182
Capital assets being depreciated				
Infrastructure	181,891,620	26,819	-	181,918,439
Buildings	32,137,757	211,685	-	32,349,442
Improvements other than buildings	30,633,219	2,975,000	-	33,608,219
Machinery and equipment	16,152,958	1,937,518	965,559	17,124,917
Total Capital Assets Being Depreciated	260,815,554	5,151,022	965,559	265,001,017
Total Capital Assets	373,497,498	6,251,022	1,603,321	378,145,199
Less: Accumulated depreciation for				
Infrastructure	(122,156,482)	(2,784,217)	-	(124,940,699)
Buildings	(11,312,988)	(751,843)	-	(12,064,831)
Improvements other than buildings	(12,373,844)	(1,507,950)	-	(13,881,794)
Machinery and equipment	(12,436,983)	(992,115)	929,848	(12,499,250)
Total Accumulated Depreciation	(158,280,297)	(6,036,125)	929,848	(163,386,574)
Net Capital Assets Being Depreciated	102,535,257	(885,103)	35,711	101,614,443
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 215,217,201	\$ 214,897	\$ 673,473	\$ 214,758,625

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 1,864,739
Highways and streets	2,912,177
Sanitation	126,779
Culture and recreation	950,783
Public safety	<u>181,647</u>

Total Governmental Activities Depreciation Expense	<u><u>\$ 6,036,125</u></u>
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	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 459,369	\$ -	\$ -	\$ 459,369
Construction in progress	<u>954,586</u>	<u>-</u>	<u>954,586</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,413,955</u>	<u>-</u>	<u>954,586</u>	<u>459,369</u>
Capital assets being depreciated				
Buildings	27,021,790	-	-	27,021,790
Improvements other than buildings	42,476,163	1,923,168	6,916	44,392,415
Machinery and equipment	4,750,795	135,456	104,945	4,781,306
Sanitary sewers and related property	<u>29,461,745</u>	<u>875,496</u>	<u>-</u>	<u>30,337,241</u>
Total Capital Assets Being Depreciated	<u>103,710,493</u>	<u>2,934,120</u>	<u>111,861</u>	<u>106,532,752</u>
Total Capital Assets	<u>105,124,448</u>	<u>2,934,120</u>	<u>1,066,447</u>	<u>106,992,121</u>
Less: Accumulated depreciation for				
Buildings	(12,593,257)	(1,003,570)	-	(13,596,827)
Improvements other than buildings	(19,783,787)	(1,001,665)	4,675	(20,780,777)
Machinery and equipment	(3,050,144)	(218,277)	104,945	(3,163,476)
Sanitary sewers and related property	<u>(16,119,942)</u>	<u>(569,049)</u>	<u>-</u>	<u>(16,688,991)</u>
Total Accumulated Depreciation	<u>(51,547,130)</u>	<u>(2,792,561)</u>	<u>109,620</u>	<u>(54,230,071)</u>
Net Capital Assets Being Depreciated	<u>52,163,363</u>	<u>141,559</u>	<u>2,241</u>	<u>52,302,681</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 53,577,318</u></u>	<u><u>\$ 141,559</u></u>	<u><u>\$ 956,827</u></u>	<u><u>\$ 52,762,050</u></u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Component Unit - Lake Forest Library</b>				
Capital assets not being depreciated				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	149,000	-	-	149,000
Total Capital Assets Not Being Depreciated	<u>219,000</u>	<u>-</u>	<u>-</u>	<u>219,000</u>
Capital assets being depreciated				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	2,331,505	-	-	2,331,505
Machinery and equipment	3,854,882	368,439	319,744	3,903,577
Total Capital Assets Being Depreciated	<u>7,367,294</u>	<u>368,439</u>	<u>319,744</u>	<u>7,415,989</u>
Total Capital Assets	<u>7,586,294</u>	<u>368,439</u>	<u>319,744</u>	<u>7,634,989</u>
Less: Accumulated depreciation for				
Buildings	(654,166)	(23,338)	-	(677,504)
Improvements other than buildings	(1,074,456)	(162,935)	-	(1,237,391)
Machinery and equipment	(2,278,425)	(346,234)	319,744	(2,304,915)
Total Accumulated Depreciation	<u>(4,007,047)</u>	<u>(532,507)</u>	<u>319,744</u>	<u>(4,219,810)</u>
Net Capital Assets Being Depreciated	<u>3,360,247</u>	<u>(164,068)</u>	<u>-</u>	<u>3,196,179</u>
Total Component Unit Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,579,247</u>	<u>\$ (164,068)</u>	<u>\$ -</u>	<u>\$ 3,415,179</u>



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### *D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS*

##### *Interfund Receivables/Payables*

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
Parks and Recreation	Deerpath Golf Course	\$ 9,642
Total - Fund Financial Statements		\$ 9,642
Less: Interfund receivables created with internal service fund eliminations		(721,536)
Add: Interfund advances		166,819
Total Internal Balances - Government-Wide Statement of Net Position		\$ (545,075)

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 general fund advanced funds to Waterworks and Sewerage Fund resulting from past operating transactions between funds. The balance will be repaid in the next fiscal year.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Waterworks and Sewerage	\$ 166,819	\$ -
Total		\$ 166,819	

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### *D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)*

##### **Transfers**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Capital improvements	General	\$ 1,321,139	Transfer for capital outlay
Parks and recreation	General	381,021	Transfer for operations
Nonmajor government	General	846,581	Transfer for operations and debt service
Waterworks and sewerage	General	3,000	Transfer for operations
Capital improvements	Nonmajor government	297,580	Transfer for capital outlay
Deerpath golf course	Parks and recreation	<u>46,000</u>	Transfer for operations
Total - Fund Financial Statements		2,895,321	
Less: Government-wide eliminations		(2,846,321)	
Plus: Capital contribution from Governmental Activities to Business-type Activities		<u>875,496</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 924,496</u></u>	

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### ***E. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended April 30, 2016, was as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 34,228,760	\$ 9,780,000	\$ 1,618,219	\$ 42,390,541	\$ 1,628,336
Notes payable	-	830,080	173,360	656,720	173,360
Premiums	82,195	106,385	23,073	165,507	-
Discount	(52,053)	-	(6,571)	(45,482)	-
Sub-totals	<u>34,258,902</u>	<u>10,716,465</u>	<u>1,808,081</u>	<u>43,167,286</u>	<u>1,801,696</u>
Other Liabilities					
Compensated absences	1,803,882	2,014,768	2,087,906	1,730,744	110,000
Other postemployment benefits	229,476	55,062	-	284,538	-
Net pension liability	<u>41,856,063</u>	<u>7,219,018</u>	<u>-</u>	<u>49,075,081</u>	<u>-</u>
Total Other Liabilities	<u>43,889,421</u>	<u>9,288,848</u>	<u>2,087,906</u>	<u>51,090,363</u>	<u>110,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 78,148,323</u>	<u>\$ 20,005,313</u>	<u>\$ 3,895,987</u>	<u>\$ 94,257,649</u>	<u>\$ 1,911,696</u>
<b>Business-type Activities</b>					
Bonds Payable					
General obligation bonds	\$ 17,398,000	\$ -	\$ 1,877,000	\$ 15,521,000	\$ 1,902,000
Premium	<u>204,838</u>	<u>-</u>	<u>46,184</u>	<u>158,654</u>	<u>-</u>
Sub-totals	<u>17,602,838</u>	<u>-</u>	<u>1,923,184</u>	<u>15,679,654</u>	<u>1,902,000</u>
Other Liabilities					
Compensated absences	194,400	216,326	213,962	196,764	5,000
Net pension liability	<u>818,762</u>	<u>615,574</u>	<u>-</u>	<u>1,434,336</u>	<u>-</u>
Total Other Liabilities	<u>1,013,162</u>	<u>831,900</u>	<u>213,962</u>	<u>1,631,100</u>	<u>5,000</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 18,616,000</u>	<u>\$ 831,900</u>	<u>\$ 2,137,146</u>	<u>\$ 17,310,754</u>	<u>\$ 1,907,000</u>
<b>Component Unit - Lake Forest Library</b>					
Compensated absences	\$ 191,801	\$ 170,770	\$ 212,384	\$ 150,187	\$ 5,000
Capital leases	25,538	-	25,538	-	-
Other postemployment benefits	31,114	17,657	-	48,771	-
Net pension liability	<u>871,523</u>	<u>655,241</u>	<u>-</u>	<u>1,526,764</u>	<u>-</u>
Total Other Liabilities	<u>1,119,976</u>	<u>843,668</u>	<u>237,922</u>	<u>1,725,722</u>	<u>5,000</u>
Total Component Unit Long-Term Liabilities	<u>\$ 1,119,976</u>	<u>\$ 843,668</u>	<u>\$ 237,922</u>	<u>\$ 1,725,722</u>	<u>\$ 5,000</u>

#### ***General Obligation Bonds***

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### *E. LONG-TERM OBLIGATIONS* (cont.)

#### *General Obligation Bonds* (cont.)

##### **Governmental Activities**

<u>General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance April 30, 2016</u>
Special Service Area 25	5/1/2003	12/15/2022	1.95-2.95%	\$ 1,050,000	\$ 470,000
Special Service Area 26	10/7/2003	12/15/2022	2.50-3.40%	276,500	126,706
Special Service Area 29	12/20/2004	12/15/2023	2.55-3.65%	2,000,000	1,029,835
			3.375-		
2008 Series	4/15/2008	12/15/2027	3.875%	9,750,000	6,685,000
2009 Series	5/14/2009	12/15/2028	2.00-4.10%	3,680,000	2,855,000
2010 Series B	5/12/2010	12/15/2032	5.75%	3,000,000	3,000,000
2010 Series C	5/12/2010	12/15/2029	3.00-5.50%	5,425,000	5,125,000
2011 Series B	9/6/2011	12/15/2023	1.00-3.00%	4,470,000	3,784,000
2013 Series	9/16/2013	12/15/2032	2.00-4.00%	9,715,000	9,535,000
2015 Series	8/3/2015	12/15/2036	2.50-3.75%	9,780,000	<u>9,780,000</u>

Total Governmental Activities - General Obligation Bonds \$ 42,390,541

##### **Business-type Activities**

<u>General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance April 30, 2016</u>
2011 Series A	9/6/2011	12/15/2020	1.50-3.00%	\$ 1,195,000	\$ 645,000
2011 Series B	9/6/2011	12/15/2023	1.00-3.00%	20,355,000	<u>14,876,000</u>

Total Business-type Activities - General Obligation Bonds \$ 15,521,000

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### E. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Bonds (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Bonds		Business-type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 1,628,336	\$ 1,639,179	\$ 1,902,000	\$ 395,398
2018	1,898,796	1,499,590	1,952,000	357,358
2019	2,044,625	1,444,238	1,987,000	308,870
2020	2,365,850	1,382,945	2,067,000	259,520
2021	2,502,502	1,312,979	2,132,000	207,196
2022-2026	12,170,432	5,292,236	5,481,000	297,975
2027-2031	11,880,000	3,135,857	-	-
2032-2036	7,550,000	682,538	-	-
2037	350,000	13,125	-	-
Totals	<u>\$ 42,390,541</u>	<u>\$ 16,402,687</u>	<u>\$ 15,521,000</u>	<u>\$ 1,826,317</u>

##### Notes Payable

The City entered into a long term promissory note as a part of purchasing a parking lot during the fiscal year ended April 30, 2016. The note will be repaid from the General Fund.

Notes Payable at April 30, 2016 consist of the following:

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance April 30, 2016
Notes Payable					
2016 Promissory Note	5/21/2015	7/1/2017	0%	\$ 830,080	\$ 656,720
Total Governmental Activities Notes Payable					<u>\$ 656,720</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Notes Payable	
	Principal	Interest
2017	\$ 173,360	\$ -
2018	483,360	-
Totals	<u>\$ 656,720</u>	<u>\$ -</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### **E. LONG-TERM OBLIGATIONS (cont.)**

##### **Other Debt Information**

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

#### **F. FUND BALANCES**

##### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at April 30, 2016, include the following:

	<u>General Fund</u>	<u>Parks and Recreation Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Property held for resale	\$ -	\$ -	\$ -	\$ 380,000	\$ 380,000
Prepaid items	81,621	-	-	28,539	110,160
Inventories	118,730	-	-	-	118,730
Long-term loans receivable	905,054	-	-	-	905,054
Long-term advances	166,819	-	-	-	166,819
<b>Restricted for:</b>					
Culture and recreation	-	3,022,756	-	585,688	3,608,444
Highway and streets	-	-	-	802,328	802,328
Public safety - fire	-	-	-	186,448	186,448
Public safety - police	-	-	-	313,841	313,841
Cemetery perpetual care	-	-	-	5,138,786	5,138,786
Affordable housing	-	-	-	702,211	702,211
Capital projects	-	-	5,970,787	1,937,254	7,908,041
Debt service	-	-	-	1,677,012	1,677,012
<b>Assigned to:</b>					
Capital projects	-	-	-	1,456,053	1,456,053
<b>Unassigned:</b>	<u>22,509,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,509,969</u>
<b>Total Fund Balances</b>	<u><u>\$ 23,782,193</u></u>	<u><u>\$ 3,022,756</u></u>	<u><u>\$ 5,970,787</u></u>	<u><u>\$ 13,208,160</u></u>	<u><u>\$ 45,983,896</u></u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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

#### G. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit
Net Position - April 30, 2015 (as reported)	\$223,541,715	\$ 45,559,298	\$ 5,161,912
Less: Prior year Police and Firefighters' Pension net pension asset	(2,432,828)	-	-
Less: Net pension liability - IMRF	(5,670,599)	(818,762)	(871,523)
Add: Deferred outflows related to pensions - IMRF	425,567	64,944	61,070
Less: Net pension liability - Police Pension	(24,505,140)	-	-
Less: Net pension liability - Firefighters' Pension	(11,680,324)	-	-
Net position - April 30, 2015 (as restated)	<u>\$179,678,391</u>	<u>\$ 44,805,480</u>	<u>\$ 4,351,459</u>

	Waterworks and Sewerage Fund	Nonmajor Enterprise Fund - Deerpath Golf Course Fund	Internal Service Funds
Net Position - April 30, 2015 (as reported)	\$ 43,962,894	\$ 892,818	\$ 6,648,381
Less: Net pension liability - IMRF	(815,179)	(3,583)	(280,247)
Add: Deferred outflows related to pensions - IMRF	<u>60,052</u>	<u>4,892</u>	<u>21,805</u>
Net position - April 30, 2015 (as restated)	<u>\$ 43,207,767</u>	<u>\$ 894,127</u>	<u>\$ 6,389,939</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION

#### A. EMPLOYEES' RETIREMENT SYSTEM

##### 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 or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org](http://www.imrf.org).

**Plan membership.** At December 31, 2015, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	244
Inactive, non-retired members	181
Active members	<u>196</u>
Total	<u><u>621</u></u>



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** As set by statute, City employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's and Library's actuarially determined contribution rate for calendar year 2015 was 14.88% percent of annual covered payroll. The City and the Library also contributes 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, 2015, 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 assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included a 7.48% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.48%
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Price inflation	2.75%

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

**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	38%	8.85%	7.39%
International Equities	17%	9.55%	7.59%
Fixed income	27%	3.05%	3.00%
Real estate	8%	7.20%	6.00%
Alternatives	9%		
Private equity		13.15%	8.15%
Hedge funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash equivalents	1%	2.25%	2.25%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.48%. The discount rate calculated using the December 31, 2014 measurement date was 7.49%. 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 fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability. The year ending December 31, 2086 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City:			
Total pension liability	\$ 98,313,409	\$ 87,093,580	\$ 77,898,713
Plan fiduciary net pension	75,725,294	75,725,294	75,725,294
Net pension liability/(asset)	<u>\$ 22,588,115</u>	<u>\$ 11,368,286</u>	<u>\$ 2,173,419</u>
Library:			
Total pension liability	\$ 13,203,518	\$ 11,696,692	\$ 10,461,819
Plan fiduciary net pension	10,169,928	10,169,928	10,169,928
Net pension liability/(asset)	<u>\$ 3,033,590</u>	<u>\$ 1,526,764</u>	<u>\$ 291,891</u>
Total:			
Total pension liability	\$ 111,516,927	\$ 98,790,272	\$ 88,360,532
Plan fiduciary net pension	85,895,222	85,895,222	85,895,222
Net pension liability/(asset)	<u>\$ 25,621,705</u>	<u>\$ 12,895,050</u>	<u>\$ 2,465,310</u>

Changes in net pension liability/(asset). The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
City:			
Balances at December 31, 2014	\$ 96,324,203	\$ 89,834,842	\$ 6,489,361
Service cost	1,549,831	-	1,549,831
Interest on total pension liability	7,086,670	-	7,086,670
Differences between expected and actual experience of the total pension liability	796,382	-	796,382
Change of assumptions	103,436	-	103,436
Transfer of liability	(13,798,877)	-	(13,798,877)
Benefit payments, including refunds of employee contributions	(4,968,065)	(4,968,065)	-
Contributions - employer	-	1,757,095	(1,757,095)
Contributions - employee	-	664,444	(664,444)
Net investment income	-	442,808	(442,808)
Other (net transfer)	-	(12,005,830)	12,005,830
Balances at December 31, 2015	<u>\$ 87,093,580</u>	<u>\$ 75,725,294</u>	<u>\$ 11,368,286</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Library:			
Balances at December 31, 2014	\$ 12,936,367	\$ 12,064,844	\$ 871,523
Service cost	208,143	-	208,143
Interest on total pension liability	951,742	-	951,742
Differences between expected and actual experience of the total pension liability	106,954	-	106,954
Change of assumptions	13,891	-	13,891
Transfer of liability	(1,853,193)	-	(1,853,193)
Benefit payments, including refunds of employee contributions	(667,212)	(667,212)	-
Contributions - employer	-	235,978	(235,978)
Contributions - employee	-	89,235	(89,235)
Net investment income	-	59,469	(59,469)
Other (net transfer)	-	(1,612,386)	1,612,386
Balances at December 31, 2015	<u>\$ 11,696,692</u>	<u>\$ 10,169,928</u>	<u>\$ 1,526,764</u>
Total:			
Balances at December 31, 2014	\$ 109,260,570	\$ 101,899,686	\$ 7,360,884
Service cost	1,757,974	-	1,757,974
Interest on total pension liability	8,038,412	-	8,038,412
Differences between expected and actual experience of the total pension liability	903,336	-	903,336
Change of assumptions	117,327	-	117,327
Transfer of liability	(15,652,070)	-	(15,652,070)
Benefit payments, including refunds of employee contributions	(5,635,277)	(5,635,277)	-
Contributions - employer	-	1,993,073	(1,993,073)
Contributions - employee	-	753,679	(753,679)
Net investment income	-	502,277	(502,277)
Other (net transfer)	-	(13,618,216)	13,618,216
Balances at December 31, 2015	<u>\$ 98,790,272</u>	<u>\$ 85,895,222</u>	<u>\$ 12,895,050</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2016, the City recognized pension expense of \$2,515,161. The City reported deferred outflows and inflows of resources related to pension from the following sources:

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
City:		
Difference between expected and actual experience	\$ 549,794	\$ 104,269
Assumption changes	1,190,708	-
Net difference between projected and actual earnings on pension plan investments	5,678,431	-
Contributions subsequent to the measurement date	<u>503,281</u>	<u>-</u>
Total	<u>\$ 7,922,214</u>	<u>\$ 104,269</u>
Library:		
Difference between expected and actual experience	\$ 73,837	\$ 14,003
Assumption changes	159,913	-
Net difference between projected and actual earnings on pension plan investments	762,615	-
Contributions subsequent to the measurement date	<u>76,199</u>	<u>-</u>
Total	<u>\$ 1,072,564</u>	<u>\$ 14,003</u>
Total:		
Difference between expected and actual experience	\$ 623,631	\$ 118,272
Assumption changes	1,350,621	-
Net difference between projected and actual earnings on pension plan investments	6,441,046	-
Contributions subsequent to the measurement date	<u>579,480</u>	<u>-</u>
Total	<u>\$ 8,994,778</u>	<u>\$ 118,272</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, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$8,297,026) will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2016	\$ 2,680,476	\$ 359,989	\$ 3,040,465
2017	1,850,833	248,567	2,099,400
2018	1,543,493	207,292	1,750,785
2019	<u>1,239,862</u>	<u>166,514</u>	<u>1,406,376</u>
Total	<u>\$ 7,314,664</u>	<u>\$ 982,362</u>	<u>\$ 8,297,026</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension

**Plan description.** Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

*Tier 1* - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter

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

**Plan membership.** At April 30, 2016, the Police Pension membership consisted of:

Retirees and beneficiaries	39
Inactive, non-retired members	7
Active members	<u>40</u>
Total	<u><u>86</u></u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

**Contributions.** Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2016 was 48.04% of annual covered payroll.

**Net Pension Liability.** The net pension liability was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability 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, 2016 using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment and no projection and the RP-2000 Disabled Retiree Mortality table with no projection. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2012.

