

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2008

CITY OF LAKE FOREST, ILLINOIS
Comprehensive Annual Financial Report
Year Ended April 30, 2008
(With Independent Auditors' Report Thereon)

Prepared by:

Department of Finance
Kathleen M. Reinertsen
Director of Finance
and

Louise A. Breckan
Assistant Director of Finance

INTRODUCTORY SECTION

CITY OF LAKE FOREST, ILLINOIS
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October 3, 2008

The Honorable Mayor Rummel
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, 2008, 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 five 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 McGladrey & Pullen, 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, 2008, 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 audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended April 30, 2008, 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 can be found 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 an estimated 21,600 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. Based upon data from the 2000 census, the City's median home value and median family income ranked second in the State of Illinois for municipalities with greater than 10,000 residents.

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's manager and attorney. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for hiring the heads of the City's departments. The Council members are elected to two-year staggered terms with three Council members elected every two years. Aldermen serve a maximum of three terms. The Mayor is elected to a two-year term and serves a maximum of two terms.

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

The financial reporting entity of The City of Lake Forest includes all the 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, summary table of anticipated revenues and expenditures for the fiscal year and department personnel policies. The budget message highlights the significant expenditure events that will occur and the objectives to accomplish the events. It justifies the increases in capital expenditures and also lists the goals that are to be achieved during the budget year.

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

In addition, the Appropriation Ordinance provides for a 10% contingency in expenditures in an amount above those actually budgeted. Each separate fund includes an item labeled contingency, with an appropriate sum equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency 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 the past twenty-eight (28) years and has worked very efficiently.

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 the Parks and Recreation Fund, both considered major funds, this comparison is presented beginning on page 60 as required supplementary information. For the Debt Service Fund and the Municipal Services Building Construction Fund, both considered major funds, this comparison is presented beginning on page 66. For nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 68.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The main focus in this section will be the General Fund since the majority of the City's essential operations are in this fund.

FY2008 revenues increased 4.3% over FY2007 revenues yet FY2008 expenses increased 9.2% over FY2007. The economic climate is rebounding slowly for revenues but expenses, especially with the increase in fuel costs in calendar year 2008, are continuing to increase at a higher rate.

Being in the service industry, the significant majority of the City's operating expenses for all funds are personnel related (65% of the FY2008 Budget). The City Council and city staff are pressed to further identify opportunities to provide more efficient services and to control and reduce costs.

Economic development initiatives are conducted through the Office of the City Manager. In September 2007, the City enlisted the services of an Economic Development Coordinator who acts as the main contact between the City, Lake Forest/Lake Bluff Chamber of Commerce and the business districts in Lake Forest. This individual performs business development and marketing activities with a primary emphasis on prospective business attraction and retention. The City is committed to attracting desired businesses and appropriate economic development to promote the viability of the business districts.

Several years ago, the Lake Forest/Lake Bluff Chamber of Commerce unveiled a free web page of commercial property listings in Lake Forest for sale or lease. The page includes a simple form that allows owners to submit available Lake Forest commercial properties for listing, free of charge. The web page can be found under "Commercial Space Available" at www.lflbchamber.com.

Long-Term Financial Planning

The City is funding needed infrastructure expenditures in part with the transfer tax that was approved by referendum on March 21, 2006. This transfer tax was imposed on all residential or commercial real estate transactions which closed on or after July 5, 2006, unless a contract was executed prior to May 1, 2006. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate.

Looking ahead, the decline in house sales in FY2009 has resulted in a serious decline in the real estate transfer tax revenue. This decline will impact the Five Year Capital Improvement Program. The recent economic crisis will also affect the City's operating revenues in such areas as sales tax and building development fees. The City Council will be discussing alternatives to fund both the operating and capital improvement budgets for future years.

A Public Works Committee which consists of three City Council members was created three years ago to oversee capital improvement projects and programs. Annually in September or October, this committee and city staff finalize the draft of the Five Year Capital Improvement Program. This draft is discussed at a City Council budget meeting. One major project that the committee is undertaking at this time is the construction of a new Municipal Services facility which is planned to be completed in July 2009.

