

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2020

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF LAKE FOREST, ILLINOIS**
As of and for the Year Ended April 30, 2020

City of Lake Forest Finance Department

Elizabeth Holleb, Finance Director
Diane Hall, Assistant Finance Director

CITY OF LAKE FOREST

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October 15, 2020

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

The Comprehensive Annual Financial Report of the City of Lake Forest (City) for the year ended April 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

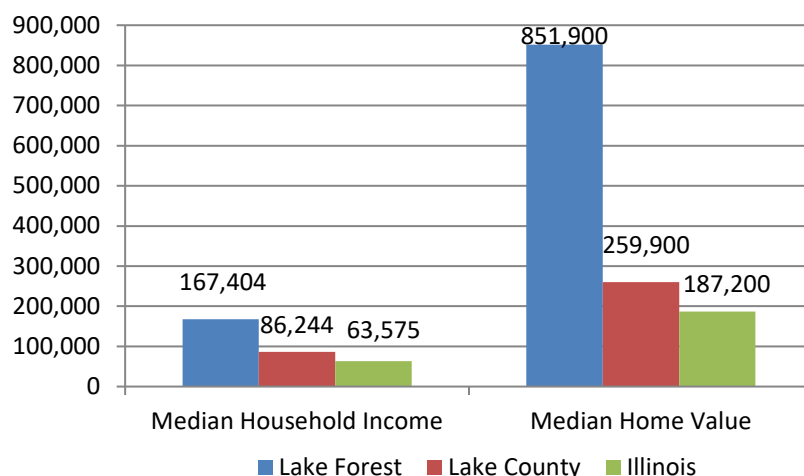
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

The City's financial statements have been audited by Baker Tilly US, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Lake Forest for the fiscal year ended April 30, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of The City of Lake Forest

The City of Lake Forest was incorporated as a city under a charter granted by the Illinois State Legislature in 1861 and amended in 1869. Lake Forest is a residential community of 19,375 people and has a land area of 17.18 square miles. It is situated on Lake Michigan, thirty miles north of downtown Chicago in Lake County. In its American Community Survey, 2014-2018 estimates, the U.S. Census Bureau reported the City had a median household income and median home value significantly higher than comparable figures for Lake County and the State of Illinois:



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

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

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

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

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

In addition, the Appropriation Ordinance provides for a 10% contingency above those expenditures actually budgeted. Each separate fund includes an item labeled contingency, with an appropriated amount equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency line item, the City

Council and City staff follow the adopted budget as its spending guideline and not the Appropriation Ordinance. This practice has been followed for more than thirty years and has worked very efficiently as a mechanism to address unanticipated items that may arise throughout the fiscal year.

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

Factors Affecting Financial Condition

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

- Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2019, the City's annual average unemployment rate was estimated to be 3.8%, compared to 4.1% for Lake County and 4.0% for the State of Illinois.
- The consumer confidence index is closely monitored by economists because consumer spending accounts for 68% of the United States' economic activity. In July 2020, the index was 92.6, down from 98.3 in June, and comparing unfavorably to the August 2019 index of 135.1. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.

As revenues declined in 2008-2010 due to national economic conditions, the City has proactively reduced operating expenses to ensure a balanced budget and compliance with the City's fiscal policies. Since personnel costs represent approximately 73% of the General Fund operating budget, it has been necessary to achieve cost savings through reduced personnel. In fiscal years (FY) 2004-2021, the City has reduced budgeted full time employees by 47 positions (18%), returning the City's total employee count below FY1992 levels.

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

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

Approximately half of the City's General Fund revenues come from property taxes, which continue to be a stable revenue source. The other major funding sources of sales tax, income tax, utility taxes and building permit revenues met FY2020 budget estimates in aggregate. Effective May 1, 2014, the City implemented a new sanitation fee that generates \$915,000 per year. This revenue is currently deposited to the General Fund. Effective May 1, 2017, the City implemented a new Public Safety Pension Fee to increase public awareness of the challenges in meeting police and fire pension obligations. Effective July 1, 2019, the City increased the Home Rule Sales tax from .5% to 1% to fund capital improvement projects.

The financial condition of the State of Illinois continues to be a significant concern although the City has taken measures to limit its reliance on the State for direct funding. The City is vigilant in monitoring legislation that may be introduced that could have a negative impact on the City's budget and vigorously opposes such legislation. In recent years, the State has reduced income tax distributions and imposed an administration fee of 2% on home rule sales tax collections (reduced to 1.5% for SFY19). The City Council

and staff continue to budget conservatively and discuss fiscal scenarios for future years should the State continue to tap local revenues to balance its budget or in the event the State imposes property tax limitations on local units of government.

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

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

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

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

In Fiscal Year 2016, the City Council adopted revisions to the Fiscal Policy effective for FY2017 and continuing through FY2020. The revised policy clarified the applicability of the Property Tax Extension Limitation Law to the City, established a policy for setting aside reserves to meet the City's Other Post-Employment Benefits (OPEB) liability, revised the financing parameters for establishment of Special Service Areas, and committed to minimizing reliance on State and/or Federal revenues to fund core services.

In March 2020, the world was dramatically affected by the COVID-19 pandemic. While the General Fund revenues were not greatly affected in FY2020 by COVID-19, other areas of the City were significantly impacted. The City has budgeted reduced sales tax and income tax revenue for FY2021. The Police and Fire Pension investments resulted in larger losses as of April 30, 2020. In recent months, these investments have rebounded. The City's Parks and Recreation programs were placed on hold in March 2020 resulting in the cancellation of many of the spring and summer programs reducing the revenue of the fund. The City's golf course was shut down in March and was able to open at a limited capacity as of May 1. A revised FY21 preliminary budget was presented to the City Council May 4, 2020 for approval, reflecting changes based on anticipated reductions in consumer driven revenue sources and projected losses in the Parks and Recreation and Golf Funds. The City continues to monitor revenues and expenses and to seek grant opportunities to assist with the financial impact of the pandemic. Monthly reports are provided to the City Council to review the financial impact of COVID 19 on the City's finances.

Long-Term Financial Planning. The City is funding infrastructure expenditures primarily on a pay-as-you-go basis from dedicated revenues. A real estate transfer tax is imposed on residential and commercial real estate transactions and is deposited into the Capital Improvements Fund. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate. FY2020 real estate transfer tax revenue totaled \$1.3 million. Significant fluctuations occur in this revenue source due to changes in economic conditions, and more specifically the housing market. The City will remain conservative in projecting this revenue source and in spending monies on capital projects.

In FY2017, the City took advantage of one-time proceeds from the sale of City property to call general obligation bonds issued in 2008. To provide an additional annual funding source for the Capital

Improvement Program, the City Council approved the creation of a Capital Improvements property tax levy that would mirror the debt service maturities associated with the 2008 bonds. Beginning in FY2018, this measure provided an additional \$820,000 to the Capital Improvements Fund.

In FY2019, the City Council approved an increase to the Sanitation fee effective May 1, 2019. This measure provided an additional \$300,000 in funding. The City Council approved moving the Sanitation fee to the General Fund beginning in FY2020 to align the revenue with the Sanitation Division operating expenses. The Capital Fund Tax Levy has been increased for the Capital Improvement Fund to account for the Sanitation fees moved to the General Fund. The City Council also approved an increase to the City's Home Rule Sales tax from .5% to 1% effective July 1, 2019 to fund capital improvements.

A Public Works Committee consisting of three City Council members was created to oversee capital improvement projects and programs. Annually in October, the Public Works Committee and city staff finalize the draft of the Five Year Capital Improvement Program. This draft is discussed at a City Council Finance Committee budget meeting, typically held in November.

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

Pension Benefits. Escalating costs for employee pension benefits will continue to pose financial challenges to the City. Sworn police and fire personnel receive retirement and disability benefits from the Police Pension Fund and Firefighters' Pension Fund, respectively. Both of these plans are defined benefit, single-employer plans administered by boards of trustees. The defined benefits and employee contribution levels are governed by Illinois Compiled Statutes and may only be amended by the Illinois General Assembly. Police participants are required to contribute 9.91% of their base salaries and fire participants are required to contribute 9.455% of their base salaries. The City is required to contribute the remaining amounts necessary to finance each plan as determined by an independent actuary. As of April 30, 2020, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 48.0% and for the Firefighters' Pension Plan is 64.4%.

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, 2019, the funded ratio for IMRF is 95.3%, including the actuarial accrued liability for retirees which is 100% funded.

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

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

The City Council has continued deliberations on the funding of public safety pensions with the support of staff, the fire and police pension boards, and the City's independent actuary. Significant changes to actuarial assumptions were made for the April 30, 2017 actuarial valuations, increasing the funding requirement for FY2019 by a combined \$800,000 and additional \$190,000 in FY2020. A public safety pension fee was implemented effective May 1, 2017 as noted previously. A pension subcommittee established by the Mayor continues to discuss alternatives for future consideration by the City Council.

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

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

Major Initiatives

The City is committed to maintaining the quality of life and preserving the character and heritage of Lake Forest. The City must continue to adhere to its prudent financial management practices and remain focused on sustaining long-term financial stability. For FY2020, the most significant initiatives were as follows:

- In January 2015, the City Council approved ordinances adopting a Tax Increment Financing (TIF) District on a 10-acre site at the north end of the Commercial Business District. In FY2016, the City completed required demolition of existing structures and remediation of the site. In April 2016, the City Council approved a First Amendment to the Purchase/Sale Agreement, redevelopment agreement, final plat of subdivision and Final Development Planned Development Ordinance. The plan includes 165 total units – 12 single family homes, 42 condominium units and 111 apartments. As of April 30, 2020 construction of the three apartment buildings is complete and nearly fully occupied. The first of the two condominiums is complete with 17 units sold. Construction of the second building has not started. Five single family homes have been sold with an additional home under construction.
- In October 2018, the City Council authorized \$1,985,000 to repair the North Beach Access Road. A Public/Private partnership was supported, resulting in donations in excess of \$650,000 having been received to fund the project. The project was completed in FY2020 at a total cost of \$2.4 million.
- In April 2019, the City Council authorized \$1,548,140 to replace the Old Elm Storm Sewer and Forest Hill Water Main.
- In December 2018, the City Council authorized \$525,000 for the purchase of a replacement Fire Engine. The highly anticipated fire engine was received in FY2020.
- In December 2019, the City Council authorized the issuance of \$17.7 million in General Obligation refunding bonds, resulting in a savings of \$1.2 million for the City.

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, 2019. This was the 41st 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 "Jason Wicha".

Jason Wicha
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, 2019

Christopher P. Morrell

Executive Director/CEO

List of Principal Officials

Year Ended April 30, 2020

LEGISLATIVE

City Council

George Pandaleon, Mayor

Prue R. Beidler

Melanie Rummel

James E. Morris

Ted Notz

Jim Preschlack

Ara Goshgarian

Raymond P. Buschmann

Michelle Moreno

AUDIT COMMITTEE

Vince Sparrow, Chairman

Tighe Magnuson

William McFadden

Dean Stieber

George Pandaleon, Mayor (ex-officio)

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

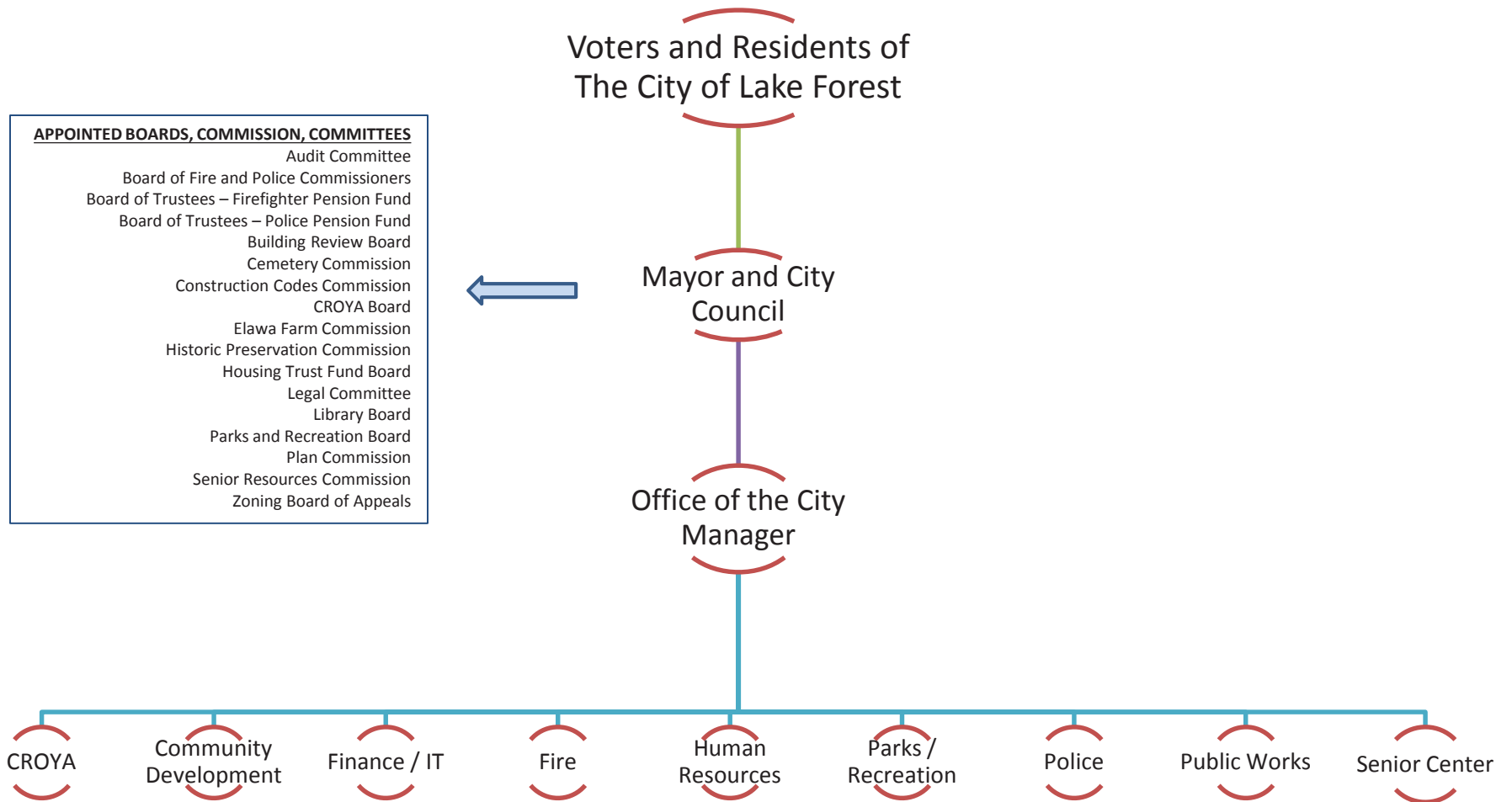
EXECUTIVE

Jason Wicha, City Manager

DEPARTMENT OF FINANCE

Elizabeth Holleb, Director of Finance

Diane Hall, Assistant Finance Director



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
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, 2020, and the related notes to the financial statements, which collectively comprise the City of Lake Forest's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Lake Forest Library were not audited in accordance with *Government Auditing Standards*.

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

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

To the Honorable Mayor and City Council
City of Lake Forest, 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, 2020 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. 84, *Fiduciary Activities*, effective May 1, 2019. 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.

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020 on our consideration of the City of Lake Forest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake Forest's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Forest's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Oak Brook, Illinois
October 15, 2020

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

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

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

Financial Highlights

- The City's net position decreased \$2.3 million for the fiscal year ending April 30, 2020 (FY20). Governmental net position decreased \$1.9 million and business-type net position decreased \$.4 million.
- The governmental activities revenue decreased by \$.2 million (.1%) due to increased taxes, and increased operating grants/contributions, offset by decreases to charges for services and decreased investment income. The expenses increased by \$3.4 million (6.1%) due primarily to adjustments related to pensions. Transfers decreased by \$1 million related to a capital contribution from the Water and Sewer Fund to the Capital Improvements Fund in FY2019.
- The business-type activities revenue decreased by \$.6 million (6.3%) primarily due to a decrease in charges for services in the Water and Sewer Fund a decrease in investment income and a decrease in operating grants and contributions in the Golf Fund. The City's business-type activity expenses increased by \$.4 million (4.1%) due primarily to pension adjustments and non-capitalized improvements. Transfers decreased by \$1 million as discussed above.
- The total cost of all City programs increased from \$65.0 million in FY19 to \$68.8 million in FY20 – an increase of \$3.8 million or 5.8% - attributable to pension adjustments and non-capitalized improvements.

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

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

Government-Wide Financial Statements

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

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

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

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

Fund Financial Statements

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

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

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

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

Infrastructure Assets

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

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The City's combined net position decreased by \$2.3 million for FY20 – from \$225.7 million to \$223.4 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 decreased by \$1.9 million – from \$176.6 million to \$174.7 million. The business-type activities net position decreased by \$.4 million – from \$49.1 million to \$48.7 million. Table 1 reflects the condensed Statement of Net Position compared to FY19. Table 2 will focus on the changes in net position of the governmental and business-type activities.

Table 1
Statement of Net Position
As of April 30, 2019 and 2020
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Current and Other Assets	\$101.5	\$103.0	\$12.7	\$11.8	\$114.2	\$114.8
Capital Assets	196.7	195.6	58.5	55.9	255.2	251.5
Total Assets	298.2	298.6	71.2	67.7	369.4	366.3
Deferred Outflows	17.0	15.2	1.4	0.4	18.4	15.6
Long- Term Liabilities	98.7	97.1	21.5	18.0	120.2	115.1
Other Liabilities	9.4	7.3	1.8	0.8	11.2	8.1
Total Liabilities	108.1	104.4	23.3	18.8	131.4	123.2
Deferred Inflows	30.5	34.7	0.2	0.6	30.7	35.3
Net Position:						
Net Investment in						
Capital Assets	164.7	165.2	39.6	39.0	204.3	204.2
Restricted	26.7	27.8	0.0	0.0	26.7	27.8
Unrestricted	(14.8)	(18.3)	9.5	9.7	(5.3)	(8.6)
Total Net Position	\$176.6	\$174.7	\$49.1	\$48.7	\$225.7	\$223.4

For more detailed information see the Statement of Net Position.

Normal Impacts

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

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

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

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

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

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

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

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

Current Year Impacts

The City's \$2.3 million decrease in combined net position (which is the City's bottom line) was the result of the governmental activities net position decreasing by \$1.9 million and the business-type activities net position decreasing by \$.4 million.

The governmental activities total assets increased by \$.4 million (>.1%) while the governmental activities total liabilities decreased by \$3.7 million (3.5%). With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions* long-term liabilities now include the net pension liability and OPEB liability previously only disclosed in the notes to the financial statements. The increase in total assets is primarily due to available cash balances. The decrease in total liabilities is due primarily to decreases in unearned revenue and decreases in accounts payable. See additional information in the Long-Term Obligations and Employees' Retirement System sections of the Notes to Financial Statements and the Debt Outstanding section of the MD&A.

A decrease in deferred outflows of \$1.8 million related to pensions, while an increase in deferred inflows of \$4.2 million related to pensions and an increase in property taxes levied for future periods.

Net investment in capital assets increased by \$.5 million (>.3%) due to depreciation and the pay down of G.O. Bonds that funded the capital assets. Restricted net position increased \$1.1 million largely due to excess fund balance from the General Fund transferred to the Capital Improvement Fund to fund current year capital improvements and Motor Fuel Tax increased distributions by the State, offset by decrease to Culture and Recreation the result of spring program cancellations. Unrestricted net position increased by \$3.5 million primarily due to the net effect of GASB 68 reporting of pension liabilities and GASB 75 reporting of OPEB liabilities.

The net position of business-type activities decreased by \$.4 million, from \$49.1 million to \$48.7 million. The primary change in assets of the business-type activities was a decrease in capital assets.

Long-term liabilities decreased by \$3.5 million due to scheduled maturities of debt obligations and decreases to net pension liabilities. Net investment in capital assets decreased by \$.6 million due to bond-funded capital improvements and unrestricted net position increased by \$.2 million. The majority of the unrestricted net position can be used by the City to finance water and sanitary sewer operations. The City has a policy of maintaining 33% of revenue plus one year's debt service plus \$500,000 as a reserve in its water fund. The annual operating cost for this program is approximately \$7.7 million per year and interest expense on bonds is \$.5 million.

Changes in Net Position

The City's combined change in net position was a decrease of \$2.3 million in FY20. The City's total revenues decreased by \$.8 million, primarily driven by increased property taxes, operating grants and contributions and intergovernmental taxes offset by decreases to charges for services and interest income. The City's cost of all programs increased by \$3.8 million, largely attributable to pension adjustments, as well as non-capitalized improvements.

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

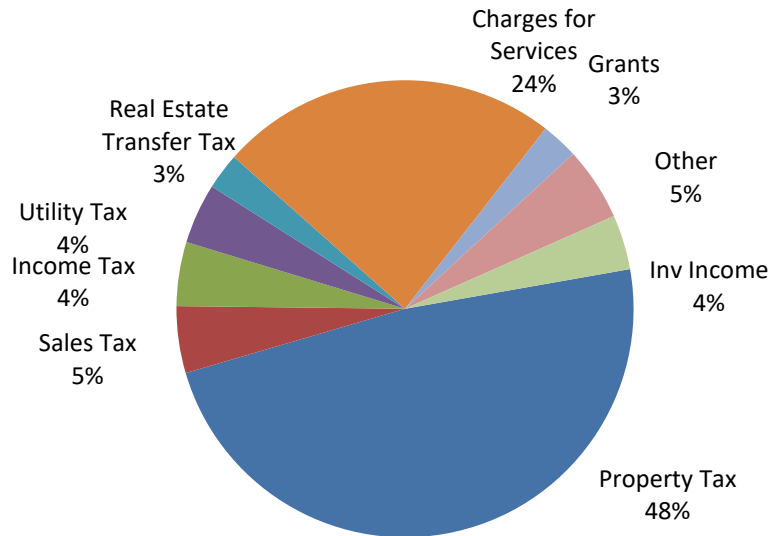
CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2019 and 2020
(in millions)

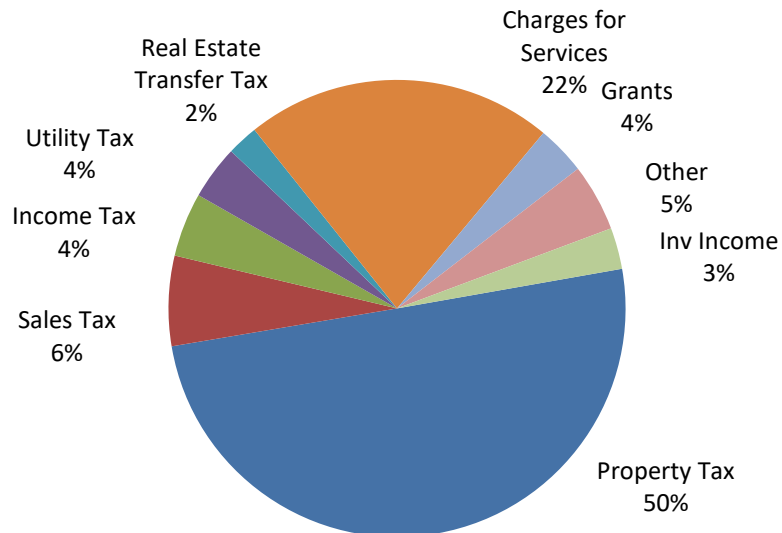
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
REVENUE						
Program Revenue						
Charges for Services	\$13.7	\$12.4	\$9.3	\$9.0	\$23.0	\$21.4
Grants and Contributions						
Operating	1.0	1.5	0.2	0.0	1.2	1.5
Capital	0.5	0.5			0.5	0.5
General Revenue						
Property Taxes	27.6	28.6			27.6	28.6
Other Taxes	4.8	4.7			4.8	4.7
Intergovernmental - Taxes	7.4	7.6			7.4	7.6
Interest Revenue	2.2	1.7	0.3	0.2	2.5	1.9
Other	0.0	0.0	0.3	0.3	0.3	0.3
Total Revenue	57.2	57.0	10.1	9.5	67.3	66.5
EXPENSES						
Governmental Activities						
General Government	13.8	13.9			13.8	13.9
Highways and Streets	9.1	8.7			9.1	8.7
Sanitation	2.6	2.7			2.6	2.7
Culture and Recreation	8.8	9.0			8.8	9.0
Public Safety	19.8	23.3			19.8	23.3
Interest	1.2	1.1			1.2	1.1
Business-Type Activities						
Water and Sewer			7.8	8.2	7.8	8.2
Golf			1.9	1.9	1.9	1.9
Total Expenses	55.3	58.7	9.7	10.1	65.0	68.8
Excess before Transfers	1.9	(1.7)	0.4	(0.6)	2.3	(2.3)
Transfers In (out)	0.8	(0.2)	(0.8)	0.2	0.0	0.0
Change in Net Position	2.7	(1.9)	(0.4)	(0.4)	2.3	(2.3)
Net Position - Beginning *	173.9	176.6	49.5	49.1	223.4	225.7
Net Position - Ending	\$176.6	\$174.7	\$49.1	\$48.7	\$225.7	\$223.4

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

FY2019 Governmental Activities Revenue

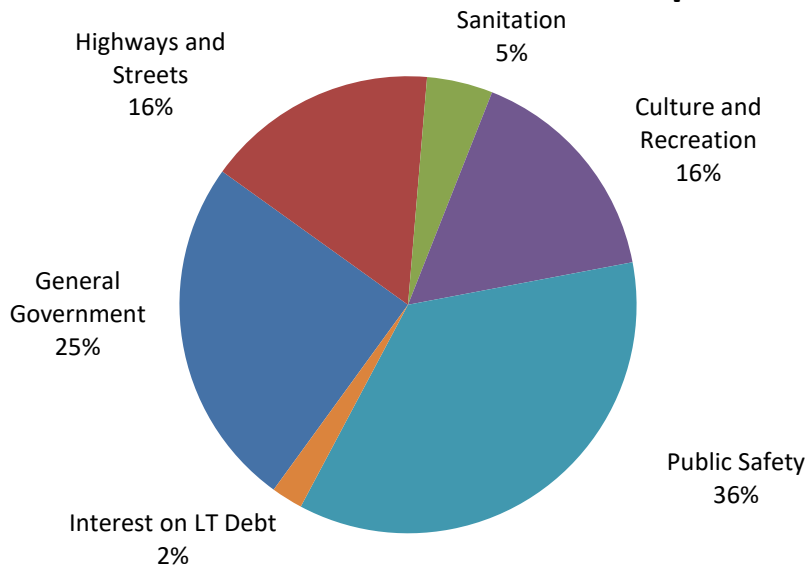


FY2020 Governmental Activities Revenue

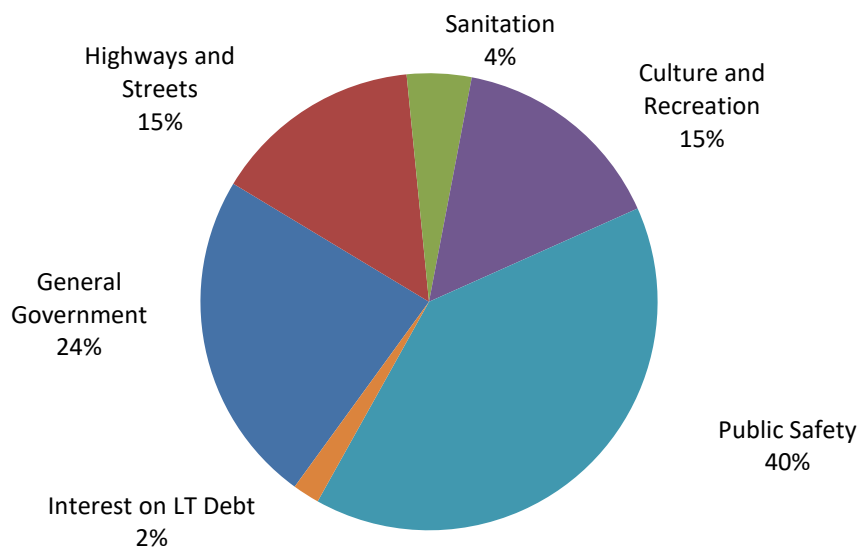


CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

FY2019 Governmental Activities Expenses



FY2020 Governmental Activities Expenses



CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

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 73% 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, 2020, revenues from governmental activities totaled \$57.0 million, decreasing \$.2 million compared to FY19. The primary changes occurred in Charges for Services (down \$1.3 million), Operating Grants and Contributions (up \$.5 million), Sales Taxes (up \$.9 million) and Interest Revenue (down \$.5 million). The decrease in Charges for Services was largely due to one-time permit fees collected in FY19 and the cancellation of spring Recreation programs due to COVID-19. Sales Taxes increase was due primarily to the rate increase from .5% to 1% and a onetime sales tax receipt of approximately \$.4 million. Investment income decreased due to falling interest rates. Property tax revenue continues to be the City's single largest revenue source, contributing \$28.6 million (50%) of governmental activities revenue.

Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$38.2 million and represent 67% of the total governmental activities revenue.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

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 2019 equalized assessed valuation decreased 2.8% compared to the prior year and totaled \$2,457,796,598. 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 3.6% over FY19 in property taxes was generated as a result of the City Council adopting a 3.1% increase in the levy and new growth. While the tax cap applicable to this levy was 2.1%, the levies for debt service and capital improvements combined exceeded the tax cap.

Investment income decreased by \$0.5 million, from \$2.2 million to \$1.7 million. The City's strategy for investing did not change but the City was effected by declining market conditions.

Expenses

For the fiscal year ended April 30, 2020, expenses for governmental activities totaled \$58.7 million, an increase of \$3.4 million (6.1%). The increase is due in large part to pension adjustments. Increases in personnel costs, which represent nearly 73% 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 FY20 expenses included funding for the City's performance based employee compensation package plus a 2.5% general salary adjustment.

Business-type Activities

Revenue

Total revenue for the business-type activities decreased by \$.6 million (6.3%) primarily due to an decrease of charges for services in the Water and Sewerage Fund, a decrease in operating contributions in the Golf Fund, as well as investment income.

Expenses

The City's business-type activity expenses increased by \$.4 million (4.1%) primarily due to increased operating expenses in the Water and Sewerage Fund.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2020, the governmental funds (as presented on the balance sheet) reported a combined fund balance of \$56.6 million which is a \$1.0 million (1.8%) increase from the beginning of the year (\$55.6 million). This increase was largely driven by excess of revenues over expenditures in the General Fund and Motor Fuel Tax Fund and decrease of revenue to the Parks and Recreation Fund. The City Council elected to transfer from the General Fund an additional \$1.5 million of the FY20 operating surplus to the Capital Improvement Fund to provide additional funding for capital improvements and to retain a portion of the surplus for assistance to other funds for COVID-19 related expenses in FY21. The Motor Fuel Tax fund received additional funding from increased Motor Fuel Taxes imposed by the state. Parks and Recreation Fund decreased primarily due to the cancelation of spring programs related to COVID-19. Of the total fund balance of \$56.6 million, \$.2 million is not available for continuing City services and capital projects, and \$27.7 million is restricted in its use. The unassigned fund balance for the total of all governmental funds is \$28.7 million, which is a \$.1 million (>1.0%) decrease over the prior year.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total Fund Balance of the General Fund increased by \$.7 million or 2.4% from FY19 (from \$28.9 million to \$29.6 million). The General Fund revenues decreased by \$.2 million (.1%) due primarily to higher intergovernmental revenue offset by decreases in licenses and permits and interest revenue. The General Fund expenditures increased by \$1.6 million (5.1 %) due to personnel costs. The excess of revenues over expenditures (before transfers) for FY20 of \$4.9 million was \$1.8 million less than FY19 \$6.7 million. The other financing sources (uses) for FY20 of \$4.3 million was significantly lower than FY19 \$7 million due to one-time revenues being transferred to other funds for capital improvements.

Property taxes decreased \$.3 million due to moving \$.9 million to the Capital Improvement Fund, while other taxes decreased \$.9 million due to recording home rule sales tax in the Debt Service Fund. Although the City became a home rule unit in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Law (PTELL), otherwise known as the tax cap. As noted previously, the 2018 levy extension (FY20 revenue) allowed for a 3.1% increase as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government remained constant, highways and streets decreased 8.7% (personnel; snow and ice control), sanitation increased 4.0%, and public safety increased 10.3%.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$21.6	\$21.6	\$21.3
Intergovernmental	6.0	6.0	6.5
Other	9.0	9.0	10.0
Total	36.6	36.6	37.8
Expenditures and Transfers:			
Expenditures	37.0	37.3	32.9
Transfers (Net)	2.2	2.7	4.3
Total	39.2	40.0	37.2
Change in Fund Balance	(\$2.6)	(\$3.4)	\$0.6

Actual General Fund revenues were higher than budgeted revenues by \$1.2 million during FY20. The primary variance resulted from sales tax, building permits and ambulance fees exceeding projections. Actual General Fund expenditures and transfers were lower than the final budget by \$2.8 million. It is the City's policy to add 10%, which is \$3.6 million, of contingency funding to the budget appropriation. The contingency amount is only for specific uses as determined by the City Council and was not expended in FY20. Additional information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

The Parks and Recreation Fund accounts for the parks and recreation programs. Services include forestry and parks maintenance operations, a fitness center, dance academy, and a variety of other indoor and outdoor programs. The Fund Balance of the Parks and Recreation Fund decreased by \$.7 million, from \$2.0 million to \$1.3 million. The Parks and Recreation Fund revenues decreased by \$.3 million due to cancellation of spring programs as the result of COVID-19 and reduced investment income. Expenses increased by .5 due to onetime capital contribution to NSSRA . Total other financing sources (uses) were \$(53,500) in FY19, but \$104,490 in FY20, due to decreased transfers to the Golf Course Fund for capital improvements.

The Capital Improvements Fund is reported as a Major Fund for FY20 and is used to account for revenues associated with City building and infrastructure projects. Fund balance of this fund increased by \$.4 million in FY20. Compared to FY19, revenue decreased by \$.8 million due to increases in property taxes and the addition of .5% home rule sales tax offset by decreases in real estate transfer taxes, contributions and grant reimbursements. Total expenditures increased by \$1.5 million in the capital outlay category. Transfers in of \$3.6 million for FY20 consisted of one time fund balance transfer of the General Fund for one-time capital improvements.

The Debt Service Fund is reported as a Non-major Fund for FY20 and is used to account for revenues used to retire non-Enterprise Fund obligations. Fund balance for FY20 increased by \$.3 million, from \$1.6 million to \$1.9 million.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

CAPITAL ASSETS

Table 4
Capital Assets at Year End - 2019 and 2020
Net of Depreciation
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Land and Improvements	\$38.1	\$40.2	\$0.5	\$0.5	\$38.6	\$40.7
Infrastructure - Land	66.7	66.7			66.7	66.7
Construction in Progress	1.3	0.1	0.0	0.0	1.3	0.1
Infrastructure	53.6	53.1			53.6	53.1
Buildings	17.6	17.0	10.4	9.4	28.0	26.4
Improvements	15.5	14.4	33.2	32.3	48.7	46.7
Machinery and Equipment	3.9	4.1	1.7	1.6	5.6	5.7
Sanitary Sewers	0.0	0.0	12.7	12.1	12.7	12.1
Total	\$196.7	\$195.6	\$58.5	\$55.9	\$255.2	\$251.5

At the end of FY20, the City had a combined total of \$251.5 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$3.7 million. The net decrease is attributable to a \$1.1 million decrease in governmental activities and a \$2.6 million decrease in the business-type activities.

The decrease in the governmental activities was due to depreciation exceeding additions by \$1.5 million. The decrease in business-type activities was due primarily to \$2.6 million of depreciation exceeding additions.

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

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$196.7	\$58.5	\$255.2
Additions			
Depreciable	6.0	0.7	6.7
Construction in Progress		0.0	0.0
Retirements			
Depreciable	(1.9)	(0.1)	(2.0)
Depreciation	(5.6)	(3.3)	(8.9)
Retirements	0.4	0.1	0.5
Ending Balance	\$195.6	\$55.9	\$251.5

The increase in Governmental Activities of \$6.0 million and the decrease of \$1.9 million was due to moving the north beach access road project from construction in progress to a depreciable asset.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2020

Debt Outstanding

The City had \$45.9 million of general obligation bonds outstanding at April 30, 2020. Of this amount \$22.1 million were payable from property taxes and the remainder were self-supporting. The City abates the property tax levies for these debt issues annually.

The City's per capita debt ratio for all direct and overlapping debt with other governmental units was \$4,837 and \$3,608 if self-supporting debt is excluded.

The City operated as a home rule community for FY20. The City was granted home rule status via a referendum held on November 2, 2004. Under home rule authority, the City does not have a legal debt limit. For more detailed information on long-term debt activity, see the notes to the financial statements.

As of April 30, 2020, the City's net pension liability is \$62.7 million, a decrease of \$1.7 million compared to the \$64.4 million balance as of April 30, 2019. Additional information regarding the net pension liability can be found in Note IV.

As of April 30, 2020, the City's OPEB liability is \$2.8 million, an increase of \$.4 million compared to the \$2.4 million balance as of April 30, 2019. Additional information regarding the OPEB liability can be found in Note III.

Economic Factors

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2019, the City's annual average unemployment rate was estimated to be 3.8%, compared to 4.1% for Lake County and 4.0% for the State of Illinois.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF LAKE FOREST

STATEMENT OF NET POSITION As of April 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Lake Forest Library
ASSETS				
Cash and cash equivalents	\$ 58,220,309	\$ 9,470,829	\$ 67,691,138	\$ 5,455,932
Investments	7,077,796	-	7,077,796	-
Receivables (net)				
Property taxes	29,307,116	-	29,307,116	4,218,857
Other taxes	219,993	-	219,993	5,172
Accounts	1,708,468	1,325,097	3,033,565	-
Loans	5,005	-	5,005	-
Other	4,090,950	3,961	4,094,911	-
Due from other governments	1,946,969	-	1,946,969	-
Internal balances	(847,037)	847,037	-	-
Inventories	430,849	82,135	512,984	-
Prepaid items	711,309	93,568	804,877	-
Due from fiduciary funds	167,340	-	167,340	-
Capital Assets				
Capital assets not being depreciated	106,928,647	456,342	107,384,989	238,500
Capital assets being depreciated, net of accumulated depreciation	88,623,947	55,457,844	144,081,791	2,609,761
Total Assets	<u>298,591,661</u>	<u>67,736,813</u>	<u>366,328,474</u>	<u>12,528,222</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	1,505	1,505	-
Deferred outflows of resources related to pensions	14,896,690	383,690	15,280,380	309,155
Deferred outflows related to total OPEB liability	326,875	31,945	358,820	6,953
Total Deferred Outflows of Resources	<u>15,223,565</u>	<u>417,140</u>	<u>15,640,705</u>	<u>316,108</u>
LIABILITIES				
Accounts payable	2,757,223	249,320	3,006,543	47,342
Accrued liabilities	1,979,802	108,449	2,088,251	118,271
Accrued interest payable	270,751	221,915	492,666	-
Deposits	1,031,883	-	1,031,883	-
Unearned revenue	1,183,551	175,153	1,358,704	-
Due to fiduciary funds	72,180	-	72,180	-
Noncurrent Liabilities				
Due within one year	2,030,089	1,939,413	3,969,502	39,410
Due in more than one year	95,062,788	16,092,788	111,155,576	914,732
Total Liabilities	<u>104,388,267</u>	<u>18,787,038</u>	<u>123,175,305</u>	<u>1,119,755</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	5,361,510	622,633	5,984,143	491,673
Property taxes levied for future periods	29,307,114	-	29,307,114	4,218,857
Deferred charge on refunding	32,043	-	32,043	-
Total Deferred Inflows of Resources	<u>34,700,667</u>	<u>622,633</u>	<u>35,323,300</u>	<u>4,710,530</u>
NET POSITION				
Net investment in capital assets	165,179,598	39,052,272	204,231,870	2,765,786
Restricted for				
Culture and recreation	2,528,867	-	2,528,867	-
Highways and streets	1,757,894	-	1,757,894	-
Public safety	979,033	-	979,033	-
Cemetery purposes	8,065,569	-	8,065,569	-
Affordable housing	1,209,518	-	1,209,518	-
Capital projects	11,670,812	-	11,670,812	-
Debt service	1,596,241	-	1,596,241	-
Unrestricted	(18,261,240)	9,692,010	(8,569,230)	4,248,259
TOTAL NET POSITION	<u>\$ 174,726,292</u>	<u>\$ 48,744,282</u>	<u>\$ 223,470,574</u>	<u>\$ 7,014,045</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 13,865,425	\$ 4,077,609	\$ 600,584	\$ 448,694
Highway and streets	8,677,958	2,183,456	714,970	-
Sanitation	2,678,876	1,040,121	-	-
Culture and recreation	8,977,855	2,594,119	200,109	-
Public safety	23,338,259	2,525,439	14,200	-
Interest on long-term debt	<u>1,115,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>58,654,175</u>	<u>12,420,744</u>	<u>1,529,863</u>	<u>448,694</u>
Business-type Activities				
Waterworks and Sewerage	8,168,879	7,512,450	-	-
Deerpath Golf Course	<u>1,861,393</u>	<u>1,459,127</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>10,030,272</u>	<u>8,971,577</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 68,684,447</u>	<u>\$ 21,392,321</u>	<u>\$ 1,529,863</u>	<u>\$ 448,694</u>
Component Unit				
Lake Forest Library	<u>\$ 3,813,198</u>	<u>\$ 37,839</u>	<u>\$ 138,661</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property				
Home rule sales				
Utility				
Real estate transfer				
Other				
Intergovernmental				
Sales				
Income				
Telecommunication				
Replacement				
Other				
Investment income				
Gain on sale of assets				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in net position				
NET POSITION - Beginning of Year				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Lake Forest Library
\$ (8,738,538)	\$ -	\$ (8,738,538)	\$ -
(5,779,532)	-	(5,779,532)	-
(1,638,755)	-	(1,638,755)	-
(6,183,627)	-	(6,183,627)	-
(20,798,620)	-	(20,798,620)	-
(1,115,802)	-	(1,115,802)	-
<u>(44,254,874)</u>	<u>-</u>	<u>(44,254,874)</u>	<u>-</u>
-	(656,429)	(656,429)	-
-	(402,266)	(402,266)	-
-	<u>(1,058,695)</u>	<u>(1,058,695)</u>	<u>-</u>
<u>(44,254,874)</u>	<u>(1,058,695)</u>	<u>(45,313,569)</u>	<u>-</u>
-	-	-	(3,636,698)
28,569,827	-	28,569,827	4,158,792
1,035,086	-	1,035,086	-
2,177,783	-	2,177,783	-
1,256,265	-	1,256,265	-
237,860	-	237,860	-
2,597,218	-	2,597,218	-
2,584,198	-	2,584,198	-
993,112	-	993,112	-
140,924	-	140,924	39,040
1,303,992	309,870	1,613,862	-
1,664,355	175,969	1,840,324	111,476
<u>38,500</u>	<u>-</u>	<u>38,500</u>	<u>-</u>
<u>42,599,120</u>	<u>485,839</u>	<u>43,084,959</u>	<u>4,309,308</u>
<u>(198,500)</u>	<u>198,500</u>	<u>-</u>	<u>-</u>
<u>42,400,620</u>	<u>684,339</u>	<u>43,084,959</u>	<u>4,309,308</u>
(1,854,254)	(374,356)	(2,228,610)	672,610
<u>176,580,546</u>	<u>49,118,638</u>	<u>225,699,184</u>	<u>6,341,435</u>
<u>\$ 174,726,292</u>	<u>\$ 48,744,282</u>	<u>\$ 223,470,574</u>	<u>\$ 7,014,045</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2020

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 30,997,596	\$ 1,522,970	\$ 10,821,218	\$ 7,241,845	\$ 50,583,629
Investments	-	-	-	7,077,796	7,077,796
Receivables (net)					
Property taxes	19,927,292	5,809,870	1,524,548	2,045,406	29,307,116
Other taxes	219,993	-	-	-	219,993
Accounts	1,468,439	231,405	8,624	-	1,708,468
Loans	5,005	-	-	-	5,005
Other	50,000	-	-	767,576	817,576
Due from other governments	1,349,689	6,170	443,618	147,492	1,946,969
Advances to other funds	-	-	-	380,000	380,000
Due from other funds	-	125,000	1,123,104	-	1,248,104
Due from fiduciary funds	-	-	-	167,340	167,340
Inventories	45,936	450	-	-	46,386
Prepaid items	97,767	-	-	28,689	126,456
TOTAL ASSETS	\$ 54,161,717	\$ 7,695,865	\$ 13,921,112	\$ 17,856,144	\$ 93,634,838
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,367,869	\$ 196,487	\$ 309,129	\$ 158,201	\$ 2,031,686
Accrued liabilities	1,010,874	208,695	-	27,128	1,246,697
Deposits	985,310	573	28,000	18,000	1,031,883
Unearned revenue	874,025	187,639	8,624	112,135	1,182,423
Due to other funds	-	-	-	1,123,104	1,123,104
Due to fiduciary funds	72,180	-	-	-	72,180
Advances from other funds	-	-	380,000	-	380,000
Total Liabilities	<u>4,310,258</u>	<u>593,394</u>	<u>725,753</u>	<u>1,438,568</u>	<u>7,067,973</u>
Deferred Inflows of Resources					
Property taxes levied for a future period	19,927,292	5,809,870	1,524,547	2,045,405	29,307,114
Unavailable revenues	346,782	-	354,934	1,344	703,060
Total Deferred Inflows of Resources	<u>20,274,074</u>	<u>5,809,870</u>	<u>1,879,481</u>	<u>2,046,749</u>	<u>30,010,174</u>
Fund Balances					
Nonspendable	143,703	450	-	28,689	172,842
Restricted	-	1,292,151	11,315,878	15,085,242	27,693,271
Unassigned	29,433,682	-	-	(743,104)	28,690,578
Total Fund Balances	<u>29,577,385</u>	<u>1,292,601</u>	<u>11,315,878</u>	<u>14,370,827</u>	<u>56,556,691</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 54,161,717	\$ 7,695,865	\$ 13,921,112	\$ 17,856,144	\$ 93,634,838

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, 2020

Total Fund Balances - Governmental Funds	\$ 56,556,691
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.	195,552,594
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.	703,060
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	14,896,690
Less amount reported in internal service funds below.	(113,512)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(5,361,510)
Less amount reported in internal service funds below.	182,866
Deferred outflows of resources related to total OPEB liability do not relate to current financial resources and are not reported in the governmental funds.	326,875
Less amount reported in internal service funds below.	(9,347)
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	(29,541,957)
Compensated absences	(2,210,488)
Accrued interest	(270,751)
Unamortized debt premium	(798,997)
Net pension liabilities	(62,017,758)
Total OPEB liability	(2,523,677)
Less amount reported in internal service funds below.	297,268
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.	(32,043)
The net position of the internal service funds are included in the governmental activities in the Statement of Net Position.	<u>9,090,288</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 174,726,292</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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

For the Year Ended April 30, 2020

	General	Parks and Recreation	Capital Improvements	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes:					
Property	\$ 18,930,909	\$ 5,772,949	\$ 1,734,563	\$ 2,131,406	\$ 28,569,827
Other taxes	2,350,852	-	1,745,882	605,469	4,702,203
Intergovernmental	6,509,510	44,907	-	720,185	7,274,602
Licenses and permits	2,954,115	-	-	-	2,954,115
Fines, forfeitures and penalties	271,235	-	750	-	271,985
Charges for services	4,796,048	2,443,544	73,068	1,436,564	8,749,224
Grants and contributions	12,028	167,244	488,335	414,476	1,082,083
Investment income	679,423	64,829	174,342	615,657	1,534,251
Miscellaneous revenues	1,301,177	13,131	43,520	2,895	1,360,723
Total Revenues	<u>37,805,297</u>	<u>8,506,604</u>	<u>4,260,460</u>	<u>5,926,652</u>	<u>56,499,013</u>
EXPENDITURES					
Current					
General government	9,860,981	-	1,063,722	1,036,052	11,960,755
Highways and streets	2,303,462	-	1,090,137	-	3,393,599
Sanitation	2,575,451	-	44,025	-	2,619,476
Culture and recreation	-	8,652,397	82,267	663,844	9,398,508
Public safety	18,165,098	-	-	291,110	18,456,208
Capital Outlay	-	689,077	5,224,078	840,838	6,753,993
Debt Service					
Principal retirement	-	-	-	1,730,850	1,730,850
Interest and fiscal charges	-	-	-	1,202,730	1,202,730
Total Expenditures	<u>32,904,992</u>	<u>9,341,474</u>	<u>7,504,229</u>	<u>5,765,424</u>	<u>55,516,119</u>
Excess (deficiency) of revenues over expenditures	<u>4,900,305</u>	<u>(834,870)</u>	<u>(3,243,769)</u>	<u>161,228</u>	<u>982,894</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	300,490	3,593,323	733,854	4,627,667
Transfers out	(4,268,104)	(196,000)	-	(362,063)	(4,826,167)
Proceeds from capital asset sales	-	-	38,500	-	38,500
Refunding debt issued	-	-	-	10,751,022	10,751,022
Premium on debt issued	-	-	-	797,619	797,619
Payments to refunding escrow	-	-	-	(11,445,875)	(11,445,875)
Total Other Financing Sources (Uses)	<u>(4,268,104)</u>	<u>104,490</u>	<u>3,631,823</u>	<u>474,557</u>	<u>(57,234)</u>
Net Change in Fund Balances	632,201	(730,380)	388,054	635,785	925,660
FUND BALANCES - Beginning of Year	<u>28,945,184</u>	<u>2,022,981</u>	<u>10,927,824</u>	<u>13,735,042</u>	<u>55,631,031</u>
FUND BALANCES - END OF YEAR	<u>\$ 29,577,385</u>	<u>\$ 1,292,601</u>	<u>\$ 11,315,878</u>	<u>\$ 14,370,827</u>	<u>\$ 56,556,691</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, 2020

Net change in fund balances - total governmental funds	\$ 925,660
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	4,787,222
Depreciation is reported in the government-wide financial statements	(5,622,431)
Retirement of capital assets	(299,389)
Less amount reported in internal service funds below	4,107
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	330,804
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	(10,751,022)
Principal repaid	13,137,849
Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Debt discount	(19,237)
Debt premium	(692,066)
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	(312,151)
Accrued interest on debt	76,068
Amortization of deferred charge on refunding	(36,579)
Net pension liability	455,712
Deferred outflows of resources related to pensions	(2,062,812)
Deferred inflows of resources related to pensions	(2,890,076)
Deferred outflows of resources related to total OPEB liability	300,219
Total OPEB liability	(304,606)
Less amount reported in internal service funds below	22,634
Internal service funds are used by management to charge self insurance costs and fleet charges to individual funds. The change in net position of the internal service fund reported with governmental activities	1,095,840
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (1,854,254)

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUND As of April 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
		Nonmajor Enterprise Fund -		Activities -
	<u>Waterworks and Sewerage</u>	<u>Deerpath Golf Course</u>	<u>Totals</u>	<u>Internal Service Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 8,965,740	\$ 505,089	\$ 9,470,829	\$ 7,636,680
Receivables				
Accounts	1,321,754	3,343	1,325,097	-
Other	3,961	-	3,961	3,273,374
Inventories	-	82,135	82,135	384,463
Prepaid items	-	93,568	93,568	584,853
Total Current Assets	<u>10,291,455</u>	<u>684,135</u>	<u>10,975,590</u>	<u>11,879,370</u>
Noncurrent Assets				
Capital Assets				
Capital assets not being depreciated	345,896	110,446	456,342	-
Capital assets being depreciated	115,838,689	5,477,306	121,315,995	48,047
Less: Accumulated depreciation	<u>(62,521,854)</u>	<u>(3,336,297)</u>	<u>(65,858,151)</u>	<u>(48,047)</u>
Total Noncurrent Assets	<u>53,662,731</u>	<u>2,251,455</u>	<u>55,914,186</u>	<u>-</u>
Total Assets	<u>63,954,186</u>	<u>2,935,590</u>	<u>66,889,776</u>	<u>11,879,370</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,505	-	1,505	-
Deferred outflows of resources related to pensions	377,611	6,079	383,690	113,512
Deferred outflows related to total OPEB liability	<u>31,458</u>	<u>487</u>	<u>31,945</u>	<u>9,347</u>
Total Deferred Outflows of Resources	<u>410,574</u>	<u>6,566</u>	<u>417,140</u>	<u>122,859</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF NET POSITION PROPRIETARY FUND As of April 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Funds - Deerpath Golf Course</u>	<u>Totals</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	128,067	121,253	249,320	725,537
Accrued liabilities	91,207	17,242	108,449	733,105
Accrued interest payable	215,857	6,058	221,915	-
Unearned revenue	18,297	156,856	175,153	1,128
General obligation bonds	1,844,332	90,081	1,934,413	-
Compensated absences	4,981	19	5,000	-
Due to other funds	-	125,000	125,000	-
Total Current Liabilities	<u>2,302,741</u>	<u>516,509</u>	<u>2,819,250</u>	<u>1,459,770</u>
Noncurrent Liabilities				
Long-Term Debt				
General obligation debt payable	14,640,247	288,759	14,929,006	-
Compensated absences	253,499	3,014	256,513	31,076
Net pension liability	650,249	10,389	660,638	194,028
Total OPEB liability	<u>242,873</u>	<u>3,758</u>	<u>246,631</u>	<u>72,164</u>
Total Noncurrent Liabilities	<u>15,786,868</u>	<u>305,920</u>	<u>16,092,788</u>	<u>297,268</u>
Total Liabilities	<u>18,089,609</u>	<u>822,429</u>	<u>18,912,038</u>	<u>1,757,038</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	<u>612,842</u>	<u>9,791</u>	<u>622,633</u>	<u>182,866</u>
Total Deferred Inflows of Resources	<u>612,842</u>	<u>9,791</u>	<u>622,633</u>	<u>182,866</u>
NET POSITION				
Net investment in capital assets	37,179,657	1,872,615	39,052,272	-
Unrestricted	<u>8,482,652</u>	<u>237,321</u>	<u>8,719,973</u>	<u>10,062,325</u>
TOTAL NET POSITION	<u>\$ 45,662,309</u>	<u>\$ 2,109,936</u>	47,772,245	<u>\$ 10,062,325</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>972,037</u>	
Net Position of Business-type Activities reported in the government-wide statement of net position.			<u>\$ 48,744,282</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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