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

**Long-term expected real rate of return.** See Note I.D.1 for police pension fund investment policy, including target allocation and long-term expected real rate of returns.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 59,757,901	\$ 52,622,210	\$ 46,728,713
Plan fiduciary net position	<u>27,404,163</u>	<u>27,404,163</u>	<u>27,404,163</u>
Net pension liability	<u>\$ 32,353,738</u>	<u>\$ 25,218,047</u>	<u>\$ 19,324,550</u>



# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Police Pension (cont.)

**Changes in net pension liability/(asset).** The City's changes in net pension liability/(asset) for the fiscal year ended April 30, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a) - (b)
Balances at May 1, 2015	\$ 52,530,895	\$ 28,025,755	\$ 24,505,140
Service cost	883,178	-	883,178
Interest on total pension liability	3,657,765	-	3,657,765
Differences between expected and actual experience of the total pension liability	(2,129,040)	-	(2,129,040)
Benefit payments, including refunds of employee contributions	(2,320,588)	(2,320,588)	-
Contributions - employer	-	1,806,270	(1,806,270)
Contributions - employee	-	373,216	(373,216)
Net investment income	-	(475,655)	475,655
Administrative expenses	-	(4,835)	4,835
Balances at April 30, 2016	<u>\$ 52,622,210</u>	<u>\$ 27,404,163</u>	<u>\$ 25,218,047</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2016, the City recognized pension expense of \$2,361,236. 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	\$ -	\$ 1,774,200
Net difference between projected and actual earnings on pension plan investments	<u>1,932,141</u>	<u>-</u>
Total	<u>\$ 1,932,141</u>	<u>\$ 1,774,200</u>

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

##### **Police Pension** (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$157,941) will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	<u>Amount</u>
2017	\$ 128,196
2018	128,195
2019	128,195
2020	128,195
2021	<u>(354,840)</u>
Total	<u>\$ 157,941</u>

##### **Firefighters' Pension**

**Plan description.** Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

*Tier 1* - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Firefighters' Pension (cont.)

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

**Plan membership.** At April 30, 2016, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	37
Inactive, non-retired members	5
Active members	<u>31</u>
Total	<u><u>73</u></u>

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2016, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2016 was 41.59% of annual covered payroll.

**Net pension liability.** The net pension liability was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

##### **Firefighters' Pension** (cont.)

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions:

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

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment and no projection and the RP-2000 Disabled Retiree Mortality Table with no projection. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2012.

**Long-term expected real rate of return.** Seen Note I.D. 1 for Firefighters' Pension Fund investment policy, including target allocation and long-term expected real rate of return.

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

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Firefighters' Pension (cont.)

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

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 51,990,610	\$ 45,820,158	\$ 40,734,986
Plan fiduciary net position	31,897,074	31,897,074	31,897,074
Net pension liability	<u>\$ 20,093,536</u>	<u>\$ 13,923,084</u>	<u>\$ 8,837,912</u>

**Changes in net pension liability/(asset).** The City's changes in net pension liability/(asset) for the fiscal year ended April 30, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at May 1, 2015	\$ 43,938,314	\$ 32,257,990	\$ 11,680,324
Service cost	926,420	-	926,420
Interest on total pension liability	3,072,945	-	3,072,945
Differences between expected and actual experience of the total pension liability	(186,474)	-	(186,474)
Benefit payments, including refunds of employee contributions	(1,931,047)	(1,931,047)	-
Contributions - employer	-	1,216,585	(1,216,585)
Contributions - employee	-	298,046	(298,046)
Net investment income	-	60,335	(60,335)
Administration	-	(4,835)	4,835
Balances at April 30, 2016	<u>\$ 45,820,158</u>	<u>\$ 31,897,074</u>	<u>\$ 13,923,084</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Firefighters' Pension (cont.)

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended April 30, 2016, the City recognized pension expense of \$1,893,408. 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	\$ -	\$ 155,395
Assumption changes	-	-
Net difference between projected and actual earnings on pension plan investments	<u>1,721,332</u>	<u>-</u>
Total	<u>\$ 1,721,332</u>	<u>\$ 155,395</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$1,565,937) will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2017	\$ 399,254
2018	399,254
2019	399,254
2020	399,254
2021	<u>(31,079)</u>
Total	<u>\$ 1,565,937</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### PENSION SEGMENT INFORMATION

##### *Fiduciary Net Position*

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash	\$ 3,284	\$ 9,105	\$ 12,389
Money markets	206,800	1,013,613	1,220,413
Investments			
U.S. treasury obligations	9,388,651	2,978,653	12,367,304
U.S. government agencies	561,984	3,273,789	3,835,773
Municipal/corporate bonds	1,078,672	6,156,158	7,234,830
Equity mutual funds	13,179,094	18,352,277	31,531,371
Real estate investment fund	1,731,650	-	1,731,650
Common stock	1,196,746	-	1,196,746
Prepays	13,084	9,169	22,253
Other	54,318	107,158	161,476
Total Assets	<u>27,414,283</u>	<u>31,899,922</u>	<u>59,314,205</u>
<b>Liabilities</b>			
Accounts payable	10,120	2,848	12,968
Total Liabilities	<u>10,120</u>	<u>2,848</u>	<u>12,968</u>
<b>Net Position</b>			
Restricted for pension benefits	<u>\$ 27,404,163</u>	<u>\$ 31,897,074</u>	<u>\$ 59,301,237</u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions			
Employer	\$ 1,806,270	\$ 1,216,585	\$ 3,022,855
Employee	373,216	297,946	671,162
Miscellaneous revenues	3,211	100	3,311
Total Contributions	<u>2,182,697</u>	<u>1,514,631</u>	<u>3,697,328</u>
Investment Income			
Interest	488,783	775,613	1,264,396
Net appreciation (depreciation) in fair value of investments	<u>(854,895)</u>	<u>(623,694)</u>	<u>(1,478,589)</u>
Total Investment income	<u>(366,112)</u>	<u>151,919</u>	<u>(214,193)</u>
Less Investment expense	<u>(112,754)</u>	<u>(91,584)</u>	<u>(204,338)</u>
Net investment income	<u>(478,866)</u>	<u>60,335</u>	<u>(418,531)</u>
Total Additions	<u>1,703,831</u>	<u>1,574,966</u>	<u>3,278,797</u>
<b>Deductions</b>			
Pension benefits and refunds	2,320,588	1,931,047	4,251,635
Other administrative expenses	4,835	4,835	9,670
Total Deductions	<u>2,325,423</u>	<u>1,935,882</u>	<u>4,261,305</u>
Change in net position	(621,592)	(360,916)	(982,508)
Net position, beginning of year	<u>28,025,755</u>	<u>32,257,990</u>	<u>60,283,745</u>
Net position, end of year	<u>\$ 27,404,163</u>	<u>\$ 31,897,074</u>	<u>\$ 59,301,237</u>

#### B. RISK MANAGEMENT

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



## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### ***B. RISK MANAGEMENT*** (cont.)

##### ***Public Entity Risk Pool***

##### **IRMA**

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

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

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

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

	<b>Beginning of Fiscal Year Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
2014-2015	\$ 148,981	\$ 379,331	\$ 383,487	\$ 144,825
2015-2016	144,825	224,277	213,438	155,664

##### **City of Lake Forest Medical and Dental Plan**

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### ***B. RISK MANAGEMENT*** (cont.)

##### ***Public Entity Risk Pool*** (cont.)

Changes in the balances of claims liabilities for the years ended April 30, 2016 and 2015 are as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
2014-2015	\$ 528,649	\$ 5,176,240	\$ 4,888,995	\$ 815,894
2015-2016	815,894	5,186,100	5,421,177	580,817

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

##### ***C. JOINT VENTURES***

##### ***Solid Waste Agency of Lake County***

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

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

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

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

## **CITY OF LAKE FOREST**

### **NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016**

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#### **NOTE IV - OTHER INFORMATION (cont.)**

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##### ***C. JOINT VENTURES (cont.)***

###### ***Northern Suburban Special Recreation Association***

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

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

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

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

##### ***D. COMMITMENTS AND CONTINGENCIES***

The City has outstanding construction contracts with contractors totaling \$178,878 at April 30, 2016. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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##### ***E. OTHER POSTEMPLOYMENT BENEFITS***

###### ***Plan Description***

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

###### ***Funding Policy***

The contribution requirements of plan members and the City are established and may be amended by the City Council and are detailed in the various plan benefit booklets provided to employees. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2016 the City contributed \$185,185, representing current premiums.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

	<u>City</u>	<u>Library</u>
Annual required contribution	\$ 232,335	\$ 23,831
Interest on net OPEB obligation	9,179	1,245
Adjustment to annual required contribution	<u>(7,649)</u>	<u>(1,037)</u>
Annual OPEB cost	233,865	24,039
Contributions made	<u>(178,803)</u>	<u>(6,382)</u>
Increase in net OPEB obligation	55,062	17,657
Net OPEB Obligation - Beginning of Year	<u>229,476</u>	<u>31,114</u>
Net OPEB Obligation - End of Year	<u><u>\$ 284,538</u></u>	<u><u>\$ 48,711</u></u>

# CITY OF LAKE FOREST

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

### NOTE IV - OTHER INFORMATION (cont.)

#### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
City:			
April 30, 2014	\$ 146,631	100.30	\$ 201,037
April 30, 2015	224,739	87.30	229,476
April 30, 2016	233,865	76.46	284,538
Library:			
April 30, 2014	\$ 3,842	0.00	\$ 12,212
April 30, 2015	22,996	17.80	31,114
April 30, 2016	24,039	26.55	48,771

The funded status of the plan as of April 30, 2015, the most recent actuarial valuation date, was as follows:

	<u>City</u>	<u>Library</u>
Actuarial accrued liability (AAL)	\$ 3,786,380	\$ 272,766
Actuarial value of plan assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 3,786,380</u>	<u>\$ 272,766</u>
Funded ratio (actuarial value of plan assets/AAL)	-%	-%
Covered payroll (active plan members)	\$ 18,087,734	\$ 1,288,196
UAAL as a percentage of covered payroll	20.93%	21.17%

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

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### **NOTE IV - OTHER INFORMATION (cont.)**

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##### ***E. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

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

In the April 30, 2015, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5.5 percent ultimately. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets were determined using market value. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2015 was 30 years.

##### ***F. SUBSEQUENT EVENTS***

On September 23, 2016, the City sold land on Laurel Avenue for a sale price of \$12,000,000. This property will be included in the City's capital asset reductions for the fiscal year ending April 30, 2017.

## CITY OF LAKE FOREST

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE IV - OTHER INFORMATION (cont.)

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

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

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- Statement No. 77, *Tax Abatement Disclosures*
- Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- Statement No. 79, *Certain External Investment Pools and Pool Participants*
- Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*

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

## REQUIRED SUPPLEMENTARY INFORMATION



# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes			
Property	\$ 17,461,587	\$ 17,430,405	\$ (31,182)
Other taxes	3,444,211	2,885,141	(559,070)
Intergovernmental	6,540,840	6,145,512	(395,328)
Charges for services	2,757,298	3,074,032	316,734
Licenses and permits	5,732,312	5,222,568	(509,744)
Fines, forfeitures and penalties	265,000	254,563	(10,437)
Investment income	70,430	99,319	28,889
Miscellaneous	655,468	777,621	122,153
Total Revenues	<u>36,927,146</u>	<u>35,889,161</u>	<u>(1,037,985)</u>
<b>EXPENDITURES</b>			
Current			
General government	11,011,088	9,624,910	1,386,178
Highways and streets	2,539,069	2,157,463	381,606
Sanitation	2,273,888	2,276,433	(2,545)
Public safety	15,219,452	14,879,565	339,887
Capital Outlay	1,132,420	1,789,865	(657,445)
Debt Service			
Principal retirement	-	173,360	(173,360)
Contingency	3,357,150	-	3,357,150
Total Expenditures	<u>35,533,067</u>	<u>30,901,596</u>	<u>4,631,471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,394,079</u>	<u>4,987,565</u>	<u>3,593,486</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,795,962)	(2,551,741)	(755,779)
Loan proceeds	-	830,080	830,080
Total Other Financing Sources (Uses)	<u>(1,795,962)</u>	<u>(1,721,661)</u>	<u>74,301</u>
<b>Net Change in Fund Balance</b>	<u>\$ (401,883)</u>	3,265,904	<u>\$ 3,667,787</u>
FUND BALANCE - Beginning of Year		<u>20,516,289</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 23,782,193</u>	

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

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARKS AND RECREATION FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes	\$ 5,317,253	\$ 5,312,553	\$ (4,700)
Intergovernmental	18,500	32,203	13,703
Grants and contributions	158,700	232,426	73,726
Charges for services	3,134,346	2,742,899	(391,447)
Investment income	26,891	23,261	(3,630)
Miscellaneous	9,000	1,511	(7,489)
Total Revenues	<u>8,664,690</u>	<u>8,344,853</u>	<u>(319,837)</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation	8,436,941	7,864,490	572,451
Capital Outlay	760,203	560,480	199,723
Contingency	899,242	-	899,242
Total Expenditures	<u>10,096,386</u>	<u>8,424,970</u>	<u>1,671,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,431,696)</u>	<u>(80,117)</u>	<u>1,351,579</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from capital asset sales	-	1,573	1,573
Transfers in	379,021	381,021	2,000
Transfers out	(57,000)	(46,000)	11,000
Total Other Financing Sources (Uses)	<u>322,021</u>	<u>336,594</u>	<u>14,573</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,109,675)</u>	256,477	<u>\$ 1,366,152</u>
FUND BALANCE - Beginning of Year		<u>2,766,279</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 3,022,756</u>	

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

# CITY OF LAKE FOREST

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Most Recent Fiscal Year

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

**Notes to Schedule:**

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

# CITY OF LAKE FOREST

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Most Recent Fiscal Year

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

### Notes to Schedule:

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

### Valuation date:

Actuarially determined contribution rates are calculated as of December 31 of the year prior to the fiscal year in which contributions are reported.

### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
	RP-2000
Mortality	CHBCA

### Other information:

There were no benefit changes during the year.

# CITY OF LAKE FOREST

## POLICE PENSION FUND

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

	<u>2015</u>	<u>2016</u>
<b>Total pension liability</b>		
Service cost	\$ 845,979	\$ 883,178
Interest	3,219,893	3,657,765
Differences between expected and actual experience	2,713	(2,129,040)
Changes of assumptions	3,568,719	-
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)
Other	(16,057)	-
<b>Net change in total pension liability</b>	5,427,542	91,315
<b>Total pension liability - beginning</b>	47,103,353	52,530,895
<b>Total pension liability - ending (a)</b>	<u>\$ 52,530,895</u>	<u>\$ 52,622,210</u>
<b>Plan fiduciary net position</b>		
Employer contributions	\$ 1,706,203	\$ 1,806,270
Employee contributions	360,156	373,216
Net investment income	1,669,508	(475,655)
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)
Administrative expenses	(4,150)	(4,835)
<b>Net change in plan fiduciary net position</b>	1,538,012	(621,592)
<b>Plan fiduciary net position - beginning</b>	26,487,743	28,025,755
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 28,025,755</u>	<u>\$ 27,404,163</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 24,505,140</u>	<u>\$ 25,218,047</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	53.35%	52.08%
<b>Covered-employee payroll</b>	\$ 3,590,934	\$ 3,759,611
<b>City's net pension liability as a percentage of covered-employee payroll</b>	682.42%	670.76%

**Notes to Schedule:**

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

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

# CITY OF LAKE FOREST

## POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution	\$ 861,380	\$ 917,388	\$ 1,025,521	\$ 1,128,050
Contributions in relation to the actuarially determined contribution	<u>868,271</u>	<u>928,718</u>	<u>1,038,121</u>	<u>1,128,592</u>
Contribution deficiency (excess)	<u>\$ (6,891)</u>	<u>\$ (11,330)</u>	<u>\$ (12,600)</u>	<u>\$ (542)</u>
Covered-employee payroll	\$ 3,041,336	\$ 3,162,441	\$ 3,162,441	\$ 3,283,760
Contributions as a percentage of covered-employee payroll	28.55%	29.37%	32.83%	34.37%

**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, 2014 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	Market value
Salary increases	5.50%
Investment rate of return	7.00%, net of pension plan investment expense
Retirement age	50-62
Mortality	Mortality rates were based on the RP-2000 Mortality Table

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 1,405,652	\$ 1,372,431	\$ 1,375,906	\$ 1,384,307	\$ 1,508,450	\$ 1,810,315
<u>1,412,730</u>	<u>1,515,074</u>	<u>1,502,075</u>	<u>1,563,964</u>	<u>1,706,203</u>	<u>1,806,270</u>
<u>\$ (7,078)</u>	<u>\$ (142,643)</u>	<u>\$ (126,169)</u>	<u>\$ (179,657)</u>	<u>\$ (197,753)</u>	<u>\$ 4,045</u>
\$ 3,322,493	\$ 3,359,679	\$ 3,170,518	\$ 3,518,797	\$ 3,590,934	\$ 3,759,611
42.52%	45.10%	47.38%	44.45%	47.51%	48.04%

**CITY OF LAKE FOREST**

**POLICE PENSION FUND**  
**SCHEDULE OF INVESTMENT RETURNS**  
Last Two Fiscal Years

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

**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 Two Fiscal Years

	<u>2015</u>	<u>2016</u>
<b>Total pension liability</b>		
Service cost	\$ 912,154	\$ 926,420
Interest	2,754,242	3,072,945
Differences between expected and actual experience	(213,530)	(186,474)
Changes of assumptions	2,024,054	-
Benefit payments, including refunds of member contributions	<u>(1,769,849)</u>	<u>(1,931,047)</u>
<b>Net change in total pension liability</b>	3,707,071	1,881,844
<b>Total pension liability - beginning</b>	<u>40,231,243</u>	<u>43,938,314</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 43,938,314</u></u>	<u><u>\$ 45,820,158</u></u>
<b>Plan fiduciary net position</b>		
Employer contributions	\$ 1,168,287	\$ 1,216,585
Employee contributions	296,676	297,946
Net investment income	1,871,817	60,335
Miscellaneous revenue	-	100
Benefit payments, including refunds of member contributions	(1,769,849)	(1,931,047)
Administrative expenses	<u>(4,150)</u>	<u>(4,835)</u>
<b>Net change in plan fiduciary net position</b>	1,562,781	(360,916)
<b>Plan fiduciary net position - beginning</b>	<u>30,695,209</u>	<u>32,257,990</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 32,257,990</u></u>	<u><u>\$ 31,897,074</u></u>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 11,680,324</u></u>	<u><u>\$ 13,923,084</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.42%	69.61%
<b>Covered-employee payroll</b>	\$ 3,111,216	\$ 2,924,893
<b>City's net pension liability as a percentage of covered-employee payroll</b>	375.43%	476.02%