Cash Management policies and practices. The City follows a policy of investing all cash temporarily idle during the year in commercial bank time deposits, in U.S. Treasury bills, in U.S. Treasury notes and the Illinois State Treasurer's pool (Illinois Funds). Additionally, the City's banking agreement requires the bank to invest the balance from the City's consolidated checking account. Interest is paid monthly on these investments and is based on the ninety day treasury bill rate plus 60 basis points. Only the Cemetery, Fire Pension and Police Pension Funds are permitted by statute to invest in corporate securities. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Additional information on the City's investments can be found in Note #1(e) in the financial statements.

Risk management. The City entered into a contractual agreement effective January 1, 1981, for joining the Intergovernmental Risk Management Agency (IRMA) which provides the City with its insurance coverage for liability, property damage and workmen's compensation insurance. IRMA is a self-insurance group consisting of sixty-seven (67)

municipalities and eight (8) special districts pooling their risks through a self-insurance administrator. IRMA has been in existence since January 1, 1979 and has an excellent record and offers one of the most comprehensive pool coverage programs that can be found anywhere for public entities. The City's experience for twenty-six (26) years of membership with IRMA has been outstanding. Since 1981, The City has saved hundreds of thousands of dollars as compared to outlays, which would have been paid to private insurance companies. In 2006, the City participated in a study for an alternative coverage program. The proposed rates were the same as IRMA, but didn't include other services provided by IRMA.

Prior to January 1, 2000, the City was a member of a self-insured medical and dental pool with six other area organizations. On January 1, 2000 the City established The City of Lake Forest Medical and Dental Plan, a self-insurance plan providing health and dental insurance for all employees of the City. Administration of the Plan is provided by the Professional Benefit Administrators, Inc.

Pension and other post employment benefits. The City sponsors single-employer defined benefit pension plans for its firemen and police officers.

Fire Pension. There were thirty-seven (37) active firefighters covered by this pension fund as of April 30, 2008. Funding for the Fire Pension Fund is provided from a property tax levy and employee contributions at the rate of 9.455% of total payroll for those covered employees.

An independent actuary advises the City on the amount of property tax levy necessary to meet funding requirements. The tax levy is established to provide for the normal pension costs based on the number of active employees covered as well as to amortize the fund's actuarial reserve deficiency by the year 2033. The total actuarial reserve deficiency at April 30, 2008 (the date of the latest computation by an actuary) amounted to \$ 4,825,060 for prior service costs.

Police Pension. As of April 30, 2008, forty-one (41) active police officers were covered by this Pension Fund. The cost of this fund is provided from a property tax levy and employee contributions of 9.91% of regular salary.

An independent actuary advises the City on the amount of property tax levy necessary to meet funding requirements. The tax levy must provide for normal pension costs based on the number of active participants in the fund and to amortize the fund's actuarial reserve deficiency by the year 2033. As of April 30, 2008 (the date of the latest computation by an actuary), the actuarial reserve deficiency amounted to \$ 13,811,225 for prior service costs.

The **Illinois Municipal Retirement Fund** is operated by the State of Illinois. One hundred ninety-seven (197) full-time employees of The City of Lake Forest (except the sworn Fire and Police Department personnel) were active members as of April 30, 2008. The City contributes 8.67% of payroll and the employee contributes 4.5%. Employees under this fund are also covered by Social Security and The City contributes 6.2% on all salaries paid up to a maximum of \$ 102,000 and contributes 1.45% for Medicare on all salaries.

Additional information on the City's pension arrangements can be found in Note #8 in the financial statements.

Major Initiatives

The City is committed to maintaining the quality and the preservation of the character and heritage of Lake Forest. However, the City does not want to severely deplete its reserves. The City must continue to adhere to its prudent financial management practices and remain focused on sustaining long-term financial stability. For FY2008, the most significant initiatives were as follows:

- Construction of the new CROYA (Committee Representing Our Young Adults) junior high school and senior high school Student Union was completed in the fall of 2007. The City contributed 18% towards this \$3.2 million addition to the Recreation Center.