For the Year Ended April 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Waterworks and Sewerage	Nonmajor Enterprise Fund - Deerpath Golf Course	Totals	
OPERATING REVENUES				
Charges for services	\$ 7,629,656	\$ 1,458,127	\$ 9,087,783	\$ 9,496,535
Connection fees	184,371	-	184,371	-
Miscellaneous	8,293	1,000	9,293	-
Total Operating Revenues	<u>7,822,320</u>	<u>1,459,127</u>	<u>9,281,447</u>	<u>9,496,535</u>
OPERATING EXPENSES				
General and administrative	2,528,559	650,441	3,179,000	8,431,268
Operations and maintenance	2,158,200	888,673	3,046,873	-
Depreciation and amortization	<u>2,995,849</u>	<u>345,495</u>	<u>3,341,344</u>	<u>4,108</u>
Total Operating Expenses	<u>7,682,608</u>	<u>1,884,609</u>	<u>9,567,217</u>	<u>8,435,376</u>
Operating Income (Loss)	<u>139,712</u>	<u>(425,482)</u>	<u>(285,770)</u>	<u>1,061,159</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	166,288	9,681	175,969	130,104
Interest expense	(494,241)	(12,433)	(506,674)	-
Paying agent fees	(55,340)	(2,915)	(58,255)	-
Other	<u>-</u>	<u>6,451</u>	<u>6,451</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(383,293)</u>	<u>784</u>	<u>(382,509)</u>	<u>130,104</u>
Income (Loss) Before Transfers	<u>(243,581)</u>	<u>(424,698)</u>	<u>(668,279)</u>	<u>1,191,263</u>
TRANSFERS				
Transfers in	<u>2,500</u>	<u>196,000</u>	<u>198,500</u>	<u>-</u>
Total Transfers	<u>2,500</u>	<u>196,000</u>	<u>198,500</u>	<u>-</u>
Change in Net Position	<u>(241,081)</u>	<u>(228,698)</u>	<u>(469,779)</u>	<u>1,191,263</u>
NET POSITION - Beginning of Year	<u>45,903,390</u>	<u>2,338,634</u>	<u>48,242,024</u>	<u>8,871,062</u>
NET POSITION- END OF YEAR	<u>\$ 45,662,309</u>	<u>\$ 2,109,936</u>	<u>\$ 47,772,245</u>	<u>\$ 10,062,325</u>
Adjustment to change in net position to reflect the consolidation of internal service funds activities related to enterprise funds			<u>95,423</u>	
Change in Net Position of Business-type Activities reported in the government-wide statement of activities.			<u>\$ (374,356)</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 7,924,667	\$ 1,333,609	\$ 9,258,276	\$ 8,624,930
Paid to suppliers for goods and services	(3,048,886)	(966,086)	(4,014,972)	(7,885,725)
Paid to employees	(2,474,841)	(639,455)	(3,114,296)	(506,512)
Net Cash Flows From Operating Activities	<u>2,400,940</u>	<u>(271,932)</u>	<u>2,129,008</u>	<u>232,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>166,288</u>	<u>9,681</u>	<u>175,969</u>	<u>130,104</u>
Net Cash Flows From Investing Activities	<u>166,288</u>	<u>9,681</u>	<u>175,969</u>	<u>130,104</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	2,500	196,000	198,500	-
Miscellaneous	<u>-</u>	<u>6,451</u>	<u>6,451</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>2,500</u>	<u>202,451</u>	<u>204,951</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt issued	7,146,306	386,908	7,533,214	-
Principal paid	(9,056,500)	(483,500)	(9,540,000)	-
Interest paid	(518,578)	(13,401)	(531,979)	-
Acquisition and construction of capital assets	(715,003)	(14,929)	(729,932)	-
Other - paying agent fees	<u>(55,340)</u>	<u>(2,915)</u>	<u>(58,255)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(3,199,115)</u>	<u>(127,837)</u>	<u>(3,326,952)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(629,387)	(187,637)	(817,024)	362,797
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>9,595,127</u>	<u>692,726</u>	<u>10,287,853</u>	<u>7,273,883</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,965,740</u>	<u>\$ 505,089</u>	<u>\$ 9,470,829</u>	<u>\$ 7,636,680</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Waterworks and Sewerage</u>	<u>Nonmajor Enterprise Fund - Deerpath Golf Course</u>	<u>Totals</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 139,712	\$ (425,482)	\$ (285,770)	\$ 1,061,159
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	2,995,849	345,495	3,341,344	4,108
Changes in assets and liabilities				
Accounts receivable	101,916	4,927	106,843	(872,733)
Inventories	-	(3,365)	(3,365)	(27,660)
Prepaid items	-	7,914	7,914	(32,190)
Deferred outflows related to pensions	796,235	17,476	813,711	217,183
Accounts payable	(890,686)	(81,962)	(972,648)	86,167
Accrued liabilities	-	-	-	(9,920)
Accrued salaries	9,309	13,104	22,413	-
Net pension liability	(1,202,707)	(27,080)	(1,229,787)	(326,604)
Deferred inflows related to pensions	450,014	6,498	456,512	137,115
Unearned revenue	431	(130,445)	(130,014)	1,128
Compensated absences	1,977	1,008	2,985	(2,780)
Deferred outflows related to OPEB	(28,874)	(447)	(29,321)	(8,556)
Total OPEB liability	<u>27,764</u>	<u>427</u>	<u>28,191</u>	<u>6,276</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 2,400,940</u></u>	<u><u>\$ (271,932)</u></u>	<u><u>\$ 2,129,008</u></u>	<u><u>\$ 232,693</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

See accompanying notes to financial statements.

CITY OF LAKE FOREST

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2020

	Private Purpose Trust	Pension Trusts
ASSETS		
Cash	\$ -	\$ 659,197
Money markets	7,946	737,089
Investments		
U.S. Treasury obligations	-	13,650,700
U.S. Government agencies	-	3,987,998
Municipal/corporate bonds	-	9,148,360
Equity securities	369,919	-
Mutual funds	333,492	40,416,261
Real estate investment fund	-	3,824,762
Interest receivable	-	170,302
Prepays	-	8,528
Due from primary government	-	72,180
Total Assets	<u>711,357</u>	<u>72,675,377</u>
LIABILITIES		
Accounts payable	236	43,373
Due to primary government	167,340	-
Total Liabilities	<u>167,576</u>	<u>43,373</u>
NET POSITION		
Restricted for pension benefits	-	72,632,004
Restricted for other purposes	<u>543,781</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ 543,781</u></u>	<u><u>\$ 72,632,004</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, 2020

	Private Purpose Trust Fund	Pension Trust Funds
ADDITIONS		
Contributions		
Employer	\$ -	\$ 4,411,598
Employee	-	735,710
Total Contributions	<u>-</u>	<u>5,147,308</u>
Investment income		
Interest	12,349	1,458,279
Net appreciation in fair value of investments	<u>16,196</u>	<u>(155,692)</u>
Total Investment income	28,545	1,302,587
Less investment expense	-	156,114
Net Investment income	<u>28,545</u>	<u>1,146,473</u>
Miscellaneous	<u>-</u>	<u>226</u>
Total Additions	<u>28,545</u>	<u>6,294,007</u>
DEDUCTIONS		
Pension benefits and refunds	-	5,601,771
Other administrative expenses	<u>40,841</u>	<u>96,578</u>
Total Deductions	<u>40,841</u>	<u>5,698,349</u>
Change in Fiduciary Net Position	(12,296)	595,658
NET POSITION - Beginning of Year	<u>556,077</u>	<u>72,036,346</u>
NET POSITION - END OF YEAR	<u><u>\$ 543,781</u></u>	<u><u>\$ 72,632,004</u></u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST

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CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Lake Forest Library

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

Fiduciary Component Units

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor with approval of the City Council, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. PPERS is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor with the approval of the City Council, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPERS.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented May 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented May 1, 2019.

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, 2020

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, 2020

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

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

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental and enterprise funds:

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

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

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

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

- Laurel/Western Redevelopment TIF
- Improvements

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

- Deerpath Golf Course

In addition, the City reports the following fund types:

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

- Fleet
- Self Insurance
- Liability Insurance

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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 and report any trust arrangement not reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations, or other governments.

Cemetery Trust

Pension (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

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, 2020

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

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

Fund Financial Statements

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

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

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Waterworks and Sewerage Fund and the Deerpath Golf Course Fund are charges to customers for sales and services. 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, 2020

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

1. Deposits and Investments (cont.)

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

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

1. Deposits and Investments (cont.)

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

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

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

1. Deposits and Investments (cont.)

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35%	2.10%
Domestic Equities	39%	5.60%
International Equities	15%	5.80%
Real Estate	10%	5.00%
Cash	1%	0.70%

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

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash	1.20%	0.9%
US Fixed Income Taxable	38.00%	1.8%
US Large Cap	46.10%	6.9%
US Mid Cap	5.40%	7.6%
US Small Cap	1.20%	7.3%
International Equities	6.50%	6.2%
Equity Hedge Assets	1.60%	4.8%

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

1. Deposits and Investments (cont.)

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

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

See Note III. A. for further information.

2. Receivables

Tax bills for levy year 2019 are prepared by Lake County and issued in May 2020 and are payable in two installments, on or about June 1, 2020 and September 1, 2020 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2019 property tax levy is recognized as a receivable and deferral in fiscal 2020, net the 1.5% allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2020, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2019 levy.

Property taxes for levy year 2020 attaches as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2020 tax levy, which attached as an enforceable lien on the property as of January 1, 2020, has not been recorded as a receivable as of April 30, 2020, as the tax has not yet been levied by the City and will not be levied until December 2020, and therefore, the levy is not measurable at April 30, 2020.

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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

Government-Wide Statements

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

4. Capital Assets (cont.)

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.

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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

7. Long-Term Obligations

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.

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.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

9. Equity Classifications

Fund Statements (cont.)

- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent is expressed by: a) The City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Annually, the City Council approves the fiscal policy which delegates this authority to the City's Finance Director. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note III. G. for further information.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

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

9. Equity Classifications

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. DEFICIT BALANCES

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

As of April 30, 2020, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Laurel/Western Redevelopment TIF Improvements	\$ 743,104

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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	\$ 43,165,077	\$ 44,939,909	Custodial Credit Risk - Deposits
Money markets	1,107,633	1,107,633	Custodial Credit Risk - Deposits
U.S. government agencies - implicitly guaranteed	3,987,998	3,987,998	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Mutual funds - other than bonds	42,499,010	42,665,446	N/A
U.S. treasury obligations	13,650,700	13,650,700	Custodial Credit Risk - Investments, Interest Rate Risk
Real estate investment fund	3,824,762	3,824,762	Custodial Credit Risk - Investments
Municipal/corporate bonds	9,148,360	9,148,360	Credit Risk, Custodial Credit Risk - Investments, Concentration of Credit Risk, Interest Rate Risk
Illinois funds	30,267,268	30,267,268	Credit Risk
Equity securities	5,065,132	5,065,132	Custodial Credit Risk - Investments, Foreign Currency Risk
Mutual funds - bond funds	633,325	633,325	Credit Risk, Interest Rate Risk
Petty cash	11,325	-	N/A
Total Deposits and Investments	<u>\$153,360,590</u>	<u>\$155,290,533</u>	

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Cash and cash equivalents - primary government	\$ 67,691,138
Investments - primary government	7,077,796
Cash and cash equivalents - Lake Forest Library	5,455,932

Per statement of net position - fiduciary funds

Private Purpose Trust - money markets	7,946
Private Purpose Trust - equity securities	369,919
Private Purpose Trust - mutual funds	333,492
Pension Trusts - cash	659,197
Pension Trusts - money markets	737,089
Pension Trusts - U.S. treasury obligations	13,650,700
Pension Trusts - U.S. government agencies	3,987,998
Pension Trusts - Municipal/corporate bonds	9,148,360
Pension Trusts - mutual funds	40,416,261
Pension Trusts - real estate investment fund	<u>3,824,762</u>

Total Deposits and Investments	<u><u>\$153,360,590</u></u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

As of April 30, 2020, the City's investments were measured using the market value valuation technique for Level 1 and Level 2 inputs. The valuation inputs as follows:

Investment Type	April 30, 2020			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 4,695,213	\$ -	\$ -	\$ 4,695,213
Mutual funds - bond funds	471,358	-	-	471,358
Mutual funds - other than bond funds	1,911,224	-	-	1,911,224
Total	<u>\$ 7,077,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,077,795</u>

Private Purpose Trust

Investment Type	April 30, 2020			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 369,919	\$ -	\$ -	\$ 369,919
Mutual funds - bond funds	161,967	-	-	161,967
Mutual funds - other than bond funds	171,525	-	-	171,525
Total	<u>\$ 703,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,411</u>

Police Pension Fund

Investment Type	April 30, 2020			
	Level 1	Level 2	Level 3	Total
U.S. treasury obligations	\$ 8,937,039	\$ -	\$ -	\$ 8,937,039
U.S. government agencies	-	270,051	-	270,051
Mutual funds - other than bond funds	16,696,005	-	-	16,696,005
Corporate bonds	-	2,606,172	-	2,606,172
Total	<u>\$ 25,633,044</u>	<u>\$ 2,876,223</u>	<u>\$ -</u>	<u>\$ 28,509,267</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

The Police Pension Fund holds an investment in a real estate investment fund that is measured at the net asset value per share (or its equivalent). The fair value of this investment is \$3,824,762 with no unfunded commitments. The investment is in one real-estate fund which invests in high quality, well-leased real estate properties in multifamily, industrial, office, retail, and hotel sectors. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent).

Firefighter's Pension Fund

Investment Type	April 30, 2020			
	Level 1	Level 2	Level 3	Total
U.S. treasury obligations	\$ 4,713,661	\$ -	\$ -	\$ 4,713,661
U.S. government agencies	-	3,717,947	-	3,717,947
Municipal bonds	-	464,913	-	464,913
Corporate bonds	-	6,077,275	-	6,077,275
Mutual funds - other than bond funds	23,720,256	-	-	23,720,256
Total	<u>\$ 28,433,917</u>	<u>\$ 10,260,135</u>	<u>\$ -</u>	<u>\$ 38,694,052</u>

Custodial Credit Risk

Deposits

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

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

Investments

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

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

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

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

As of April 30, 2020, the City's investments were rated as follows:

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

Interest Rate Risk

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

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

As of April 30, 2020, the City's investments were as follows:

Police Pension Fund

Investment Type	Fair Value	Maturity (In Months)			
		Less than one year	1 - 5 years	6-10 years	More than 10 years
U.S. treasury obligations	\$ 8,937,039	\$ 696,900	\$ 5,732,243	\$ 2,507,896	\$ -
U.S. government agencies	270,051	-	270,051	-	-
Corporate bonds	2,606,172	222,211	1,118,425	847,097	418,439
Totals	<u>\$ 11,813,262</u>	<u>\$ 919,111</u>	<u>\$ 7,120,719</u>	<u>\$ 3,354,993</u>	<u>\$ 418,439</u>

Firefighters' Pension Fund

Investment Type	Fair Value	Maturity			
		Less than one year	1 - 5 years	6 - 10 years	More than 10 years
U.S. treasury obligation	\$ 4,713,661	\$ 1,389,219	\$ 651,238	\$ 815,719	\$ 1,857,485
U.S. government agencies	3,717,947	71,258	761,399	853,363	2,031,927
Municipal bonds	464,913	185,772	279,141	-	-
Corporate bonds	6,077,275	433,230	1,697,103	2,389,670	1,557,272
Totals	<u>\$ 14,973,796</u>	<u>\$ 2,079,479</u>	<u>\$ 3,388,881</u>	<u>\$ 4,058,752</u>	<u>\$ 5,446,684</u>

The City and Private Purpose Trust have \$633,325 invested in mutual funds - bond funds that have a maturity of less than one year.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2020, the annual money-weighted rate of return on the police pension plan investments, net of pension plan investment expense, was 0.59%. 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, 2020, the annual money-weighted rate of return on the firefighters' pension plan investments, net of pension plan investment expense, was 2.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

B. RECEIVABLES

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land and land improvements	\$ 38,132,733	\$ 2,311,492	\$ 275,908	\$ 40,168,317
Infrastructure - land	66,740,770	-	-	66,740,770
Construction in progress	1,287,984	-	1,268,424	19,560
Total Capital Assets Not Being depreciated	106,161,487	2,311,492	1,544,332	106,928,647
Capital assets being depreciated				
Infrastructure	185,997,107	2,069,422	37,806	188,028,723
Buildings	30,002,059	-	-	30,002,059
Improvements other than buildings	33,767,865	246,246	-	34,014,111
Machinery and equipment	18,095,699	1,428,486	346,233	19,177,952
Total Capital Assets Being Depreciated	267,862,730	3,744,154	384,039	271,222,845
Total Capital Assets	374,024,217	6,055,646	1,928,371	378,151,492
Less: Accumulated depreciation for				
Infrastructure	(132,421,945)	(2,518,217)	(37,806)	(134,902,356)
Buildings	(12,378,943)	(658,229)	-	(13,037,172)
Improvements other than buildings	(18,280,823)	(1,316,783)	-	(19,597,606)
Machinery and equipment	(14,255,314)	(1,129,202)	(322,752)	(15,061,764)
Total Accumulated depreciation	(177,337,025)	(5,622,431)	(360,558)	(182,598,898)
Net Capital Assets Being Depreciated	90,525,705	(1,878,277)	23,481	88,623,947
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 196,687,192	\$ 433,215	\$ 1,567,813	\$ 195,552,594

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 1,550,015
Highways and streets	2,653,458
Sanitation	82,816
Culture and recreation	1,010,359
Public safety	325,783
Total Governmental Activities Depreciation Expense	\$ 5,622,431

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being Depreciated				
Land	\$ 441,413	\$ -	\$ -	\$ 441,413
Construction in progress	-	14,929	-	14,929
Total Capital Assets Not Being Depreciated	441,413	14,929	-	456,342
Capital assets being depreciated				
Buildings	27,020,235	-	-	27,020,235
Improvements other than buildings	57,309,617	431,065	-	57,740,682
Machinery and equipment	5,344,621	253,157	100,454	5,497,324
Sanitary sewers and related property	31,026,973	30,781	-	31,057,754
Total Capital Assets Being Depreciated	120,701,446	715,003	100,454	121,315,995
Total Capital Assets	121,142,859	729,932	100,454	121,772,337
Less: Accumulated depreciation for				
Buildings	(16,605,988)	(1,003,572)	-	(17,609,560)
Improvements other than buildings	(24,058,296)	(1,401,263)	-	(25,459,559)
Machinery and equipment	(3,623,753)	(359,205)	(100,454)	(3,882,504)
Sanitary sewers and related property	(18,329,226)	(577,302)	-	(18,906,528)
Total Accumulated depreciation	(62,617,263)	(3,341,342)	(100,454)	(65,858,151)
Net Capital Assets Being Depreciated	58,084,183	(2,626,339)	-	55,457,844
Business-type Capital Assets, Net of Accumulated depreciation	<u>\$ 58,525,596</u>	<u>\$ (2,611,410)</u>	<u>\$ -</u>	<u>\$ 55,914,186</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit - Lake Forest Library				
Capital assets not being depreciated				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	168,500	-	-	168,500
Total Capital Assets Not Being Depreciated	<u>238,500</u>	<u>-</u>	<u>-</u>	<u>238,500</u>
Capital assets being depreciated				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	2,271,093	-	-	2,271,093
Machinery and equipment	<u>4,007,888</u>	<u>327,587</u>	<u>442,751</u>	<u>3,892,724</u>
Total Capital Assets Being Depreciated	<u>7,459,888</u>	<u>327,587</u>	<u>442,751</u>	<u>7,344,724</u>
Total Capital Assets	<u>7,698,388</u>	<u>327,587</u>	<u>442,751</u>	<u>7,583,224</u>
Less: Accumulated depreciation for				
Buildings	(747,216)	(19,713)	-	(766,929)
Improvements other than buildings	(1,542,826)	(63,615)	-	(1,606,441)
Machinery and equipment	<u>(2,434,078)</u>	<u>(370,266)</u>	<u>(442,751)</u>	<u>(2,361,593)</u>
Total Accumulated Depreciation	<u>(4,724,120)</u>	<u>(453,594)</u>	<u>(442,751)</u>	<u>(4,734,963)</u>
Net Capital Assets Being Depreciated	<u>2,735,768</u>	<u>(126,007)</u>	<u>-</u>	<u>2,609,761</u>
Total Component Unit Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,974,268</u>	<u>\$ (126,007)</u>	<u>\$ -</u>	<u>\$ 2,848,261</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

D. INTERFUND ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
Parks and Recreation	Deerpath Golf Course	\$ 125,000
Capital Improvements	Laurel/Western Redevelopment TIF	<u>1,123,104</u>
Total - Fund Financial Statements		1,248,104
Less: Interfund receivables created with internal service fund eliminations		(972,037)
Less: Government-wide eliminations		<u>(1,123,104)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ (847,037)</u></u>

All amounts are due within one year.

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

Advances

The following is a schedule of interfund advances:

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

The principal purpose of the advance between the Laurel/Western Redevelopment TIF Fund and the Capital Improvements Fund is to repay the Laurel/Western Redevelopment TIF Fund for a parcel of land it owned that was sold during fiscal year 2017 and the receipts were recorded within the Capital Improvements Fund. The amount is not expected to be repaid within 1 year as it is based on TIF increment proceeds.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

D. INTERFUND ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Parks and Recreation	General	\$ 300,490	Transfer for operations
Water and Sewer	General	2,500	Transfer for operations
Nonmajor government	General	246,882	Transfer for operations
Nonmajor government	General	124,909	Transfer for debt service
Nonmajor government	Nonmajor government	362,063	Transfer for debt service
Capital Improvement	General	3,593,323	Transfer for capital outlay
Nonmajor enterprise	Parks and Recreation	<u>196,000</u>	Transfer for debt service
Total - Fund Financial Statements		4,826,167	
Less: Government-wide eliminations		<u>(4,627,667)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 198,500</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, 2020

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation bonds	\$ 31,928,784	\$ 10,751,022	\$ 13,137,849	\$ 29,541,957	\$ 1,910,089
Premiums	106,931	797,618	105,552	798,997	-
Discount	(19,237)	-	(19,237)	-	-
Sub-totals	<u>32,016,478</u>	<u>11,548,640</u>	<u>13,224,164</u>	<u>30,340,954</u>	<u>1,910,089</u>
Other Liabilities					
Compensated absences	1,898,337	2,565,262	2,253,111	2,210,488	120,000
Total OPEB liability	2,219,071	460,736	156,130	2,523,677	-
Net pension liability	<u>62,473,470</u>	<u>5,012,280</u>	<u>5,467,992</u>	<u>62,017,758</u>	<u>-</u>
Total Other Liabilities	<u>66,590,878</u>	<u>8,038,278</u>	<u>7,877,233</u>	<u>66,751,923</u>	<u>120,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 98,607,356</u>	<u>\$ 19,586,918</u>	<u>\$ 21,101,397</u>	<u>\$ 97,092,877</u>	<u>\$ 2,030,089</u>
Business-type Activities					
Bonds Payable					
General obligation bonds	\$ 18,975,000	\$ 6,913,978	\$ 9,540,000	\$ 16,348,978	\$ 1,934,413
Premium	<u>115,324</u>	<u>619,236</u>	<u>220,119</u>	<u>514,441</u>	<u>-</u>
Sub-totals	<u>19,090,324</u>	<u>7,533,214</u>	<u>9,760,119</u>	<u>16,863,419</u>	<u>1,934,413</u>
Other Liabilities					
Compensated absences	258,528	281,155	278,170	261,513	5,000
Total OPEB liability	218,440	43,449	15,258	246,631	-
Net pension liability	<u>1,890,425</u>	<u>-</u>	<u>1,229,787</u>	<u>660,638</u>	<u>-</u>
Total Other Liabilities	<u>2,367,393</u>	<u>324,604</u>	<u>1,523,215</u>	<u>1,168,782</u>	<u>5,000</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 21,457,717</u>	<u>\$ 7,857,818</u>	<u>\$ 11,283,334</u>	<u>\$ 18,032,201</u>	<u>\$ 1,939,413</u>
Component Unit - Lake Forest Library					
Compensated absences	\$ 164,486	\$ 8,061	\$ 23,145	\$ 149,402	\$ 5,000
Capital leases	2,352	105,225	25,102	82,475	34,410
Total OPEB liability	204,565	9,097	13,082	200,580	-
Net pension liability	<u>1,415,574</u>	<u>-</u>	<u>893,889</u>	<u>521,685</u>	<u>-</u>
Total Other Liabilities	<u>1,786,977</u>	<u>122,383</u>	<u>955,218</u>	<u>954,142</u>	<u>39,410</u>
Total Component Unit Long-Term Liabilities	<u>\$ 1,786,977</u>	<u>\$ 122,383</u>	<u>\$ 955,218</u>	<u>\$ 954,142</u>	<u>\$ 39,410</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, 2020

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance April 30, 2020
Special Service Area 25	5/1/2003	12/15/2022	1.95-2.95%	\$ 1,050,000	\$ 220,000
Special Service Area 26	10/7/2003	12/15/2022	2.50-3.40%	276,500	59,283
Special Service Area 29	12/20/2004	12/15/2023	2.55-3.65%	2,000,000	561,652
2013 Series	9/16/2013	12/15/2032	2.00-4.00%	9,715,000	8,885,000
2015 Series	8/3/2015	12/15/2036	2.50-3.75%	9,780,000	9,065,000
2019 Series Refunding	12/19/2019	12/15/2032	2.00-5.00%	10,751,022	<u>10,751,022</u>
Total Governmental Activities - General Obligation Bonds					<u>\$ 29,541,957</u>

Business-type Activities

General Obligation Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance April 30, 2020
2011 Series A	9/6/2011	12/15/2020	1.50-3.00%	\$ 1,195,000	\$ 140,000
2017 Series	6/5/2017	12/15/2037	2.00-3.50%	9,295,000	9,295,000
2019 Series Refunding	12/15/2019	12/15/2032	2.00-5.00%	6,913,978	<u>6,913,978</u>
Total Business-type Activities - General Obligation Bonds					<u>\$ 16,348,978</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Bonds		Business-type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 1,910,089	\$ 1,026,458	\$ 1,934,413	\$ 615,593
2022	2,009,666	957,821	1,871,947	526,731
2023	2,087,957	878,327	1,976,252	433,540
2024	2,069,245	795,703	1,786,366	334,721
2025	1,475,000	712,525	525,000	260,853
2026-2030	9,510,000	2,704,274	2,820,000	1,100,848
2031-2035	9,790,000	915,213	3,235,000	681,388
2036-2038	<u>690,000</u>	<u>38,150</u>	<u>2,200,000</u>	<u>153,975</u>
Totals	<u>\$ 29,541,957</u>	<u>\$ 8,028,471</u>	<u>\$ 16,348,978</u>	<u>\$ 4,107,649</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

Current Refunding

On December 19, 2019, the City issued \$17,665,000 in general obligation bonds with an average coupon rate of 3.39% to refund \$18,880,000 of outstanding bonds (Series 2009 G.O. bonds, Series 2010 G.O. bonds, Series 2011B G.O. bonds), with an average coupon rates of 2.80-5.00%. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$21,957,080 from 12/15/2020 through 12/15/2032. The cash flow requirements on the Series 2019 refunding bonds are \$20,657,218 from 12/15/2020 through 12/15/2032. The current refunding resulted in a cash flow savings of \$1,299,862. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,187,869.