**Notes to Schedule:**

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

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

# CITY OF LAKE FOREST

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution	\$ 536,870	\$ 608,241	\$ 662,323	\$ 761,978
Contributions in relation to the actuarially determined contribution	<u>554,050</u>	<u>610,671</u>	<u>701,472</u>	<u>810,129</u>
Contribution deficiency (excess)	<u>\$ (17,180)</u>	<u>\$ (2,430)</u>	<u>\$ (39,149)</u>	<u>\$ (48,151)</u>
Covered-employee payroll	\$ 2,626,922	\$ 2,855,889	\$ 2,855,889	\$ 2,926,591
Contributions as a percentage of covered-employee payroll	21.09%	21.38%	24.56%	27.68%

**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, 2014 of the current fiscal year.

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
Asset valuation method	Market value
Salary increases	5.50%
Investment rate of return	6.75%, net of pension plan investment expense
Retirement age	50-62
Mortality	Mortality rates were based on the RP-2000 Mortality Table

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 954,946	\$ 862,452	\$ 894,551	\$ 894,384	\$ 950,325	\$ 1,217,702
<u>960,850</u>	<u>983,298</u>	<u>1,026,345</u>	<u>1,090,695</u>	<u>1,168,287</u>	<u>1,216,585</u>
<u>\$ (5,904)</u>	<u>\$ (120,846)</u>	<u>\$ (131,794)</u>	<u>\$ (196,311)</u>	<u>\$ (217,962)</u>	<u>\$ 1,117</u>
\$ 2,644,320	\$ 2,941,767	\$ 3,049,732	\$ 3,004,889	\$ 3,111,216	\$ 2,924,893
36.34%	33.43%	33.65%	36.30%	37.55%	41.59%

**CITY OF LAKE FOREST**

**FIREFIGHTERS' PENSION FUND**  
**SCHEDULE OF INVESTMENT RETURNS**  
Last Two Fiscal Years

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

**Notes to Schedule:**

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

# CITY OF LAKE FOREST

## OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS For the Year Ended April 30, 2016

### Schedule of Annual Required Contributions - City

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
04/30/16	\$ 232,335	77.0 %
04/30/15	223,399	87.9 %
04/30/14	145,288	101.2 %
04/30/13	94,954	66.9 %
04/30/12	94,954	71.2 %
04/30/11	89,201	- %

### Schedule of Annual Required Contributions - Library

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
04/30/16	\$ 23,831	26.8 %
04/30/15	22,915	17.8 %
04/30/14	3,786	0.0 %
04/30/13	2,727	0.0 %
04/30/12	2,727	0.0 %
04/30/11	2,743	0.0 %

### Schedule of Funding Progress - City

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
04/30/15	\$ -	\$ 3,786,380	\$ 3,786,380	0%	\$ 18,087,734	20.93%
04/30/13	-	2,363,491	2,363,491	0%	16,930,261	13.96%
04/30/11	-	1,495,528	1,495,528	0%	19,037,921	7.86%

### Schedule of Funding Progress - Library

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
04/30/15	\$ -	\$ 272,766	\$ 272,766	0%	\$ 1,288,196	21.17%
04/30/13	-	34,113	34,113	0%	1,306,979	2.61%
04/30/11	-	22,590	22,590	0%	1,246,633	1.81%

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

## **CITY OF LAKE FOREST**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2016**

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#### ***BUDGETARY INFORMATION***

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

## **SUPPLEMENTARY INFORMATION**

### **Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

### **Nonmajor Debt Service Fund**

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

### **Nonmajor Capital Projects Funds**

**Route 60 Bridge Improvements Fund** – This fund accounts for the pledged funds from various corporations and local governments to be used for the widening of the Route 60 Bridge over I-94.

**Route 60 Intersection Improvements Fund** – This fund accounts for the monies received from corporations and state and federal grants used for the improvements to be made to the intersection at Route 60 and Field Drive.

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

### **Major Capital Projects Fund**

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



# CITY OF LAKE FOREST

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2016

	Special Revenue Funds			
	<u>Asset Forfeiture</u>	<u>Foreign Fire Insurance Tax</u>	<u>Emergency Telephone</u>	<u>Parks and Public Land</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 118,664	\$ 3,498	\$ 120,147	\$ 464,717
Investments	-	182,950	-	-
Property held for resale	-	-	-	-
Receivables (net)				
Property taxes	-	-	-	-
Other	556	-	94,842	-
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepaid items	-	-	28,539	-
<b>TOTAL ASSETS</b>	<u>\$ 119,220</u>	<u>\$ 186,448</u>	<u>\$ 243,528</u>	<u>\$ 464,717</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 1,368	\$ 15,668
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,368</u>	<u>15,668</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for a future period	-	-	-	-
Unavailable revenues	-	-	19,000	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable for prepaid items	-	-	28,539	-
Nonspendable for property held for resale	-	-	-	-
Restricted for culture and recreation	-	-	-	449,049
Restricted for highways and streets	-	-	-	-
Restricted for public safety	119,220	186,448	194,621	-
Restricted for cemetery perpetual care	-	-	-	-
Restricted for affordable housing	-	-	-	-
Restricted for capital projects	-	-	-	-
Restricted for debt service purposes	-	-	-	-
Assigned to capital project funds	-	-	-	-
Total Fund Balances	<u>119,220</u>	<u>186,448</u>	<u>223,160</u>	<u>449,049</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 119,220</u>	<u>\$ 186,448</u>	<u>\$ 243,528</u>	<u>\$ 464,717</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Motor Fuel Tax	General Cemetery	Senior Resources Commission	Housing Trust	Debt Service	Route 60 Bridge Improvements	Route 60 Intersection Improvements
\$ 758,234	\$ 785,688	\$ 137,142	\$ 714,211	\$ 1,677,012	\$ 1,041,338	\$ 414,715
-	4,304,774	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,389,682	-	-
9,519	77,573	26,624	-	-	-	-
44,094	-	-	-	-	-	-
-	18,382	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 811,847</u>	<u>\$ 5,186,417</u>	<u>\$ 163,766</u>	<u>\$ 714,211</u>	<u>\$ 4,066,694</u>	<u>\$ 1,041,338</u>	<u>\$ 414,715</u>
\$ -	\$ 33,015	\$ 18,969	\$ -	\$ -	\$ -	\$ -
-	10,116	8,158	-	-	-	-
-	-	-	12,000	-	-	-
-	43,131	27,127	12,000	-	-	-
-	-	-	-	2,389,682	-	-
9,519	4,500	-	-	-	-	-
9,519	4,500	-	-	2,389,682	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
802,328	-	136,639	-	-	-	-
-	-	-	-	-	-	-
-	5,138,786	-	-	-	-	-
-	-	-	702,211	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,677,012	-	-
-	-	-	-	-	1,041,338	414,715
<u>802,328</u>	<u>5,138,786</u>	<u>136,639</u>	<u>702,211</u>	<u>1,677,012</u>	<u>1,041,338</u>	<u>414,715</u>
<u>\$ 811,847</u>	<u>\$ 5,186,417</u>	<u>\$ 163,766</u>	<u>\$ 714,211</u>	<u>\$ 4,066,694</u>	<u>\$ 1,041,338</u>	<u>\$ 414,715</u>

# CITY OF LAKE FOREST

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2016

	Capital Projects Funds	
	Laurel/Western Redevelopment TIF	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,938,492	\$ 8,173,858
Investments	-	4,487,724
Property held for resale	380,000	380,000
Receivables (net)		
Property taxes	-	2,389,682
Other	-	209,114
Due from other governments	-	44,094
Due from fiduciary funds	-	18,382
Prepaid items	-	28,539
<b>TOTAL ASSETS</b>	<b><u>\$ 2,318,492</u></b>	<b><u>\$ 15,731,393</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 1,238	\$ 70,258
Accrued liabilities	-	18,274
Deposits	-	12,000
Total Liabilities	<u>1,238</u>	<u>100,532</u>
Deferred Inflows of Resources		
Property taxes levied for a future period	-	2,389,682
Unavailable revenues	-	33,019
Total Deferred Inflows of Resources	<u>-</u>	<u>2,422,701</u>
Fund Balances		
Nonspendable for prepaid items	-	28,539
Nonspendable for property held for resale	380,000	380,000
Restricted for culture and recreation	-	585,688
Restricted for highways and streets	-	802,328
Restricted for public safety	-	500,289
Restricted for cemetery perpetual care	-	5,138,786
Restricted for affordable housing	-	702,211
Restricted for capital projects	1,937,254	1,937,254
Restricted for debt service purposes	-	1,677,012
Assigned to capital project funds	-	1,456,053
Total Fund Balances	<u>2,317,254</u>	<u>13,208,160</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 2,318,492</u></b>	<b><u>\$ 15,731,393</u></b>

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2016

	Special Revenue Funds			
	Asset Forfeiture	Foreign Fire Insurance Tax	Emergency Telephone	Parks and Public Land
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental	6,887	-	-	-
Grants and contributions	-	-	-	75,000
Charges for services	31,500	111,766	250,815	348,934
Fines, forfeitures and penalties	5,844	-	-	-
Investment income	636	297	382	2,170
Miscellaneous	-	-	-	-
Total Revenues	<u>44,867</u>	<u>112,063</u>	<u>251,197</u>	<u>426,104</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	163,516	47,631	-
Capital Outlay	52,756	-	143,869	220,800
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>52,756</u>	<u>163,516</u>	<u>191,500</u>	<u>220,800</u>
Excess (deficiency) of revenues over expenditures	<u>(7,889)</u>	<u>(51,453)</u>	<u>59,697</u>	<u>205,304</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Premium on debt issued	-	-	-	-
Proceeds from capital asset sales	3,800	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(4,089)	(51,453)	59,697	205,304
FUND BALANCES - Beginning of Year	<u>123,309</u>	<u>237,901</u>	<u>163,463</u>	<u>243,745</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 119,220</u>	<u>\$ 186,448</u>	<u>\$ 223,160</u>	<u>\$ 449,049</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
Motor Fuel Tax	General Cemetery	Senior Resources Commission	Housing Trust	Debt Service	Route 60 Bridge Improvements	Route 60 Intersection Improvements
\$ -	\$ -	\$ -	\$ -	\$ 2,253,502	\$ -	\$ -
-	-	-	72,000	-	-	-
495,591	-	-	-	-	-	-
14,958	12,135	201,194	-	156,513	-	-
-	913,094	148,187	-	-	-	-
-	-	-	-	-	-	-
342	(69,107)	690	3,552	12,165	5,233	2,084
-	27	-	-	-	-	-
<u>510,891</u>	<u>856,149</u>	<u>350,071</u>	<u>75,552</u>	<u>2,422,180</u>	<u>5,233</u>	<u>2,084</u>
-	648,602	-	100,000	3,750	-	-
-	-	486,394	-	-	-	-
-	-	-	-	-	-	-
16,750	-	-	-	-	-	-
-	-	-	-	1,618,219	-	-
-	-	-	-	1,293,634	-	-
<u>16,750</u>	<u>648,602</u>	<u>486,394</u>	<u>100,000</u>	<u>2,915,603</u>	<u>-</u>	<u>-</u>
<u>494,141</u>	<u>207,547</u>	<u>(136,323)</u>	<u>(24,448)</u>	<u>(493,423)</u>	<u>5,233</u>	<u>2,084</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	184,168	-	662,413	-	-
-	-	-	-	(297,580)	-	-
-	-	<u>184,168</u>	-	<u>364,833</u>	-	-
494,141	207,547	47,845	(24,448)	(128,590)	5,233	2,084
<u>308,187</u>	<u>4,931,239</u>	<u>88,794</u>	<u>726,659</u>	<u>1,805,602</u>	<u>1,036,105</u>	<u>412,631</u>
<u>\$ 802,328</u>	<u>\$ 5,138,786</u>	<u>\$ 136,639</u>	<u>\$ 702,211</u>	<u>\$ 1,677,012</u>	<u>\$ 1,041,338</u>	<u>\$ 414,715</u>

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2016

	Capital Projects Funds	Total Nonmajor Governmental Funds
	Laurel/Western Redevelopment TIF	
<b>REVENUES</b>		
Taxes:		
Property	\$ -	\$ 2,253,502
Other	-	72,000
Intergovernmental	-	502,478
Grants and contributions	-	459,800
Charges for services	-	1,804,296
Fines, forfeitures and penalties	-	5,844
Investment income	10,700	(30,856)
Miscellaneous	-	27
Total Revenues	<u>10,700</u>	<u>5,067,091</u>
<b>EXPENDITURES</b>		
Current		
General government	368,199	1,120,551
Culture and recreation	-	486,394
Public safety	-	211,147
Capital Outlay	1,833,535	2,267,710
Debt Service		
Principal retirement	-	1,618,219
Interest and fiscal charges	-	1,293,634
Total Expenditures	<u>2,201,734</u>	<u>6,997,655</u>
Excess (deficiency) of revenues over expenditures	<u>(2,191,034)</u>	<u>(1,930,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
General obligation bonds issued	5,090,000	5,090,000
Premium on debt issued	60,424	60,424
Proceeds from capital asset sales	-	3,800
Transfers in	-	846,581
Transfers out	-	(297,580)
Total Other Financing Sources (Uses)	<u>5,150,424</u>	<u>5,703,225</u>
<b>Net Change in Fund Balances</b>	2,959,390	3,772,661
FUND BALANCES - Beginning of Year	<u>(642,136)</u>	<u>9,435,499</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,317,254</u>	<u>\$ 13,208,160</u>

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ASSET FORFEITURE FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 10,500	\$ 6,887	\$ (3,613)
Charges for services	12,000	31,500	19,500
Fines, forfeitures and penalties	-	5,844	5,844
Investment income	380	636	256
Total Revenues	<u>22,880</u>	<u>44,867</u>	<u>21,987</u>
<b>EXPENDITURES</b>			
Capital Outlay	113,000	52,756	60,244
Contingency	11,300	-	11,300
Total Expenditures	<u>124,300</u>	<u>52,756</u>	<u>71,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,420)</u>	<u>(7,889)</u>	<u>93,531</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from capital asset sales	-	3,800	3,800
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,800</u>	<u>3,800</u>
<b>Net Change in Fund Balance</b>	<u>\$ (101,420)</u>	<u>(4,089)</u>	<u>\$ 97,331</u>
FUND BALANCE - Beginning of Year		<u>123,309</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 119,220</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - FOREIGN FIRE INSURANCE TAX FUND - NONMAJOR  
SPECIAL REVENUE FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Charges for services	\$ 100,000	\$ 111,766	\$ 11,766
Investment income	300	297	(3)
Total Revenues	<u>100,300</u>	<u>112,063</u>	<u>11,763</u>
<b>EXPENDITURES</b>			
Current			
Public safety	200,000	163,516	36,484
Contingency	<u>20,000</u>	-	<u>20,000</u>
Total Expenditures	<u>220,000</u>	<u>163,516</u>	<u>56,484</u>
<b>Net Change in Fund Balance</b>	<u>\$ (119,700)</u>	(51,453)	<u>\$ 68,247</u>
FUND BALANCE - Beginning of Year		<u>237,901</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 186,448</u>	



## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY TELEPHONE FUND - NONMAJOR SPECIAL  
REVENUE FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Charges for services	\$ 281,249	\$ 250,815	\$ (30,434)
Investment income	200	382	182
Total Revenues	<u>281,449</u>	<u>251,197</u>	<u>(30,252)</u>
<b>EXPENDITURES</b>			
Current			
Public safety	42,568	47,631	(5,063)
Capital Outlay	147,267	143,869	3,398
Contingency	<u>18,984</u>	-	<u>18,984</u>
Total Expenditures	<u>208,819</u>	<u>191,500</u>	<u>17,319</u>
<b>Net Change in Fund Balance</b>	<u>\$ 72,630</u>	59,697	<u>\$ (12,933)</u>
FUND BALANCE - Beginning of Year		<u>163,463</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 223,160</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - PARKS AND PUBLIC LAND FUND - NONMAJOR SPECIAL  
REVENUE FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Grants and contributions	\$ 50,000	\$ 75,000	\$ 25,000
Charges for services	94,008	348,934	254,926
Investment income	<u>1,433</u>	<u>2,170</u>	<u>737</u>
Total Revenues	<u>145,441</u>	<u>426,104</u>	<u>280,663</u>
<b>EXPENDITURES</b>			
Capital Outlay	230,775	220,800	9,975
Contingency	<u>23,078</u>	<u>-</u>	<u>23,078</u>
Total Expenditures	<u>253,853</u>	<u>220,800</u>	<u>33,053</u>
<b>Net Change in Fund Balance</b>	<u>\$ (108,412)</u>	205,304	<u>\$ 313,716</u>
FUND BALANCE - Beginning of Year		<u>243,745</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 449,049</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND - NONMAJOR SPECIAL REVENUE  
FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Grants and contributions	\$ 160,000	\$ 14,958	\$ (145,042)
Intergovernmental	477,875	495,591	17,716
Investment income	1,191	342	(849)
Total Revenues	<u>639,066</u>	<u>510,891</u>	<u>(128,175)</u>
<b>EXPENDITURES</b>			
Capital Outlay	260,000	16,750	243,250
Contingency	<u>26,000</u>	-	<u>26,000</u>
Total Expenditures	<u>286,000</u>	<u>16,750</u>	<u>269,250</u>
<b>Net Change in Fund Balance</b>	<u>\$ 353,066</u>	494,141	<u>\$ 141,075</u>
FUND BALANCE - Beginning of Year		<u>308,187</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 802,328</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL CEMETERY FUND - NONMAJOR SPECIAL  
REVENUE FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Grants and contributions	\$ 15,033	\$ 12,135	\$ (2,898)
Charges for services	547,887	913,094	365,207
Investment income	78,714	(69,107)	(147,821)
Miscellaneous	-	27	27
Total Revenues	<u>641,634</u>	<u>856,149</u>	<u>214,515</u>
<b>EXPENDITURES</b>			
Current			
General government	877,418	648,602	228,816
Contingency	<u>87,742</u>	-	<u>87,742</u>
Total Expenditures	<u>965,160</u>	<u>648,602</u>	<u>316,558</u>
<b>Net Change in Fund Balance</b>	<u>\$ (323,526)</u>	207,547	<u>\$ 531,073</u>
FUND BALANCE - Beginning of Year		<u>4,931,239</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 5,138,786</u>	

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SENIOR RESOURCES COMMISSION FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Grants and contributions	\$ 178,500	\$ 201,194	\$ 22,694
Charges for services	180,700	148,187	(32,513)
Investment income	350	690	340
Total Revenues	<u>359,550</u>	<u>350,071</u>	<u>(9,479)</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation	603,231	486,394	116,837
Contingency	<u>60,323</u>	-	<u>60,323</u>
Total Expenditures	<u>663,554</u>	<u>486,394</u>	<u>177,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,004)</u>	<u>(136,323)</u>	<u>167,681</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>260,218</u>	<u>184,168</u>	<u>(76,050)</u>
Total Other Financing Sources (Uses)	<u>260,218</u>	<u>184,168</u>	<u>(76,050)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (43,786)</u>	47,845	<u>\$ 91,631</u>
FUND BALANCE - Beginning of Year		<u>88,794</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 136,639</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - HOUSING TRUST FUND - NONMAJOR SPECIAL REVENUE  
FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Other taxes	\$ 48,000	\$ 72,000	\$ 24,000
Investment income	<u>2,200</u>	<u>3,552</u>	<u>1,352</u>
Total Revenues	<u>50,200</u>	<u>75,552</u>	<u>25,352</u>
<b>EXPENDITURES</b>			
Current			
General government	365,000	100,000	265,000
Contingency	<u>36,500</u>	<u>-</u>	<u>36,500</u>
Total Expenditures	<u>401,500</u>	<u>100,000</u>	<u>301,500</u>
<b>Net Change in Fund Balance</b>	<u>\$ (351,300)</u>	<u>(24,448)</u>	<u>\$ 326,852</u>
FUND BALANCE - Beginning of Year		<u>726,659</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 702,211</u>	