- The City issued \$9,750,000 of General Obligation Bonds in April 2008. The bond proceeds are being used to finance a portion of the costs of construction of a new municipal services building (\$8,000,000). The new facility will take advantage of "green" technology and sustainable design to qualify for LEED (Leadership in Energy and Environmental Design) Silver Certification. Construction is expected to be completed in the summer of 2009. The remainder of the bond proceeds is funding certain capital improvements to the City's Townline Community Park which is located on Route 60 (\$1,750,000). This new park includes the construction of three grid fields, two baseball diamonds, a ¾ mile walking trail, a restroom structure and a parking lot.
- In FY2008, the City spent approximately \$1,500,000 on its street overlay (resurfacing) program in order to maintain its good rating for its overall pavement condition.
- A new fire engine was purchased for \$400,000.
- Although the City owns Elawa Farm, the Elawa Farm Foundation is funding the restoration of this historic gentleman farm. Renovated areas will be used for flexible classroom space, a visitors' center and a kitchen in order to provide opportunities for a variety of public programs. In 1999, Elawa Farm was designated a project of the "Save America's Treasures" Program, a public-private partnership between the White House Millennium Council and the National Trust for Historic Preservation. The renovation was completed in June 2008.

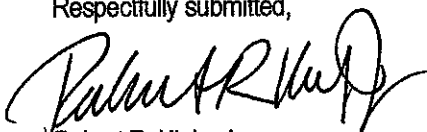
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2007. This was the twenty-ninth (29) consecutive year that The City of Lake Forest has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied 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 CAFR 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,



Robert R. Kiely, Jr.
City Manager



Kathleen M. Reinertsen
Finance Director

CITY OF LAKE FOREST, ILLINOIS

List of Principal Officials

Year Ended April 30, 2008

LEGISLATIVE

City Council

S. Michael Rummel, Mayor

Thomas E. Swarthout

Thomas H. Morsch, Jr.

David D. Grumhaus, Jr.