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2020 the Library acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$105,225, which are included in capital assets in the discretely presented component unit activities. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2020, are as follows:

Years	Component Unit		
	Principal	Interest	Totals
2021	\$ 34,410	\$ 667	\$ 35,077
2022	34,756	322	35,078
2023	13,309	30	13,339
Totals	<u>\$ 82,475</u>	<u>\$ 1,019</u>	<u>\$ 83,494</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

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

G. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2020, include the following:

	General Fund	Parks and Recreation Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Totals
Fund Balances					
Nonspendable:					
Prepaid items	\$ 97,767	\$ -	\$ -	\$ 28,689	\$ 126,456
Inventories	45,936	450	-	-	46,386
Sub-total	<u>143,703</u>	<u>450</u>	<u>-</u>	<u>28,689</u>	<u>172,842</u>
Restricted for:					
Culture and recreation	-	1,292,151	-	1,236,267	2,528,418
Highway and streets	-	-	-	1,756,550	1,756,550
Public safety - fire	-	-	-	263,004	263,004
Public safety - police	-	-	-	687,341	687,341
Cemetery perpetual care	-	-	-	8,065,570	8,065,570
Affordable housing	-	-	-	1,209,518	1,209,518
Capital projects	-	-	11,315,878	-	11,315,878
Debt service	-	-	-	1,866,992	1,866,992
Sub-total	<u>-</u>	<u>1,292,151</u>	<u>11,315,878</u>	<u>15,085,242</u>	<u>27,693,271</u>
Unassigned:	<u>29,433,682</u>	<u>-</u>	<u>-</u>	<u>(743,104)</u>	<u>28,690,578</u>
Total Fund Balances	<u>\$ 29,577,385</u>	<u>\$ 1,292,601</u>	<u>\$ 11,315,878</u>	<u>\$ 14,370,827</u>	<u>\$ 56,556,691</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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

Illinois Municipal Retirement Fund

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

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

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

Plan membership. At December 31, 2019, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	292
Inactive, non-retired members	177
Active members	194
Total	663

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. As set by statute, City and Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City and Library's actuarially determined contribution rate for calendar year 2019 was 9.58% of annual covered payroll for IMRF. The City and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

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

Actuarial Assumptions. The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2019 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.50%
Salary increases	3.35% to 14.25%, including inflation
Price inflation	2.50%

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	7.05%	5.75%
International equities	18.00%	8.10%	6.50%
Fixed income	28.00%	3.70%	3.25%
Real estate	9.00%	6.35%	5.20%
Alternatives	7.00%		
Private equity		11.30%	7.60%
Commodities		4.65%	3.60%
Cash equivalents	1.00%	1.85%	1.85%

Discount rate. The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2018 measurement date was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents net pension liability/(asset) of the City calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<i>City:</i>			
Total pension liability	\$ 112,982,662	\$ 100,882,053	\$ 90,883,249
Plan fiduciary net pension	96,060,540	96,060,540	96,060,540
Net pension liability/(asset)	<u>\$ 16,922,122</u>	<u>\$ 4,821,513</u>	<u>\$ (5,177,291)</u>
<i>Library:</i>			
Total pension liability	\$ 14,646,340	\$ 13,077,695	\$ 11,781,515
Plan fiduciary net pension	12,556,010	12,556,010	12,556,010
Net pension liability/(asset)	<u>\$ 2,090,330</u>	<u>\$ 521,685</u>	<u>\$ (774,495)</u>
<i>Total:</i>			
Total pension liability	\$ 127,629,002	\$ 113,959,748	\$ 102,664,764
Plan fiduciary net pension	108,616,550	108,616,550	108,616,550
Net pension liability/(asset)	<u>\$ 19,012,452</u>	<u>\$ 5,343,198</u>	<u>\$ (5,951,786)</u>

Changes in net pension liability/(asset). The changes in net pension liability/(asset) for the calendar year ended December 31, 2019 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>City:</i>			
Balances at December 31, 2018	\$ 96,560,810	\$ 82,883,531	\$ 13,677,279
Service cost	1,244,941	-	1,244,941
Interest on total pension liability	6,990,156	-	6,990,156
Differences between expected and actual experience of the total pension liability	1,465,195	-	1,465,195
Change of assumptions	(58,022)	-	(58,022)
Benefit payments, including refunds of employee contributions	(5,321,027)	(5,321,027)	-
Contributions - employer	-	1,224,123	(1,224,123)
Contributions - employee	-	575,110	(575,110)
Net investment income	-	16,063,705	(16,063,705)
Other (net transfer)	-	635,098	(635,098)
Balances at December 31, 2019	<u>\$ 100,882,053</u>	<u>\$ 96,060,540</u>	<u>\$ 4,821,513</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
<i>Library:</i>			
Balances at December 31, 2018	\$ 12,545,839	\$ 11,130,265	\$ 1,415,574
Service cost	134,702	-	134,702
Interest on total pension liability	756,331	-	756,331
Differences between expected and actual experience of the total pension liability	158,533	-	158,533
Change of assumptions	58,022	-	58,022
Benefit payments, including refunds of employee contributions	(575,732)	(575,732)	-
Contributions - employer	-	132,449	(132,449)
Contributions - employee	-	62,227	(62,227)
Net investment income	-	1,738,084	(1,738,084)
Other (net transfer)	-	68,717	(68,717)
Balances at December 31, 2019	<u>\$ 13,077,695</u>	<u>\$ 12,556,010</u>	<u>\$ 521,685</u>
<i>Total:</i>			
Balances at December 31, 2018	\$ 109,106,649	\$ 94,013,796	\$ 15,092,853
Service cost	1,379,643	-	1,379,643
Interest on total pension liability	7,746,487	-	7,746,487
Differences between expected and actual experience of the total pension liability	1,623,728	-	1,623,728
Benefit payments, including refunds of employee contributions	(5,896,759)	(5,896,759)	-
Contributions - employer	-	1,356,572	(1,356,572)
Contributions - employee	-	637,337	(637,337)
Net investment income	-	17,801,789	(17,801,789)
Other (net transfer)	-	703,815	(703,815)
Balances at December 31, 2019	<u>\$ 113,959,748</u>	<u>\$ 108,616,550</u>	<u>\$ 5,343,198</u>
Plan fiduciary net position as a percentage of the total pension liability			95.31 %

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2020, the City recognized pension expense of \$1,897,771. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>City:</i>		
Difference between expected and actual experience	\$ 1,304,089	\$ -
Assumption changes	972,727	331,057
Net difference between projected and actual earnings on pension plan investments	-	4,213,085
Contributions subsequent to the measurement date	<u>529,373</u>	<u>-</u>
Total	<u>\$ 2,806,189</u>	<u>\$ 4,544,142</u>
<i>Library:</i>		
Difference between expected and actual experience	\$ 141,102	\$ -
Assumption changes	105,248	35,820
Net difference between projected and actual earnings on pension plan investments	-	455,853
Contributions subsequent to the measurement date	<u>62,805</u>	<u>-</u>
Total	<u>\$ 309,155</u>	<u>\$ 491,673</u>
<i>Total:</i>		
Difference between expected and actual experience	\$ 1,445,191	\$ -
Assumption changes	1,077,975	366,877
Net difference between projected and actual earnings on pension plan investments	-	4,668,938
Contributions subsequent to the measurement date	<u>592,178</u>	<u>-</u>
Total	<u>\$ 3,115,344</u>	<u>\$ 5,035,815</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions \$(2,512,649) will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2021	\$ (14,923)	\$ (1,615)	\$ (16,538)
2022	(674,069)	(72,934)	(747,003)
2023	425,232	46,010	471,242
2024	(2,003,566)	(216,784)	(2,220,350)
Total	<u>\$ (2,267,326)</u>	<u>\$ (245,323)</u>	<u>\$ (2,512,649)</u>

Police Pension

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

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

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Plan membership. At April 30, 2020, the Police Pension membership consisted of:

Retirees and beneficiaries	40
Inactive, non-retired members	11
Active members	<u>39</u>
Total	<u><u>90</u></u>

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending April 30, 2020 was 63.78% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of April 30, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions:

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

Mortality rates were based on the PubS-2010 Mortality Table, project 5 years past the valuation date with Scale MP-2019.

Discount rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 6.50%. The discount rate calculated using the April 30, 2019 measurement date was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.50% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 80,021,490	\$ 69,868,229	\$ 61,594,702
Plan fiduciary net position	33,562,715	33,562,715	33,562,715
Net pension liability	<u>\$ 46,458,775</u>	<u>\$ 36,305,514</u>	<u>\$ 28,031,987</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Changes in net pension liability/(asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a) - (b)
Balances at April 30, 2019	\$ 66,252,095	\$ 33,350,826	\$ 32,901,269
Service cost	908,951	-	908,951
Interest on total pension liability	4,435,870	-	4,435,870
Changes in benefit terms	231,490	-	231,490
Differences between expected and actual experience of the total pension liability	(1,297,619)	-	(1,297,619)
Change of assumptions	2,226,349	-	2,226,349
Benefit payments, including refunds of employee contributions	(2,888,907)	(2,888,907)	-
Contributions - employer	-	2,589,534	(2,589,534)
Contributions - employee	-	404,985	(404,985)
Net investment income	-	158,632	(158,632)
Administration	-	(52,355)	52,355
Balances at April 30, 2020	<u>\$ 69,868,229</u>	<u>\$ 33,562,715</u>	<u>\$ 36,305,514</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2020, the City recognized pension expense of \$5,113,785. 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	\$ 1,287,174	\$ 1,408,922
Assumption changes	4,256,502	-
Net difference between projected and actual earnings on pension plan investments	<u>1,834,086</u>	<u>-</u>
Total	<u>\$ 7,377,762</u>	<u>\$ 1,408,922</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions \$5,968,840 will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2021	\$ 1,660,044
2022	1,849,311
2023	1,854,870
2024	604,615
Total	<u>\$ 5,968,840</u>

Firefighters' Pension

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

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

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Plan membership. At April 30, 2020, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	43
Inactive, non-retired members	2
Active members	<u>33</u>
Total	<u><u>78</u></u>

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2020, 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, 2020 was 52.95% of annual covered payroll.

Net pension liability/(asset). The net pension liability/(asset) was measured as of April 30, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

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

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed as of April 30, 2020 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age
Asset valuation method	5-year average Market Value
Actuarial assumptions	
Interest rate	6.50%
Inflation	2.50%
Projected salary increases	Service based
Cost-of-living adjustments	Tier 1: 3.00% Tier 2: 1.25%

Mortality rates were based on the PubS-2010 Mortality Table, project 5 years past the valuation date with Scale MP-2019

Discount rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 6.50%. The discount rate calculated using the April 30, 2019 measurement date was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.50% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 69,286,332	\$ 60,620,657	\$ 53,556,711
Plan fiduciary net position	39,069,288	39,069,288	39,069,288
Net pension liability	<u>\$ 30,217,044</u>	<u>\$ 21,551,369</u>	<u>\$ 14,487,423</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Changes in net pension liability/(asset). The City's changes in net pension liability/(asset) for the calendar year ended April 30, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at April 30, 2019	\$ 56,470,867	\$ 38,685,520	\$ 17,785,347
Service cost	876,151	-	876,151
Interest on total pension liability	3,779,365	-	3,779,365
Changes in benefit terms	172,556	-	172,556
Differences between expected and actual experience of the total pension liability	134,069	-	134,069
Change of assumptions	1,900,513	-	1,900,513
Benefit payments, including refunds of employee contributions	(2,712,864)	(2,712,864)	-
Contributions - employer	-	1,822,064	(1,822,064)
Contributions - employee	-	330,725	(330,725)
Net investment income	-	988,063	(988,063)
Administration	-	(44,220)	44,220
Balances at April 30, 2020	<u>\$ 60,620,657</u>	<u>\$ 39,069,288</u>	<u>\$ 21,551,369</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2020, the City recognized pension expense of \$3,476,383. 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	\$ 386,886	\$ 31,079
Assumption changes	4,118,657	-
Net difference between projected and actual earnings on pension plan investments	<u>590,886</u>	<u>-</u>
Total	<u>\$ 5,096,429</u>	<u>\$ 31,079</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions \$5,065,350 will be recognized in pension expense as follows:

Year Ending April 30,	Amount
2021	\$ 1,095,360
2022	1,295,764
2023	1,130,726
2024	1,204,403
2025	339,097
Total	<u>\$ 5,065,350</u>

PENSION SEGMENT INFORMATION

Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets			
Cash	\$ 388,961	\$ 270,236	\$ 659,197
Money markets	737,089	-	737,089
Investments			
U.S. treasury obligations	8,937,039	4,713,661	13,650,700
U.S. government agencies	270,051	3,717,947	3,987,998
Municipal/corporate bonds	2,606,172	6,542,188	9,148,360
Mutual funds	16,696,005	23,720,256	40,416,261
Real estate investment fund	3,824,762	-	3,824,762
Prepays	4,000	4,528	8,528
Interest receivable	58,954	111,348	170,302
Due from primary government	46,146	26,034	72,180
Total Assets	<u>33,569,179</u>	<u>39,106,198</u>	<u>72,675,377</u>
Liabilities			
Accounts payable	6,463	36,910	43,373
Total Liabilities	<u>6,463</u>	<u>36,910</u>	<u>43,373</u>
Net Position			
Restricted for pensions	<u>\$ 33,562,716</u>	<u>\$ 39,069,288</u>	<u>\$ 72,632,004</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	\$ 2,589,534	\$ 1,822,064	\$ 4,411,598
Employee	404,985	330,725	735,710
	<u>-</u>	<u>-</u>	<u>595,658</u>
Total Contributions	<u>2,994,519</u>	<u>2,152,789</u>	<u>5,147,308</u>
Investment Income			
Interest	632,456	825,823	1,458,279
Net appreciation in fair value of investments	<u>(401,182)</u>	<u>245,490</u>	<u>(155,692)</u>
Total Investment income	<u>231,274</u>	<u>1,071,313</u>	<u>1,302,587</u>
Less investment expense	<u>72,639</u>	<u>83,475</u>	<u>156,114</u>
Net investment income	<u>158,635</u>	<u>987,838</u>	<u>1,146,473</u>
Miscellaneous	<u>-</u>	<u>226</u>	<u>226</u>
Total Additions	<u>3,153,154</u>	<u>3,140,853</u>	<u>6,294,007</u>
Deductions			
Pension benefits and refunds	2,888,907	2,712,864	5,601,771
Other administrative expenses	<u>52,357</u>	<u>44,221</u>	<u>96,578</u>
Total Deductions	<u>2,941,264</u>	<u>2,757,085</u>	<u>5,698,349</u>
Change in net position	211,890	383,768	595,658
Net position, beginning of year	<u>33,350,826</u>	<u>38,685,520</u>	<u>72,036,346</u>
Net position, end of year	<u>\$ 33,562,716</u>	<u>\$ 39,069,288</u>	<u>\$ 72,632,004</u>

Aggregate pension expense. Aggregate pension expense for IMRF, police pension, and firefighters' pension totals \$10,487,939 for the year ended April 30, 2020.

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, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

IRMA

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

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

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

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

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018-2019	\$ 94,553	\$ 377,343	\$ 258,501	\$ 213,395
2019-2020	213,395	262,847	273,503	202,739

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, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Changes in the balances of claims liabilities for the years ended April 30, 2020 and 2019 are as follows:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018-2019	\$ 595,370	\$ 4,608,923	\$ 4,636,187	\$ 568,106
2019-2020	568,106	4,535,326	4,534,149	569,284

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 Solid Waste Agency of Lake County.

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, 2020

NOTE IV - OTHER INFORMATION (cont.)

C. JOINT VENTURES (cont.)

Northern Suburban Special Recreation Association

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

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

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

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

D. COMMITMENTS AND CONTINGENCIES

The City has outstanding construction contracts with contractors totaling \$1,451,279 at April 30, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Economic Uncertainty

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including areas impacting the City. The City's evaluation of the effects of these events is ongoing, however we anticipate this situation could impact investment values, and the City continues to monitor the market. The City is actively seeking grant opportunities and has filed with Lake County its initial funding request for COVID 19 Relief Funds.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

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

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

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

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

Employees covered by benefit terms. At April 30, 2020, the following employees were covered by the benefit terms:

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

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$2,770,308 was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date. The Library's total OPEB liability of \$200,580 was measured as of April 30, 2020, and was determined by an actuarial valuation as of that date.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. For both the City and Library, the total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

The actuarial assumptions used in the April 30, 2020 valuation were based on the results of an actuarial experience study for the period May 1, 2018 - April 30, 2020.

CHANGES IN THE TOTAL OPEB LIABILITY

	<u>City - Total OPEB Liability</u>	<u>Library - Total OPEB Liability</u>
Balances at April 30, 2019	\$ 2,437,511	\$ 204,565
Changes for the year:		
Service cost	49,721	1,718
Interest	89,145	7,379
Changes in assumptions or other inputs	365,319	6,686
Benefit payments	<u>(171,388)</u>	<u>(19,768)</u>
Net changes	<u>332,797</u>	<u>(3,985)</u>
Balances at April 30, 2020	<u>\$ 2,770,308</u>	<u>\$ 200,580</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.79 percent in 2019 to 2.56 percent in 2020 for both the City and the Library.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

	1% Decrease (2.79%)	Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB liability - City	\$ 2,994,907	\$ 2,770,308	\$ 2,568,437
Total OPEB liability - Library	\$ 206,228	\$ 200,580	\$ 195,120

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

	1% Decrease (6.0% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% Decreasing to 5.0%)	1% Increase (8.0% Decreasing to 6.0%)
Total OPEB liability - City	\$ 2,483,047	\$ 2,770,308	\$ 3,106,025
Total OPEB liability - Library	\$ 190,623	\$ 200,580	\$ 211,114

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

For the year ended April 30, 2020, the City recognized negative OPEB expense of \$174,645. At April 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 358,820	\$ -
Total	<u>\$ 358,820</u>	<u>\$ -</u>

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

For the year ended April 30, 2020, the Library recognized negative OPEB expense of \$9,923. At April 30, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 6,953	\$ -
Total	<u>\$ 6,953</u>	<u>\$ -</u>

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

<u>Year Ended April 30:</u>	<u>City</u>	<u>Library</u>
2021	\$ 35,779	\$ 826
2022	35,779	826
2023	35,779	826
2024	35,779	826
2025	35,779	826
Thereafter	179,925	2,823
Total	<u>\$ 358,820</u>	<u>\$ 6,953</u>

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

The City approved the Laurel and Western TIF in January 2015. The TIF district is comprised of 10.6 acres. The City acquired the single parcel not previously owned by the City and prepared the site for a mix of housing options. Demolition of the seven structures was completed in preparation for the development of the site. The City entered into a Property Purchase Agreement with Focus Acquisition Company LLC for the sale and redevelopment of all the developable land within the district. Following environmental remediation and site preparation required by the City, as well as the completion of contingency and inspection periods under the agreement, the sale of the property was closed in September 2016. The purchase price of the City property was \$12 million, consisting of \$5.625 million paid to the City at closing and a TIF Note of \$6.375 million executed between the City and the developer. The TIF Note was subsequently assigned by the developer to the City to allow repayment of the note from future TIF increment. As of April 30, 2020, the City received \$222,945 in TIF increment property tax revenue. Because the TIF Note does not meet the definition of an asset pursuant to GASB Concept Statement 4 as of the financial statement date, the Note receivable has not been reported on the City's financial statements. Revenue will be recognized as payments on the TIF Note are made. No payments on the TIF Note have been made as of April 30, 2020.

CITY OF LAKE FOREST

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A redevelopment agreement between the City and developer was also executed in September 2016. As of April 30, 2020, the City has received the development fees of \$2,368,712 (FY17), as well as a payment in lieu of affordable housing in the amount of \$650,000 (FY18). As of April 30 2020, construction of the three apartment buildings is complete and the buildings are nearly fully occupied on an ongoing basis with a normal rate of turnover as leases expire. The first of two condominiums is complete with seventeen (17) condominiums sold and one additional condominium under contract. Construction of the second condominium building has not yet started. Five (5) single family homes have been sold and an additional home is under construction.

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

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

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

The statements listed above through Statement No 93. had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No.87, which was postponed by one and a half years.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 18,989,621	\$ 18,989,621	\$ 18,930,909	\$ (58,712)
Other taxes	2,647,920	2,647,920	2,350,852	(297,068)
Intergovernmental	5,996,701	5,996,701	6,509,510	512,809
Licenses and permits	2,384,656	2,384,656	2,954,115	569,459
Fines, forfeitures and penalties	227,000	227,000	271,235	44,235
Charges for services	4,302,211	4,302,211	4,796,048	493,837
Grants and contributions	-	-	12,028	12,028
Investment income	791,815	791,815	679,423	(112,392)
Miscellaneous revenues	1,279,500	1,279,500	1,301,177	21,677
Total Revenues	<u>36,619,424</u>	<u>36,619,424</u>	<u>37,805,297</u>	<u>1,185,873</u>
EXPENDITURES				
Current				
General government	11,083,334	11,221,619	9,860,981	1,360,638
Highways and streets	2,515,391	2,552,093	2,303,462	248,631
Sanitation	2,492,401	2,492,401	2,575,451	(83,050)
Public safety	17,364,156	17,474,622	18,165,098	(690,476)
Contingency	<u>3,586,132</u>	<u>3,586,132</u>	-	3,586,132
Total Expenditures	<u>37,041,414</u>	<u>37,326,867</u>	<u>32,904,992</u>	<u>4,421,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(421,990)</u>	<u>(707,443)</u>	<u>4,900,305</u>	<u>5,607,748</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,220,722)</u>	<u>(2,695,581)</u>	<u>(4,268,104)</u>	<u>(1,572,523)</u>
Total Other Financing Sources (Uses)	<u>(2,220,722)</u>	<u>(2,695,581)</u>	<u>(4,268,104)</u>	<u>(1,572,523)</u>
Net Change in Fund Balance	<u>\$ (2,642,712)</u>	<u>\$ (3,403,024)</u>	632,201	<u>\$ 4,035,225</u>
FUND BALANCE - Beginning of Year			<u>28,945,184</u>	
FUND BALANCE - END OF YEAR			<u>\$ 29,577,385</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,790,611	\$ 5,790,611	\$ 5,772,949	\$ (17,662)
Intergovernmental	40,000	40,000	44,907	4,907
Charges for services	3,363,711	3,363,711	2,443,544	(920,167)
Grants and contributions	185,102	185,102	167,244	(17,858)
Investment income	93,000	93,000	64,829	(28,171)
Miscellaneous revenues	30,050	30,050	13,131	(16,919)
Total Revenues	<u>9,502,474</u>	<u>9,502,474</u>	<u>8,506,604</u>	<u>(995,870)</u>
EXPENDITURES				
Current				
Culture and recreation	9,119,102	9,202,322	8,652,397	549,925
Capital Outlay	420,384	793,257	689,077	104,180
Contingency	1,000,058	1,000,058	-	1,000,058
Total Expenditures	<u>10,539,544</u>	<u>10,995,637</u>	<u>9,341,474</u>	<u>1,654,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,037,070)</u>	<u>(1,493,163)</u>	<u>(834,870)</u>	<u>658,293</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	285,000	285,000	300,490	15,490
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(196,000)</u>	<u>(146,000)</u>
Total Other Financing Sources (Uses)	<u>235,000</u>	<u>235,000</u>	<u>104,490</u>	<u>(130,510)</u>
Net Change in Fund Balance	<u>\$ (802,070)</u>	<u>\$ (1,258,163)</u>	<u>(730,380)</u>	<u>\$ 527,783</u>
FUND BALANCE - Beginning of Year			<u>2,022,981</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,292,601</u>	

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

CITY OF LAKE FOREST

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

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

Notes to Schedule:

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

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CITY OF LAKE FOREST

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

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

Notes to Schedule:

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

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

2020		
City	Library	Total
\$ 1,244,941	\$ 134,702	\$ 1,379,643
6,990,156	756,331	7,746,487
1,465,195	158,533	1,623,728
(58,022)	58,022	-
-	-	-
(5,321,027)	(575,732)	(5,896,759)
4,321,243	531,856	4,853,099
96,560,810	12,545,839	109,106,649
<u>\$ 100,882,053</u>	<u>\$ 13,077,695</u>	<u>\$ 113,959,748</u>
\$ 1,224,123	\$ 132,449	\$ 1,356,572
575,110	62,227	637,337
16,063,705	1,738,084	17,801,789
(5,321,027)	(575,732)	(5,896,759)
635,098	68,717	703,815
13,177,009	1,425,745	14,602,754
82,883,531	11,130,265	94,013,796
<u>\$ 96,060,540</u>	<u>\$ 12,556,010</u>	<u>\$ 108,616,550</u>
<u>\$ 4,821,513</u>	<u>\$ 521,685</u>	<u>\$ 5,343,198</u>

95.31%

\$ 14,163,049

37.73%

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

CITY OF LAKE FOREST

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

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

Notes to Schedule:

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

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2017 (base year 2015) Mortality Table

Other information:

There were no benefit changes during the year.

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

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

CITY OF LAKE FOREST

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

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

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

2020		
City	Library	Total
\$ 1,217,957	\$ 131,782	\$ 1,349,739
(1,224,123)	(132,449)	(1,356,572)
\$ (6,166)	\$ (667)	\$ (6,833)

\$ 14,612,252

9.28%

CITY OF LAKE FOREST

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

	2015	2016	2017	2018	2019	2020
Total pension liability						
Service cost	\$ 845,979	\$ 883,178	\$ 931,083	\$ 895,320	\$ 900,450	\$ 908,951
Interest on total pension liability	3,219,893	3,657,765	3,660,514	3,908,626	4,051,210	4,435,870
Change on benefit terms						231,490
Differences between expected and actual experience of the total pension liability	2,713	(2,129,040)	306,030	(39,964)	2,043,281	(1,297,619)
Changes of assumptions	3,568,719	-	1,248,764	-	3,709,450	2,226,349
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)	(2,520,473)	(2,611,864)	(2,852,542)	(2,888,907)
Other	(16,057)	-	-	-	-	-
Net change in total pension liability	5,427,542	91,315	3,625,918	2,152,118	7,851,849	3,616,134
Total pension liability - beginning	47,103,353	52,530,895	52,622,210	56,248,128	58,400,246	66,252,095
Total pension liability - ending (a)	\$ 52,530,895	\$ 52,622,210	\$ 56,248,128	\$ 58,400,246	\$ 66,252,095	\$ 69,868,229
Plan fiduciary net position						
Employer contributions	\$ 1,706,203	\$ 1,806,270	\$ 1,895,500	\$ 2,094,124	\$ 2,504,581	\$ 2,589,534
Employee contributions	360,156	373,216	371,695	379,500	392,258	404,985
Net investment income	1,669,508	(475,655)	2,635,379	2,064,885	1,716,441	158,632
Benefit payments, including refunds of member contributions	(2,193,705)	(2,320,588)	(2,520,473)	(2,611,864)	(2,852,542)	(2,888,907)
Administrative expenses	(4,150)	(4,835)	(27,816)	(34,158)	(60,847)	(52,355)
Net change in plan fiduciary net position	1,538,012	(621,592)	2,354,285	1,892,487	1,699,891	211,889
Plan fiduciary net position - beginning	26,487,743	28,025,755	27,404,163	29,758,448	31,650,935	33,350,826
Plan fiduciary net position - ending (b)	\$ 28,025,755	\$ 27,404,163	\$ 29,758,448	\$ 31,650,935	\$ 33,350,826	\$ 33,562,715
City's net pension liability - ending (a) - (b)	\$ 24,505,140	\$ 25,218,047	\$ 26,489,680	\$ 26,749,311	\$ 32,901,269	\$ 36,305,514
Plan fiduciary net position as a percentage of the total pension liability	53.35%	52.08%	52.91%	54.20%	50.34%	48.04%
Covered payroll	\$ 3,590,934	\$ 3,759,611	\$ 3,750,706	\$ 3,800,841	\$ 3,940,419	\$ 4,059,797
City's net pension liability as a percentage of covered payroll	682.42%	670.76%	706.26%	703.77%	834.97%	894.27%

Notes to Schedule:

Changes of assumptions.