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - NONMAJOR DEBT SERVICE FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes			
Property	\$ 2,237,285	\$ 2,253,502	\$ 16,217
Grants and contributions	168,384	156,513	(11,871)
Investment income	6,542	12,165	5,623
Total Revenues	<u>2,412,211</u>	<u>2,422,180</u>	<u>9,969</u>
<b>EXPENDITURES</b>			
Current			
General government	3,750	3,750	-
Debt service			
Principal retirement	1,618,218	1,618,219	(1)
Interest and fiscal charges	<u>1,293,624</u>	<u>1,293,634</u>	<u>(10)</u>
Total Expenditures	<u>2,915,592</u>	<u>2,915,603</u>	<u>(11)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(503,381)</u>	<u>(493,423)</u>	<u>9,958</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	681,724	662,413	(19,311)
Transfers out	<u>(460,585)</u>	<u>(297,580)</u>	<u>163,005</u>
Total Other Financing Sources (Uses)	<u>221,139</u>	<u>364,833</u>	<u>143,694</u>
<b>Net Change in Fund Balance</b>	<u>\$ (282,242)</u>	(128,590)	<u>\$ 153,652</u>
FUND BALANCE - Beginning of Year		<u>1,805,602</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 1,677,012</u>	

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - ROUTE 60 BRIDGE IMPROVEMENTS FUND - NONMAJOR  
CAPITAL PROJECTS FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 5,233	\$ 5,233
Total Revenues	-	5,233	5,233
<b>EXPENDITURES</b>			
Current			
Highways and streets	1,036,000	-	1,036,000
Contingency	103,600	-	103,600
Total Expenditures	1,139,600	-	1,139,600
<b>Net Change in Fund Balance</b>	<b>\$ (1,139,600)</b>	<b>5,233</b>	<b>\$ 1,144,833</b>
FUND BALANCE - Beginning of Year		1,036,105	
<b>FUND BALANCE - END OF YEAR</b>		<b>\$ 1,041,338</b>	



## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - ROUTE 60 INTERSECTION IMPROVEMENTS FUND -  
NONMAJOR CAPITAL PROJECTS FUND  
For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 2,084	\$ 2,084
Total Revenues	-	2,084	2,084
<b>EXPENDITURES</b>			
Current			
General government	418,250	-	418,250
Contingency	41,825	-	41,825
Total Expenditures	460,075	-	460,075
<b>Net Change in Fund Balance</b>	<u>\$ (460,075)</u>	2,084	<u>\$ 462,159</u>
FUND BALANCE - Beginning of Year		<u>412,631</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 414,715</u>	

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LAUREL/WESTERN REDEVELOPMENT TIF FUND - NONMAJOR CAPITAL PROJECTS FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 10,700	\$ 10,700
Total Revenues	-	10,700	10,700
<b>EXPENDITURES</b>			
Current			
General government	473,192	368,199	104,993
Capital Outlay	3,435,000	1,833,535	1,601,465
Contingency	390,819	-	390,819
Total Expenditures	4,299,011	2,201,734	2,097,277
Excess (deficiency) of revenues over (under) expenditures	(4,299,011)	(2,191,034)	2,107,977
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation bonds issued	5,300,000	5,090,000	(210,000)
Premium on debt issued	-	60,424	60,424
Total Other Financing Sources (Uses)	5,300,000	5,150,424	(149,576)
<b>Net Change in Fund Balance</b>	<b>\$ 1,000,989</b>	<b>2,959,390</b>	<b>\$ 1,958,401</b>
FUND BALANCE (DEFICIT) - Beginning of Year		(642,136)	
<b>FUND BALANCE - END OF YEAR</b>		<b>\$ 2,317,254</b>	

# CITY OF LAKE FOREST

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - MAJOR CAPITAL PROJECTS FUND For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Taxes			
Property	\$ 9,764	\$ 9,764	\$ -
Other taxes	1,473,850	1,360,175	(113,675)
Grants and contributions	2,290,327	364,297	(1,926,030)
Charges for services	656,008	885,529	229,521
Investment income	10,863	23,716	12,853
Other revenue	5,000	-	(5,000)
Total Revenues	<u>4,445,812</u>	<u>2,643,481</u>	<u>(1,802,331)</u>
<b>EXPENDITURES</b>			
Current			
General government	79,135	65,947	13,188
Capital Outlay	8,570,319	6,362,271	2,208,048
Contingency	864,945	-	864,945
Total Expenditures	<u>9,514,399</u>	<u>6,428,218</u>	<u>3,086,181</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,068,587)</u>	<u>(3,784,737)</u>	<u>1,283,850</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation bonds issued	4,700,000	4,690,000	(10,000)
Premium on debt issued	-	45,960	45,960
Proceeds from capital asset sales	20,000	67,851	47,851
Transfers in	685,000	1,618,719	933,719
Total Other Financing Sources (Uses)	<u>5,405,000</u>	<u>6,422,530</u>	<u>1,017,530</u>
<b>Net Change in Fund Balance</b>	<u>\$ 336,413</u>	2,637,793	<u>\$ 2,301,380</u>
FUND BALANCE - Beginning of Year		<u>3,332,994</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 5,970,787</u>	

### **Major Enterprise Fund**

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

### **Nonmajor Enterprise Fund**

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

## CITY OF LAKE FOREST

### SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUES (EXPENSES) - BUDGET AND ACTUAL (BUDGETARY BASIS) WATERWORKS AND SEWERAGE FUND - MAJOR ENTERPRISE FUND For the Year Ended April 30, 2016

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,169,327	\$ 7,316,716	\$ (852,611)
Connection fees	68,500	153,481	84,981
Miscellaneous	<u>8,427</u>	<u>7,361</u>	<u>(1,066)</u>
 Total Operating Revenues	 <u>8,246,254</u>	 <u>7,477,558</u>	 <u>(768,696)</u>
<b>OPERATING EXPENSES</b>			
General and administrative	2,363,962	1,856,453	507,509
Operations and maintenance	4,021,760	3,265,826	755,934
Contingency	<u>1,025,980</u>	<u>-</u>	<u>1,025,980</u>
 Total Operating Expenses	 <u>7,411,702</u>	 <u>5,122,279</u>	 <u>2,289,423</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	30,332	38,186	7,854
Gain on disposals	-	3,792	3,792
Principal retirement	(1,795,000)	(1,795,000)	-
Interest expense	<u>(415,080)</u>	<u>(491,794)</u>	<u>(76,714)</u>
 Total Non-Operating Revenues (Expenses)	 <u>(2,179,748)</u>	 <u>(2,244,816)</u>	 <u>(65,068)</u>

## CITY OF LAKE FOREST

### SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE (EXPENSES) - BUDGET AND ACTUAL (BUDGETARY BASIS) DEERPATH GOLF COURSE FUND - NONMAJOR ENTERPRISE FUND For the Year Ended April 30, 2016

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,688,552	\$ 1,757,036	\$ 68,484
Miscellaneous	<u>-</u>	<u>2,235</u>	<u>2,235</u>
 Total Operating Revenues	 <u>1,688,552</u>	 <u>1,759,271</u>	 <u>70,719</u>
<b>OPERATING EXPENSES</b>			
General and administrative	700,232	623,030	77,202
Operations and maintenance	1,030,068	1,173,929	(143,861)
Contingency	<u>183,251</u>	<u>-</u>	<u>183,251</u>
 Total Operating Expenses	 <u>1,913,551</u>	 <u>1,796,959</u>	 <u>116,592</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	1,085	2,176	1,091
Principal retirement	(82,000)	(82,000)	-
Interest expense	<u>(20,210)</u>	<u>(17,488)</u>	<u>2,722</u>
 Total Non-Operating Revenues (Expenses)	 <u>(101,125)</u>	 <u>(97,312)</u>	 <u>3,813</u>

### **Internal Service Funds**

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

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

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

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of April 30, 2016

	Fleet	Self Insurance	Liability Insurance	Totals
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 710,407	\$ 4,619,648	\$ 851,990	\$ 6,182,045
Receivables				
Other	6,220	19,060	1,070,663	1,095,943
Inventories	310,706	-	-	310,706
Prepaid items	-	-	588,729	588,729
Total Current Assets	<u>1,027,333</u>	<u>4,638,708</u>	<u>2,511,382</u>	<u>8,177,423</u>
Noncurrent Assets				
Capital assets (net of accumulated depreciation)				
Property and equipment	18,523	-	-	18,523
Total Noncurrent Assets	<u>18,523</u>	<u>-</u>	<u>-</u>	<u>18,523</u>
Total Assets	<u>1,045,856</u>	<u>4,638,708</u>	<u>2,511,382</u>	<u>8,195,946</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	<u>343,367</u>	<u>-</u>	<u>-</u>	<u>343,367</u>
Total Deferred Outflows of Resources	<u>343,367</u>	<u>-</u>	<u>-</u>	<u>343,367</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	27,640	346,104	24,494	398,238
Accrued liabilities	23,054	580,817	131,169	735,040
Unearned revenue	2,535	-	-	2,535
Total Current Liabilities	<u>53,229</u>	<u>926,921</u>	<u>155,663</u>	<u>1,135,813</u>
Noncurrent Liabilities				
Compensated absences	61,879	-	-	61,879
Net pension liability	490,946	-	-	490,946
Total Noncurrent Liabilities	<u>552,825</u>	<u>-</u>	<u>-</u>	<u>552,825</u>
Total Liabilities	<u>606,054</u>	<u>926,921</u>	<u>155,663</u>	<u>1,688,638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	<u>4,503</u>	<u>-</u>	<u>-</u>	<u>4,503</u>
Total Deferred Inflows of Resources	<u>4,503</u>	<u>-</u>	<u>-</u>	<u>4,503</u>
<b>NET POSITION</b>				
Net investment in capital assets	18,523	-	-	18,523
Unrestricted	760,143	3,711,787	2,355,719	6,827,649
TOTAL NET POSITION	<u>\$ 778,666</u>	<u>\$ 3,711,787</u>	<u>\$ 2,355,719</u>	<u>\$ 6,846,172</u>



# CITY OF LAKE FOREST

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended April 30, 2016

	<u>Fleet</u>	<u>Self Insurance</u>	<u>Liability Insurance</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,958,498	\$ 5,086,058	\$ 1,681,517	\$ 8,726,073
Total Operating Revenues	<u>1,958,498</u>	<u>5,086,058</u>	<u>1,681,517</u>	<u>8,726,073</u>
<b>OPERATING EXPENSES</b>				
General and administrative	1,520,197	5,632,088	1,142,639	8,294,924
Depreciation and amortization	<u>4,805</u>	<u>-</u>	<u>-</u>	<u>4,805</u>
Total Operating Expenses	<u>1,525,002</u>	<u>5,632,088</u>	<u>1,142,639</u>	<u>8,299,729</u>
Operating Income (Loss)	<u>433,496</u>	<u>(546,030)</u>	<u>538,878</u>	<u>426,344</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	<u>2,998</u>	<u>22,288</u>	<u>4,603</u>	<u>29,889</u>
Total Nonoperating Revenues (Expenses)	<u>2,998</u>	<u>22,288</u>	<u>4,603</u>	<u>29,889</u>
<b>Change in net position</b>	436,494	(523,742)	543,481	456,233
NET POSITION - Beginning of Year (as restated)	<u>342,172</u>	<u>4,235,529</u>	<u>1,812,238</u>	<u>6,389,939</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 778,666</u>	<u>\$ 3,711,787</u>	<u>\$ 2,355,719</u>	<u>\$ 6,846,172</u>

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended April 30, 2016

	Fleet	Self Insurance	Liability Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 1,959,110	\$ 5,317,319	\$ 1,327,356	\$ 8,603,785
Paid to suppliers for goods and services	(844,781)	(5,819,362)	(1,099,680)	(7,763,823)
Paid to employees for services	(780,558)	-	-	(780,558)
Net Cash Flows From Operating Activities	<u>333,771</u>	<u>(502,043)</u>	<u>227,676</u>	<u>59,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<u>2,998</u>	<u>22,288</u>	<u>4,603</u>	<u>29,889</u>
Net Cash Flows From Investing Activities	<u>2,998</u>	<u>22,288</u>	<u>4,603</u>	<u>29,889</u>
<b>Net Change in Cash and Cash Equivalents</b>	336,769	(479,755)	232,279	89,293
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>373,638</u>	<u>5,099,403</u>	<u>619,711</u>	<u>6,092,752</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 710,407</u>	<u>\$ 4,619,648</u>	<u>\$ 851,990</u>	<u>\$ 6,182,045</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 433,496	\$ (546,030)	\$ 538,878	\$ 426,344
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	4,805	-	-	4,805
Changes in assets and liabilities				
Accounts receivable	(1,923)	231,261	(354,161)	(124,823)
Inventories	(3,328)	(235,077)	-	(238,405)
Prepaid items	-	-	34,830	34,830
Deferred outflows related to pensions	(321,562)	-	-	(321,562)
Accounts payable	(4,347)	47,803	(3,737)	39,719
Accrued salaries	6,751	-	11,866	18,617
Net pension liability	210,699	-	-	210,699
Deferred inflows related to pensions	4,503	-	-	4,503
Deferred revenue	2,535	-	-	2,535
Compensated absences	<u>2,142</u>	<u>-</u>	<u>-</u>	<u>2,142</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 333,771</u>	<u>\$ (502,043)</u>	<u>\$ 227,676</u>	<u>\$ 59,404</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None				

## CITY OF LAKE FOREST

### SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)

#### FLEET FUND - INTERNAL SERVICE FUND For the Year Ended April 30, 2016

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>1,959,218</u>	\$ <u>1,958,498</u>	\$ <u>(720)</u>
Total Operating Revenues	<u>1,959,218</u>	<u>1,958,498</u>	<u>(720)</u>
<b>OPERATING EXPENSES</b>			
General and administrative	1,957,105	1,520,197	436,908
Contingency	<u>195,710</u>	<u>-</u>	<u>195,710</u>
Total Operating Expenses	<u>2,152,815</u>	<u>1,520,197</u>	<u>632,618</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>800</u>	<u>2,998</u>	<u>2,198</u>

## CITY OF LAKE FOREST

### SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE - BUDGET AND ACTUAL (BUDGETARY BASIS)

#### LIABILITY INSURANCE FUND - INTERNAL SERVICE FUND For the Year Ended April 30, 2016

---

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>1,327,348</u>	\$ <u>1,681,517</u>	\$ <u>354,169</u>
Total Operating Revenues	<u>1,327,348</u>	<u>1,681,517</u>	<u>354,169</u>
<b>OPERATING EXPENSES</b>			
General and administrative	1,200,000	1,142,639	57,361
Contingency	<u>120,000</u>	<u>-</u>	<u>(120,000)</u>
Total Operating Expenses	<u>1,320,000</u>	<u>1,142,639</u>	<u>(62,639)</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>2,000</u>	<u>4,603</u>	<u>2,603</u>

## CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENSES, AND NONOPERATING REVENUE - BUDGET AND ACTUAL  
(BUDGETARY BASIS)  
SELF INSURANCE FUND - INTERNAL SERVICE FUND  
For the Year Ended April 30, 2016

---

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>5,100,000</u>	\$ <u>5,086,058</u>	\$ <u>(13,942)</u>
Total Operating Revenues	<u>5,100,000</u>	<u>5,086,058</u>	<u>(13,942)</u>
<b>OPERATING EXPENSES</b>			
General and administrative	5,630,000	5,632,088	(2,088)
Contingency	<u>563,000</u>	<u>-</u>	<u>(563,000)</u>
Total Operating Expenses	<u>6,193,000</u>	<u>5,632,088</u>	<u>(565,088)</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>20,000</u>	<u>22,288</u>	<u>2,288</u>

### **Pension Trust Funds**

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

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

### **Private Purpose Trust Fund**

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

### **Agency Fund**

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

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of April 30, 2016

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash	\$ 3,284	\$ 9,105	\$ 12,389
Money markets	206,800	1,013,613	1,220,413
Investments			
U.S. treasury obligations	9,388,651	2,978,653	12,367,304
U.S. government agencies	561,984	3,273,789	3,835,773
Municipal/corporate bonds	1,078,672	6,156,158	7,234,830
Common stock	1,196,746	-	1,196,746
Equity mutual funds	13,179,094	18,352,277	31,531,371
Real estate investment fund	1,731,650	-	1,731,650
Other	54,318	107,158	161,476
Prepaid items	13,084	9,169	22,253
Total Assets	<u>27,414,283</u>	<u>31,899,922</u>	<u>59,314,205</u>
<b>LIABILITIES</b>			
Accounts payable	10,120	2,848	12,968
Total Liabilities	<u>10,120</u>	<u>2,848</u>	<u>12,968</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$ 27,404,163</u>	<u>\$ 31,897,074</u>	<u>\$ 59,301,237</u>

# CITY OF LAKE FOREST

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2016

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,806,270	\$ 1,216,585	\$ 3,022,855
Employee	373,216	297,946	671,162
Miscellaneous	3,211	100	3,311
Total Contributions	<u>2,182,697</u>	<u>1,514,631</u>	<u>3,697,328</u>
Interest			
Interest	488,783	775,613	1,264,396
Net appreciation (depreciation) in fair value of investments	<u>(854,895)</u>	<u>(623,694)</u>	<u>(1,478,589)</u>
Total Investment Income	(366,112)	151,919	(214,193)
Less Investment expense	<u>112,754</u>	<u>91,584</u>	<u>204,338</u>
Net Investment Income	<u>(478,866)</u>	<u>60,335</u>	<u>(418,531)</u>
Total Additions	<u>1,703,831</u>	<u>1,574,966</u>	<u>3,278,797</u>
<b>DEDUCTIONS</b>			
Pension benefits and refunds	2,320,588	1,931,047	4,251,635
Other administrative expenses	<u>4,835</u>	<u>4,835</u>	<u>9,670</u>
Total Deductions	<u>2,325,423</u>	<u>1,935,882</u>	<u>4,261,305</u>
 <b>Change in Net Position</b>	 (621,592)	 (360,916)	 (982,508)
 NET POSITION - Beginning of Year	 <u>28,025,755</u>	 <u>32,257,990</u>	 <u>60,283,745</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 27,404,163</u></u>	 <u><u>\$ 31,897,074</u></u>	 <u><u>\$ 59,301,237</u></u>



# CITY OF LAKE FOREST

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

### POLICE PENSION FUND - PENSION TRUST FUND

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>Additions</b>			
Contributions			
Employer	\$ 1,810,315	\$ 1,806,270	\$ 4,045
Employee	370,000	373,216	(3,216)
Miscellaneous	-	3,211	(3,211)
Total contributions	<u>2,180,315</u>	<u>2,182,697</u>	<u>(2,382)</u>
Investment Income			
Interest	500,000	488,783	11,217
Net appreciation (depreciation) in fair value of invesments	<u>-</u>	<u>(854,895)</u>	<u>854,895</u>
Total investment income	500,000	(366,112)	866,112
Less Investment expense	<u>115,000</u>	<u>112,754</u>	<u>2,246</u>
Net investment income	<u>385,000</u>	<u>(478,866)</u>	<u>863,866</u>
Total additions	<u>2,565,315</u>	<u>1,703,831</u>	<u>861,484</u>
<b>Deductions</b>			
Pension benefits and refunds	2,310,000	2,320,588	(10,588)
Other administrative expenses	<u>4,200</u>	<u>4,835</u>	<u>(635)</u>
Total deductions	<u>2,314,200</u>	<u>2,325,423</u>	<u>(11,223)</u>
Change in net position	<u>\$ 251,115</u>	(621,592)	<u>\$ 872,707</u>
Net position, beginning of year		<u>28,025,755</u>	
Net position, end of year		<u>\$ 27,404,163</u>	