Greg C. Hanarahan

Stuart M. Widman

John A. Looby III

Robert C. Elliott

Deborah Tyler Haddad

AUDIT COMMITTEE

Allan J. Jacobs, Chairman

Jeffrey J. Anderson

Thomas J. Stahlschmidt

P.W. Kirkland Sweet

Kirk B. Johnson

EXECUTIVE

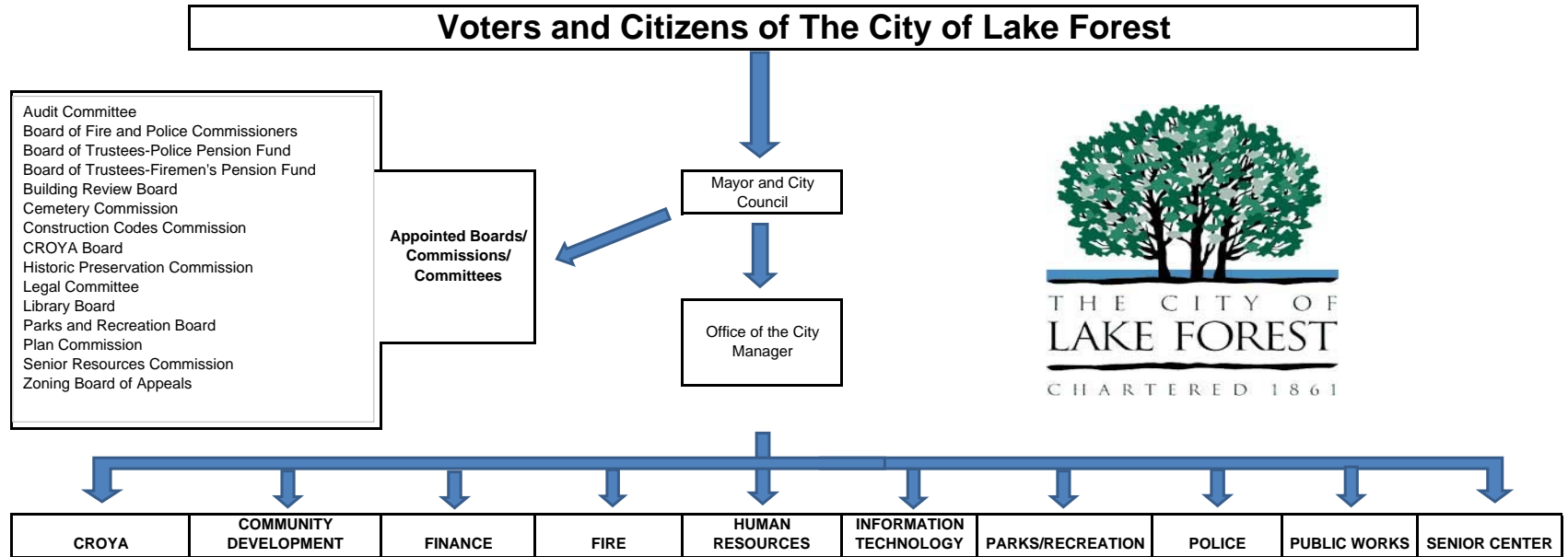
Robert R. Kiely, Jr., City Manager

DEPARTMENT OF FINANCE

Kathleen M. Reinertsen, Director of Finance and Treasurer

Louise A. Breckan, Assistant Director of Finance

ORGANIZATIONAL DIAGRAM FOR THE CITY OF LAKE FOREST



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

McGladrey & Pullen

Certified Public Accountants

Independent Auditors' Report

Honorable Mayor, City Council,
and City Manager
City of Lake Forest, Illinois:

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 (City) as of and for the year ended April 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 15, budgetary comparison information on pages 60 and 61, and the pension information on pages 62 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Forest, Illinois' basic financial statements. The individual major fund schedules, combining and individual nonmajor fund financial statements and other schedules listed in the table of contents as supplementary information (pages 66 – 140) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 3, 2008

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2008

The City of Lake Forest's (the City) 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 challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

Financial Highlights

- The City's net assets increased by \$11.5 million (or 4.6%) during the fiscal year ending April 30, 2008 (FY08). The governmental net assets increased by \$10.8 million (or 5.6% from FY07) and the business-type activities net assets increased by \$0.7 million (or 1.2% from FY07).
- The City's total change of net assets compared to FY07 increased by \$1.4 million. The general governmental activities change in net assets increased by \$2.7 million and the business-type activities change in net assets decreased by \$1.3 million.
- The governmental activities revenue increased by \$4.5 million or 8.9%. The expenses increased by \$2.8 million or 6.8%. The transfers decreased by \$1.0 million.
- The business-type activities revenue decreased by \$0.1 million or 0.9%. The expenses increased by \$0.2 million or 1.9%. The transfers decreased by \$1.0 million.
- The total cost of all City programs increased by \$3.0 million or 5.8%.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 16-17) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the Unrestricted Net Assets) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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

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

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Fund Financial Statements

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

The Governmental Major Funds (see pages 18 and 20) 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, Fire Pension, Cemetery Trust, and Special Assessment Funds). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 22 - 23) essentially is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 19 and 21). The flow of current financial resources will reflect debt proceeds and interfund transfers as other financial 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 obligation (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.) have not been reported nor depreciated in governmental financial statements. Generally accepted accounting principles now require that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

CITY OF LAKE FOREST, ILLINOIS
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GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

The City's combined net assets increased by \$11.5 million from FY07 – increasing from \$250.6 million to \$262.1 million. The analysis following will look at net assets and net expenses of governmental and business-type activities separately. The total net assets for the governmental activities increased by \$10.8 million from \$194.3 million to \$205.1 million, whereas the business-type activities net assets increased by \$0.7 million from \$56.3 million to \$57.0 million. Table 1 reflects the condensed Summary of Net Assets compared to FY07. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

Table 1
Statement of Net Assets
As of April 30, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 73.5	\$ 63.5	\$ 14.0	\$ 13.9	\$ 87.5	\$ 77.4
Capital assets	190.8	186.0	72.8	73.7	263.6	259.7
Total assets	264.3	249.5	86.8	87.6	351.1	337.1
Long-term liabilities	28.8	23.7	28.1	29.5	56.9	53.2
Other liabilities	30.4	31.5	1.7	1.8	32.1	33.3
Total liabilities	59.2	55.2	29.8	31.3	89.0	86.5
Net Assets:						
Invested in capital assets, net of debt	172.3	163.8	44.9	44.5	217.2	208.3
Restricted	4.0	4.0	-	-	4.0	4.0
Unrestricted	28.8	26.5	12.1	11.8	40.9	38.3
Total net assets	\$ 205.1	\$ 194.3	\$ 57.0	\$ 56.3	\$ 262.1	\$ 250.6

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

Normal Impacts

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

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

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

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

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Spending of Non-borrowed Current Assets on New Capital– which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt– which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation– which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

The City's \$11.5 million increase of combined net assets (which is the City's bottom line) was the result of the governmental activities net assets increasing by \$10.8 million and the business-type activities net assets increasing by \$0.7 million.