For measurement date April 30, 2020, amounts reported as changes of assumptions resulted from the following changes:

- The surviving spouse benefit for non-line of duty death was updated to mirror Tier 1 benefits
- The pensionable salary cap increased retroactive to 2011 to alleviate safe harbor concerns
- The final average salary was increased
- The interest rate was updated from 6.75% to 6.50%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,405,652	\$ 1,372,431	\$ 1,375,906	\$ 1,384,307
Contributions in relation to the actuarially determined contribution	<u>1,412,730</u>	<u>1,515,074</u>	<u>1,502,075</u>	<u>1,563,964</u>
Contribution deficiency (excess)	<u>\$ (7,078)</u>	<u>\$ (142,643)</u>	<u>\$ (126,169)</u>	<u>\$ (179,657)</u>
Covered payroll	\$ 3,322,493	\$ 3,359,679	\$ 3,170,518	\$ 3,518,797
Contributions as a percentage of covered payroll	42.52%	45.10%	47.38%	44.45%

Notes to Schedule:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (as of 5/1/2015 valuation); 23 years (as of 5/1/2016 valuation); 22 years (as of 5/1/2019 valuation); 21 years (as of 5/1/2020 valuation)
Asset valuation method	Investment gains and losses are smoothed over a 5-year period
Inflation	2.50%
Salary increases	4.94%
Investment rate of return	6.50%, net of pension plan investment expense
Retirement age	50-70
Mortality	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

2015	2016	2017	2018	2019	2020
\$ 1,508,450	\$ 1,810,315	\$ 1,737,445	\$ 1,832,059	\$ 2,505,888	\$ 2,594,845
<u>1,706,203</u>	<u>1,806,270</u>	<u>1,895,500</u>	<u>2,094,124</u>	<u>2,504,581</u>	<u>2,589,534</u>
<u>\$ (197,753)</u>	<u>\$ 4,045</u>	<u>\$ (158,055)</u>	<u>\$ (262,065)</u>	<u>\$ 1,307</u>	<u>\$ 5,311</u>
\$ 3,590,934	\$ 3,759,611	\$ 3,750,706	\$ 3,800,841	\$ 3,940,419	\$ 4,059,797
47.51%	48.04%	50.54%	55.10%	63.56%	63.78%

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

CITY OF LAKE FOREST

POLICE PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
Last Six Fiscal Years

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

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 Six Fiscal Years

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

Notes to Schedule:

Changes of assumptions.

For measurement date April 30, 2020, amounts reported as changes of assumptions resulted from the following changes:

- The surviving spouse benefit for non-line of duty death was updated to mirror Tier 1 benefits
- The pensionable salary cap increased retroactive to 2011 to alleviate safe harbor concerns
- The final average salary was increased
- The interest rate was updated from 6.75% to 6.50%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 954,946	\$ 862,452	\$ 894,551	\$ 894,384
Contributions in relation to the actuarially determined contribution	<u>960,850</u>	<u>983,298</u>	<u>1,026,345</u>	<u>1,090,695</u>
Contribution deficiency (excess)	<u>\$ (5,904)</u>	<u>\$ (120,846)</u>	<u>\$ (131,794)</u>	<u>\$ (196,311)</u>
Covered payroll	\$ 2,644,320	\$ 2,941,767	\$ 3,049,732	\$ 3,004,889
Contributions as a percentage of covered payroll	36.34%	33.43%	33.65%	36.30%

Notes to Schedule:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years (as of 05/01/2015 valuation), 23 years (as of the 05/01/2016 valuation), and 22 years (as of the 05/01/2019 valuation); 21 years (as of 5/1/2020 valuation)
Asset valuation method	5-year average market value
Salary increases	5.85%
Investment rate of return	7.00%, net of pension plan investment expense
Retirement age	50-70
Mortality	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 950,325	\$ 1,217,702	\$ 1,137,826	\$ 1,298,188	\$ 1,721,953	\$ 1,826,568
<u>1,168,287</u>	<u>1,216,585</u>	<u>1,211,587</u>	<u>1,308,348</u>	<u>1,719,445</u>	<u>1,822,064</u>
<u>\$ (217,962)</u>	<u>\$ 1,117</u>	<u>\$ (73,761)</u>	<u>\$ (10,160)</u>	<u>\$ 2,508</u>	<u>\$ 4,504</u>
\$ 3,111,216	\$ 2,924,893	\$ 3,071,211	\$ 3,237,410	\$ 3,388,448	\$ 3,440,901
37.55%	41.59%	39.45%	40.41%	50.74%	52.95%

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

CITY OF LAKE FOREST
FIREFIGHTERS' PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
Last Six Fiscal Years

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

Notes to Schedule:

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

CITY OF LAKE FOREST
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS
Two Most Recent Fiscal Years

	2019		2020	
	City	Library	City	Library
Total OPEB liability				
Service cost	\$ 46,323	\$ 1,620	\$ 49,721	\$ 1,718
Interest	93,093	8,019	89,145	7,379
Changes of assumptions	32,177	1,221	365,319	6,686
Benefit payments, including refunds of member contributions	<u>(157,993)</u>	<u>(16,545)</u>	<u>(171,388)</u>	<u>(19,768)</u>
Net change in total OPEB liability	13,600	(5,685)	332,797	(3,985)
Total OPEB liability - beginning	<u>2,423,911</u>	<u>210,250</u>	<u>2,437,511</u>	<u>204,565</u>
Total OPEB liability - ending	<u>\$ 2,437,511</u>	<u>\$ 204,565</u>	<u>\$ 2,770,308</u>	<u>\$ 200,580</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 20,233,763	\$ 1,467,746	\$ 20,794,094	\$ 1,382,150
City's total OPEB liability as a percentage of covered payroll	12.05%	13.94%	13.32%	14.51%

Notes to Schedule:

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

CITY OF LAKE FOREST

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2020

BUDGETARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

Major Capital Projects Fund

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

CITY OF LAKE FOREST

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2020

	Special Revenue Funds				
	Police Restricted	Foreign Fire Insurance Tax	Emergency Telephone	Parks and Public Land	Motor Fuel Tax
ASSETS					
Cash and cash equivalents	\$ 89,952	\$ 263,004	\$ (154,583)	\$ 1,208,639	\$ 1,699,086
Investments	-	-	-	-	-
Receivables (net)					
Property taxes	-	-	-	-	-
Other	20	-	753,618	-	-
Due from other governments	-	-	-	-	58,808
Advances to other funds	-	-	-	-	-
Due from fiduciary funds	-	-	-	-	-
Prepaid items	-	-	28,689	-	-
TOTAL ASSETS	<u>\$ 89,972</u>	<u>\$ 263,004</u>	<u>\$ 627,724</u>	<u>\$ 1,208,639</u>	<u>\$ 1,757,894</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 170	\$ -	\$ 1,496	\$ 6,483	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned revenues	-	-	-	112,135	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>170</u>	<u>-</u>	<u>1,496</u>	<u>118,618</u>	<u>-</u>
Deferred Inflows of Resources					
Property taxes levied for a future period	-	-	-	-	-
Unavailable revenues	-	-	-	-	1,344
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344</u>
Fund Balances					
Nonspendable for prepaid items	-	-	28,689	-	-
Restricted for culture and recreation	-	-	-	1,090,021	-
Restricted for highways and streets	-	-	-	-	1,756,550
Restricted for public safety	89,802	263,004	597,539	-	-
Restricted for cemetery perpetual care	-	-	-	-	-
Restricted for affordable housing	-	-	-	-	-
Restricted for debt service purposes	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>89,802</u>	<u>263,004</u>	<u>626,228</u>	<u>1,090,021</u>	<u>1,756,550</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 89,972</u>	<u>\$ 263,004</u>	<u>\$ 627,724</u>	<u>\$ 1,208,639</u>	<u>\$ 1,757,894</u>

Special Revenue Funds			Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
General Cemetery	Senior Resources Commission	Housing Trust	Debt Service	Laurel/Western Redevelopment TIF Improvements	
\$ 863,783	\$ 178,438	\$ 1,227,518	\$ 1,780,133	\$ 85,875	\$ 7,241,845
7,077,796	-	-	-	-	7,077,796
-	-	-	2,045,406	-	2,045,406
-	13,938	-	-	-	767,576
-	-	-	88,684	-	147,492
-	-	-	-	380,000	380,000
167,340	-	-	-	-	167,340
-	-	-	-	-	28,689
<u>\$ 8,108,919</u>	<u>\$ 192,376</u>	<u>\$ 1,227,518</u>	<u>\$ 3,914,223</u>	<u>\$ 465,875</u>	<u>\$ 17,856,144</u>
\$ 28,562	\$ 33,789	\$ -	\$ 1,826	\$ 85,875	\$ 158,201
14,787	12,341	-	-	-	27,128
-	-	18,000	-	-	18,000
-	-	-	-	-	112,135
-	-	-	-	1,123,104	1,123,104
<u>43,349</u>	<u>46,130</u>	<u>18,000</u>	<u>1,826</u>	<u>1,208,979</u>	<u>1,438,568</u>
-	-	-	2,045,405	-	2,045,405
-	-	-	-	-	1,344
-	-	-	2,045,405	-	2,046,749
-	-	-	-	-	28,689
-	146,246	-	-	-	1,236,267
-	-	-	-	-	1,756,550
-	-	-	-	-	950,345
8,065,570	-	-	-	-	8,065,570
-	-	1,209,518	-	-	1,209,518
-	-	-	1,866,992	-	1,866,992
-	-	-	-	(743,104)	(743,104)
<u>8,065,570</u>	<u>146,246</u>	<u>1,209,518</u>	<u>1,866,992</u>	<u>(743,104)</u>	<u>14,370,827</u>
<u>\$ 8,108,919</u>	<u>\$ 192,376</u>	<u>\$ 1,227,518</u>	<u>\$ 3,914,223</u>	<u>\$ 465,875</u>	<u>\$ 17,856,144</u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2020

	Special Revenue Funds				
	Police Restricted	Foreign Fire Insurance Tax	Emergency Telephone	Parks and Public Land	Motor Fuel Tax
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Intergovernmental	5,215	-	-	-	714,970
Charges for services	33,660	128,257	438,038	15,668	-
Grants and contributions	-	-	-	32,865	-
Investment income	1,619	3,585	8,228	22,055	23,901
Miscellaneous revenues	-	-	-	-	-
Total Revenues	<u>40,494</u>	<u>131,842</u>	<u>446,266</u>	<u>70,588</u>	<u>738,871</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Culture and recreation	-	-	-	129,496	-
Public safety	17,142	66,453	207,515	-	-
Capital Outlay	-	-	11,997	-	-
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>17,142</u>	<u>66,453</u>	<u>219,512</u>	<u>129,496</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>23,352</u>	<u>65,389</u>	<u>226,754</u>	<u>(58,908)</u>	<u>738,871</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Refunding debt issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Payments to refunding escrow	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,352	65,389	226,754	(58,908)	738,871
FUND BALANCES (DEFICIT) - Beginning of Year	<u>66,450</u>	<u>197,615</u>	<u>399,474</u>	<u>1,148,929</u>	<u>1,017,679</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 89,802</u>	<u>\$ 263,004</u>	<u>\$ 626,228</u>	<u>\$ 1,090,021</u>	<u>\$ 1,756,550</u>

Special Revenue Funds			Debt Service Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
General Cemetery	Senior Resources Commission	Housing Trust	Debt Service Improvements	Laurel/Western Redevelopment TIF Improvements	
\$ -	\$ -	\$ -	\$ 1,908,461	\$ 222,945	\$ 2,131,406
-	-	30,000	575,469	-	605,469
-	-	-	-	-	720,185
699,549	121,392	-	-	-	1,436,564
29,570	204,437	-	147,604	-	414,476
484,879	3,814	24,210	43,323	43	615,657
453	2,442	-	-	-	2,895
<u>1,214,451</u>	<u>332,085</u>	<u>54,210</u>	<u>2,674,857</u>	<u>222,988</u>	<u>5,926,652</u>
647,553	-	184,500	103,656	100,343	1,036,052
-	534,348	-	-	-	663,844
-	-	-	-	-	291,110
268,423	60,418	-	-	500,000	840,838
-	-	-	1,730,850	-	1,730,850
-	-	-	1,202,730	-	1,202,730
<u>915,976</u>	<u>594,766</u>	<u>184,500</u>	<u>3,037,236</u>	<u>600,343</u>	<u>5,765,424</u>
<u>298,475</u>	<u>(262,681)</u>	<u>(130,290)</u>	<u>(362,379)</u>	<u>(377,355)</u>	<u>161,228</u>
-	246,882	-	486,972	-	733,854
-	-	-	-	(362,063)	(362,063)
-	-	-	10,751,022	-	10,751,022
-	-	-	797,619	-	797,619
-	-	-	(11,445,875)	-	(11,445,875)
-	<u>246,882</u>	-	<u>589,738</u>	<u>(362,063)</u>	<u>474,557</u>
298,475	(15,799)	(130,290)	227,359	(739,418)	635,785
<u>7,767,095</u>	<u>162,045</u>	<u>1,339,808</u>	<u>1,639,633</u>	<u>(3,686)</u>	<u>13,735,042</u>
<u>\$ 8,065,570</u>	<u>\$ 146,246</u>	<u>\$ 1,209,518</u>	<u>\$ 1,866,992</u>	<u>\$ (743,104)</u>	<u>\$ 14,370,827</u>

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE RESTRICTED FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,500	\$ 8,500	\$ 5,215	\$ (3,285)
Charges for services	24,200	24,200	33,660	9,460
Investment income	1,950	1,950	1,619	(331)
Total Revenues	<u>34,650</u>	<u>34,650</u>	<u>40,494</u>	<u>5,844</u>
EXPENDITURES				
Current				
Public safety	88,459	88,459	17,142	71,317
Contingency	8,846	8,846	-	8,846
Total Expenditures	<u>97,305</u>	<u>97,305</u>	<u>17,142</u>	<u>80,163</u>
Net Change in Fund Balance	<u>\$ (62,655)</u>	<u>\$ (62,655)</u>	23,352	<u>\$ 86,007</u>
FUND BALANCE - Beginning of Year			<u>66,450</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 89,802</u></u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOREIGN FIRE INSURANCE TAX FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 54,000	\$ 54,000	\$ 128,257	\$ 74,257
Investment income	-	-	3,585	3,585
Total Revenues	<u>54,000</u>	<u>54,000</u>	<u>131,842</u>	<u>77,842</u>
EXPENDITURES				
Current				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>66,453</u>	<u>33,547</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>66,453</u>	<u>33,547</u>
Net Change in Fund Balance	<u>\$ (46,000)</u>	<u>\$ (46,000)</u>	65,389	<u>\$ 111,389</u>
FUND BALANCE - Beginning of Year			<u>197,615</u>	
FUND BALANCE - END OF YEAR			<u>\$ 263,004</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 246,000	\$ 246,000	\$ 438,038	\$ 192,038
Investment income	5,000	5,000	8,228	3,228
Total Revenues	<u>251,000</u>	<u>251,000</u>	<u>446,266</u>	<u>195,266</u>
EXPENDITURES				
Current				
Public safety	219,800	219,800	207,515	12,285
Capital Outlay	11,997	11,997	11,997	-
Contingency	<u>23,180</u>	<u>23,180</u>	-	<u>23,180</u>
Total Expenditures	<u>254,977</u>	<u>254,977</u>	<u>219,512</u>	<u>35,465</u>
Net Change in Fund Balance	<u>\$ (3,977)</u>	<u>\$ (3,977)</u>	226,754	<u>\$ 230,731</u>
FUND BALANCE - Beginning of Year			<u>399,474</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 626,228</u></u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARKS AND PUBLIC LAND FUND - NONMAJOR SPECIAL REVENUE FUND For the Year Ended April 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants and contributions	\$ 280,000	\$ 280,000	\$ 32,865	\$ (247,135)
Charges for services	86,806	86,806	15,668	(71,138)
Investment income	15,566	15,566	22,055	6,489
Total Revenues	<u>382,372</u>	<u>382,372</u>	<u>70,588</u>	<u>(311,784)</u>
EXPENDITURES				
Current				
Culture and recreation	560,000	960,000	129,496	830,504
Contingency	103,500	103,500	-	103,500
Capital Outlay	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total Expenditures	<u>738,500</u>	<u>1,138,500</u>	<u>129,496</u>	<u>1,009,004</u>
Net Change in Fund Balance	<u>\$ (356,128)</u>	<u>\$ (756,128)</u>	(58,908)	<u>\$ 697,220</u>
FUND BALANCE - Beginning of Year			<u>1,148,929</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,090,021</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 505,762	\$ 505,762	\$ 714,970	\$ 209,208
Investment income	25,335	25,335	23,901	(1,434)
Total Revenues	<u>531,097</u>	<u>531,097</u>	<u>738,871</u>	<u>207,774</u>
EXPENDITURES				
Current				
Capital Outlay	-	32,533	-	32,533
Contingency	<u>3,253</u>	<u>3,253</u>	-	<u>3,253</u>
Total Expenditures	<u>3,253</u>	<u>35,786</u>	-	<u>35,786</u>
Net Change in Fund Balance	<u>\$ 527,844</u>	<u>\$ 495,311</u>	738,871	<u>\$ 243,560</u>
FUND BALANCE - Beginning of Year			<u>1,017,679</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,756,550</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants and contributions	\$ 532,000	\$ 532,000	\$ 29,570	\$ (502,430)
Charges for services	677,600	677,600	699,549	21,949
Investment income	50,000	50,000	484,879	434,879
Miscellaneous revenues	-	-	453	453
Total Revenues	<u>1,259,600</u>	<u>1,259,600</u>	<u>1,214,451</u>	<u>(45,149)</u>
EXPENDITURES				
Current				
General government	661,467	665,267	647,553	17,714
Capital Outlay	2,395,000	2,535,610	268,423	2,267,187
Contingency	<u>320,088</u>	<u>320,088</u>	-	320,088
Total Expenditures	<u>3,376,555</u>	<u>3,520,965</u>	<u>915,976</u>	<u>2,604,989</u>
Net Change in Fund Balance	<u>\$ (2,116,955)</u>	<u>\$ (2,261,365)</u>	298,475	<u>\$ 2,559,840</u>
FUND BALANCE - Beginning of Year			<u>7,767,095</u>	
FUND BALANCE - END OF YEAR			<u>\$ 8,065,570</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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Grants and contributions	\$ 196,000	\$ 196,000	\$ 204,437	\$ 8,437
Charges for services	170,625	170,625	121,392	(49,233)
Investment income	3,500	3,500	3,814	314
Miscellaneous revenues	-	-	2,442	2,442
Total Revenues	<u>370,125</u>	<u>370,125</u>	<u>332,085</u>	<u>(38,040)</u>
EXPENDITURES				
Current				
Culture and recreation	633,234	633,234	534,348	98,886
Capital Outlay	-	-	60,418	(60,418)
Contingency	<u>63,323</u>	<u>63,323</u>	-	<u>63,323</u>
Total Expenditures	<u>696,557</u>	<u>696,557</u>	<u>594,766</u>	<u>101,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(326,432)</u>	<u>(326,432)</u>	<u>(262,681)</u>	<u>63,751</u>
OTHER FINANCING SOURCES				
Transfers in	<u>265,722</u>	<u>265,722</u>	<u>246,882</u>	<u>(18,840)</u>
Total Other Financing Sources	<u>265,722</u>	<u>265,722</u>	<u>246,882</u>	<u>(18,840)</u>
Net Change in Fund Balance	<u>\$ (60,710)</u>	<u>\$ (60,710)</u>	<u>(15,799)</u>	<u>\$ 44,911</u>
FUND BALANCE - Beginning of Year			<u>162,045</u>	
FUND BALANCE - END OF YEAR			<u>\$ 146,246</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other taxes	\$ 36,000	\$ 36,000	\$ 30,000	\$ (6,000)
Investment income	32,640	32,640	24,210	(8,430)
Total Revenues	<u>68,640</u>	<u>68,640</u>	<u>54,210</u>	<u>(14,430)</u>
EXPENDITURES				
Current				
General government	200,000	380,000	184,500	195,500
Contingency	<u>38,000</u>	<u>38,000</u>	-	<u>38,000</u>
Total Expenditures	<u>238,000</u>	<u>418,000</u>	<u>184,500</u>	<u>233,500</u>
Net Change in Fund Balance	<u>\$ (169,360)</u>	<u>\$ (349,360)</u>	(130,290)	<u>\$ 219,070</u>
FUND BALANCE - Beginning of Year			<u>1,339,808</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,209,518</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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes				
Property	\$ 1,896,174	\$ 1,896,174	\$ 1,908,461	\$ 12,287
Other taxes	606,000	606,000	575,469	(30,531)
Grants and contributions	147,055	147,055	147,604	549
Investment income	40,688	40,688	43,323	2,635
Total Revenues	<u>2,689,917</u>	<u>2,689,917</u>	<u>2,674,857</u>	<u>(15,060)</u>
EXPENDITURES				
Current				
General government	3,750	3,750	103,656	(99,906)
Debt service				
Principal retirement	1,730,850	1,730,850	1,730,850	-
Interest and fiscal charges	<u>1,202,720</u>	<u>1,202,720</u>	<u>1,202,730</u>	<u>(10)</u>
Total Expenditures	<u>2,937,320</u>	<u>2,937,320</u>	<u>3,037,236</u>	<u>(99,916)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(247,403)</u>	<u>(247,403)</u>	<u>(362,379)</u>	<u>(114,976)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	362,063	362,063	486,972	124,909
Refunding debt issued	-	-	10,751,022	10,751,022
Premium on debt issued	-	-	797,619	797,619
Payments to refunding escrow	<u>-</u>	<u>-</u>	<u>(11,445,875)</u>	<u>(11,445,875)</u>
Total Other Financing Sources (Uses)	<u>362,063</u>	<u>362,063</u>	<u>589,738</u>	<u>227,675</u>
Net Change in Fund Balance	<u>\$ 114,660</u>	<u>\$ 114,660</u>	<u>227,359</u>	<u>\$ 112,699</u>
FUND BALANCE - Beginning of Year			<u>1,639,633</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,866,992</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property	\$ 327,930	\$ 327,930	\$ 222,945	\$ (104,985)
Investment income	-	-	43	43
Total Revenues	<u>327,930</u>	<u>327,930</u>	<u>222,988</u>	<u>(104,942)</u>
EXPENDITURES				
Current				
General government	146,881	146,881	100,343	46,538
Capital Outlay	700,000	700,000	500,000	200,000
Contingency	<u>120,894</u>	<u>120,894</u>	-	<u>120,894</u>
Total Expenditures	<u>967,775</u>	<u>967,775</u>	<u>600,343</u>	<u>367,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(639,845)</u>	<u>(639,845)</u>	<u>(377,355)</u>	<u>262,490</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(362,063)</u>	<u>(362,063)</u>	<u>(362,063)</u>	-
Total Other Financing Sources (Uses)	<u>(362,063)</u>	<u>(362,063)</u>	<u>(362,063)</u>	-
Net Change in Fund Balance	<u>\$ (1,001,908)</u>	<u>\$ (1,001,908)</u>	(739,418)	<u>\$ 262,490</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(3,686)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (743,104)</u>	

CITY OF LAKE FOREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - MAJOR CAPITAL PROJECTS FUND For the Year Ended April 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes				
Property	\$ 1,739,989	\$ 1,739,989	\$ 1,734,563	\$ (5,426)
Other taxes	2,007,331	2,007,331	1,745,882	(261,449)
Grants and contributions	92,336	92,336	488,335	395,999
Charges for services	74,210	74,210	73,068	(1,142)
Investment income	128,136	128,136	174,342	46,206
Miscellaneous	5,000	5,000	43,520	38,520
Fines, forfeitures and penalties	-	-	750	750
Total Revenues	<u>4,047,002</u>	<u>4,047,002</u>	<u>4,260,460</u>	<u>213,458</u>
EXPENDITURES				
Current				
General government	1,306,555	2,040,644	1,063,722	976,922
Highways and streets	1,540,000	1,180,264	1,090,137	90,127
Sanitation	-	-	44,025	(44,025)
Culture and recreation	100,000	100,000	82,267	17,733
Capital Outlay	4,284,419	5,970,453	5,224,078	746,375
Contingency	<u>929,136</u>	<u>929,136</u>	-	<u>929,136</u>
Total Expenditures	<u>8,160,110</u>	<u>10,220,497</u>	<u>7,504,229</u>	<u>2,716,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,113,108)</u>	<u>(6,173,495)</u>	<u>(3,243,769)</u>	<u>2,929,726</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500,000	1,500,000	3,593,323	2,093,323
Proceeds from capital asset sales	<u>20,000</u>	<u>20,000</u>	<u>38,500</u>	<u>18,500</u>
Total Other Financing Sources (Uses)	<u>1,520,000</u>	<u>1,520,000</u>	<u>3,631,823</u>	<u>2,111,823</u>
Net Change in Fund Balance	<u>\$ (2,593,108)</u>	<u>\$ (4,653,495)</u>	388,054	<u>\$ 5,041,549</u>
FUND BALANCE - Beginning of Year			<u>10,927,824</u>	
FUND BALANCE - END OF YEAR			<u>\$ 11,315,878</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 8,160,786	\$ 8,160,786	\$ 7,629,656	\$ (531,130)
Connection fees	73,600	73,600	184,371	110,771
Miscellaneous	<u>8,427</u>	<u>8,427</u>	<u>8,293</u>	<u>(134)</u>
 Total Operating Revenues	 <u>8,242,813</u>	 <u>8,242,813</u>	 <u>7,822,320</u>	 <u>(420,493)</u>
OPERATING EXPENSES				
General and administrative	2,552,572	2,552,572	2,528,559	24,013
Operations and maintenance	2,959,728	3,318,465	2,158,200	1,160,265
Contingency	<u>975,870</u>	<u>975,870</u>	<u>-</u>	<u>975,870</u>
 Total Operating Expenses	 <u>6,488,170</u>	 <u>6,846,907</u>	 <u>4,686,759</u>	 <u>2,160,148</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	226,955	226,955	166,288	(60,667)
Principal retirement	(1,967,000)	(1,967,000)	(1,967,000)	-
Interest expense	(517,655)	(517,655)	(494,241)	23,414
Paying agent fees	(3,000)	(3,000)	(55,340)	(52,340)
Other	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
 Total Non-Operating Revenues (Expenses)	 <u>(2,260,200)</u>	 <u>(2,260,200)</u>	 <u>(2,350,293)</u>	 <u>(90,093)</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ 1,815,784	\$ 1,815,784	\$ 1,458,127	\$ (357,657)
Miscellaneous	<u>5,033</u>	<u>5,033</u>	<u>1,000</u>	<u>(4,033)</u>
Total Operating Revenues	<u>1,820,817</u>	<u>1,820,817</u>	<u>1,459,127</u>	<u>(361,690)</u>
OPERATING EXPENSES				
General and administrative	693,204	693,204	650,441	42,763
Operations and maintenance	1,299,091	1,299,091	888,673	410,418
Contingency	<u>210,582</u>	<u>210,582</u>	<u>-</u>	<u>210,582</u>
Total Operating Expenses	<u>2,202,877</u>	<u>2,202,877</u>	<u>1,539,114</u>	<u>663,763</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	9,681	9,681
Principal retirement	(100,000)	(100,000)	(100,000)	-
Interest expense	(13,020)	(13,020)	(12,433)	587
Paying agent fees	(500)	(500)	(2,915)	(2,415)
Other	<u>-</u>	<u>-</u>	<u>6,451</u>	<u>6,451</u>
Total Non-Operating Revenues (Expenses)	<u>(113,520)</u>	<u>(113,520)</u>	<u>(99,216)</u>	<u>14,304</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, 2020