## CITY OF LAKE FOREST

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

#### FIREFIGHTERS' PENSION FUND - PENSION TRUST FUND

For the Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
<b>Additions</b>			
Contributions			
Employer	\$ 1,217,702	\$ 1,216,585	\$ 1,117
Employee	290,000	297,946	(7,946)
Miscellaneous	-	100	(100)
Total contributions	<u>1,507,702</u>	<u>1,514,631</u>	<u>(6,929)</u>
Investment Income			
Interest	500,000	775,613	(275,613)
Net appreciation (depreciation) in fair value of investments	<u>-</u>	<u>(623,694)</u>	<u>623,694</u>
Total investment income	500,000	151,919	348,081
Less Investment expense	<u>90,000</u>	<u>91,584</u>	<u>(1,584)</u>
Net investment income	<u>410,000</u>	<u>60,335</u>	<u>349,665</u>
Total additions	<u>1,917,702</u>	<u>1,574,966</u>	<u>342,736</u>
<b>Deductions</b>			
Pension benefits and refunds	1,870,000	1,931,047	(61,047)
Other administrative expenses	<u>4,200</u>	<u>4,835</u>	<u>(635)</u>
Total deductions	<u>1,874,200</u>	<u>1,935,882</u>	<u>(61,682)</u>
Change in net position	<u>\$ 43,502</u>	(360,916)	<u>\$ 404,418</u>
Net position, beginning of year		<u>32,257,990</u>	
Net position, end of year		<u>\$ 31,897,074</u>	

## CITY OF LAKE FOREST

Statement of Changes in Assets and Liabilities  
Agency Fund - Special Assessment Fund  
As of April 30, 2016

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	<u>Balance, May 1, 2016</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance, April 30, 2016</u>
<b>Assets</b>				
Cash and cash equivalents	<u>\$        60,174</u>	<u>\$              -</u>	<u>\$              -</u>	<u>\$        60,174</u>
<b>Liabilities</b>				
Due to special assessment districts	<u>\$        60,174</u>	<u>\$              -</u>	<u>\$              -</u>	<u>\$        60,174</u>

**Discretely Presented Component Unit**

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

# CITY OF LAKE FOREST

## Discretely Presented Component Unit - Lake Forest Library Statement of Net Position and General Fund Balance Sheet As of April 30, 2016

	General Fund	Adjustments	Statement of Net Position
<b>Assets and Deferred Outflows of Resources</b>			
Cash and cash equivalents	\$ 2,351,899	\$ -	\$ 2,351,899
Receivables (net of allowance for uncollectibles)			
Property taxes	3,859,683	-	3,859,683
Other taxes	5,141	-	5,141
Prepaid items	44,382	-	44,382
Capital assets			
Capital assets not depreciated	-	219,000	219,000
Capital assets depreciated, net of accumulated depreciation	-	3,196,179	3,196,179
Total assets	<u>6,261,105</u>	<u>3,415,179</u>	<u>9,676,284</u>
Deferred outflows of Resources			
Deferred outflows related to pensions	-	1,072,564	1,072,564
Total Assets and Deferred Outflows of Resources	<u>\$ 6,261,105</u>	<u>\$ 4,487,743</u>	<u>\$ 10,748,848</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position</b>			
Liabilities			
Accounts payable	\$ 68,780	\$ -	\$ 68,780
Accrued liabilities	95,679	-	95,679
Long-term obligations			
Due within one year	-	5,000	5,000
Due in more than one year	-	1,720,722	1,720,722
Total liabilities	<u>164,459</u>	<u>1,725,722</u>	<u>1,890,181</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	3,859,683	-	3,859,683
Deferred inflows related to pensions	-	14,003	14,003
Total deferred inflows of resources	<u>3,859,683</u>	<u>14,003</u>	<u>3,873,686</u>
Fund Balance/Net Position			
Nonspendable - prepaids	44,382	(44,382)	-
Unassigned	2,192,581	(2,192,581)	-
Net position			
Net investment in capital assets	-	3,415,179	3,415,179
Unrestricted	-	1,569,802	1,569,802
Total fund balance/net position	<u>2,236,963</u>	<u>2,748,018</u>	<u>4,984,981</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	<u>\$ 6,261,105</u>	<u>\$ 4,487,743</u>	<u>\$ 10,748,848</u>

# CITY OF LAKE FOREST

Discretely Presented Component Unit - Lake Forest Library  
Statement of Activities and General Fund Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended April 30, 2016

	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Property taxes	\$ 3,871,122	\$ -	\$ 3,871,122
Intergovernmental	27,435	-	27,435
Grants and contributions	26,400	-	26,400
Charges for services	64,391	-	64,391
Fines	38,626	-	38,626
Investment Income	15,717	-	15,717
Total revenues	<u>4,043,691</u>	<u>-</u>	<u>4,043,691</u>
<b>Expenditures/expenses</b>			
Current	3,495,118	(84,949)	3,410,169
Capital Outlay	117,190	(117,190)	-
Debt Service	25,538	(25,538)	-
Total expenditures/expenses	<u>3,637,846</u>	<u>(227,677)</u>	<u>3,410,169</u>
Net change in fund balance/net position	405,845	227,677	633,522
Fund balance/net position, beginning of year (as restated)	<u>1,831,118</u>	<u>2,520,341</u>	<u>4,351,459</u>
Fund balance/net position, end of year	<u>\$ 2,236,963</u>	<u>\$ 2,748,018</u>	<u>\$ 4,984,981</u>

## CITY OF LAKE FOREST

### Summary of Debt Service Requirements to Maturity As of April 30, 2016

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<u>Fiscal Year</u>	<u>General Obligation Bonds</u>
2017	\$ 5,564,913
2018	5,707,744
2019	5,784,733
2020	6,075,315
2021	6,154,676
2022	6,030,713
2023	6,031,143
2024	5,118,077
2025	3,028,519
2026	3,033,193
2027	3,007,413
2028	3,013,226
2029	2,981,443
2030	2,973,638
2031	3,040,138
2032	2,967,838
2033	2,912,975
2034	1,620,125
2035	366,575
2036	365,025
2037	363,125
Total	<u>\$ 76,140,545</u>

# CITY OF LAKE FOREST

## Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2016

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
2017	\$ 60,000	\$ 12,285	\$ 15,767	\$ 4,047	\$ 109,569	\$ 33,351
2018	60,000	10,935	16,461	3,590	114,335	30,228
2019	65,000	9,525	17,202	3,096	119,423	26,855
2020	65,000	7,932	17,993	2,563	124,857	23,213
2021	70,000	6,275	18,839	1,987	130,663	19,280
2022	75,000	4,350	19,743	1,365	136,870	15,034
2023	75,000	2,213	20,701	704	143,508	10,448
2024	-	-	-	-	150,611	5,497
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
	<u>\$ 470,000</u>	<u>\$ 53,515</u>	<u>\$ 126,706</u>	<u>\$ 17,352</u>	<u>\$ 1,029,836</u>	<u>\$ 163,906</u>



# CITY OF LAKE FOREST

## Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2016

Fiscal Year	Series 2008 Obligation Bonds		Series 2009 Obligation Bonds		Series 2010 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 580,000	\$ 241,575	\$ 175,000	\$ 102,620	\$ -	\$ 172,500
2018	600,000	222,000	180,000	98,245	-	172,500
2019	615,000	201,750	185,000	93,745	-	172,500
2020	635,000	180,225	190,000	88,195	-	172,500
2021	465,000	158,000	200,000	82,495	-	172,500
2022	485,000	141,725	205,000	76,495	-	172,500
2023	500,000	124,144	215,000	68,808	-	172,500
2024	520,000	106,019	225,000	60,745	-	172,500
2025	540,000	87,169	235,000	51,745	-	172,500
2026	560,000	66,919	245,000	42,345	-	172,500
2027	580,000	45,919	255,000	32,545	-	172,500
2028	605,000	23,444	265,000	22,345	-	172,500
2029	-	-	280,000	11,480	-	172,500
2030	-	-	-	-	540,000	172,500
2031	-	-	-	-	780,000	141,450
2032	-	-	-	-	820,000	96,600
2033	-	-	-	-	860,000	49,450
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
	<u>\$ 6,685,000</u>	<u>\$ 1,598,889</u>	<u>\$ 2,855,000</u>	<u>\$ 831,808</u>	<u>\$ 3,000,000</u>	<u>\$ 2,702,500</u>

# CITY OF LAKE FOREST

## Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2016

Fiscal Year	2010 Series C Obligation Bonds		2011 Series A Obligation Bonds		2011 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 195,000	\$ 250,311	\$ 120,000	\$ 15,188	\$ 2,215,000	\$ 477,800
2018	210,000	243,974	125,000	12,788	2,270,000	433,500
2019	225,000	236,099	130,000	9,975	2,300,000	376,750
2020	215,000	227,099	130,000	7,050	2,400,000	319,250
2021	405,000	217,424	140,000	3,150	2,470,000	259,250
2022	415,000	198,693	-	-	2,530,000	197,500
2023	425,000	178,980	-	-	2,605,000	134,250
2024	435,000	158,793	-	-	1,870,000	56,100
2025	445,000	137,043	-	-	-	-
2026	460,000	114,792	-	-	-	-
2027	475,000	91,562	-	-	-	-
2028	490,000	67,100	-	-	-	-
2029	490,000	40,150	-	-	-	-
2030	240,000	13,200	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
	<u>\$ 5,125,000</u>	<u>\$ 2,175,220</u>	<u>\$ 645,000</u>	<u>\$ 48,151</u>	<u>\$ 18,660,000</u>	<u>\$ 2,254,400</u>

# CITY OF LAKE FOREST

## Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2016

Fiscal Year	Series 2013 Obligation Bonds		Series 2015 Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ -	\$ 335,763	\$ 60,000	\$ 389,137
2018	100,000	335,763	175,000	293,425
2019	200,000	333,763	175,000	289,050
2020	350,000	329,763	305,000	284,675
2021	430,000	322,763	305,000	277,050
2022	435,000	312,013	340,000	269,425
2023	440,000	298,962	355,000	260,925
2024	450,000	285,762	370,000	252,050
2025	460,000	272,262	385,000	242,800
2026	475,000	258,462	405,000	233,175
2027	480,000	241,837	410,000	223,050
2028	495,000	225,037	435,000	212,800
2029	930,000	206,475	650,000	200,838
2030	960,000	171,600	695,000	181,338
2031	1,085,000	133,200	740,000	160,488
2032	1,120,000	89,800	705,000	136,438
2033	1,125,000	45,000	720,000	113,525
2034	-	-	1,530,000	90,125
2035	-	-	330,000	36,575
2036	-	-	340,000	25,025
2037	-	-	350,000	13,125
	<u>\$ 9,535,000</u>	<u>\$ 4,198,225</u>	<u>\$ 9,780,000</u>	<u>\$ 4,185,037</u>

## CITY OF LAKE FOREST

### Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2016

Fiscal Year	Total Requirements		
	Principal	Interest	Total
2017	\$ 3,530,335	\$ 2,034,578	\$ 5,564,913
2018	3,850,796	1,856,948	5,707,744
2019	4,031,625	1,753,108	5,784,733
2020	4,432,850	1,642,465	6,075,315
2021	4,634,502	1,520,174	6,154,676
2022	4,641,613	1,389,100	6,030,713
2023	4,779,209	1,251,934	6,031,143
2024	4,020,611	1,097,466	5,118,077
2025	2,065,000	963,519	3,028,519
2026	2,145,000	888,193	3,033,193
2027	2,200,000	807,413	3,007,413
2028	2,290,000	723,226	3,013,226
2029	2,350,000	631,443	2,981,443
2030	2,435,000	538,638	2,973,638
2031	2,605,000	435,138	3,040,138
2032	2,645,000	322,838	2,967,838
2033	2,705,000	207,975	2,912,975
2034	1,530,000	90,125	1,620,125
2035	330,000	36,575	366,575
2036	340,000	25,025	365,025
2037	350,000	13,125	363,125
	<u>\$ 57,911,541</u>	<u>\$ 18,229,004</u>	<u>\$ 76,140,545</u>

# CITY OF LAKE FOREST

## Special Service Area 25 Special Tax Bonds – 2003 Series As of April 30, 2016

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

<u>Redeemable annually on December 15</u>	<u>Amount</u>
2016	\$ 60,000
2017	60,000
2018	65,000
2019	65,000
2020	70,000
Thereafter	150,000
	<u>\$ 470,000</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>
2015	\$ 60,000	\$ 12,285	\$ 72,285	2016	\$ 6,143	2016	\$ 6,142
2016	60,000	10,935	70,935	2017	5,467	2017	5,468
2017	65,000	9,525	74,525	2018	4,763	2018	4,762
2018	65,000	7,932	72,932	2019	3,966	2019	3,966
2019	70,000	6,275	76,275	2020	3,138	2020	3,137
Thereafter	150,000	6,563	156,563	Thereafter	3,282	Thereafter	3,281
	<u>\$ 470,000</u>	<u>\$ 53,515</u>	<u>\$ 523,515</u>				

# CITY OF LAKE FOREST

Special Service Area 26 Special Tax Bonds – 2003 Series  
As of April 30, 2016

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
2016	\$ 15,767
2017	16,461
2018	17,202
2019	17,993
2020	18,839
Thereafter	40,444
	<u>\$ 126,706</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 15,767	\$ 4,047	\$ 19,814	2016	\$ 2,023	2016	\$ 2,024
2016	16,461	3,590	20,051	2017	1,795	2017	1,795
2017	17,202	3,096	20,298	2018	1,548	2018	1,548
2018	17,993	2,563	20,556	2019	1,282	2019	1,281
2019	18,839	1,987	20,826	2020	994	2020	993
Thereafter	40,444	2,069	42,513	Thereafter	1,035	Thereafter	1,034
	<u>\$ 126,706</u>	<u>\$ 17,352</u>	<u>\$ 144,058</u>				

# CITY OF LAKE FOREST

## Special Service Area 29 Special Tax Bonds – 2004 Series As of April 30, 2016

Date of issue:	December 20, 2004
Date of maturity:	December 15, 2023
Authorized issue:	\$ 2,000,000
Denomination of bonds:	One bond per maturity
Interest rates:	2.55-3.65%
Interest dates:	June 15 and December 15
Payable at:	Lake Forest Bank and Trust Lake Forest, Illinois

### Redeemable annually on December 15

Amount	
\$	109,569
	114,335
	119,423
	124,857
	130,663
	430,988
\$	<u>1,029,835</u>

### Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 109,569	\$ 33,351	\$ 142,920	2016	\$ 16,675	2016	\$ 16,676
2016	114,335	30,228	144,563	2017	15,114	2017	15,114
2017	119,423	26,855	146,278	2018	13,427	2018	13,428
2018	124,857	23,213	148,070	2019	11,606	2019	11,607
2019	130,663	19,280	149,943	2020	9,640	2020	9,640
Thereafter	430,988	30,979	461,967	Thereafter	15,490	Thereafter	15,489
	<u>\$ 1,029,835</u>	<u>\$ 163,906</u>	<u>\$ 1,193,741</u>				

## CITY OF LAKE FOREST

General Obligation Bonds – 2008 Series  
As of April 30, 2016

Date of issue:	April 15, 2008
Date of maturity:	December 15, 2027
Authorized issue:	\$ 9,750,000
Denomination of bonds:	\$ 5,000
Interest rates:	3.375-3.875%
 Interest dates:	 June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

### Redeemable annually on December 15

	Amount
2016	\$ 580,000
2017	600,000
2018	615,000
2019	635,000
2020	465,000
Thereafter	3,790,000
	\$ 6,685,000

### Bond Principal and Interest Requirements

Tax levy year	Principal	Tax levy Interest	Total	June 15	Coupons due on Amount	December 15	Amount
2015	\$ 580,000	\$ 241,575	\$ 821,575	2016	\$ 120,788	2016	\$ 120,787
2016	600,000	222,000	822,000	2017	111,000	2017	111,000
2017	615,000	201,750	816,750	2018	100,875	2018	100,875
2018	635,000	180,225	815,225	2019	90,113	2019	90,112
2019	465,000	158,000	623,000	2020	79,000	2020	79,000
Thereafter	3,790,000	595,339	4,385,339	Thereafter	297,670	Thereafter	297,669
	\$ 6,685,000	\$ 1,598,889	\$ 8,283,889				



# CITY OF LAKE FOREST

General Obligation Bonds – 2009 Series  
As of April 30, 2016

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

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

## Redeemable annually on December 15

Amount	
2016	\$ 175,000
2017	180,000
2018	185,000
2019	190,000
2020	200,000
Thereafter	1,925,000
	<u>\$ 2,855,000</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 175,000	\$ 102,620	\$ 277,620	2016	\$ 51,310	2016	\$ 51,310
2016	180,000	98,245	278,245	2017	49,123	2017	49,122
2017	185,000	93,745	278,745	2018	46,873	2018	46,872
2018	190,000	88,195	278,195	2019	44,097	2019	44,098
2019	200,000	82,495	282,495	2020	41,248	2020	41,247
Thereafter	1,925,000	366,508	2,291,508	Thereafter	183,254	Thereafter	183,254
	<u>\$ 2,855,000</u>	<u>\$ 831,808</u>	<u>\$ 3,686,808</u>				

# CITY OF LAKE FOREST

General Obligation Bonds – 2010 Series B  
As of April 30, 2016

Date of issue:	May 12, 2010
Date of maturity:	December 15, 2032
Authorized issue:	\$ 3,000,000
Denomination of bonds:	\$ 5,000
Interest rate:	5.75%
Interest dates:	June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

## Redeemable annually on December 15

Amount	
2029	\$ 540,000
2030	780,000
2031	820,000
2032	860,000
	<u>\$ 3,000,000</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ —	\$ 172,500	\$ 172,500	2016	\$ 86,250	2016	\$ 86,250
2016	—	172,500	172,500	2017	86,250	2017	86,250
2017	—	172,500	172,500	2018	86,250	2018	86,250
2018	—	172,500	172,500	2019	86,250	2019	86,250
2019	—	172,500	172,500	2020	86,250	2020	86,250
Thereafter	3,000,000	1,840,000	4,840,000	Thereafter	920,000	Thereafter	920,000
	<u>\$ 3,000,000</u>	<u>\$ 2,702,500</u>	<u>\$ 5,702,500</u>				

# CITY OF LAKE FOREST

General Obligation Bonds – 2010 Series C  
As of April 30, 2016

Date of issue:	May 12, 2010
Date of maturity:	December 15, 2029
Authorized issue:	\$ 5,425,000
Denomination of bonds:	\$ 5,000
Interest rates:	3.00 - 5.50%
Interest dates:	June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

## Redeemable annually on December 15

Amount	
\$	195,000
	210,000
	225,000
	215,000
	405,000
	3,875,000
\$	<u>5,125,000</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 195,000	\$ 250,311	\$ 445,311	2016	\$ 125,156	2016	\$ 125,155
2016	210,000	243,974	453,974	2017	121,987	2017	121,987
2017	225,000	236,099	461,099	2018	118,049	2018	118,050
2018	215,000	227,099	442,099	2019	113,549	2019	113,550
2019	405,000	217,424	622,424	2020	108,712	2020	108,712
Thereafter	3,875,000	1,000,313	4,875,313	Thereafter	500,157	Thereafter	500,156
	<u>\$ 5,125,000</u>	<u>\$ 2,175,220</u>	<u>\$ 7,300,220</u>				