The governmental activities total assets increased by \$14.8 million and the governmental activities total liabilities increased by \$4.0 million. The \$14.8 million increase in total assets is due to a \$10.0 million increase in current and other assets and a \$4.8 million increase in capital assets. The \$4.0 million increase in total liabilities is mainly due to a \$9.7 million new bond issue offset by the scheduled maturities of older bond issues.

The current and other assets increase was due to an \$11.4 million increase in cash and investments and a \$1.4 million decrease in receivables. The majority (\$7.6 million) of the cash and investments increase occurred in the Municipal Services Building Construction Fund. The Municipal Services Building Construction Fund was part of the Nonmajor Governmental Funds in FY07 but became a Major Fund in FY08. The Municipal Services Building Construction Fund received \$8.0 million of bonds proceeds in FY08 to help finance the construction of the new Municipal Services building on 40 acres of property that the City purchased in FY07. The Capital Improvements Fund's cash increased by \$0.8 million due to a full year of receipt of the real estate transfer tax. This tax was implemented in July 2006. The General Fund's cash increased by \$1.2 million. This was due to the receipt of \$0.6 million in revenue over the budget and the expenditure of \$0.6 million less than budget. The receivable decrease was due to accounts receivable in the Municipal Services Building Construction Fund. Only one of the planned two parcels of land contained within the 40 acres of property that the City purchased in FY07 for the construction of a new Municipal Service Building was sold for \$0.8 million. The remaining parcel that was projected to sell at \$1.5 million was forecast to remain as City property.

The \$4.8 million capital asset increase was mainly due to \$1.9 million of construction in progress for the new Municipal Services Building, \$2.5 million of construction in progress for the restoration of the historic Elawa Farm complex and the completion of the \$3.2 million CROYA (Committee Representing Our Young Adults) junior high school and senior high school student union building offset by \$3.5 million of infrastructure depreciation.

The net assets of business-type activities increased by \$0.7 million, from \$56.3 million to \$57.0 million. The total assets of the business-type activities decreased by \$0.8 million. The \$0.8 million decrease was due to a \$0.9 million decrease in capital assets due to depreciation. The total liabilities decreased by \$1.5 million from \$31.3 million to \$29.8 million. This was the result of a bonds payable decrease of \$1.4 million. The unrestricted net assets of \$12.1 million increased by \$0.3 million from FY07. This is mainly due to a \$0.1 million decrease in the Waterworks and Sewerage Fund, a \$0.3 million increase in the Paid Parking Fund and a small decrease in the Golf Fund. The majority (\$10.3 million) of the \$12 million unrestricted net assets can be used by the City to finance water and sewer operations. The City has a policy of keeping 33% of revenue and one times debt service as a reserve in its water fund. The annual operating cost for this program is approximately \$7.1 million per year and interest expense on bonds is \$1.3 million.

CITY OF LAKE FOREST, ILLINOIS
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Changes in Net Assets

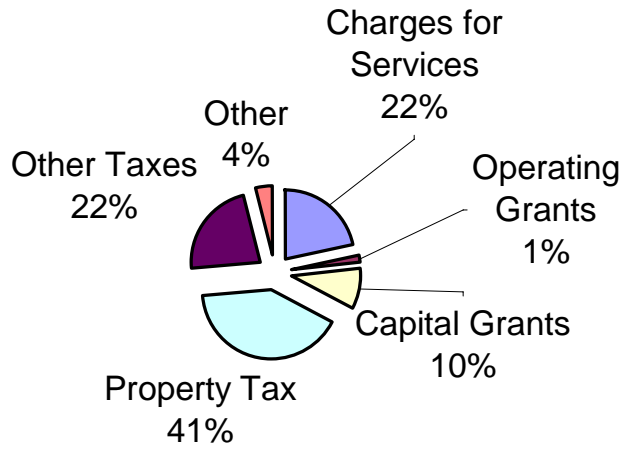
The City's combined change in net assets was an increase of \$11.5 million. The City's total revenues increased by \$4.4 million. The City's cost of all programs increased by \$3.0 million. The following chart compares the revenue and expenses for the current and previous fiscal year.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2008 and 2007
(in millions)