	Fleet	Self Insurance	Liability Insurance	Totals
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 820,319	\$ 4,906,811	\$ 1,909,550	\$ 7,636,680
Receivables				
Other	1,128	24,396	3,247,850	3,273,374
Inventories	384,463	-	-	384,463
Prepaid items	-	-	584,853	584,853
Total Current Assets	<u>1,205,910</u>	<u>4,931,207</u>	<u>5,742,253</u>	<u>11,879,370</u>
Noncurrent Assets				
Capital assets (net of accumulated depreciation)				
Property and equipment	48,047	-	-	48,047
Accumulated depreciation	<u>(48,047)</u>	<u>-</u>	<u>-</u>	<u>(48,047)</u>
Total Assets	<u>1,205,910</u>	<u>4,931,207</u>	<u>5,742,253</u>	<u>11,879,370</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	113,512	-	-	113,512
Deferred outflows related to total OPEB liability	<u>9,347</u>	<u>-</u>	<u>-</u>	<u>9,347</u>
Total Deferred Outflows of Resources	<u>122,859</u>	<u>-</u>	<u>-</u>	<u>122,859</u>
LIABILITIES				
Current Liabilities				
Accounts payable	8,409	649,988	67,140	725,537
Accrued liabilities	28,222	569,284	135,599	733,105
Unearned revenue - Other	<u>1,128</u>	<u>-</u>	<u>-</u>	<u>1,128</u>
Total Current Liabilities	<u>37,759</u>	<u>1,219,272</u>	<u>202,739</u>	<u>1,459,770</u>
Noncurrent Liabilities				
Compensated absences	31,076	-	-	31,076
Net pension liability	194,028	-	-	194,028
Total OPEB liability	<u>72,164</u>	<u>-</u>	<u>-</u>	<u>72,164</u>
Total Noncurrent Liabilities	<u>297,268</u>	<u>-</u>	<u>-</u>	<u>297,268</u>
Total Liabilities	<u>335,027</u>	<u>1,219,272</u>	<u>202,739</u>	<u>1,757,038</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	<u>182,866</u>	<u>-</u>	<u>-</u>	<u>182,866</u>
Total Deferred Inflows of Resources	<u>182,866</u>	<u>-</u>	<u>-</u>	<u>182,866</u>
NET POSITION				
Unrestricted	<u>810,876</u>	<u>3,711,935</u>	<u>5,539,514</u>	<u>10,062,325</u>
TOTAL NET POSITION	<u><u>\$ 810,876</u></u>	<u><u>\$ 3,711,935</u></u>	<u><u>\$ 5,539,514</u></u>	<u><u>\$ 10,062,325</u></u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended April 30, 2020

	<u>Fleet</u>	<u>Self Insurance</u>	<u>Liability Insurance</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	<u>\$ 1,810,237</u>	<u>\$ 5,503,292</u>	<u>\$ 2,183,006</u>	<u>\$ 9,496,535</u>
Total Operating Revenues	<u>1,810,237</u>	<u>5,503,292</u>	<u>2,183,006</u>	<u>9,496,535</u>
OPERATING EXPENSES				
General and administrative	1,803,425	5,519,907	1,107,936	8,431,268
Depreciation and amortization	<u>4,108</u>	<u>-</u>	<u>-</u>	<u>4,108</u>
Total Operating Expenses	<u>1,807,533</u>	<u>5,519,907</u>	<u>1,107,936</u>	<u>8,435,376</u>
Operating Income (Loss)	<u>2,704</u>	<u>(16,615)</u>	<u>1,075,070</u>	<u>1,061,159</u>
NONOPERATING REVENUES				
Investment income	<u>14,907</u>	<u>78,891</u>	<u>36,306</u>	<u>130,104</u>
Total Nonoperating Revenues	<u>14,907</u>	<u>78,891</u>	<u>36,306</u>	<u>130,104</u>
Change in net position	17,611	62,276	1,111,376	1,191,263
NET POSITION - Beginning of Year	<u>793,265</u>	<u>3,649,659</u>	<u>4,428,138</u>	<u>8,871,062</u>
NET POSITION - END OF YEAR	<u><u>\$ 810,876</u></u>	<u><u>\$ 3,711,935</u></u>	<u><u>\$ 5,539,514</u></u>	<u><u>\$ 10,062,325</u></u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended April 30, 2020

	Fleet	Self Insurance	Liability Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 1,812,248	\$ 5,485,326	\$ 1,327,356	\$ 8,624,930
Paid to suppliers for goods and services	(1,337,346)	(5,397,597)	(1,150,782)	(7,885,725)
Paid to employees for services	(506,512)	-	-	(506,512)
Net Cash Flows From Operating Activities	(31,610)	87,729	176,574	232,693
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	14,907	78,891	36,306	130,104
Net Cash Flows From Investing Activities	14,907	78,891	36,306	130,104
Net Change in Cash and Cash Equivalents	(16,703)	166,620	212,880	362,797
CASH AND CASH EQUIVALENTS - Beginning of Year	837,022	4,740,191	1,696,670	7,273,883
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 820,319</u>	<u>\$ 4,906,811</u>	<u>\$ 1,909,550</u>	<u>\$ 7,636,680</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,704	\$ (16,615)	\$ 1,075,070	\$ 1,061,159
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	4,108	-	-	4,108
Changes in assets and liabilities				
Accounts receivable	883	(17,966)	(855,650)	(872,733)
Inventories	(27,660)	-	-	(27,660)
Prepaid items	-	-	(32,190)	(32,190)
Deferred outflows related to pensions	217,183	-	-	217,183
Accounts payable	(40,388)	121,132	5,423	86,167
Accrued liabilities	4,981	1,178	(16,079)	(9,920)
Net pension liability	(326,604)	-	-	(326,604)
Deferred inflows related to pensions	137,115	-	-	137,115
Deferred revenue	1,128	-	-	1,128
Compensated absences	(2,780)	-	-	(2,780)
Deferred outflows related to total OPEB liability	(8,556)	-	-	(8,556)
Total OPEB liability	6,276	-	-	6,276
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (31,610)</u>	<u>\$ 87,729</u>	<u>\$ 176,574</u>	<u>\$ 232,693</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

CITY OF LAKE FOREST

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

FLEET FUND - INTERNAL SERVICE FUND For the Year Ended April 30, 2020

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>1,809,638</u>	\$ <u>1,809,638</u>	\$ <u>1,810,237</u>	\$ <u>599</u>
Total Operating Revenues	<u>1,809,638</u>	<u>1,809,638</u>	<u>1,810,237</u>	<u>599</u>
OPERATING EXPENSES				
General and administrative	1,905,638	1,914,638	1,803,425	111,213
Contingency	<u>191,464</u>	<u>191,464</u>	<u>-</u>	<u>191,464</u>
Total Operating Expenses	<u>2,097,102</u>	<u>2,106,102</u>	<u>1,803,425</u>	<u>302,677</u>
NON-OPERATING REVENUES				
Investment income	<u>15,000</u>	<u>15,000</u>	<u>14,907</u>	<u>(93)</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, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>5,508,000</u>	\$ <u>5,508,000</u>	\$ <u>5,503,292</u>	\$ <u>(4,708)</u>
Total Operating Revenues	<u>5,508,000</u>	<u>5,508,000</u>	<u>5,503,292</u>	<u>(4,708)</u>
OPERATING EXPENSES				
General and administrative	5,997,000	5,997,000	5,519,907	477,093
Contingency	<u>599,700</u>	<u>599,700</u>	<u>-</u>	<u>599,700</u>
Total Operating Expenses	<u>6,596,700</u>	<u>6,596,700</u>	<u>5,519,907</u>	<u>1,076,793</u>
NON-OPERATING REVENUES				
Investment income	<u>104,040</u>	<u>104,040</u>	<u>78,891</u>	<u>(25,149)</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, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
OPERATING REVENUES				
Charges for services	\$ <u>1,327,348</u>	\$ <u>1,327,348</u>	\$ <u>2,183,006</u>	\$ <u>855,658</u>
Total Operating Revenues	<u>1,327,348</u>	<u>1,327,348</u>	<u>2,183,006</u>	<u>855,658</u>
OPERATING EXPENSES				
General and administrative	1,254,744	1,254,744	1,107,936	146,808
Contingency	<u>125,474</u>	<u>125,474</u>	<u>-</u>	<u>125,474</u>
Total Operating Expenses	<u>1,380,218</u>	<u>1,380,218</u>	<u>1,107,936</u>	<u>272,282</u>
NON-OPERATING REVENUES				
Investment income	<u>40,800</u>	<u>40,800</u>	<u>36,306</u>	<u>(4,494)</u>

Pension Trust Funds

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

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

Private Purpose Trust Fund

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

CITY OF LAKE FOREST

COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of April 30, 2020

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash	\$ 388,961	\$ 270,236	\$ 659,197
Money markets	737,089	-	737,089
Investments			
U.S. Treasury obligations	8,937,039	4,713,661	13,650,700
U.S. Government agencies	270,051	3,717,947	3,987,998
Municipal/corporate bonds	2,606,172	6,542,188	9,148,360
Mutual funds	16,696,005	23,720,256	40,416,261
Real estate investment fund	3,824,762	-	3,824,762
Receivables	58,954	111,348	170,302
Prepays	4,000	4,528	8,528
Due from primary government	46,146	26,034	72,180
Total Assets	<u>33,569,179</u>	<u>39,106,198</u>	<u>72,675,377</u>
LIABILITIES			
Accounts payable	<u>6,463</u>	<u>36,910</u>	<u>43,373</u>
Total Liabilities	<u>6,463</u>	<u>36,910</u>	<u>43,373</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 33,562,716</u>	<u>\$ 39,069,288</u>	<u>\$ 72,632,004</u>

CITY OF LAKE FOREST

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2020

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,589,534	\$ 1,822,064	\$ 4,411,598
Employee	<u>404,985</u>	<u>330,725</u>	<u>735,710</u>
Total Contributions	<u>2,994,519</u>	<u>2,152,789</u>	<u>5,147,308</u>
Interest			
Interest	632,456	825,823	1,458,279
Net appreciation in fair value of investments	<u>(401,182)</u>	<u>245,490</u>	<u>(155,692)</u>
Total Investment Income	231,274	1,071,313	1,302,587
Less Investment expense	<u>72,639</u>	<u>83,475</u>	<u>156,114</u>
Net investment income	<u>158,635</u>	<u>987,838</u>	<u>1,146,473</u>
Miscellaneous	<u>-</u>	<u>226</u>	<u>226</u>
Total Additions	<u>3,153,154</u>	<u>3,140,853</u>	<u>6,294,007</u>
DEDUCTIONS			
Pension benefits and refunds	2,888,907	2,712,864	5,601,771
Other administrative expenses	<u>52,357</u>	<u>44,221</u>	<u>96,578</u>
Total Deductions	<u>2,941,264</u>	<u>2,757,085</u>	<u>5,698,349</u>
Change in Net Position	211,890	383,768	595,658
NET POSITION - Beginning of Year	<u>33,350,826</u>	<u>38,685,520</u>	<u>72,036,346</u>
NET POSITION - END OF YEAR	<u>\$ 33,562,716</u>	<u>\$ 39,069,288</u>	<u>\$ 72,632,004</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, 2020

	2020			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 2,594,845	\$ 2,594,845	\$ 2,589,534	\$ (5,311)
Employee	390,000	390,000	404,985	14,985
Total contributions	<u>2,984,845</u>	<u>2,984,845</u>	<u>2,994,519</u>	<u>9,674</u>
Investment Income				
Interest	650,000	650,000	632,456	(17,544)
Net appreciation in fair value of investments	<u>1,600,000</u>	<u>1,600,000</u>	<u>(401,182)</u>	<u>(2,001,182)</u>
Total investment income	<u>2,250,000</u>	<u>2,250,000</u>	<u>231,274</u>	<u>(2,018,726)</u>
Less Investment expense	<u>110,000</u>	<u>110,000</u>	<u>72,639</u>	<u>37,361</u>
Net investment income	<u>2,140,000</u>	<u>2,140,000</u>	<u>158,635</u>	<u>(1,981,365)</u>
Total additions	<u>5,124,845</u>	<u>5,124,845</u>	<u>3,153,154</u>	<u>(1,971,691)</u>
Deductions				
Pension benefits and refunds	3,150,000	3,150,000	2,888,907	261,093
Other administrative expenses	70,030	70,030	52,357	17,673
Contingency	<u>286,988</u>	<u>286,988</u>	<u>-</u>	<u>286,988</u>
Total deductions	<u>3,507,018</u>	<u>3,507,018</u>	<u>2,941,264</u>	<u>565,754</u>
Change in net position	<u>\$ 1,617,827</u>	<u>\$ 1,617,827</u>	211,890	<u>\$ (1,405,937)</u>
Net position, beginning of year			<u>33,350,826</u>	
Net position, end of year			<u>\$ 33,562,716</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, 2020

	2020			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions				
Contributions				
Employer	\$ 1,826,568	\$ 1,826,568	\$ 1,822,064	\$ (4,504)
Employee	<u>315,000</u>	<u>315,000</u>	<u>330,725</u>	<u>15,725</u>
Total contributions	<u>2,141,568</u>	<u>2,141,568</u>	<u>2,152,789</u>	<u>11,221</u>
Investment Income				
Interest	800,000	800,000	825,823	25,823
Net appreciation in fair value of investments	<u>1,760,000</u>	<u>1,760,000</u>	<u>245,490</u>	<u>(1,514,510)</u>
Total investment income	<u>2,560,000</u>	<u>2,560,000</u>	<u>1,071,313</u>	<u>(1,488,687)</u>
Less Investment expense	<u>60,000</u>	<u>60,000</u>	<u>83,475</u>	<u>(23,475)</u>
Net investment income	<u>2,500,000</u>	<u>2,500,000</u>	<u>987,838</u>	<u>(1,512,162)</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
Total additions	<u>4,641,568</u>	<u>4,641,568</u>	<u>3,140,853</u>	<u>(1,500,715)</u>
Deductions				
Pension benefits and refunds	2,750,000	2,750,000	2,712,864	37,136
Other administrative expenses	55,030	55,030	44,221	10,809
Contingency	<u>275,988</u>	<u>275,988</u>	<u>-</u>	<u>275,988</u>
Total deductions	<u>3,081,018</u>	<u>3,081,018</u>	<u>2,757,085</u>	<u>323,933</u>
Change in net position	<u>\$ 1,560,550</u>	<u>\$ 1,560,550</u>	<u>383,768</u>	<u>\$ (1,176,782)</u>
Net position, beginning of year			<u>38,685,520</u>	
Net position, end of year			<u>\$ 39,069,288</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, 2020

	General Fund	Adjustments	Statement of Net Position
Assets and Deferred Outflows of Resources			
Cash and cash equivalents	\$ 5,455,932	\$ -	\$ 5,455,932
Receivables (net of allowance for uncollectibles)			
Property taxes	4,218,857	-	4,218,857
Other taxes	5,172	-	5,172
Capital assets			
Capital assets not depreciated	-	238,500	238,500
Capital assets depreciated, net of accumulated depreciation	-	2,609,761	2,609,761
Total assets	<u>9,679,961</u>	<u>2,848,261</u>	<u>12,528,222</u>
Deferred outflows of Resources			
Deferred outflows related to pensions	-	309,155	309,155
Deferred outflows related to total OPEB liability	-	6,953	6,953
Total deferred outflows of resources	<u>-</u>	<u>316,108</u>	<u>316,108</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,679,961</u>	<u>\$ 3,164,369</u>	<u>\$ 12,844,330</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position			
Liabilities			
Accounts payable	\$ 47,342	\$ -	\$ 47,342
Accrued liabilities	118,271	-	118,271
Long-term obligations			
Due within one year	-	39,410	39,410
Due in more than one year	-	914,732	914,732
Total liabilities	<u>165,613</u>	<u>954,142</u>	<u>1,119,755</u>
Deferred Inflows of Resources			
Property taxes levied for future periods	4,218,857	-	4,218,857
Deferred inflows related to pensions	-	491,673	491,673
Total deferred inflows of resources	<u>4,218,857</u>	<u>491,673</u>	<u>4,710,530</u>
Fund Balance/Net Position			
Nonspendable - prepaids	-		-
Unassigned	5,295,491	(5,295,491)	-
Net position			
Net investment in capital assets	-	2,765,786	2,765,786
Unrestricted	-	4,248,259	4,248,259
Total fund balance/net position	<u>5,295,491</u>	<u>1,718,554</u>	<u>7,014,045</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	<u>\$ 9,679,961</u>	<u>\$ 3,164,369</u>	<u>\$ 12,844,330</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, 2020

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 4,158,792	\$ -	\$ 4,158,792
Intergovernmental	39,040	-	39,040
Grants and contributions	138,661	-	138,661
Charges for services	28,880	-	28,880
Fines	8,959	-	8,959
Investment Income	111,476	-	111,476
Total revenues	<u>4,485,808</u>	<u>-</u>	<u>4,485,808</u>
Expenditures/expenses			
Current	3,524,944	288,254	3,813,198
Capital Outlay	123,058	(123,058)	-
Debt Service	25,102	(25,102)	-
Total expenditures/expenses	<u>3,673,104</u>	<u>140,094</u>	<u>3,813,198</u>
Net change in fund balance/net position	<u>812,704</u>	<u>(140,094)</u>	<u>672,610</u>
Other financing sources/(uses)			
Capital lease proceeds	105,225	(105,225)	-
Total other financing sources (uses)	<u>105,225</u>	<u>(105,225)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	917,929	(245,319)	672,610
Fund balance/net position, beginning of year	<u>4,377,562</u>	<u>1,963,873</u>	<u>6,341,435</u>
Fund balance/net position, end of year	<u>\$ 5,295,491</u>	<u>\$ 1,718,554</u>	<u>\$ 7,014,045</u>

CITY OF LAKE FOREST

Summary of Debt Service Requirements to Maturity As of April 30, 2020

<u>Fiscal year</u>	<u>General Obligation Bonds</u>
2021	\$ 5,486,553
2022	5,366,165
2023	5,376,076
2024	4,986,035
2025	2,973,377
2026	2,980,327
2027	2,967,202
2028	2,981,652
2029	3,592,403
2030	3,613,538
2031	3,736,488
2032	3,684,163
2033	3,649,325
2034	2,402,563
2035	1,149,063
2036	1,150,250
2037	1,145,275
2038	<u>786,600</u>
Total	<u>\$ 58,027,055</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds
As of April 30, 2020

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
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	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 220,000</u>	<u>\$ 12,838</u>	<u>\$ 59,283</u>	<u>\$ 4,056</u>	<u>\$ 561,652</u>	<u>\$ 50,259</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2020

Fiscal Year	2011 Series A Obligation Bonds		Series 2013 Obligation Bonds		Series 2015 Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 140,000	\$ 3,150	\$ 430,000	\$ 322,763	\$ 305,000	\$ 277,050
2022	-	-	435,000	312,013	340,000	269,425
2023	-	-	440,000	298,962	355,000	260,925
2024	-	-	450,000	285,762	370,000	252,050
2025	-	-	460,000	272,262	385,000	242,800
2026	-	-	475,000	258,462	405,000	233,175
2027	-	-	480,000	241,837	410,000	223,050
2028	-	-	495,000	225,037	435,000	212,800
2029	-	-	930,000	206,475	650,000	200,838
2030	-	-	960,000	171,600	695,000	181,338
2031	-	-	1,085,000	133,200	740,000	160,488
2032	-	-	1,120,000	89,800	705,000	136,438
2033	-	-	1,125,000	45,000	720,000	113,525
2034	-	-	-	-	1,530,000	90,125
2035	-	-	-	-	330,000	36,575
2036	-	-	-	-	340,000	25,025
2037	-	-	-	-	350,000	13,125
2038	-	-	-	-	-	-
	<u>\$ 140,000</u>	<u>\$ 3,150</u>	<u>\$ 8,885,000</u>	<u>\$ 2,863,173</u>	<u>\$ 9,065,000</u>	<u>\$ 2,928,752</u>

CITY OF LAKE FOREST

Debt Service Requirements to Maturity - General Obligation Bonds As of April 30, 2020

Fiscal Year	Series 2017 Obligation Bonds		Series 2019 Obligation Bonds		Total Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	\$ -	\$ 271,153	\$ 2,750,000	\$ 740,393	\$ 3,844,502	\$ 1,642,051	\$ 5,486,553
2022	-	271,153	2,875,000	611,213	3,881,613	1,484,553	5,366,166
2023	-	271,153	3,030,000	467,463	4,064,209	1,311,868	5,376,077
2024	515,000	271,153	2,370,000	315,963	3,855,611	1,130,425	4,986,036
2025	525,000	260,853	630,000	197,463	2,000,000	973,378	2,973,378
2026	535,000	247,728	660,000	165,963	2,075,000	905,328	2,980,328
2027	550,000	234,353	695,000	132,962	2,135,000	832,202	2,967,202
2028	565,000	220,603	730,000	98,213	2,225,000	756,653	2,981,653
2029	580,000	206,478	735,000	83,613	2,895,000	697,404	3,592,404
2030	590,000	191,688	755,000	68,912	3,000,000	613,538	3,613,538
2031	610,000	173,988	780,000	53,812	3,215,000	521,488	3,736,488
2032	630,000	155,688	810,000	37,237	3,265,000	419,163	3,684,163
2033	645,000	136,788	845,000	19,011	3,335,000	314,324	3,649,324
2034	665,000	117,438	-	-	2,195,000	207,563	2,402,563
2035	685,000	97,488	-	-	1,015,000	134,063	1,149,063
2036	710,000	75,225	-	-	1,050,000	100,250	1,150,250
2037	730,000	52,150	-	-	1,080,000	65,275	1,145,275
2038	760,000	26,600	-	-	760,000	26,600	786,600
	<u>\$ 9,295,000</u>	<u>\$ 3,281,673</u>	<u>\$ 17,665,000</u>	<u>\$ 2,992,218</u>	<u>\$45,890,935</u>	<u>\$ 12,136,119</u>	<u>\$58,027,054</u>

CITY OF LAKE FOREST

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2020

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

Redeemable annually on December 15

<u>Amount</u>	
2020	\$ 70,000
2021	75,000
2022	75,000
	<u>\$ 220,000</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>
2019	\$ 70,000	\$ 6,275	\$ 76,275	2020	\$ 3,138	2020	\$ 3,137
2020	75,000	4,350	79,350	2021	2,175	2021	2,175
2021	75,000	2,213	77,213	2022	1,107	2022	1,106
	<u>\$ 220,000</u>	<u>\$ 12,838</u>	<u>\$ 232,838</u>				

CITY OF LAKE FOREST

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2020

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

	<u>Amount</u>
2020	\$ 18,839
2021	19,743
2022	20,701
	<u>\$ 59,283</u>

Bond Principal and Interest Requirements

Tax levy year	Principal	Tax levy Interest	Total	Coupons due on June 15	Amount	December 15	Amount
2019	\$ 18,839	\$ 1,987	\$ 20,826	2020	\$ 994	2020	\$ 993
2020	19,743	1,365	21,108	2021	683	2021	682
2021	20,701	704	21,405	2022	352	2022	352
	<u>\$ 59,283</u>	<u>\$ 4,056</u>	<u>\$ 63,339</u>				

CITY OF LAKE FOREST

Special Service Area 29 Special Tax Bonds - 2004 Series

April 30, 2020

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	
2020	\$ 130,663
2021	136,870
2022	143,508
2023	150,611
	<u>\$ 561,652</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2019	\$ 130,663	\$ 19,280	\$ 149,943	2020	\$ 9,640	2020	\$ 9,640
2020	136,870	15,034	151,904	2021	7,517	2021	7,517
2021	143,508	10,448	153,956	2022	5,224	2022	5,224
2022	150,611	5,497	156,108	2023	2,749	2023	2,748
	<u>\$ 561,652</u>	<u>\$ 50,259</u>	<u>\$ 611,911</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2011A

April 30, 2020

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**
2020

Amount
<u>\$ 140,000</u>
<u>\$ 140,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy		Coupons due on			
	Principal	Interest	Total	June 15 2020	Amount December 15 2020	Amount
2019	\$ 140,000	\$ 3,150	\$ 143,150		\$ 1,575	\$ 1,575
	<u>\$ 140,000</u>	<u>\$ 3,150</u>	<u>\$ 143,150</u>			

CITY OF LAKE FOREST

General Obligation Bonds – 2013

April 30, 2020

Date of issue: September 16, 2013
 Date of maturity: December 15, 2032
 Authorized issue: \$ 9,715,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.00 - 4.00%

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

<u>Redeemable annually on December 15</u>	<u>Amount</u>
2020	\$ 430,000
2021	435,000
2022	440,000
2023	450,000
2024	460,000
Thereafter	6,670,000
	<u>\$ 8,885,000</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>
2019	\$ 430,000	\$ 322,763	\$ 752,763	2020	\$ 161,382	2020	\$ 161,381
2020	435,000	312,013	747,013	2021	156,007	2021	156,006
2021	440,000	298,962	738,962	2022	149,481	2022	149,481
2022	450,000	285,762	735,762	2023	142,881	2023	142,881
2023	460,000	272,562	732,562	2024	136,281	2024	136,281
Thereafter	6,670,000	1,371,111	8,041,111	Thereafter	685,705	Thereafter	685,706
	<u>\$ 8,885,000</u>	<u>\$ 2,863,173</u>	<u>\$11,748,173</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2015

April 30, 2020

Date of issue: August 3, 2015
 Date of maturity: December 15, 2036
 Authorized issue: \$ 9,780,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.50 - 3.75%

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

Redeemable annually on December 15	Amount
2020	\$ 305,000
2021	340,000
2022	355,000
2023	370,000
2024	385,000
Thereafter	7,310,000
	<u><u>\$ 9,065,000</u></u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2019	\$ 305,000	\$ 277,050	\$ 582,050	2020	\$ 138,525	2020	\$ 138,525
2020	340,000	269,425	609,425	2021	134,713	2021	134,712
2021	355,000	260,925	615,925	2022	130,463	2022	130,462
2022	370,000	252,050	622,050	2023	126,025	2023	126,025
2023	385,000	242,800	627,800	2024	121,587	2024	121,588
Thereafter	7,310,000	1,626,502	8,936,502	Thereafter	813,251	Thereafter	813,251
	<u><u>\$ 9,065,000</u></u>	<u><u>\$ 2,928,752</u></u>	<u><u>\$11,993,752</u></u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2017

April 30, 2020

Date of issue: June 5, 2017
 Date of maturity: December 15, 2037
 Authorized issue: \$ 9,295,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.00 - 3.50%

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

Redeemable annually on December 15	Amount
2020	\$ —
2021	—
2022	—
2023	515,000
2024	525,000
Thereafter	8,255,000
	<u>\$ 9,295,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2019	\$ —	\$ 271,153	\$ 271,153	2020	\$ 135,577	2020	\$ 135,576
2020	—	271,153	271,153	2021	135,577	2021	135,576
2021	—	271,153	271,153	2022	135,577	2022	135,576
2022	515,000	271,153	786,153	2023	135,577	2023	135,576
2023	525,000	260,853	785,853	2024	130,426	2024	130,427
Thereafter	8,255,000	1,936,208	10,191,208	Thereafter	968,104	Thereafter	968,104
	<u>\$ 9,295,000</u>	<u>\$ 3,281,673</u>	<u>\$ 12,576,673</u>				

CITY OF LAKE FOREST

General Obligation Bonds – 2019

April 30, 2020

Date of issue: December 19, 2019
 Date of maturity: December 15, 2032
 Authorized issue: \$ 17,655,000
 Denomination of bonds: \$ 5,000
 Interest rates: 2.25 - 5.00%