# CITY OF LAKE FOREST

General Obligation Bonds – 2011 Series A  
As of April 30, 2016

Date of issue:	September 6, 2011
Date of maturity:	December 15, 2020
Authorized issue:	\$ 2,415,000
Denomination of bonds:	\$ 5,000
Interest rates:	1.50 - 3.00%
Interest dates:	June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

## Redeemable annually on December 15

	Amount
2016	\$ 120,000
2017	125,000
2018	130,000
2019	130,000
2020	140,000
Thereafter	—
	<u>\$ 645,000</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 120,000	\$ 15,188	\$ 135,188	2016	\$ 7,594	2016	\$ 7,594
2016	125,000	12,788	137,788	2017	6,394	2017	6,394
2017	130,000	9,975	139,975	2018	4,988	2018	4,987
2018	130,000	7,050	137,050	2019	3,525	2019	3,525
2019	140,000	3,150	143,150	2020	1,575	2020	1,575
Thereafter	—	—	—	Thereafter	—	Thereafter	—
	<u>\$ 645,000</u>	<u>\$ 48,151</u>	<u>\$ 693,151</u>				

# CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2011 Series B  
As of April 30, 2016

Date of issue:	September 6, 2011
Date of maturity:	December 15, 2023
Authorized issue:	\$ 24,825,000
Denomination of bonds:	\$ 5,000
Interest rates:	1.00 - 3.00%
Interest dates:	June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

## Redeemable annually on December 15

Amount	
2016	\$ 2,215,000
2017	2,270,000
2018	2,300,000
2019	2,400,000
2020	2,470,000
Thereafter	7,005,000
	<u>\$ 18,660,000</u>

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 2,215,000	\$ 477,800	\$ 2,692,800	2016	\$ 238,900	2016	\$ 238,900
2016	2,270,000	433,500	2,703,500	2017	216,750	2017	216,750
2017	2,300,000	376,750	2,676,750	2018	188,375	2018	188,375
2018	2,400,000	319,250	2,719,250	2019	159,625	2019	159,625
2019	2,470,000	259,250	2,729,250	2020	129,625	2020	129,625
Thereafter	7,005,000	387,850	7,392,850	Thereafter	193,925	Thereafter	193,925
	<u>\$ 18,660,000</u>	<u>\$ 2,254,400</u>	<u>\$ 20,914,400</u>				

# CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2013 Series  
As of April 30, 2016

Date of issue:	September 16, 2013
Date of maturity:	December 15, 2032
Authorized issue:	\$ 9,715,000
Denomination of bonds:	\$ 5,000
Interest rates:	2.00 - 4.00%
Interest dates:	June 15 and December 15
Payable at:	Wells Fargo Bank Chicago, Illinois

Redeemable annually on December 15	Amount
2016	\$ —
2017	100,000
2018	200,000
2019	350,000
2020	430,000
Thereafter	8,455,000
	\$ 9,535,000

## Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ —	\$ 335,763	\$ 335,763	2016	\$ 167,882	2016	\$ 167,881
2016	100,000	335,763	435,763	2017	167,882	2017	167,881
2017	200,000	333,763	533,763	2018	166,881	2018	166,882
2018	350,000	329,763	679,763	2019	164,882	2019	164,881
2019	430,000	322,763	752,763	2020	161,382	2020	161,381
Thereafter	8,455,000	2,540,410	10,995,410	Thereafter	1,270,205	Thereafter	1,270,205
	\$ 9,535,000	\$ 4,198,225	\$ 13,733,225				

## CITY OF LAKE FOREST

General Obligation Bonds – 2015 Series  
As of April 30, 2016

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>
2016	\$ 60,000
2017	175,000
2018	175,000
2019	305,000
2020	305,000
Thereafter	8,760,000
	<u>\$ 9,780,000</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>
2015	\$ 60,000	\$ 389,137	\$ 449,137	2016	\$ 194,569	2016	\$ 194,568
2016	175,000	293,425	468,425	2017	146,713	2017	146,712
2017	175,000	289,050	464,050	2018	144,525	2018	144,525
2018	305,000	284,675	589,675	2019	142,338	2019	142,337
2019	305,000	277,050	582,050	2020	138,525	2020	138,525
Thereafter	8,760,000	2,651,700	11,411,700	Thereafter	1,325,850	Thereafter	1,325,850
	<u>\$ 9,780,000</u>	<u>\$ 4,185,037</u>	<u>\$ 13,965,037</u>				

# CITY OF LAKE FOREST

## Debt Service Fund Combining Balance Sheet As of April 30, 2016

	2003 Series D/ 2011A General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B/ 2011B General Obligation Bonds
<b>Assets</b>					
Cash and cash equivalents	\$ 392,579	\$ 12,657	\$ 2,796	\$ 2,429	\$ 1,071,533
Receivables (net of allowance for uncollectibles):					
Property taxes	-	71,693	20,009	141,269	-
Total assets	<u>\$ 392,579</u>	<u>\$ 84,350</u>	<u>\$ 22,805</u>	<u>\$ 143,698</u>	<u>\$ 1,071,533</u>
<b>Deferred inflows of resources</b>					
Property taxes levied to finance FY17	\$ -	\$ 71,693	\$ 20,009	\$ 141,269	\$ -
<b>Fund Balance</b>					
Fund balance- restricted for debt service	<u>392,579</u>	<u>12,657</u>	<u>2,796</u>	<u>2,429</u>	<u>1,071,533</u>
Total deferred inflows of resources and fund balances	<u>\$ 392,579</u>	<u>\$ 84,350</u>	<u>\$ 22,805</u>	<u>\$ 143,698</u>	<u>\$ 1,071,533</u>



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2008 General Obligation Bonds	2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ 164,237	\$ 19,797	\$ -	\$ 10,984	\$ -	\$ 1,677,012
<u>814,982</u>	<u>275,392</u>	<u>486,110</u>	<u>333,068</u>	<u>247,159</u>	<u>2,389,682</u>
\$ <u>979,219</u>	\$ <u>295,189</u>	\$ <u>486,110</u>	\$ <u>344,052</u>	\$ <u>247,159</u>	\$ <u>4,066,694</u>
 \$ 814,982	 \$ 275,392	 \$ 486,110	 \$ 333,068	 \$ 247,159	 \$ 2,389,682
 <u>164,237</u>	 <u>19,797</u>	 <u>-</u>	 <u>10,984</u>	 <u>-</u>	 <u>1,677,012</u>
 \$ <u>979,219</u>	 \$ <u>295,189</u>	 \$ <u>486,110</u>	 \$ <u>344,052</u>	 \$ <u>247,159</u>	 \$ <u>4,066,694</u>

# CITY OF LAKE FOREST

## Debt Service Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2016

	2003 Series D/ 2011A General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B/ 2011B General Obligation Bonds
Revenues					
Taxes:					
Property taxes	\$ -	\$ 74,077	\$ 20,088	\$ 141,847	\$ -
Grants and contributions- IRS rebate	-	-	-	-	-
Investment income	3,365	165	40	183	5,214
Total Revenues	<u>3,365</u>	<u>74,242</u>	<u>20,128</u>	<u>142,030</u>	<u>5,214</u>
Expenditures					
General government	500	-	-	-	500
Debt Service:					
Principal	195,000	60,000	15,117	105,102	208,000
Interest	2,925	13,575	4,480	36,241	101,750
Total expenditures	<u>198,425</u>	<u>73,575</u>	<u>19,597</u>	<u>141,343</u>	<u>310,250</u>
Excess (deficiency) of revenues over expenditures	<u>(195,060)</u>	<u>667</u>	<u>531</u>	<u>687</u>	<u>(305,036)</u>
Other financing sources:					
Transfers in	275,162	-	-	-	379,986
Transfers out	(297,580)	-	-	-	-
Total other financing sources (uses)	<u>(22,418)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,986</u>
Net change in fund balance	(217,478)	667	531	687	74,950
Fund balance- beginning of the year	<u>610,057</u>	<u>11,990</u>	<u>2,265</u>	<u>1,742</u>	<u>996,583</u>
Fund balance- end of the year	<u>\$ 392,579</u>	<u>\$ 12,657</u>	<u>\$ 2,796</u>	<u>\$ 2,429</u>	<u>\$ 1,071,533</u>

2008 General Obligation Bonds	2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ 832,087	\$ 279,069	\$ 568,379	\$ 337,955	\$ -	\$ 2,253,502
-	-	156,513	-	-	156,513
<u>1,870</u>	<u>429</u>	<u>654</u>	<u>245</u>	<u>-</u>	<u>12,165</u>
<u>833,957</u>	<u>279,498</u>	<u>725,546</u>	<u>338,200</u>	<u>-</u>	<u>2,422,180</u>
500	500	1,000	750	-	3,750
565,000	170,000	300,000	-	-	1,618,219
<u>260,644</u>	<u>106,445</u>	<u>431,811</u>	<u>335,763</u>	<u>-</u>	<u>1,293,634</u>
<u>826,144</u>	<u>276,945</u>	<u>732,811</u>	<u>336,513</u>	<u>-</u>	<u>2,915,603</u>
<u>7,813</u>	<u>2,553</u>	<u>(7,265)</u>	<u>1,687</u>	<u>-</u>	<u>(493,423)</u>
-	-	7,265	-	-	662,413
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,580)</u>
<u>-</u>	<u>-</u>	<u>7,265</u>	<u>-</u>	<u>-</u>	<u>364,833</u>
7,813	2,553	-	1,687	-	(128,590)
<u>156,424</u>	<u>17,244</u>	<u>-</u>	<u>9,297</u>	<u>-</u>	<u>1,805,602</u>
<u>\$ 164,237</u>	<u>\$ 19,797</u>	<u>\$ -</u>	<u>\$ 10,984</u>	<u>\$ -</u>	<u>\$ 1,677,012</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	157 - 166
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	167 - 174
<b>Debt Capacity</b> 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.	175 - 179
<b>Demographic and Economic Information</b> 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.	180 - 182
<b>Operating Information</b> 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.	183 - 185

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## CITY OF LAKE FOREST

### Net Position by Component Last Ten Fiscal Years

Fiscal Years	2016	2015	2014	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 181,481,470	\$ 181,056,601	\$ 184,270,349	\$ 187,500,531
Restricted	18,506,073	15,737,797	16,860,362	16,064,099
Unrestricted	<u>(18,479,928)</u>	<u>26,747,317</u>	<u>23,689,130</u>	<u>21,126,818</u>
Total Governmental Activities Net Position	<u>\$ 181,507,615</u>	<u>\$ 223,541,715</u>	<u>\$ 224,819,841</u>	<u>\$ 224,691,448</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 37,582,505	\$ 36,617,378	\$ 36,163,443	\$ 36,077,752
Unrestricted	<u>8,323,401</u>	<u>8,941,920</u>	<u>9,739,336</u>	<u>9,880,856</u>
Total Business-type Activities Net Position	<u>\$ 45,905,906</u>	<u>\$ 45,559,298</u>	<u>\$ 45,902,779</u>	<u>\$ 45,958,608</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 219,063,975	\$ 217,673,979	\$ 220,433,792	\$ 223,578,283
Restricted	18,506,073	15,737,797	16,860,362	16,064,099
Unrestricted	<u>(10,156,527)</u>	<u>35,689,237</u>	<u>33,428,466</u>	<u>31,007,674</u>
Total Primary Government Net Position	<u>\$ 227,413,521</u>	<u>\$ 269,101,013</u>	<u>\$ 270,722,620</u>	<u>\$ 270,650,056</u>

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

#### Data Source

Audited Financial Statements

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 190,779,593	\$ 192,568,460	\$ 193,225,047	\$ 193,768,992	\$ 172,325,675	\$ 163,863,237
16,499,487	3,645,693	3,001,515	3,319,974	3,978,855	4,010,519
<u>19,550,532</u>	<u>29,683,545</u>	<u>25,090,240</u>	<u>25,867,536</u>	<u>28,748,888</u>	<u>26,409,165</u>
<u>\$ 226,829,612</u>	<u>\$ 225,897,698</u>	<u>\$ 221,316,802</u>	<u>\$ 222,956,502</u>	<u>\$ 205,053,418</u>	<u>\$ 194,282,921</u>
\$ 36,753,670	\$ 37,709,887	\$ 38,075,853	\$ 37,184,702	\$ 44,932,466	\$ 44,504,668
<u>8,918,142</u>	<u>8,513,924</u>	<u>8,617,858</u>	<u>9,577,076</u>	<u>12,087,202</u>	<u>11,824,329</u>
<u>\$ 45,671,812</u>	<u>\$ 46,223,811</u>	<u>\$ 46,693,711</u>	<u>\$ 46,761,778</u>	<u>\$ 57,019,668</u>	<u>\$ 56,328,997</u>
\$ 227,533,263	\$ 230,278,347	\$ 231,300,900	\$ 230,953,694	\$ 217,258,141	\$ 208,367,905
16,499,487	3,645,693	3,001,515	3,319,974	3,978,855	4,010,519
<u>28,468,674</u>	<u>38,197,469</u>	<u>33,708,098</u>	<u>35,444,612</u>	<u>40,836,090</u>	<u>38,233,494</u>
<u>\$ 272,501,424</u>	<u>\$ 272,121,509</u>	<u>\$ 268,010,513</u>	<u>\$ 269,718,280</u>	<u>\$ 262,073,086</u>	<u>\$ 250,611,918</u>

# CITY OF LAKE FOREST

Change in Net Position  
Last Ten Fiscal Years

Fiscal Years	2016	2015	2014	2013
Expenses				
Governmental Activities				
General Government	\$ 11,675,363	\$ 12,604,331	\$ 12,311,198	\$ 16,176,326
Highway and Streets	9,230,548	8,839,231	7,762,403	7,536,444
Sanitation	2,208,326	2,474,355	2,586,125	2,512,559
Culture and Recreation	8,463,259	10,172,391	10,397,593	10,352,252
Public Safety	16,360,830	15,303,399	14,430,151	13,748,855
Interest	<u>1,293,742</u>	<u>1,357,552</u>	<u>1,333,267</u>	<u>1,362,715</u>
Total Governmental Activities Expenses	<u>\$ 49,232,068</u>	<u>\$ 50,751,259</u>	<u>\$ 48,820,737</u>	<u>\$ 51,689,151</u>
Business-type Activities				
Waterworks and sewerage	7,239,042	8,353,825	7,476,752	8,287,297
Golf	1,868,252	1,642,121	1,554,678	1,459,394
Paid Parking	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Expenditures	<u>9,107,294</u>	<u>9,995,946</u>	<u>9,031,430</u>	<u>9,746,691</u>
Total Primary Government Expenses	<u>\$ 58,339,362</u>	<u>\$ 60,747,205</u>	<u>\$ 57,852,167</u>	<u>\$ 61,435,842</u>
Program Revenue				
Governmental Activities				
Charges for Services				
General Government	\$ 8,191,440	\$ 5,442,475	\$ 4,756,948	\$ 4,838,151
Highways and Streets	990,840	710,795	741,334	753,487
Sanitation	697,435	682,062	77,147	58,564
Culture and Recreation	3,257,796	3,156,699	3,314,856	3,342,913
Public Safety	1,552,567	1,795,521	1,950,998	1,861,619
Operating Grants and Contributions	1,368,451	1,345,670	1,105,191	1,777,734
Capital Grants and Contributions	<u>280,675</u>	<u>468,255</u>	<u>757,239</u>	<u>25,000</u>
Total Governmental Activities Program Revenues	<u>16,339,204</u>	<u>13,601,477</u>	<u>12,703,713</u>	<u>12,657,468</u>
Business-type activities				
Charges for Services				
Waterworks and sewerage	7,477,558	8,034,469	7,521,323	8,598,079
Golf	1,759,271	1,414,217	1,397,836	1,320,455
Paid Parking	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Program Revenues	<u>9,236,829</u>	<u>9,448,686</u>	<u>8,919,159</u>	<u>9,918,534</u>
Total Primary Government Revenues	<u>\$ 25,576,033</u>	<u>\$ 23,050,163</u>	<u>\$ 21,622,872</u>	<u>\$ 22,576,002</u>
Net (Expense) Revenue				
Governmental Activities	\$ (32,892,864)	\$ (37,149,782)	\$ (36,117,024)	\$ (39,031,683)
Business-type Activities	<u>129,535</u>	<u>(547,260)</u>	<u>(112,271)</u>	<u>171,843</u>
Total Primary Government Net Expense	<u>\$ (32,763,329)</u>	<u>\$ (37,697,042)</u>	<u>\$ (36,229,295)</u>	<u>\$ (38,859,840)</u>

2012	2011	2010	2009	2008	2007
\$ 12,080,189	\$ 13,321,852	\$ 13,974,412	\$ 14,928,550	\$ 11,035,000	\$ 10,026,323
8,304,860	8,687,404	9,469,570	7,911,604	8,821,953	7,102,425
2,568,820	2,349,916	2,183,373	2,169,302	2,310,966	2,225,808
9,469,832	9,402,752	9,589,857	9,430,847	8,812,293	9,403,755
13,583,116	13,398,718	13,116,738	12,623,300	12,348,729	11,557,020
1,420,087	1,424,317	1,097,805	978,029	808,253	968,963
<u>\$ 47,426,904</u>	<u>\$ 48,584,959</u>	<u>\$ 49,431,755</u>	<u>\$ 48,041,632</u>	<u>\$ 44,137,194</u>	<u>\$ 41,284,294</u>
7,985,394	8,008,372	7,882,904	7,659,138	8,228,975	7,891,031
1,371,380	1,393,869	1,345,437	1,490,115	1,562,520	1,545,070
-	-	-	-	757,200	767,413
<u>9,356,774</u>	<u>9,402,241</u>	<u>9,228,341</u>	<u>9,149,253</u>	<u>10,548,695</u>	<u>10,203,514</u>
<u>\$ 56,783,678</u>	<u>\$ 57,987,200</u>	<u>\$ 58,660,096</u>	<u>\$ 57,190,885</u>	<u>\$ 54,685,889</u>	<u>\$ 51,487,808</u>
\$ 4,771,863	\$ 4,455,844	\$ 4,822,344	\$ 4,980,144	\$ 5,249,766	\$ 5,094,588
846,366	693,029	809,661	1,239,586	929,199	1,576,654
81,577	171,030	104,158	192,848	295,658	293,410
3,392,303	3,650,467	4,121,592	4,197,023	3,831,855	5,458,842
1,678,032	1,930,715	1,540,927	1,589,647	1,567,944	1,387,792
1,433,791	846,781	1,413,819	684,872	790,979	1,284,897
360,407	5,982,721	925,524	9,033,429	5,301,494	-
<u>12,564,339</u>	<u>17,730,587</u>	<u>13,738,025</u>	<u>21,917,549</u>	<u>17,966,895</u>	<u>15,096,183</u>
7,477,637	7,344,740	7,048,854	6,589,780	6,893,939	6,944,190
1,238,016	1,264,624	1,333,879	1,413,732	1,430,875	1,702,287
-	-	-	-	1,016,991	1,007,654
-	-	-	-	-	217,249
<u>-</u>	<u>162,051</u>	<u>97,724</u>	<u>829,447</u>	<u>1,367,797</u>	<u>854,027</u>
<u>8,715,653</u>	<u>8,771,415</u>	<u>8,480,457</u>	<u>8,832,959</u>	<u>10,709,602</u>	<u>10,725,407</u>
<u>\$ 21,279,992</u>	<u>\$ 26,502,002</u>	<u>\$ 22,218,482</u>	<u>\$ 30,750,508</u>	<u>\$ 28,676,497</u>	<u>\$ 25,821,590</u>
\$(34,862,565)	\$(30,854,372)	\$(35,693,730)	\$(26,124,083)	\$(26,170,299)	\$(26,188,111)
<u>(641,121)</u>	<u>(630,826)</u>	<u>(747,884)</u>	<u>(316,294)</u>	<u>160,907</u>	<u>521,893</u>
<u>\$(35,503,686)</u>	<u>\$(31,485,198)</u>	<u>\$(36,441,614)</u>	<u>\$(26,440,377)</u>	<u>\$(26,009,392)</u>	<u>\$(25,666,218)</u>



# CITY OF LAKE FOREST

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

Fiscal Years	2016	2015	2014	2013
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 25,006,224	\$ 24,468,769	\$ 23,744,650	\$ 25,051,411
Sales	2,889,306	2,851,103	3,047,529	3,183,479
Income and Use	2,251,828	2,386,567	2,182,325	2,131,711
Telecommunications and Utility	3,551,491	3,954,001	4,026,972	3,736,586
Real Estate Transfer Tax	1,288,175	1,224,610	1,633,580	1,209,113
Other	514,231	534,625	581,443	493,418
Investment Earnings	145,329	547,118	637,193	491,196
Miscellaneous	-	73,613	669,145	573,705
Transfers	(924,496)	(168,750)	(97,000)	(77,100)
Total Government Activities	<u>34,722,088</u>	<u>35,871,656</u>	<u>36,425,837</u>	<u>36,793,519</u>
Business-type Activities				
Investment Earnings	\$ 40,362	33,408	38,550	37,853
Other	6,033	1,621	-	-
Transfers	924,496	168,750	97,000	77,100
Total Business-type Activities	<u>970,891</u>	<u>203,779</u>	<u>135,550</u>	<u>114,953</u>
Total Primary Government	<u>\$ 35,692,979</u>	<u>\$ 36,075,435</u>	<u>\$ 36,561,387</u>	<u>\$ 36,908,472</u>
Change in Net Position				
Governmental Activities	\$ 1,829,224	\$ (1,278,126)	\$ 308,813	\$ (2,238,164)
Business-type Activities	<u>1,100,426</u>	<u>(343,481)</u>	<u>23,279</u>	<u>286,796</u>
Total Primary Government Change in Net Position	<u>\$ 2,929,650</u>	<u>\$ (1,621,607)</u>	<u>\$ 332,092</u>	<u>\$ (1,951,368)</u>

\*Starting in 2015, all taxes administered by the State and disbursed to the City are reported as intergovernmental the financial statements. They have been grouped by tax type for comparison purposes above.