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

Redeemable annually on December 15	Amount
2020	\$ 2,750,000
2021	2,875,000
2022	3,030,000
2023	2,370,000
2024	630,000
Thereafter	6,010,000
	<u>\$ 17,665,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2019	\$ 2,750,000	\$ 740,394	\$ 3,490,394	2020	\$ 370,197	2020	\$ 370,197
2020	2,875,000	611,213	3,486,213	2021	305,606	2021	305,607
2021	3,030,000	467,462	3,497,462	2022	233,731	2022	233,731
2022	2,370,000	315,962	2,685,962	2023	157,981	2023	157,981
2023	630,000	197,462	827,462	2024	98,731	2024	98,731
Thereafter	6,010,000	659,725	6,669,725	Thereafter	329,862	Thereafter	329,863
	<u>\$17,665,000</u>	<u>\$ 2,992,218</u>	<u>\$20,657,218</u>				

CITY OF LAKE FOREST

Debt Service Fund Combining Balance Sheet As of April 30, 2020

Assets	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B/ 2011B General Obligation Bonds
Cash and cash equivalents	\$ 17,499	\$ 5,514	\$ 8,411	\$ 1,626,025
Receivables (net of allowance for uncollectibles):				
Property taxes	75,623	21,006	148,186	-
Due from other governments	-	-	-	88,684
Total assets	<u>\$ 93,122</u>	<u>\$ 26,520</u>	<u>\$ 156,597</u>	<u>\$ 1,714,709</u>
Deferred inflows of resources				
Property taxes levied to finance FY21	75,623	21,006	148,186	-
Liabilities				
Accounts payable	-	-	-	315
Total Liabilities	-	-	-	315
Fund Balance				
Fund balance- restricted for debt service	<u>17,499</u>	<u>5,514</u>	<u>8,411</u>	<u>1,714,394</u>
Total deferred inflows of resources, liabilities and fund balances	<u>\$ 93,122</u>	<u>\$ 26,520</u>	<u>\$ 156,597</u>	<u>\$ 1,714,709</u>

2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ 35,382	\$ 51,796	\$ 30,888	\$ 4,618	\$ 1,780,133
254,230	573,261	748,895	224,205	2,045,406
-	-	-	-	88,684
<u>\$ 289,612</u>	<u>\$ 625,057</u>	<u>\$ 779,783</u>	<u>\$ 228,823</u>	<u>\$ 3,914,223</u>
254,231	573,261	748,894	224,204	2,045,405
329	1,182	-	-	1,826
<u>329</u>	<u>1,182</u>	<u>-</u>	<u>-</u>	<u>1,826</u>
35,052	50,614	30,889	4,619	1,866,992
<u>\$ 289,612</u>	<u>\$ 625,057</u>	<u>\$ 779,783</u>	<u>\$ 228,823</u>	<u>\$ 3,914,223</u>

CITY OF LAKE FOREST

Debt Service Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended April 30, 2020

	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	\$ 73,488	\$ 21,072	\$ 148,682	\$ -
Other	-	-	-	575,469
Grants and contributions- IRS rebate	-	-	-	-
Investment income	<u>823</u>	<u>236</u>	<u>1,285</u>	<u>30,143</u>
Total Revenues	<u>74,311</u>	<u>21,308</u>	<u>149,967</u>	<u>605,612</u>
Expenditures				
General government	-	-	-	13,855
Debt Service:				
Principal	65,000	17,993	124,857	463,000
Interest	<u>7,933</u>	<u>2,572</u>	<u>23,213</u>	<u>66,780</u>
Total expenditures	<u>72,933</u>	<u>20,565</u>	<u>148,070</u>	<u>543,635</u>
Excess (deficiency) of revenues over expenditures	<u>1,378</u>	<u>743</u>	<u>1,897</u>	<u>61,977</u>
Other financing sources:				
Transfers in	-	-	-	124,909
Transfers out	-	-	-	-
Refunding debt issued				1,856,022
Premium on debt issued	-	-	-	166,231
Payments to refunding escrow	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,007,819)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,343</u>
Net change in fund balance	1,378	743	1,897	201,320
Fund balance- beginning of the year	<u>16,121</u>	<u>4,771</u>	<u>6,514</u>	<u>1,513,074</u>
Fund balance- end of the year	<u>\$ 17,499</u>	<u>\$ 5,514</u>	<u>\$ 8,411</u>	<u>\$ 1,714,394</u>

2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	2015 General Obligation Bonds	Total
\$ 280,846	\$ 470,914	\$ 683,676	\$ 229,783	\$ 1,908,461
-	-	-	-	575,469
-	147,604	-	-	147,604
<u>2,296</u>	<u>3,460</u>	<u>3,990</u>	<u>1,090</u>	<u>43,323</u>
<u>283,142</u>	<u>621,978</u>	<u>687,666</u>	<u>230,873</u>	<u>2,674,857</u>
20,623	67,428	750	1,000	103,656
190,000	215,000	350,000	305,000	1,730,850
<u>88,195</u>	<u>399,599</u>	<u>329,763</u>	<u>284,675</u>	<u>1,202,730</u>
<u>298,818</u>	<u>682,027</u>	<u>680,513</u>	<u>590,675</u>	<u>3,037,236</u>
<u>(15,676)</u>	<u>(60,049)</u>	<u>7,153</u>	<u>(359,802)</u>	<u>(362,379)</u>
-	-	-	362,063	486,972
-	-	-	-	-
1,935,000	6,960,000	-	-	10,751,022
215,452	415,936	-	-	797,619
<u>(2,130,115)</u>	<u>(7,307,941)</u>	<u>-</u>	<u>-</u>	<u>(11,445,875)</u>
<u>20,337</u>	<u>67,995</u>	<u>-</u>	<u>362,063</u>	<u>589,738</u>
4,661	7,946	7,153	2,261	227,359
<u>30,391</u>	<u>42,668</u>	<u>23,736</u>	<u>2,358</u>	<u>1,639,633</u>
<u>\$ 35,052</u>	<u>\$ 50,614</u>	<u>\$ 30,889</u>	<u>\$ 4,619</u>	<u>\$ 1,866,992</u>

Statistical Section

This portion of the City of Lake Forest's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall economic condition and financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	155 - 159
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	160 - 167
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt.	168 - 172
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and other governments.	173 - 175
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	176 - 178

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 165,179,598	\$ 164,675,251	\$ 166,607,491	\$ 170,568,584	\$ 181,481,470	\$ 181,056,601	\$ 184,270,349	\$ 187,500,531	\$ 190,779,593	\$ 192,568,460
Restricted	27,807,934	26,714,972	20,193,505	15,476,976	18,506,073	15,737,797	16,860,362	16,064,099	16,499,487	3,645,693
Unrestricted	(18,261,240)	(14,809,677)	(11,006,718)	(9,068,405)	(18,479,928)	26,747,317	23,689,130	21,126,818	19,550,532	29,683,545
Total Governmental Activities Net Position	<u>\$ 174,726,292</u>	<u>\$ 176,580,546</u>	<u>\$ 175,794,278</u>	<u>\$ 176,977,155</u>	<u>\$ 181,507,615</u>	<u>\$ 223,541,715</u>	<u>\$ 224,819,841</u>	<u>\$ 224,691,448</u>	<u>\$ 226,829,612</u>	<u>\$ 225,897,698</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 39,052,272	\$ 39,610,155	\$ 40,729,712	\$ 37,504,482	\$ 37,582,505	\$ 36,617,378	\$ 36,163,443	\$ 36,077,752	\$ 36,753,670	\$ 37,709,887
Unrestricted	9,692,010	9,508,483	8,950,670	7,696,321	8,323,401	8,941,920	9,739,336	9,880,856	8,918,142	8,513,924
Total Business-type Activities Net Position	<u>\$ 48,744,282</u>	<u>\$ 49,118,638</u>	<u>\$ 49,680,382</u>	<u>\$ 45,200,803</u>	<u>\$ 45,905,906</u>	<u>\$ 45,559,298</u>	<u>\$ 45,902,779</u>	<u>\$ 45,958,608</u>	<u>\$ 45,671,812</u>	<u>\$ 46,223,811</u>
Primary Government										
Net Investment in Capital Assets	\$ 204,231,870	\$ 204,285,406	\$ 207,337,203	\$ 208,073,066	\$ 219,063,975	\$ 217,673,979	\$ 220,433,792	\$ 223,578,283	\$ 227,533,263	\$ 230,278,347
Restricted	27,807,934	26,714,972	20,193,505	15,476,976	18,506,073	15,737,797	16,860,362	16,064,099	16,499,487	3,645,693
Unrestricted	(8,569,230)	(5,301,194)	(2,056,048)	(1,372,084)	(10,156,527)	35,689,237	33,428,466	31,007,674	28,468,674	38,197,469
Total Primary Government Net Position	<u>\$ 223,470,574</u>	<u>\$ 225,699,184</u>	<u>\$ 225,474,660</u>	<u>\$ 222,177,958</u>	<u>\$ 227,413,521</u>	<u>\$ 269,101,013</u>	<u>\$ 270,722,620</u>	<u>\$ 270,650,056</u>	<u>\$ 272,501,424</u>	<u>\$ 272,121,509</u>

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

[Data Source](#)

Audited Financial Statements

CITY OF LAKE FOREST

Change in Net Position
Last Ten Fiscal Years

Fiscal Years	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
General Government	\$ 13,865,425	\$ 13,773,790	\$ 9,884,646	\$ 16,882,976	\$ 11,675,363	\$ 12,604,331	\$ 12,311,198	\$ 16,176,326	\$ 12,080,189	\$ 13,321,852
Highway and Streets	8,677,958	9,081,471	9,621,569	10,923,639	9,230,548	8,839,231	7,762,403	7,536,444	8,304,860	8,687,404
Sanitation	2,678,876	2,580,043	2,585,940	2,611,231	2,208,326	2,474,355	2,586,125	2,512,559	2,568,820	2,349,916
Culture and Recreation	8,977,855	8,859,391	10,003,119	10,023,195	8,463,259	10,172,391	10,397,593	10,352,252	9,469,832	9,402,752
Public Safety	23,338,259	19,769,395	17,017,092	17,048,209	16,360,830	15,303,399	14,430,151	13,748,855	13,583,116	13,398,718
Interest	<u>1,115,802</u>	<u>1,231,944</u>	<u>1,271,181</u>	<u>1,559,100</u>	<u>1,293,742</u>	<u>1,357,552</u>	<u>1,333,267</u>	<u>1,362,715</u>	<u>1,420,087</u>	<u>1,424,317</u>
Total Governmental Activities Expenses	<u>\$ 58,654,175</u>	<u>\$ 55,296,034</u>	<u>\$ 50,383,547</u>	<u>\$ 59,048,350</u>	<u>\$ 49,232,068</u>	<u>\$ 50,751,259</u>	<u>\$ 48,820,737</u>	<u>\$ 51,689,151</u>	<u>\$ 47,426,904</u>	<u>\$ 48,584,959</u>
Business-type Activities										
Waterworks and sewerage	8,168,879	7,832,615	8,122,998	8,510,811	7,239,042	8,353,825	7,476,752	8,287,297	7,985,394	8,008,372
Golf	<u>1,861,393</u>	<u>1,875,677</u>	<u>1,604,261</u>	<u>2,095,510</u>	<u>1,868,252</u>	<u>1,642,121</u>	<u>1,554,678</u>	<u>1,459,394</u>	<u>1,371,380</u>	<u>1,393,869</u>
Total Business-type Activities Expenditures	<u>10,030,272</u>	<u>9,708,292</u>	<u>9,727,259</u>	<u>10,606,321</u>	<u>9,107,294</u>	<u>9,995,946</u>	<u>9,031,430</u>	<u>9,746,691</u>	<u>9,356,774</u>	<u>9,402,241</u>
Total Primary Government Expenses	<u>\$ 68,684,447</u>	<u>\$ 65,004,326</u>	<u>\$ 60,110,806</u>	<u>\$ 69,654,671</u>	<u>\$ 58,339,362</u>	<u>\$ 60,747,205</u>	<u>\$ 57,852,167</u>	<u>\$ 61,435,842</u>	<u>\$ 56,783,678</u>	<u>\$ 57,987,200</u>
Program Revenue										
Governmental Activities										
Charges for Services										
General Government	\$ 4,077,609	\$ 5,007,655	\$ 5,203,210	\$ 8,860,169	\$ 8,191,440	\$ 5,442,475	\$ 4,756,948	\$ 4,838,151	\$ 4,771,863	\$ 4,455,844
Highways and Streets	2,183,456	2,730,122	1,006,644	782,953	990,840	710,795	741,334	753,487	846,366	693,029
Sanitation	1,040,121	749,620	721,276	734,111	697,435	682,062	77,147	58,564	81,577	171,030
Culture and Recreation	2,594,119	3,117,795	3,491,365	2,810,762	3,257,796	3,156,699	3,314,856	3,342,913	3,392,303	3,650,467
Public Safety	2,525,439	2,117,186	1,992,985	1,689,547	1,552,567	1,795,521	1,950,998	1,861,619	1,678,032	1,930,715
Operating Grants and Contributions	1,529,863	985,676	1,298,006	1,088,579	1,368,451	1,345,670	1,105,191	1,777,734	1,433,791	846,781
Capital Grants and Contributions	<u>448,694</u>	<u>505,988</u>	<u>356,178</u>	<u>1,174,000</u>	<u>280,675</u>	<u>468,255</u>	<u>757,239</u>	<u>25,000</u>	<u>360,407</u>	<u>5,982,721</u>
Total Governmental Activities Program Revenues	<u>14,399,301</u>	<u>15,214,042</u>	<u>14,069,664</u>	<u>17,140,121</u>	<u>16,339,204</u>	<u>13,601,477</u>	<u>12,703,713</u>	<u>12,657,468</u>	<u>12,564,339</u>	<u>17,730,587</u>
Business-type activities										
Charges for Services										
Waterworks and sewerage	7,512,450	7,818,777	8,083,554	7,873,741	7,477,558	8,034,469	7,521,323	8,598,079	7,477,637	7,344,740
Golf	1,459,127	1,524,654	1,480,618	1,606,661	1,759,271	1,414,217	1,397,836	1,320,455	1,238,016	1,264,624
Operating Grants and Contributions	-	228,332	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	162,051
Total Business-type Activities Program Revenues	<u>8,971,577</u>	<u>9,571,763</u>	<u>9,564,172</u>	<u>9,480,402</u>	<u>9,236,829</u>	<u>9,448,686</u>	<u>8,919,159</u>	<u>9,918,534</u>	<u>8,715,653</u>	<u>8,771,415</u>
Total Primary Government Revenues	<u>\$ 23,370,878</u>	<u>\$ 24,785,805</u>	<u>\$ 23,633,836</u>	<u>\$ 26,620,523</u>	<u>\$ 25,576,033</u>	<u>\$ 23,050,163</u>	<u>\$ 21,622,872</u>	<u>\$ 22,576,002</u>	<u>\$ 21,279,992</u>	<u>\$ 26,502,002</u>
Net (Expense) Revenue										
Governmental Activities	\$ (44,254,874)	\$ (40,081,992)	\$ (36,313,883)	\$ (41,908,229)	\$ (32,892,864)	\$ (37,149,782)	\$ (36,117,024)	\$ (39,031,683)	\$ (34,862,565)	\$ (30,854,372)
Business-type Activities	<u>(1,058,695)</u>	<u>(136,529)</u>	<u>(163,087)</u>	<u>(1,125,919)</u>	<u>129,535</u>	<u>(547,260)</u>	<u>(112,271)</u>	<u>171,843</u>	<u>(641,121)</u>	<u>(630,826)</u>
Total Primary Government Net Expense	<u>\$ (45,313,569)</u>	<u>\$ (40,218,521)</u>	<u>\$ (36,476,970)</u>	<u>\$ (43,034,148)</u>	<u>\$ (32,763,329)</u>	<u>\$ (37,697,042)</u>	<u>\$ (36,229,295)</u>	<u>\$ (38,859,840)</u>	<u>\$ (35,503,686)</u>	<u>\$ (31,485,198)</u>

CITY OF LAKE FOREST

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

Fiscal Years	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 28,569,827	\$ 27,591,773	\$26,193,444	\$25,928,864	\$25,006,224	\$24,468,769	\$23,744,650	\$25,051,411	\$25,428,378	\$24,739,956
Sales	2,597,218	2,095,938	2,105,736	2,829,607	2,889,306	2,851,103	3,047,529	3,183,479	2,577,304	2,554,772
Income and Use	2,584,198	2,593,506	2,272,639	2,306,546	2,251,828	2,386,567	2,182,325	2,131,711	1,938,686	1,849,046
Telecommunications and Utility	3,170,895	3,603,381	3,440,365	3,596,175	3,551,491	3,954,001	4,026,972	3,736,586	3,981,548	3,968,072
Real Estate Transfer Tax	1,256,265	1,471,595	1,622,900	1,398,160	1,288,175	1,224,610	1,633,580	1,209,113	1,215,407	1,279,935
Other	2,717,862	2,410,453	2,178,246	636,368	514,231	534,625	581,443	493,418	492,746	422,080
Investment Earnings	1,664,355	2,215,202	1,665,391	1,042,049	145,329	547,118	637,193	491,196	264,432	573,508
Miscellaneous	-	-	-	-	-	73,613	669,145	573,705	33,724	150,049
Gain (loss) on sale of assets	38,500	7,775	(3,874)	-	-	-	-	-	-	-
Transfers	(198,500)	786,850	(4,343,841)	(360,000)	(924,496)	(168,750)	(97,000)	(77,100)	(37,746)	(102,150)
Total Government Activities	<u>42,400,620</u>	<u>42,776,473</u>	<u>35,131,006</u>	<u>37,377,769</u>	<u>34,722,088</u>	<u>35,871,656</u>	<u>36,425,837</u>	<u>36,793,519</u>	<u>35,894,479</u>	<u>35,435,268</u>
Business-type Activities										
Investment Earnings	\$ 175,969	\$ 279,189	\$ 236,990	\$ 58,366	\$ 40,362	33,408	38,550	37,853	51,376	58,776
Other	309,870	299,176	61,835	2,450	6,033	1,621	-	-	-	-
Transfers	198,500	(786,850)	4,343,841	360,000	924,496	168,750	97,000	77,100	37,746	102,150
Total Business-type Activities	<u>684,339</u>	<u>(208,485)</u>	<u>4,642,666</u>	<u>420,816</u>	<u>970,891</u>	<u>203,779</u>	<u>135,550</u>	<u>114,953</u>	<u>89,122</u>	<u>160,926</u>
Total Primary Government	<u>\$ 43,084,959</u>	<u>\$ 42,567,988</u>	<u>\$39,773,672</u>	<u>\$37,798,585</u>	<u>\$35,692,979</u>	<u>\$36,075,435</u>	<u>\$36,561,387</u>	<u>\$36,908,472</u>	<u>\$35,983,601</u>	<u>\$35,596,194</u>
Change in Net Position										
Governmental Activities	\$ (1,854,254)	\$ 2,694,481	\$ (1,182,877)	\$ (4,530,460)	\$ 1,829,224	\$ (1,278,126)	\$ 308,813	\$ (2,238,164)	\$ 1,031,914	\$ 4,580,896
Business-type Activities	<u>(374,356)</u>	<u>(345,014)</u>	<u>4,479,579</u>	<u>(705,103)</u>	<u>1,100,426</u>	<u>(343,481)</u>	<u>23,279</u>	<u>286,796</u>	<u>(551,999)</u>	<u>(469,900)</u>
Total Primary Government Change in Net Position	<u>\$ (2,228,610)</u>	<u>\$ 2,349,467</u>	<u>\$ 3,296,702</u>	<u>\$ (5,235,563)</u>	<u>\$ 2,929,650</u>	<u>\$ (1,621,607)</u>	<u>\$ 332,092</u>	<u>\$ (1,951,368)</u>	<u>\$ 479,915</u>	<u>\$ 4,110,996</u>

*Starting in 2015, all taxes administered by the State and disbursed to the City are reported as intergovernmental

revenues on the face of the financial statements. They have been grouped by tax type for comparison purposes above.

Data Source

Audited Financial Statements

CITY OF LAKE FOREST

Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2020	2019	2018	2017	2016	2015	2014	2013	2012*	2011
General Fund										
Nonspendable	\$ 143,703	\$ 129,280	\$ 150,038	\$ 778,160	\$ 1,272,224	\$ 1,648,832	\$ 2,126,990	\$ 2,775,449	\$ 2,159,403	\$ -
Restricted	-	-	-	-	-	957,420	957,420	957,420	957,420	-
Unassigned	29,433,682	28,815,904	29,130,844	28,799,288	22,509,969	17,910,037	14,530,550	11,020,723	10,601,190	-
Reserved	-	-	-	-	-	-	-	-	-	2,988,884
Unreserved	-	-	-	-	-	-	-	-	-	9,239,135
Total General Fund	29,577,385	28,945,184	29,280,882	29,577,448	23,782,193	20,516,289	17,614,960	14,753,592	13,718,013	12,228,019
All other Governmental Funds										
Nonspendable	29,139	32,837	28,688	536,121	408,539	381,173	-	43,333	43,333	-
Restricted	27,693,271	26,656,696	20,806,879	19,420,288	20,337,111	14,726,999	16,127,257	15,605,203	16,171,794	-
Assigned	-	-	-	-	1,456,053	1,448,736	1,449,284	1,598,819	1,591,600	-
Unassigned	(743,104)	(3,686)	-	-	-	(1,022,136)	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	4,333
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	2,808,826
Unreserved, Reported in	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	9,869,178
Capital Projects Funds	-	-	-	-	-	-	-	-	-	6,189,372
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Total All other Governmental Funds	26,979,306	26,685,847	20,835,567	19,956,409	22,201,703	15,534,772	17,576,541	17,247,355	17,806,727	18,871,709
Total Governmental Funds	\$ 56,556,691	\$ 55,631,031	\$50,116,449	\$49,533,857	\$45,983,896	\$36,051,061	\$35,191,501	\$32,000,947	\$31,524,740	\$31,099,728

*The City implemented GASB Statement #54 in FY2012.

[Data Source](#)

Audited Financial Statements

CITY OF LAKE FOREST

Change in Fund Balances of Governmental Funds Last Ten Fiscal Years

Fiscal Years	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property Taxes	\$ 28,569,827	\$ 27,591,773	\$ 26,193,444	\$ 25,928,864	\$ 25,006,224	\$ 24,468,769	\$ 23,744,650	\$ 25,051,411	\$ 25,428,378	\$ 24,739,956
Other Taxes	4,702,203	4,775,587	4,786,506	4,609,057	4,317,316	4,641,466	11,471,849	10,754,307	10,205,691	10,073,905
Intergovernmental revenues	7,274,602	6,717,794	6,331,183	6,656,768	6,680,193	6,972,923	576,125	612,357	589,960	523,185
Grants and contributions	1,082,083	2,220,550	997,289	1,419,736	1,056,523	950,823	962,249	1,190,377	1,039,737	1,306,195
Charges for Services	8,749,224	8,759,327	8,833,079	8,005,317	8,506,756	7,935,973	7,373,500	7,319,673	7,028,800	7,427,784
Licenses and permits	2,954,115	3,456,703	3,232,276	5,157,398	5,222,568	2,821,066	2,477,338	2,450,194	2,475,739	2,246,336
Fines and forfeitures	271,985	355,304	345,438	321,168	260,407	287,333	297,005	368,941	372,607	409,539
Investment income	1,534,251	2,043,136	1,553,167	989,515	115,462	524,150	610,601	462,579	225,225	531,666
Miscellaneous revenue	1,360,723	1,511,534	1,831,152	841,731	779,137	790,344	759,384	1,225,082	730,813	1,074,576
Total Revenue	56,499,013	57,431,708	54,103,534	53,929,554	51,944,586	49,392,847	48,272,701	49,434,921	48,096,950	48,333,142
Expenditure										
General Government	\$ 11,960,755	\$ 11,657,265	\$ 10,469,740	\$ 11,581,286	\$ 10,811,408	10,248,830	10,112,393	14,242,768	10,313,031	11,929,446
Highways and streets	3,393,599	4,577,657	2,354,587	3,118,461	2,157,463	2,371,461	2,293,840	2,044,225	2,139,656	2,449,911
Sanitation	2,619,476	2,480,420	2,290,986	2,311,435	2,276,433	2,235,135	2,212,166	2,193,091	2,228,844	2,194,511
Culture and recreation	9,398,508	9,319,869	8,853,547	8,532,289	8,338,284	8,457,043	8,686,298	9,282,695	8,463,547	8,559,331
Public Safety	18,456,208	16,900,348	15,520,779	15,126,874	15,090,712	14,469,408	14,299,583	13,826,732	13,723,801	13,291,727
Capital Outlay	6,753,993	3,971,995	8,746,881	5,439,469	10,992,926	7,582,668	5,527,772	4,586,574	6,641,923	6,348,572
Debt Service										
Principal	1,730,850	1,429,625	1,782,156	7,906,696	1,791,579	1,623,436	1,400,950	1,377,736	2,531,876	15,659,313
Interest	1,202,730	1,242,498	1,277,596	1,639,191	1,293,634	1,400,609	1,319,276	1,392,342	1,667,372	1,284,755
Total Expenditures	55,516,119	51,579,677	51,296,272	55,655,701	52,752,439	48,388,590	45,852,278	48,946,163	47,710,050	61,717,566
Excess (Deficiency) of Revenues over Expenditures	982,894	5,852,031	2,807,262	(1,726,147)	(807,853)	1,004,257	2,420,423	488,758	386,900	(13,384,424)
Other Financing Sources (Uses)										
Transfers in	\$ 4,627,667	\$ 7,280,685	\$ 4,799,274	\$ 7,776,661	\$ 2,846,321	2,020,085	3,224,306	2,829,243	2,296,270	1,844,410
Transfers out	(4,826,167)	(7,644,685)	(7,050,020)	(8,136,661)	(2,895,321)	(2,188,835)	(3,321,306)	(2,906,343)	(2,334,016)	(1,946,560)
Bonds issued	-	-	-	-	9,780,000	-	-	-	-	18,090,000
Installment note proceeds	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	830,080	-	-	-	-	-
Premium (discount) on bonds issued	797,619	-	-	-	106,384	-	26,093	-	120,828	279,130
Proceeds from refunding G.O. bonds	10,751,022	-	-	-	-	-	9,715,000	-	5,690,000	-
Payments for refunding G.O. bonds	(11,445,875)	-	-	-	-	-	(9,665,000)	-	(5,769,025)	-
Sale of capital assets	38,500	26,551	26,076	5,636,108	73,224	24,053	791,038	64,549	34,055	1,067,630
Total Other Financing Sources (Uses)	(57,234)	(337,449)	(2,224,670)	5,276,108	10,740,688	(144,697)	770,131	(12,551)	38,112	19,334,610
Net Change in Fund Balance	\$ 925,660	\$ 5,514,582	\$ 582,592	\$ 3,549,961	\$ 9,932,835	\$ 859,560	\$ 3,190,554	\$ 476,207	\$ 425,012	\$ 5,950,186
Debt Service as a Percentage of Non-Capital Expenditures	5.78%	5.42%	6.49%	17.36%	6.54%	6.43%	6.17%	5.85%	8.31%	8.62%

CITY OF LAKE FOREST

Assessed Value and Actual Value of Taxable Property Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax Increment Financing	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2010	2,452,291,451	203,193,623	66,933	5,871,505	56,123,585	2,717,547,097	0.9900	8,152,641,291	33.333%
2011	2,302,061,004	203,074,638	70,382	5,409,080	54,464,919	2,565,080,023	1.0350	7,695,240,069	33.333%
2012	2,166,702,992	207,360,589	65,556	3,918,002	-	2,378,047,139	1.1480	7,134,141,417	33.333%
2013	2,047,760,158	200,625,492	62,064	5,099,690	-	2,253,547,404	1.2480	6,760,642,212	33.333%
2014	2,047,998,906	196,562,054	61,541	5,846,135	-	2,250,468,636	1.2741	6,751,405,908	33.333%
2015	2,105,361,682	196,233,065	46,548	6,294,764	-	2,307,936,059	1.2794	6,923,808,177	33.333%
2016	2,226,672,717	209,668,706	49,445	6,591,173	90,630	2,443,072,671	1.2268	7,329,218,013	33.333%
2017	2,309,650,453	215,722,819	51,936	6,841,694	1,690,541	2,533,957,443	1.2366	7,601,872,329	33.333%
2018	2,305,181,606	214,536,978	52,832	7,152,663	4,202,435	2,531,126,514	1.2782	7,593,379,542	33.333%
2019	2,222,762,174	228,895,482	53,502	6,085,440	16,133,495	2,473,930,093	1.3721	7,421,790,279	33.333%

Data Source

Office of the County Clerk

Note : Property is assessed at 33 1/3% of actual value; property tax rates per \$100 of assessed valuation.

The City's TIF Increment Financing district expired for 2012

A new City TIF Increment Financing district initiated for 2016

CITY OF LAKE FOREST

Property Tax Rates - Direct and Overlapping Governments Based on Shields Township Last Ten Levy Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bonds	0.096	0.068	0.071	0.088	0.090	0.067	0.059	0.060	0.066	0.074
Corporate	0.446	0.483	0.544	0.580	0.590	0.619	0.603	0.600	0.620	0.646
Firemen's Pension	0.037	0.041	0.046	0.052	0.054	0.053	0.050	0.061	0.065	0.077
IMRF	0.059	0.032	0.035	0.037	0.038	0.037	0.035	0.035	0.035	0.037
Library	0.116	0.126	0.141	0.152	0.155	0.153	0.146	0.145	0.149	0.157
Library Sites & Building	0.014	0.015	0.016	0.017	0.017	0.017	0.016	0.016	0.016	0.017
Parks/Park Maintenance	0.106	0.114	0.123	0.191	0.194	0.196	0.187	0.184	0.188	0.197
Playground & Recreation **	0.046	0.050	0.055	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Police Pension	0.057	0.060	0.066	0.076	0.080	0.082	0.078	0.083	0.087	0.109
Recreation for Handicapped Rec.	0.013	0.014	0.016	0.018	0.018	0.018	0.018	0.018	0.019	0.020
Social Security		0.032	0.035	0.037	0.038	0.037	0.035	0.035	0.035	0.037
City Direct Rates *	0.990	1.035	1.148	1.248	1.274	1.279	1.227	1.237	1.280	1.371
Overlapping Rates										
College of Lake County	0.218	0.240	0.272	0.296	0.306	0.299	0.285	0.281	0.282	0.282
County of Lake	0.505	0.554	0.608	0.663	0.682	0.663	0.632	0.622	0.612	0.597
Lake County Forest Preserve	0.198	0.201	0.212	0.218	0.210	0.208	0.193	0.187	0.182	0.180
North Shore Sanitary District	0.136	0.150	0.150	0.164	0.169	0.166	0.157	0.153	0.153	0.153
School District 67, Elem.	1.095	1.186	1.322	1.424	1.452	1.429	1.367	1.355	1.391	1.472
School District 115, High School	1.101	1.191	1.322	1.420	1.450	1.409	1.329	1.314	1.336	1.375
Township	0.039	0.043	0.036	0.037	0.039	0.038	0.036	0.035	0.035	0.036
Township Road and Bridge	0.023	0.026	0.029	0.032	0.033	0.032	0.031	0.030	0.031	0.032
Total tax rate	4.305	4.626	5.099	5.502	5.615	5.523	5.257	5.214	5.302	5.498
City's share of total tax rate	23%	22%	23%	23%	23%	23%	23%	24%	24%	25%

Data Source

Office of the County Clerk - Shields Township

Lake Forest lies within five townships - Moraine, Shields, Vernon, West Deerfield and Libertyville. Therefore, the tax rates for support of the Township government and for the Township Road and Bridge purposes vary. Parts of Shields Township in Lake Forest lie in the Lake Bluff Park District. All of Moraine Township is in Lake Forest and parts of Shields and West Deerfield Townships in Lake Forest lie in the North Shore Sanitary District.

* Excludes rates for the Special Service Areas

* Includes the City's component unit, Lake Forest Library

** Parks and Playgrounds combined in 2013

CITY OF LAKE FOREST

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 16,958,984	1	0.69%	\$ 19,257,700	1	0.71%
Abbot Laboratories	14,304,371	2	0.58%			
Lake Forest Place LLC	12,953,908	3	0.52%	17,554,847	2	0.65%
Kelmscott Park Apartments LLC	11,571,563	4	0.47%			
Chicago Bears Football Club, Inc	10,293,126	5	0.42%			
Pactiv Corporation	9,891,364	6	0.40%			
Lake Forest Investments	7,618,557	7	0.31%	7,310,626	7	0.27%
Lake Forest Landmark Co. LLC	6,746,974	8	0.27%	5,707,515	8	0.21%
Riggs & Company	6,278,037	9	0.25%			
Lake Forest Landmark II	6,002,873	10	0.24%			
Lake Products, Inc				13,686,163	3	0.50%
CBIZ Property Tax Solutions				11,000,713	4	0.40%
Trustmark Insurance Co				8,174,867	5	0.30%
Lake Forest Hosptial				7,394,533	6	0.27%
James Campbell Company, LLC				5,540,903	9	0.20%
Shawgate Lake Forest, LLC				5,481,802	10	0.20%
	<u>\$ 102,619,757</u>		<u>4.15%</u>	<u>\$ 101,109,669</u>		<u>3.72%</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.

2020 Column is 2019 Assessed Valuation

2011 Column is 2010 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
2010	26,348,093	26,304,316	99.83%	8,193	26,312,509	99.86%
2011	25,984,866	25,911,115	99.72%	135	25,911,250	99.72%
2012	27,299,981	27,198,985	99.63%	384	27,199,369	99.63%
2013	28,124,272	28,002,008	99.57%	14,464	28,016,472	99.62%
2014	28,673,693	28,608,680	99.77%	14,056	28,622,736	99.82%
2015	29,528,749	29,468,310	99.80%	10,693	29,479,003	99.83%
2016	29,970,699	29,839,108	99.56%	781	29,839,889	99.56%
2017	31,313,227	31,250,130	99.80%	9,178	31,259,308	99.83%
2018	32,533,539	32,427,323	99.67%	1,981	32,429,304	99.68%
2019	33,723,648	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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General	0.446	0.483	0.544	0.580	0.590	0.619	0.603	0.600	0.617	0.646
IMRF/Social Security	0.059	0.064	0.070	0.074	0.076	0.074	0.070	0.070	0.071	0.074
Firefighter Pension	0.037	0.041	0.046	0.052	0.054	0.053	0.050	0.061	0.065	0.077
Police Pension	0.057	0.060	0.066	0.076	0.080	0.082	0.078	0.083	0.087	0.109
Parks and Recreation	0.152	0.164	0.178	0.191	0.194	0.196	0.187	0.184	0.188	0.196
Special Recreation	0.013	0.014	0.016	0.018	0.018	0.018	0.018	0.018	0.019	0.020
General Obligation Bond 2000	0.025	-	-	-	-	-	-	-	-	-
General Obligation Bond 2001 B	0.004	-	-	-	-	-	-	-	-	-
General Obligation Bond 2003 A	-	-	-	-	-	-	-	-	-	-
General Obligation Bond 2008	0.032	0.034	0.036	0.037	0.037	0.026	-	-	-	-
General Obligation Bond 2009	0.011	0.011	0.012	0.013	0.013	0.009	0.012	0.012	0.011	0.011
General Obligation Bond 2010	0.020	0.023	0.023	0.012	0.025	0.015	0.020	0.020	0.019	0.019
General Obligation Bond 2013	0.000	0.000	0.000	0.026	0.015	0.010	0.018	0.018	0.027	0.027
General Obligation Bond 2015	-	-	-	-	-	0.008	0.009	0.010	0.009	0.009
Total tax rate	0.856	0.894	0.991	1.079	1.102	1.110	1.065	1.076	1.113	1.188

Data Source

Office of the County Clerk

The tax rate for the City's component unit, Lake Forest Library is excluded from this table.

This table excludes the tax rates for the Special Service Areas.

CITY OF LAKE FOREST

Sales Tax Base and Number of Principal Payers Taxable Sales by Category - Home Rule Sales Tax Last Ten Calendar Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Merchandise	\$ 36,478	\$ 12,219	\$ 9,722	\$ 7,005	\$ 7,471	\$ 5,072	\$ 4,358	\$ 4,215	\$ 5,854
Food	90,613	91,999	93,952	105,771	96,009	92,936	93,838	95,457	144,134
Drinking and Eating Places	140,639	155,188	165,386	180,023	163,447	173,473	182,278	177,620	261,770
Apparel	53,727	64,317	68,135	68,291	75,606	73,785	72,540	67,069	116,944
Furniture & H.H. & Radio	10,187	37,536	38,821	39,494	36,526	32,774	28,424	29,524	47,907
Lumber, Building, Hardware	(6,528)	6,867	9,862	-	-	7,537	8,238	9,633	17,362
Automobile and Filling Stations	38,209	38,900	37,025	34,895	28,267	26,735	30,895	35,146	48,650
Drugs and Miscellaneous Retail	105,512	81,022	110,554	117,262	118,740	117,224	102,558	103,843	154,528
Agriculture and All Others	97,776	110,446	121,651	105,139	129,721	116,945	105,670	66,743	146,885
Manufacturers	(4,963)	-	-	7,095	(3,818)	-	-	-	-
Censored categories	-	-	-	-	-	-	-	-	-
Total	<u>\$ 561,650</u>	<u>\$ 598,494</u>	<u>\$ 655,108</u>	<u>\$ 664,975</u>	<u>\$ 651,969</u>	<u>\$ 646,481</u>	<u>\$ 628,799</u>	<u>\$ 589,250</u>	<u>\$ 944,034</u>
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.00%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

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

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

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

CITY OF LAKE FOREST

Sales Tax Base and Number of Principal Payers Taxable Sales by Category - Municipal Sales Tax Last Ten Calendar Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
General Merchandise	\$ 17,248	\$ 72,955	\$ 24,726	\$ 19,656	\$ 14,010	\$ 14,930	\$ 11,412	\$ 10,496	\$ 10,069	\$ 8,964
Food	570,803	579,914	585,517	593,446	673,803	591,893	564,049	550,591	535,167	528,469
Drinking and Eating Places	271,753	286,472	317,291	338,382	364,221	329,303	350,024	372,173	362,713	349,961
Apparel	103,935	107,453	128,633	136,270	136,582	151,212	147,576	145,141	134,201	146,455
Furniture & H.H. & Radio	77,915	20,373	75,071	77,642	78,988	73,061	65,571	56,848	59,046	66,569
Lumber, Building, Hardware	38,019	(13,037)	13,742	19,724	-	-	15,076	16,479	19,267	21,891
Automobile and Filling Stations	150,101	138,744	146,865	241,339	178,178	133,684	139,764	141,260	131,243	575,290
Drugs and Miscellaneous Retail	322,376	371,420	400,096	433,159	430,482	414,407	431,966	399,115	381,239	393,920
Agriculture and All Others	267,227	254,225	274,807	285,401	255,189	295,974	271,061	246,697	166,637	222,162
Manufacturers	28,947	(9,729)	-	-	14,415	(5,107)	-	-	-	-
Censored categories	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 1,848,324</u>	<u>\$ 1,808,790</u>	<u>\$ 1,966,748</u>	<u>\$ 2,145,019</u>	<u>\$ 2,145,868</u>	<u>\$ 1,999,357</u>	<u>\$ 1,996,499</u>	<u>\$ 1,938,800</u>	<u>\$ 1,799,582</u>	<u>\$ 2,313,681</u>
Total Number of Payers	843	663	647	637	637	673	687	687	604	578
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers.

The categories, Lumber, Bldg. and Hardware and General Merchandise became a censored status in the 2nd quarter of 2008.

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

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

CITY OF LAKE FOREST

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
2011	1.50%	5.00%	0.50%	0.50%	7.50%
2012	1.50%	5.00%	0.50%	0.50%	7.50%
2013	1.50%	5.00%	0.50%	0.50%	7.50%
2014	1.50%	5.00%	0.50%	0.50%	7.50%
2015	1.50%	5.00%	0.50%	0.50%	7.50%
2016	1.50%	5.00%	0.50%	0.50%	7.50%
2017	1.50%	5.00%	0.50%	0.50%	7.50%
2018	1.50%	5.00%	0.50%	0.50%	7.50%
2019	1.50%	5.00%	0.50%	0.50%	7.50%
2020	2.00%	5.00%	0.50%	0.50%	8.00%

Data Source

City records

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

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

CITY OF LAKE FOREST

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Percentage of Personal Income*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds				
2011	\$ 40,887,758	\$ -	\$ 23,525,000	\$ -	\$ 64,412,758	2.37%	4.31%	\$ 3,324.53
2012	38,580,882	-	22,804,000	-	61,384,882	2.39%	4.11%	3,168.25
2013	37,203,146	-	21,060,000	-	58,263,146	2.45%	3.90%	3,007.13
2014	35,852,197	-	19,245,000	-	55,097,197	2.44%	3.69%	2,843.73
2015	34,258,902	-	17,602,838	-	51,861,740	2.30%	3.47%	2,676.73
2016	42,510,566	-	15,679,654	-	58,190,220	2.52%	3.90%	3,003.37
2017	34,775,542	-	13,737,111	-	48,512,653	1.99%	3.25%	2,503.88
2018	33,460,538	-	21,111,864	-	54,572,402	2.15%	3.65%	2,816.64
2019	32,016,478	-	19,090,324	-	51,106,802	2.02%	3.42%	2,637.77
2020	30,340,954	-	16,863,419	-	47,204,373	1.92%	3.16%	2,436.35

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
2011	\$ 64,412,758	\$ 2,040,469	\$ 61,603,931	0.76%	\$ 3,179.56
2012	61,384,882	1,786,492	59,068,663	0.77%	3,048.71
2013	58,263,146	1,908,750	55,855,871	0.78%	2,882.88
2014	55,097,197	1,144,118	53,953,079	0.80%	2,784.68
2015	51,861,740	1,316,900	50,544,840	0.75%	2,608.77
2016	58,190,220	1,201,300	56,988,920	0.82%	2,941.36
2017	48,512,653	1,067,027	47,073,830	0.64%	2,429.62
2018	54,572,402	1,161,697	53,410,705	0.70%	2,756.68
2019	51,106,802	1,292,816	49,813,986	0.66%	2,571.04
2020	47,204,373	1,596,241	45,608,132	0.61%	2,353.97

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, 2020

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 157,790,000	9.94%	\$ 15,684,326
Lake County Community College #532	52,995,000	10.48%	5,553,876
Lake County Forest Preserve District	222,645,000	9.94%	22,130,913
School District #67	1,410,000	100.00%	1,410,000
School District #103	5,465,000	0.01%	547
High School District #115	23,390,000	79.50%	18,595,050
	<hr/>		<hr/>
Subtotal, overlapping debt	463,695,000		63,374,712
	<hr/>		
City of Lake Forest direct debt	30,340,954	100.00%	30,340,954
	<hr/>		
Total direct and overlapping debt	<u><u>\$ 494,035,954</u></u>		<u><u>\$ 93,715,666</u></u>

Source: Lake County Clerk

District Bond Principal Payments Report

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

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

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

CITY OF LAKE FOREST

Legal Debt Margin Information Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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		
2011	\$ 8,690,738	\$ 5,609,379	\$ 3,081,359	\$ 1,400,000	\$ 1,071,748	1.25	
2012	8,767,029	6,358,960	2,408,069	1,651,000	661,906	1.04	
2013	9,956,387	6,938,272	3,018,115	1,744,000	482,866	1.36	
2014	9,043,227	5,406,022	3,637,205	1,815,000	433,125	1.62	
2015	8,918,081	5,445,461	3,472,620	1,847,000	402,951	1.54	
2016	10,190,948	5,826,164	4,364,784	1,877,000	373,266	1.94	
2017	9,881,831	6,438,798	3,443,033	1,902,000	339,386	1.54	
2018	10,022,069	5,644,942	4,377,127	1,952,000	544,461	1.75	
2019	10,357,788	6,992,668	3,365,120	1,987,000	580,023	1.31	
2020	9,655,908	6,253,668	3,402,240	2,067,000	530,673	1.31	

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

Water Charges and Other includes investment earnings but excludes sale of property and grants

Operating expenses does not include debt service, depreciation or reserve requirements

CITY OF LAKE FOREST

Demographic and Economic Information Last Ten Fiscal Years

Fiscal Year	Population		Equalized Accessed Valuation (EAV)	Per Capita EAV	Personal Income	Per Capita Personal Income	Unemployment Rate
2011 *	19,375	(A)	2,717,547,097	140,260	1,493,657,500	77,092	7.5%
2012 *	19,375	(A)	2,565,080,023	132,391	1,493,657,500	77,092	6.8%
2013 *	19,375	(A)	2,378,047,139	122,738	1,493,657,500	77,092	6.7%
2014 *	19,375	(A)	2,253,547,404	116,312	1,493,657,500	77,092	6.7%
2015 *	19,375	(A)	2,250,468,636	116,153	1,493,657,500	77,092	5.4%
2016 *	19,375	(A)	2,307,936,059	119,119	1,493,657,500	77,092	4.7%
2017 *	19,375	(A)	2,443,072,671	126,094	1,493,657,500	77,092	4.6%
2018 *	19,375	(A)	2,533,957,443	130,785	1,493,657,500	77,092	3.9%
2019 *	19,375	(A)	2,526,924,079	130,422	1,493,657,500	77,092	3.7%
2020 *	19,375	(A)	2,457,796,598	126,854	1,493,657,500	77,092	3.8%

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

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

* The State of Illinois revised the annual unemployment rates for small communities back to 2010 in 2014

CITY OF LAKE FOREST

Principal Employers
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Northwestern Medicine Lake Forest Hospital	1,395	1	7.20%	1,600	1	8.26%
Hospira Inc.	-			1,350	2	6.97%
Pfizer	**	2				
Abbott	826	3	4.26%			
Trustmark Insurance Company	712	4	3.67%	800	3	4.13%
Coyote Logistics, LLC				275	8	1.42%
Lake Forest College excludes student employees	415	5	2.14%	514	4	2.38%
Pactiv Corporation	388	6	2.00%	470	5	2.43%
Lake Forest Elem. S.D. No. 67	321	7	1.66%	301	7	1.55%
Packaging Corporation of America	298	9	1.54%			
Lake Forest H.S. District 115 teacher, support staff	275	8	1.42%	303	6	1.56%
City of Lake Forest	210	10	1.08%	236	9	1.22%
Brunswick Corporation Packaging Corp	-			200	10	1.03%

Data Source

City staff contacted companies via mail.

** No response received

CITY OF LAKE FOREST

Full-Time Equivalent Employees Last Ten Fiscal Years

Full-Time-Equivalent Budgeted Employees as of April 30										
Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration	26	25	25	25	25.0	25.0	25.4	23.5	23.75	23.75
Community Development	12.5	12.5	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Public Safety										
Fire Protection										
Firefighters	34	33	33	33	33	33	33	32	32	32
Administrative	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police										
Officers	40	40	40	40	40	40	40	40	40	40
Civilians	17.5	18.0	18.0	18.0	18.0	8.0	9.0	7.0	7.0	7.0
Public Works										
Public Works Administration	5	4	4	4	4	4	4	4	4	4
Building Maintenance	6	6	6	7	7	7	7	7	7	7
Engineering	6	5	5	5	5	5	5	5	5	5
Streets	8	7	8	7.5	7.5	7.5	8.0	8.0	8.0	8.0
Sanitation	12	12	12	10.5	10.5	10.5	10.0	10.0	10.0	10.0
Forestry	0	0	0	0	0	0	0	0	0	0
Fleet (vehicle) Maintenance	6	6	6	6	6	6	6	6	6	6
Water										
Water Plant	8	7	7	7	6.5	6.5	6.5	6.5	6.5	6.5
Water and Sewer	10	10	10	9	8.5	8.5	8.5	8.5	8.5	8.5
Parks	16.4	15.4	15.4	15.4	15.4	15.4	15.0	15.0	15.0	15.0
Recreation	17.4	15.4	15.4	15.4	15.4	15.4	16.0	16.0	16.0	16.0
Golf Course	3.2	3.2	2.2	2.2	2.2	2.2	0.0	0.0	0.0	0.0
Cemetery	2	2	2	2	2	2	2	3	3	3
Senior Resources	3	3	3	3	3	3	3	3	3	3
Sub - total City	235.5	227	226	224	224	214	213.4	209.5	209.75	209.75
Library	29.60	27.9	27.8	28.2	28.2	29.2	30.5	30.5	31.0	30.0
Total all	265.1	254.9	253.8	252.2	252.2	243.2	243.9	240	240.75	239.75

Data Source

City Departments and employee totals as of April 30th

CITY OF LAKE FOREST

Operating Indicators Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	293	297	382	440	394	355	361	425	418	369
Rebates Issued	37	37	40	67	40	44	37	40	45	33
Birth Certificates Issued	1,940	2,821	2,675	2,250	2,556	2,575	2,474	2,807	2,759	2,525
Passports Issued (2)	48	29	0	0	0	0	0	0	0	0
Community Development										
Building permits issued	3,072	3,451	3,197	3,418	3,667	3,855	3,632	3,753	4,275	3,716
Residential construction	7	11	7	13	20	27	21	9	13	18
Commercial construction	-	1	2	1	1	1	1	4	-	1
Building inspections conducted	8,392	8,645	8,925	8,651	9,657	11,009	11,707	10,798	11,214	10,586
Public Safety										
Fire protection										
I.S.O. rating	4	4	4	4	4	4	3	3	3	3
Number of calls answered										
EMS	1,211	1,607	1,726	1,574	1,785	1,712	1,923	1,909	1,839	2,232
Fire	1,177	1,734	1,403	1,497	1,503	1,367	1,385	1,448	1,450	1,448
Police (calendar year)										
Non traffic arrests	385	335	237	191	89	166	129	76	157	83
Parking violations	8,757	7,114	7,013	5,979	5,250	3,907	5,396	4,325	6,891	3,748
Traffic violations	2,997	2,028	2,220	1,877	1,741	1,985	1,718	949	1,909	1,583
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	6.57	7.09	5.92	5.00	5.50	2.40	3.28	2.63	2.20	3.40
Number of snow events										
Salting	15	14	23	27	21	24	15	10	9	6
Plowing	20	12	12	21	20	10	5	10	9	10
Inches of snow	60	21	36	48	50	24	22	45	46	26
Sanitation										
Refuse collection customers	6,471	6,471	6,472	6,462	6,654	6,295	6,467	6,467	6,484	6,503
Parks and Recreation (3)										
Fitness										
Number of programs	334	322	264	336	181	346	215	200	257	246
Units of participation	1,393	1,196	1,060	1,587	1,216	1,271	1,473	1,430	1,446	1,442
Athletics										
Number of programs	157	309	283	270	341	168	275	237	466	460
Units of Participation	2,416	2,932	2,704	2,524	2,282	1,348	2,006	2,026	1,931	1,958
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	420	395	319	294	126	130	176	161	228	223
Units of participation	1,344	1,424	1,576	1,380	752	1,393	1,221	1,385	1,679	1,685
Cultural Arts/Special Events										
Number of programs	320	270	306	286	87	147	286	246	310	312
Units of participation	2,262	2,008	1,972	1,999	1,329	1,579	4,133	4,743	5,064	5,078

CITY OF LAKE FOREST

Operating Indicators (Continued)

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	124	104	37	47	20	20	26	34	31	33
Units of participation	627	582	301	360	2,263	2,802	3,685	2,148	2,233	2,224
Developed parks and recreation areas	10	10	10	10	10	11	11	11	10	11
Developed park acreage	415	404	404	404	404	405	405	405	344	344
Sites with playgrounds	8	8	9	9	9	9	9	9	9	9
Sites with baseball diamonds	7	8	8	8	8	8	8	8	8	7
Sites with soccer fields	7	7	7	7	7	7	7	7	7	7
Sites with basketball standards	5	5	5	5	5	5	5	5	5	4
Sites with tennis courts	6	6	6	6	6	6	6	6	6	6
Deer Path Golf Course										
Size	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes
Rounds of Play	32,664	31,949	30,321	29,435	27,956	29,445	27,101	24,631	26,184	24,666
Daily fee	15,102	14,466	13,646	17,449	17,646	20,478	19,755	18,660	21,172	20,089
Seasonal	17,564	17,483	16,675	11,986	10,310	8,967	7,346	5,971	5,012	4,577
Water										
New Connections (tap-ons)	19	22	20	28	33	66	30	23	29	21
Meters in operation	6,761	6,755	6,754	6,751	6,764	6,810	6,854	6,854	6,840	6,850
Meters connected to sewerage system	6,570	6,583	6,584	6,587	6,577	6,645	6,718	6,778	6,766	6,789
Average daily consumption (MGD)	3.669	3.759	4.202	3.652	3.250	3.162	3.499	3.550	3.430	3.132
Peak daily consumption (MGD)	8.982	11.805	10.298	8.611	7.345	8.268	8.315	8.926	7.247	7.916
Rated daily pumping capacity (MGD)	14	14	14	14	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	1,336.5	1,372.0	1,534.0	1,332.8	1,187.6	1,157.2	1,277.0	1,296.0	1,252.0	1,146.4
Municipal paid parking facilities										
Long-term parking spaces										
Miscellaneous lots	813	813	813	813	813	813	813	813	813	813
Union Pacific (CBD district)	98	98	98	98	98	98	98	98	98	98
Metra (Telegraph Road)	502	502	502	502	502	502	502	502	502	502
Short-term parking spaces	341	341	341	341	341	341	341	341	341	341
Component Unit										
Library services										
Books and non print materials	145,496	145,539	147,330	148,318	146,214	146,153	221,568	248,598	147,024	149,026
Registered borrowers	15,645	16,200	15,160	15,403	15,440	15,460	15,518	13,588	13,946	7,908
Fiscal yearbooks, items or materials circulation	465,927	485,450	457,632	450,876	410,852	383,561	376,144	551,232	366,128	346,603

Data Source

City departments

(1) Collection of real estate transfer tax began in July 2006 (FY2007).

(2) The City began to issue passports in FY2003 and stopped in FY2012.

(3) a. Fitness data does not include Fitness Center memberships.

b. Units of participation may include an individual participant more than once.

N/A equals data not available

CITY OF LAKE FOREST

Capital Asset Statistics Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	25	23	23	21	24	24	23	23
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	17	15	17	17	15	18	18
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	12	12	12	12	12	12	12	12	13	13
Streets										
Streets (centerline miles)	119.00	119.00	119.00	119.24	119.24	119.24	119.24	119.24	119.24	119.24
Streetlights										
Gas	438	438	438	438	438	438	438	438	438	438
Electric	1,526	1,526	1,526	1,536	1,570	1,570	1,570	1,570	1,570	1,570
Storm sewer (miles)	219.35	219.41	219.41	219.41	219.41	219.43	219.43	219.46	219.54	219.54
Parks and Recreation										
Acreage	415.0	403.7	404	404	404	405	405	405	344	344
Water										
Water mains (miles)	165.25	165.25	165.25	165.79	166.44	166.44	166.89	167.68	167.68	167.73
Fire hydrants	1,362	1,362	1,362	1,362	1,511	1,511	1,511	1,519	1,374	1,400
Wastewater										
Sanitary sewers (miles)	138.90	138.95	138.90	138.95	138.95	139.43	139.43	140.25	140.25	140.25

Data Source

City departments

N/A = data not available