Data Source

Audited Financial Statements

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 25,428,378	\$ 24,739,956	\$ 24,383,716	\$ 23,067,216	\$ 22,324,863	\$ 21,287,422
2,577,304	2,554,772	2,392,497	3,010,457	3,118,339	3,271,452
1,938,686	1,849,046	1,762,425	2,018,177	2,175,196	1,989,187
3,981,548	3,968,072	3,967,398	4,407,235	4,454,442	4,198,439
1,215,407	1,279,935	878,925	962,840	1,984,052	1,259,295
492,746	422,080	372,640	391,347	489,018	463,689
264,432	573,508	852,245	35,853	1,771,629	1,991,995
33,724	150,049	60,000	22,729	627,188	805,436
<u>(37,746)</u>	<u>(102,150)</u>	<u>(615,816)</u>	<u>10,111,313</u>	<u>(3,931)</u>	<u>(992,519)</u>
<u>35,894,479</u>	<u>35,435,268</u>	<u>34,054,030</u>	<u>44,027,167</u>	<u>36,940,796</u>	<u>34,274,396</u>
51,376	58,776	64,001	169,717	525,833	525,904
-	-	-	-	-	-
<u>37,746</u>	<u>102,150</u>	<u>615,816</u>	<u>(10,111,313)</u>	<u>3,931</u>	<u>992,519</u>
<u>89,122</u>	<u>160,926</u>	<u>679,817</u>	<u>(9,941,596)</u>	<u>529,764</u>	<u>1,518,423</u>
<u>\$ 35,983,601</u>	<u>\$ 35,596,194</u>	<u>\$ 34,733,847</u>	<u>\$ 34,085,571</u>	<u>\$ 37,470,560</u>	<u>\$ 35,792,819</u>
\$ 1,031,914	\$ 4,580,896	\$ (1,639,700)	\$ 17,903,084	\$ 10,770,497	\$ 8,086,285
<u>(551,999)</u>	<u>(469,900)</u>	<u>(68,067)</u>	<u>(10,257,890)</u>	<u>690,671</u>	<u>2,040,316</u>
<u>\$ 479,915</u>	<u>\$ 4,110,996</u>	<u>\$ (1,707,767)</u>	<u>\$ 7,645,194</u>	<u>\$ 11,461,168</u>	<u>\$ 10,126,601</u>

# CITY OF LAKE FOREST

## Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2016	2015	2014	2013
<b>General Fund</b>				
Nonspendable	\$ 1,272,224	\$ 1,648,832	\$ 2,126,990	\$ 2,775,449
Restricted	-	957,420	957,420	957,420
Unassigned	22,509,969	17,910,037	14,530,550	11,020,723
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<u>23,782,193</u>	<u>20,516,289</u>	<u>17,614,960</u>	<u>14,753,592</u>
<b>All other Governmental Funds</b>				
Non Spendable	408,539	381,173	-	43,333
Restricted	20,337,111	14,726,999	16,127,257	15,605,203
Assigned	1,456,053	1,448,736	1,449,284	1,598,819
Unassigned	-	(1,022,136)	-	-
Reserved	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Unreserved, Reported in	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
<b>Total All other Governmental Funds</b>	<u>22,201,703</u>	<u>15,534,772</u>	<u>17,576,541</u>	<u>17,247,355</u>
<b>Total Governmental Funds</b>	<u>\$ 45,983,896</u>	<u>\$ 36,051,061</u>	<u>\$ 35,191,501</u>	<u>\$ 32,000,947</u>

\*The City implemented GASB Statement #54 in FY2012.

Data Source

<u>2012*</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,159,403	\$ -	\$ -	\$ -	\$ -	\$ -
957,420	-	-	-	-	-
10,601,190	-	-	-	-	-
-	2,988,884	1,071,068	2,218,570	1,041,187	470,008
-	<u>9,239,135</u>	<u>9,815,220</u>	<u>8,618,251</u>	<u>9,585,445</u>	<u>8,534,147</u>
<u>13,718,013</u>	<u>12,228,019</u>	<u>10,886,288</u>	<u>10,836,821</u>	<u>10,626,632</u>	<u>9,004,155</u>
43,333					
16,171,794					
1,591,600					
-					
-					
-	4,333	43,306	128,516	130,173	89,809
-	-	-	-	-	-
-	2,808,826	2,839,264	2,632,215	2,708,268	2,849,336
-					
-	9,869,178	8,209,263	6,747,544	8,063,766	8,006,257
-	6,189,372	3,171,421	6,538,074	17,815,488	8,898,968
-	-	-	-	-	-
<u>17,806,727</u>	<u>18,871,709</u>	<u>14,263,254</u>	<u>16,046,349</u>	<u>28,717,695</u>	<u>19,844,370</u>
<u>\$ 31,524,740</u>	<u>\$ 31,099,728</u>	<u>\$ 25,149,542</u>	<u>\$ 26,883,170</u>	<u>\$ 39,344,327</u>	<u>\$ 28,848,525</u>

# CITY OF LAKE FOREST

## Change in Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2016	2015	2014	2013	2012
<b>Revenues</b>					
Property Taxes	\$25,006,224	\$24,468,769	\$23,744,650	\$25,051,411	\$ 25,428,378
Other Taxes	4,317,316	4,641,466	11,471,849	10,754,307	10,205,691
Intergovernmental revenues	6,680,193	6,972,923	576,125	612,357	589,960
Grants and contributions	1,056,523	950,823	962,249	1,190,377	1,039,737
Charges for Services	8,506,756	7,935,973	7,373,500	7,319,673	7,028,800
Liscenses and permits	5,222,568	2,821,066	2,477,338	2,450,194	2,475,739
Fines and forfeitures	260,407	287,333	297,005	368,941	372,607
Investment income	115,462	524,150	610,601	462,579	225,225
Miscellaneous revenue	779,137	790,344	759,384	1,225,082	730,813
<b>Total Revenue</b>	<u>51,944,586</u>	<u>49,392,847</u>	<u>48,272,701</u>	<u>49,434,921</u>	<u>48,096,950</u>
<b>Expenditure</b>					
General Government	\$10,811,408	10,248,830	10,112,393	14,242,768	10,313,031
Highways and streets	2,157,463	2,371,461	2,293,840	2,044,225	2,139,656
Sanitation	2,276,433	2,235,135	2,212,166	2,193,091	2,228,844
Culture and recreation	8,338,284	8,457,043	8,686,298	9,282,695	8,463,547
Public Safety	15,090,712	14,469,408	14,299,583	13,826,732	13,723,801
Capital Outlay	10,992,926	7,582,668	5,527,772	4,586,574	6,641,923
<b>Debt Service</b>					
Principal	1,791,579	1,623,436	1,400,950	1,377,736	2,531,876
Interest	1,293,634	1,400,609	1,319,276	1,392,342	1,667,372
<b>Total Expenditures</b>	<u>52,752,439</u>	<u>48,388,590</u>	<u>45,852,278</u>	<u>48,946,163</u>	<u>47,710,050</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(807,853)</u>	<u>1,004,257</u>	<u>2,420,423</u>	<u>488,758</u>	<u>386,900</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	\$ 2,846,321	2,020,085	3,224,306	2,829,243	2,296,270
Transfers out	(2,895,321)	(2,188,835)	(3,321,306)	(2,906,343)	(2,334,016)
Bonds issued	9,780,000	-	-	-	-
Installment note proceeds	-	-	-	-	-
Loan proceeds	830,080	-	-	-	-
Premium (discount) on bonds issued	106,384	-	26,093	-	120,828
Proceeds from refunding G.O. bonds	-	-	9,715,000	-	5,690,000
Payments for refunding G.O. bonds	-	-	(9,665,000)	-	(5,769,025)
Sale of capital assets	73,224	24,053	791,038	64,549	34,055
<b>Total Other Financing Sources (Uses)</b>	<u>10,740,688</u>	<u>(144,697)</u>	<u>770,131</u>	<u>(12,551)</u>	<u>38,112</u>
<b>Net Change in Fund Balance</b>	<u>\$ 9,932,835</u>	<u>\$ 859,560</u>	<u>\$ 3,190,554</u>	<u>\$ 476,207</u>	<u>\$ 425,012</u>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	6.54%	6.43%	6.17%	5.85%	8.31%

2011	2010	2009	2008	2007
\$ 24,739,956	\$24,383,716	\$ 23,067,216	\$22,324,863	\$21,287,422
10,073,905	9,433,885	10,790,056	12,221,047	11,182,063
523,185	1,304,368	684,872	790,979	948,449
1,306,195	706,250	-	-	-
7,427,784	7,844,119	8,295,760	7,193,242	8,416,183
2,246,336	2,135,888	2,117,774	2,345,931	2,483,638
409,539	372,924	387,629	469,208	357,556
531,666	815,520	(11,695)	1,673,038	1,866,217
1,074,576	1,374,476	1,420,815	1,870,927	2,890,358
48,333,142	48,371,146	46,752,427	48,889,235	49,431,886
11,929,446	12,226,189	12,778,200	10,569,268	9,533,418
2,449,911	3,897,758	2,567,220	2,332,972	1,979,122
2,194,511	2,056,528	2,096,044	2,125,284	2,023,726
8,559,331	8,816,962	8,511,075	7,925,598	8,174,644
13,291,727	13,062,453	12,820,200	12,169,723	11,341,849
6,348,572	11,376,490	28,537,234	8,324,272	5,466,571
15,659,313	2,877,662	2,954,681	4,797,104	4,774,827
1,284,755	1,173,967	694,355	781,529	881,087
61,717,566	55,488,009	70,959,009	49,025,750	44,175,244
(13,384,424)	(7,116,863)	(24,206,582)	(136,515)	5,256,642
1,844,410	1,847,105	5,425,090	3,201,175	2,893,460
(1,946,560)	(2,462,921)	(4,454,665)	(3,041,224)	(3,885,979)
18,090,000	3,680,000	-	9,750,000	-
-	2,300,000	10,700,000	-	-
-	-	-	-	-
279,130	19,051	-	(50,668)	-
-	-	-	-	-
-	-	-	-	-
1,067,630	-	75,000	773,034	1,484,722
19,334,610	5,383,235	11,745,425	10,632,317	492,203
\$ 5,950,186	\$ (1,733,628)	\$ (12,461,157)	\$10,495,802	\$ 5,748,845
8.62%	8.62%	8.08%	12.60%	14.61%

## 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
2006	2,453,626,272	187,607,513	64,953	5,407,000	58,493,629	2,705,199,367	0.8690	8,115,598,101	33.333%
2007	2,610,727,055	191,390,427	65,007	5,765,126	59,284,794	2,867,232,409	0.8510	8,601,697,227	33.333%
2008	2,674,566,048	217,608,832	79,283	5,817,809	60,603,515	2,958,675,487	0.8700	8,876,026,461	33.333%
2009	2,609,955,147	214,117,162	71,603	5,887,945	60,622,651	2,890,654,508	0.9020	8,671,963,524	33.333%
2010	2,452,291,451	203,193,623	66,933	5,871,505	56,123,585	2,717,547,097	0.9900	8,152,641,291	33.333%
2011	2,302,061,004	203,074,638	70,382	5,409,080	54,464,919	2,565,080,023	1.0350	7,695,240,069	33.333%
2012	2,166,702,992	207,360,589	65,556	3,918,002	-	2,378,047,139	1.1480	7,134,141,417	33.333%
2013	2,047,760,158	200,625,492	62,064	5,099,690	-	2,253,547,404	1.2480	6,760,642,212	33.333%
2014	2,047,998,906	196,562,054	61,541	5,846,135	-	2,250,468,636	1.2741	6,751,405,908	33.333%
2015	2,105,361,682	196,233,065	46,548	6,294,764	-	2,307,936,059	1.2794	6,923,808,177	33.333%

#### 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

## CITY OF LAKE FOREST

Property Tax Rates - Direct and Overlapping Governments  
Based on Shields Township  
Last Ten Levy Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Bonds	0.088	0.083	0.086	0.090	0.096	0.068	0.071	0.088	0.090	0.067
Corporate	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580	0.590	0.619
Firemen's Pension	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052	0.054	0.053
IMRF	0.052	0.051	0.052	0.054	0.059	0.032	0.035	0.037	0.038	0.037
Library	0.102	0.101	0.101	0.105	0.116	0.126	0.141	0.152	0.155	0.153
Library Sites & Building	0.012	0.011	0.013	0.013	0.014	0.015	0.016	0.017	0.017	0.017
Parks/Park Maintenance	0.000	0.052	0.050	0.097	0.106	0.114	0.123	0.191	0.194	0.196
Playground & Recreation **	0.098	0.038	0.042	0.043	0.046	0.050	0.055	0.000	0.000	0.000
Police Pension	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076	0.080	0.082
Recreation for Handicapped Rec.	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018	0.018	0.018
Social Security	-	-	-	-	-	0.032	0.035	0.037	0.038	0.037
City Direct Rates *	0.869	0.851	0.870	0.902	0.990	1.035	1.148	1.248	1.274	1.279
Overlapping Rates										
College of Lake County	0.195	0.192	0.196	0.200	0.218	0.240	0.272	0.296	0.306	0.299
County of Lake	0.450	0.444	0.453	0.464	0.505	0.554	0.608	0.663	0.682	0.663
Lake County Forest Preserve	0.204	0.201	0.199	0.200	0.198	0.201	0.212	0.218	0.210	0.208
North Shore Sanitary District	0.125	0.120	0.121	0.124	0.136	0.150	0.150	0.164	0.169	0.166
School District 67, Elem.	0.964	0.944	0.965	0.998	1.095	1.186	1.322	1.424	1.452	1.429
School District 115, High School	0.961	0.959	1.001	1.069	1.101	1.191	1.322	1.420	1.450	1.409
Township	0.050	0.050	0.050	0.048	0.039	0.043	0.036	0.037	0.039	0.038
Township Road and Bridge	0.020	0.016	0.019	0.020	0.023	0.026	0.029	0.032	0.033	0.032
Total tax rate	3.838	3.777	3.874	4.025	4.305	4.626	5.099	5.502	5.615	5.523
City's share of total tax rate	23%	23%	22%	22%	23%	22%	23%	23%	23%	23%

### 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	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 18,519,759	1	0.80%	\$ 8,223,706	4	0.30%
Lake Products Inc.	14,112,229	2	0.61%			
The Presbyterian Home	12,567,495	3	0.54%	23,016,840	1	0.85%
CBIZ Property Tax Solutions	8,645,053	4	0.37%	13,490,427	2	0.50%
Trustmark Insurance Co	7,646,395	5	0.33%	7,257,097	6	0.27%
Northwestern Lake Forest Hospital	7,193,925	6	0.31%	7,666,688	5	0.28%
Lake Forest Landmark Co. LLC	6,619,908	7	0.29%	7,061,151	7	0.26%
Lake Forest Landmark II	5,637,202	8	0.24%			
Riggs & Co	5,288,629	9	0.23%			
STRS L3 ACQ2 LLC	5,216,188	10	0.23%			
Tap Holdings Inc.				10,524,149	3	0.39%
James Altounian				5,562,328	9	0.21%
Red Fox LLC				6,559,076	8	0.24%
Shawgate- Broadacre				5,369,968	10	0.20%
	<u>\$ 91,446,783</u>		<u>3.96%</u>	<u>\$ 94,731,430</u>		<u>3.50%</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.

2016 Column is 2015 Assessed Valuation

2007 Column is 2006 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
2006	22,999,873	22,979,499	99.91%	204	22,979,703	99.91%
2007	23,895,634	23,851,132	99.81%	12,038	23,863,170	99.86%
2008	25,213,226	25,166,378	99.81%	8,545	25,174,923	99.85%
2009	25,526,887	25,468,324	99.77%	18,421	25,486,745	99.84%
2010	26,348,093	26,304,316	99.83%	8,193	26,312,509	99.86%
2011	25,984,866	25,911,115	99.72%	135	25,911,250	99.72%
2012	27,299,981	27,198,985	99.63%	384	27,199,369	99.63%
2013	28,124,272	28,002,008	99.57%	14,464	28,016,472	99.62%
2014	28,673,693	28,608,680	99.77%	14,056	28,622,736	99.82%
2015	29,528,749	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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580	0.590	0.619
IMRF/Social Security	0.052	0.051	0.052	0.054	0.059	0.064	0.070	0.074	0.076	0.074
Firefighter Pension	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052	0.054	0.053
Police Pension	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076	0.080	0.082
Parks and Recreation	0.098	0.090	0.092	0.140	0.152	0.164	0.178	0.191	0.194	0.196
Special Recreation	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018	0.018	0.018
General Obligation Bond 1998 B	0.024	0.023	-	-	-	-	-	-	-	-
General Obligation Bond 2000	0.025	0.023	0.023	0.023	0.025	-	-	-	-	-
General Obligation Bond 2001 B	0.005	0.004	0.004	0.004	0.004	-	-	-	-	-
General Obligation Bond 2002 B	-	-	-	-	-	-	-	-	-	-
General Obligation Bond 2003 A	0.034	0.033	0.035	0.036	-	-	-	-	-	-
General Obligation Bond 2008	-	-	0.024	0.022	0.032	0.034	0.036	0.037	0.037	0.026
General Obligation Bond 2009	-	-	-	0.005	0.011	0.011	0.012	0.013	0.013	0.009
General Obligation Bond 2010	-	-	-	0.000	0.020	0.023	0.023	0.012	0.025	0.015
General Obligation Bond 2013	-	-	-	0.000	0.000	0.000	0.000	0.026	0.015	0.010
General Obligation Bond 2015	-	-	-	-	-	-	-	-	-	0.008
Total tax rate	0.755	0.739	0.756	0.784	0.856	0.894	0.991	1.079	1.102	1.110

### Data Source

Office of the County Clerk

The tax rate for the City's component unit, Lake Forest Library is excluded from this table.

This table excludes the tax rates for the Special Service Areas.

## CITY OF LAKE FOREST

### Sales Tax Base and Number of Principal Payers Taxable Sales by Category - .5% Sales Tax Last Ten Calendar Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Merchandise	\$ 33,206	\$ 26,184	\$ 10,741	\$ 8,492	\$ 8,460	\$ 36,478	\$ 12,219	\$ 9,722	\$ 7,005	\$ 7,471
Food	89,536	89,969	97,870	83,567	89,338	90,613	91,999	93,952	105,771	96,009
Drinking and Eating Places	129,149	139,291	147,973	127,679	133,028	140,639	155,188	165,386	180,023	163,447
Apparel	63,083	60,423	54,674	55,300	51,968	53,727	64,317	68,135	68,291	75,606
Furniture & H.H. & Radio	57,996	58,530	51,881	42,526	38,958	10,187	37,536	38,821	39,494	36,526
Lumber, Building, Hardware	38,373	30,834	26,223	20,405	19,010	(6,528)	6,867	9,862	-	-
Automobile and Filling Stations	48,129	44,478	37,349	27,399	35,443	38,209	38,900	37,025	34,895	28,267
Drugs and Miscellaneous Retail	113,558	116,910	117,787	178,470	91,397	105,512	81,022	110,554	117,262	118,740
Agriculture and All Others	91,488	96,048	100,902	88,052	94,649	97,776	110,446	121,651	105,139	129,721
Manufacturers	88,889	102,914	109,291	21,860	14,322	(4,963)	-	-	7,095	(3,818)
Total	<u>\$ 753,407</u>	<u>\$ 765,581</u>	<u>\$ 754,691</u>	<u>\$ 653,750</u>	<u>\$ 576,572</u>	<u>\$ 561,650</u>	<u>\$ 598,494</u>	<u>\$ 655,108</u>	<u>\$ 664,975</u>	<u>\$ 651,969</u>
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

#### Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

Effectively July 2003, an additional .5% non home rule sales tax was collected.  
The City of Lake Forest became a home rule community in November 2004.

# CITY OF LAKE FOREST

## Sales Tax Base and Number of Principal Payers Taxable Sales by Category - 1% Sales Tax Last Ten Calendar Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Merchandise	\$ 67,042	\$ 52,664	\$ 21,504	\$ 16,984	\$ 17,248	\$ 72,955	\$ 24,726	\$ 19,656	\$ 14,010	\$ 14,930
Food	621,566	635,560	629,087	562,455	570,803	579,914	585,517	593,446	673,803	591,893
Drinking and Eating Places	261,151	285,968	302,523	260,953	271,753	286,472	317,291	338,382	364,221	329,303
Apparel	126,196	124,644	109,349	110,600	103,935	107,453	128,633	136,270	136,582	151,212
Furniture & H.H. & Radio	115,995	117,060	103,763	85,052	77,915	20,373	75,071	77,642	78,988	73,061
Lumber, Building, Hardware	76,746	61,668	52,445	40,810	38,019	(13,037)	13,742	19,724	-	-
Automobile and Filling Stations	167,847	165,896	130,459	109,080	150,101	138,744	146,865	241,339	178,178	133,684
Drugs and Miscellaneous Retail	425,144	441,773	438,917	546,202	322,376	371,420	400,096	433,159	430,482	414,407
Agriculture and All Others	200,515	208,076	219,358	198,803	267,227	254,225	274,807	285,401	255,189	295,974
Manufacturers	347,340	205,978	218,715	43,909	28,947	(9,729)	-	-	14,415	(5,107)
Total	<u>\$ 2,409,543</u>	<u>\$ 2,299,287</u>	<u>\$ 2,226,120</u>	<u>\$ 1,974,848</u>	<u>\$ 1,848,324</u>	<u>\$ 1,808,790</u>	<u>\$ 1,966,748</u>	<u>\$ 2,145,019</u>	<u>\$ 2,145,868</u>	<u>\$ 1,999,357</u>
Total Number of Payers	737	837	849	843	663	647	637	637	673	687
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

### Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

The categories, Lumber, Bldg. and Hardware and General Merchandise became a censored status in the 2nd quarter of 2008.

## CITY OF LAKE FOREST

### Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
2007	1.50%	5.00%	0.25%	0.25%	7.00%
2008*	1.50%	5.00%	0.50%	0.50%	7.50%
2009	1.50%	5.00%	0.50%	0.50%	7.50%
2010	1.50%	5.00%	0.50%	0.50%	7.50%
2011	1.50%	5.00%	0.50%	0.50%	7.50%
2012	1.50%	5.00%	0.50%	0.50%	7.50%
2013	1.50%	5.00%	0.50%	0.50%	7.50%
2014	1.50%	5.00%	0.50%	0.50%	7.50%
2015	1.50%	5.00%	0.50%	0.50%	7.50%
2016	1.50%	5.00%	0.50%	0.50%	7.50%

#### Data Source

City records

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

\* The sales tax rate remained the same as 2007 until April 1, 2008. On April 1, 2008, the sales tax rates increased to the rate indicated on this schedule.

## 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				
2007	21,586,517	650,001	29,325,000	70,000	51,631,518	1.91%	3.12%	2,401.47
2008	26,631,080	558,334	28,095,000	-	55,284,414	1.93%	3.32%	2,559.46
2009	24,188,066	11,166,667	26,280,000	-	61,634,733	2.08%	3.70%	2,853.46
2010	25,457,071	13,000,000	24,925,000	-	63,382,071	2.19%	3.81%	2,934.36
2011	40,887,758	-	23,525,000	-	64,412,758	2.37%	4.31%	3,324.53
2012	38,580,882	-	22,804,000	-	61,384,882	2.39%	4.11%	3,168.25
2013	37,203,146	-	21,060,000	-	58,263,146	2.45%	3.90%	3,007.13
2014	35,852,197	-	19,245,000	-	55,097,197	2.44%	3.69%	2,843.73
2015	34,258,902	-	17,602,838	-	51,861,740	2.30%	3.47%	2,676.73
2016	42,510,566	-	15,679,654	-	58,190,220	2.52%	3.90%	3,003.37

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
2007	50,911,517	2,849,336	48,062,181	0.59%	2,235.45
2008	54,726,080	2,708,268	52,017,812	0.60%	2,408.23
2009	50,468,066	2,632,215	47,835,851	0.54%	2,214.62
2010	50,382,071	2,839,265	47,542,806	0.55%	2,201.06
2011	64,412,758	2,808,827	61,603,931	0.76%	3,179.56
2012	61,384,882	2,316,219	59,068,663	0.77%	3,048.71
2013	58,263,146	2,407,275	55,855,871	0.78%	2,882.88
2014	55,097,197	1,144,118	53,953,079	0.80%	2,784.68
2015	51,861,740	1,316,900	50,544,840	0.75%	2,608.77
2016	58,190,220	1,201,300	56,988,920	0.82%	2,941.36

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

\* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.



# CITY OF LAKE FOREST

## Direct and Overlapping Governmental Activities Debt As of April 30, 2016

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 190,325,000	9.94%	\$ 18,918,305
Lake County Community College #532	72,220,000	10.48%	7,568,656
Lake County Forest Preserve District	284,615,000	9.94%	28,290,731
School District #67	680,772	100.00%	680,772
School District #103	6,535,000	0.01%	654
High School District #115	38,700,000	79.50%	30,766,500
High School District #128	11,905,000	3.02%	359,531
Subtotal, overlapping debt	604,980,772		86,585,149
City of Lake Forest direct debt	42,510,566	100.00%	\$ 42,510,566
Total direct and overlapping debt	\$ 647,491,338		\$ 129,095,715

Source: Lake County Clerk

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

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

## CITY OF LAKE FOREST

### Legal Debt Margin Information Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	
2007	10,180,035	6,226,411	3,953,624	1,385,000	1,277,609	1.48
2008	9,870,570	6,532,687	3,337,883	1,430,000	1,236,624	1.25
2009**	9,901,537	6,738,037	3,163,500	1,265,000	1,168,738	1.30
2010	8,446,734	5,397,283	3,049,451	1,358,325	1,126,001	1.23
2011	8,690,738	5,609,379	3,081,359	1,400,000	1,071,748	1.25
2012	8,767,029	6,358,960	2,408,069	1,651,000	661,906	1.04
2013	9,956,387	6,938,272	3,018,115	1,744,000	482,866	1.36
2014	9,043,227	5,406,022	3,637,205	1,815,000	433,125	1.62
2015	8,918,081	5,445,461	3,472,620	1,847,000	402,951	1.54
2016	10,190,948	5,826,164	4,364,784	1,877,000	373,266	1.94

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

Water Charges and Other includes investment earnings but excludes sale of property and grants

Operating expenses does not include debt service, depreciation or reserve requirements

\*\* In FY2009, the Paid Parking Fund was closed to the General Fund. Debt payments will be paid from a new Debt Service Fund.

# CITY OF LAKE FOREST

## Demographic and Economic Information Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	21,500	(E)	2,705,199,367	125,823	1,657,478,000	77,092	2.3%
2008	21,600	(E)	2,867,232,409	132,742	1,665,187,200	77,092	2.8%
2009	21,600	(E)	2,958,675,487	136,976	1,665,187,200	77,092	3.9%
2010	21,600	(E)	2,890,654,508	133,827	1,665,187,200	77,092	5.8%
2011 *	19,375	(A)	2,717,547,097	140,260	1,493,657,500	77,092	7.5%
2012 *	19,375	(A)	2,565,080,023	132,391	1,493,657,500	77,092	6.8%
2013 *	19,375	(A)	2,378,047,139	122,738	1,493,657,500	77,092	6.7%
2014 *	19,375	(A)	2,253,547,404	116,312	1,493,657,500	77,092	6.7%
2015 *	19,375	(A)	2,250,468,636	116,153	1,493,657,500	77,092	5.4%
2016 *	19,375	(A)	2,307,936,059	119,119	1,493,657,500	77,092	4.7%

(A) Actual

(E) Estimate by City of Lake Forest

### Data Source

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

2010 Census information for Per Capita Personal Income was not available.

\* The State of Illinois revised the annual unemployment rates for small communities back to 2010 in 2014

## CITY OF LAKE FOREST

### Principal Employers Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Northwest Lake Forest Hospital	1,600	1	8.26%	1,587	1	7.91%
Hospira Inc.	1,350	2	6.97%	1,500	2	7.48%
Trustmark Insurance Company	800	3	4.13%	836	3	4.17%
TAP Pharmaceutical Products			0.00%	804	4	4.01%
Solo Cup Co.	600	4	3.10%			
Lake Forest College excludes student employees	500	5	2.58%	514	5	2.56%
Lake Forest H.S. District 115 teacher, support staff	350	6	1.81%	351	7	1.75%
Pactiv Corporation	300	7	1.55%	440	6	2.19%
City of Lake Forest	275	8	1.42%	252	8	1.26%
Brunswick Corporation	200	9	1.03%	250	9	1.25%
Packaging Corporation of America	200	10	1.03%			
Lake Forest Elem. S.D. No. 67				210	10	1.05%

#### Data Source

City staff contacted companies via mail.

# CITY OF LAKE FOREST

## Full-Time Equivalent Employees Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Budgeted Employees as of April 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	29	30	30	29	26	25	25	25.0	25.0	25.0
Community Development	16	18	18	15	12.5	12.5	13.0	13.0	13.0	13.0
Public Safety										
Fire Protection										
Firefighters	37	37	37	36	34	33	33	33	33	33
Administrative	1	1.5	1.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Police										
Officers	43	43	43	41.5	40	40	40	40	40	40
Civilians	19	18.5	18.5	18.5	17.5	18.0	18.0	18.0	18.0	8.0
Public Works										
Public Works Administration	5	5	5	5	5	4	4	4	4	4
Building Maintenance	4	6	6	6	6	6	6	7	7	7
Engineering	7	7	7	7	6	5	5	5	5	5
Streets	8	8	8	8	8	7	7.5	7.5	7.5	7.5
Sanitation	14	14	12	12	12	12	11.5	10.5	10.5	10.5
Forestry	6	9	9	9	0	0	0	0	0	0
Fleet (vehicle) Maintenance	5	5	5	7	6	6	6	6	6	6
Water										
Water Plant	9	9	9	9	8	7	7	6.5	6.5	6.5
Water and Sewer	10	10	10	10	10	10	10	8.5	8.5	8.5
Parks	11	7.25	7.25	7.25	16.4	15.4	15.4	15.4	15.4	15.4
Recreation	19	17.5	17.5	17.5	17.4	15.4	15.4	15.4	15.4	15.4
Golf Course	4	4.25	4.25	3.25	3.2	3.2	2.2	2.2	2.2	2.2
Cemetery	2	2	2	2	2	2	2	2	2	2
Senior Resources	3	3	3	3	3	3	3	3	3	3
Sub - total City	252	255	253	248.5	235.5	227	226	224	224	214
Library	29.6	30	29	27.24	29.6	27.9	27.8	28.2	28.2	29.2
Total all	281.6	285	282	275.74	265.1	254.9	253.8	252.2	252.2	243.2

### Data Source

City Departments and employee totals as of April 30th

# CITY OF LAKE FOREST

## Operating Indicators Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	249	283	183	261	293	297	382	440	394	355
Rebates Issued	24	35	23	30	37	37	40	67	40	44
Birth Certificates Issued	2,930	2,790	2,690	2,751	1,940	2,821	2,675	2,250	2,556	2,575
Passports Issued (2)	314	132	89	108	48	29	0	0	0	0
Community Development										
Building permits issued	3,501	3,491	3,142	2,610	3072	3451	3197	3418	3667	3855
Residential construction	22	33	23	4	7	11	7	13	20	27
Commercial construction	3	1	3	1	0	1	2	1	1	1
Building inspections conducted	10,880	11,343	9,284	8,060	8392	8645	8925	8651	9657	11009
Public Safety										
Fire protection										
I.S.O. rating	4	4	4	4	4	4	4	4	4	4
Number of calls answered										
EMS	1,477	1,624	1,558	1,041	1,211	1,607	1,726	1,574	1,785	1,712
Fire	1,647	1,576	1,759	1,233	1,177	1,734	1,403	1,497	1,503	1,367
Police (calendar year)										
Non traffic arrests	526	450	449	424	385	335	237	191	89	166
Parking violations	11,898	9,530	9,626	8,472	8,757	7,114	7,013	5,979	5,250	3,907
Traffic violations	4,512	3,287	5,320	3,190	2,997	2,028	2,220	1,877	1,741	1,985
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	1.90	10.36	3.08	5.76	6.57	7.09	5.92	5.00	5.50	2.40
Potholes repaired (4)	1,575	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of snow events										
Salting	10	20	8	14	15	14	23	27	21	24
Plowing	16	36	25	15	20	12	12	21	20	10
Inches of snow	33	83	72	56	60	21	36	48	50	24
Sanitation										
Refuse collection customers	6,316	6,356	6,361	6,361	6,471	6,471	6,472	6,462	6,654	6,295
Parks and Recreation (3)										
Fitness										
Number of programs	478	370	348	349	334	322	264	336	181	346
Units of participation	2,228	1,796	1,648	1,355	1,393	1,196	1,060	1,587	1,216	1,271
Athletics										
Number of programs	210	220	213	278	157	309	283	270	341	168
Units of Participation	3,189	3,232	3,253	3,148	2,416	2,932	2,704	2,524	2,282	1,348
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	337	343	307	306	420	395	319	294	126	130
Units of participation	1,874	1,873	1,541	1,402	1,344	1,424	1,576	1,380	752	1,393
Cultural Arts/Special Events										
Number of programs	417	326	338	292	320	270	306	286	87	147
Units of participation	3,618	2,454	2,536	2,274	2,262	2,008	1,972	1,999	1,329	1,579

# CITY OF LAKE FOREST

## Operating Indicators (Continued) Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	224	221	176	10	124	104	37	47	20	20
Units of participation	1,274	1,157	969	772	627	582	301	360	2263	2802
Developed parks and recreation areas	10	10	10	10	10	10	10	10	10	11
Developed park acreage	395.5	395.5	395.5	395.5	415	404	404	404	404	405
Sites with playgrounds	8	8	8	8	8	8	9	9	9	9
Sites with baseball diamonds	7	7	7	7	7	8	8	8	8	8
Sites with soccer fields	7	7	7	7	7	7	7	7	7	7
Sites with basketball standards	4	4	4	4	5	5	5	5	5	5
Sites with tennis courts	6	6	6	6	6	6	6	6	6	6
Deer Path Golf Course										
Size	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes
Rounds of Play	36,500	39,900	35,494	35,079	32,664	31,949	30,321	29,435	27,956	29,445
Daily fee	17,000	18,000	15,500	15,839	15,102	14,466	13,646	17,449	17,646	20,478
Seasonal	19,500	21,900	19,994	19,240	17,564	17,483	16,675	11,986	10,310	8,967
Water										
New Connections (tap-ons)	52	34	39	16	19	22	20	28	33	66
Meters in operation	6,695	6,681	6,771	6,774	6,761	6,755	6,754	6,751	6,764	6,810
Meters connected to sewerage system	6,482	6,520	6,550	6,570	6,570	6,583	6,584	6,587	6,577	6,645
Average daily consumption (MGD)	3.931	4.182	3.737	3.611	3.669	3.759	4.202	3,652	3,250	3,162
Peak daily consumption (MGD)	10.773	9.477	9.883	9.389	8.982	11.805	10.298	8.611	7.345	8.268
Rated daily pumping capacity (MGD)	14	14	14	14	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	1,441.6	1,525.1	1,441.7	1,321.1	1,336.5	1,372.0	1,534.0	1,332.8	1,187.6	1,157.2
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	137,343	140,171	143,518	142,654	145,496	145,539	147,330	148,318	146,214	146,153
Registered borrowers	14,002	14,233	14,490	15,145	15,645	16,200	15,160	15,403	15,440	15,460
Fiscal yearbooks, items or materials circulation	407,399	415,547	406,998	488,056	465,927	485,450	457,632	450,876	410,852	383,561

### 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.
  - (4) Department stopped tracking after FY2007
- N/A equals data not available



# CITY OF LAKE FOREST

## Capital Asset Statistics Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	23	23	25	23	23	21
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	14	14	17	15	17
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	7	7	7	7	7	7	7	7	7
Streets										
Streets (centerline miles)	118.66	118.66	119	119	119	119	119	119.24	119.24	119.24
Streetlights										
Gas	438	438	438	438	438	438	438	438	438	438
Electric	1460	1460	1460	1473	1526	1526	1526	1536	1570	1570
Storm sewer (miles)	218.26	218.26	218.29	219.17	219.35	219.41	219.41	219.41	219.41	219.43
Parks and Recreation										
Acreage	395.5	395.5	395.5	395.5	415	403.73	404	403.73	403.73	405
Water										
Water mains (miles)	163.33	164.27	165.25	165.25	165.25	165.25	165.25	165.79	166.44	166.44
Fire hydrants	1353	1331	1362	1362	1362	1362	1362	1362	1511	1511
Wastewater										
Sanitary sewers (miles)	137.6	138.39	138.71	138.9	138.9	138.95	138.9	138.95	138.95	139.43

### Data Source

City departments

N/A = data not available