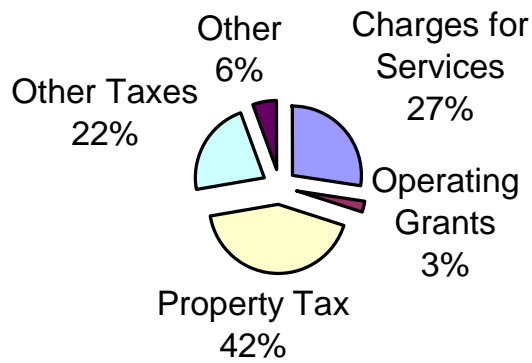
Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Program Revenues						
Charges for Services	\$ 11.9	\$ 13.8	\$ 9.3	\$ 9.7	\$ 21.2	\$ 23.5
Grants and contributions						
Operating	0.8	1.3	-	0.2	0.8	1.5
Capital	5.3	-	1.4	0.9	6.7	0.9
General Revenue						
Property	22.3	21.3	-	-	22.3	21.3
Other taxes	12.2	11.2	-	-	12.2	11.2
Other	2.4	2.8	0.5	0.5	2.9	3.3
Total Revenue	54.9	50.4	11.2	11.3	66.1	61.7
Expenses						
Governmental Activities						
General Government	11.0	10.0	-	-	11.0	10.0
Highways and Streets	8.8	7.1	-	-	8.8	7.1
Sanitation	2.3	2.2	-	-	2.3	2.2
Culture and Recreation	8.8	9.4	-	-	8.8	9.4
Public Safety	12.4	11.6	-	-	12.4	11.6
Interest	0.8	1.0	-	-	0.8	1.0
Business Type						
Waterworks and Sewerage	-	-	8.2	7.9	8.2	7.9
Golf	-	-	1.5	1.6	1.5	1.6
Paid Parking	-	-	0.8	0.8	0.8	0.8
Total Expenses	44.1	41.3	10.5	10.3	54.6	51.6
Excess before Transfers	10.8	9.1	0.7	1.0	11.5	10.1
Transfers In (Out)	-	(1.0)	-	1.0	-	-
Change in Net Assets	10.8	8.1	0.7	2.0	11.5	10.1
Net assets - beginning	194.3	186.2	56.3	54.3	250.6	240.5
Net assets - ending	205.1	194.3	57.0	56.3	262.1	250.6

CITY OF LAKE FOREST, ILLINOIS
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2008 Governmental Activities Revenue

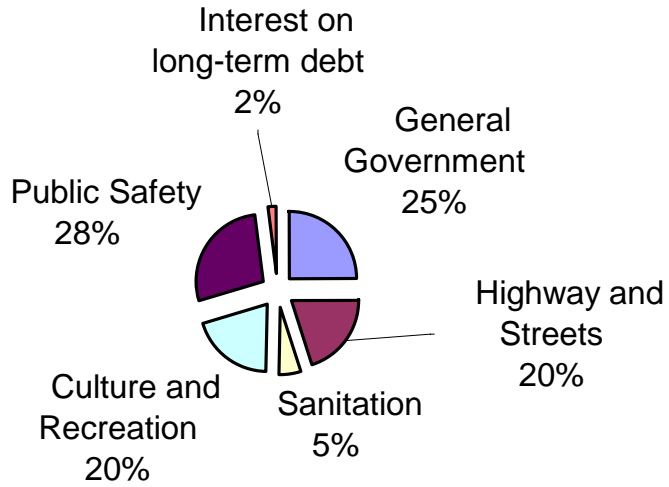


2007 Governmental Activities Revenues

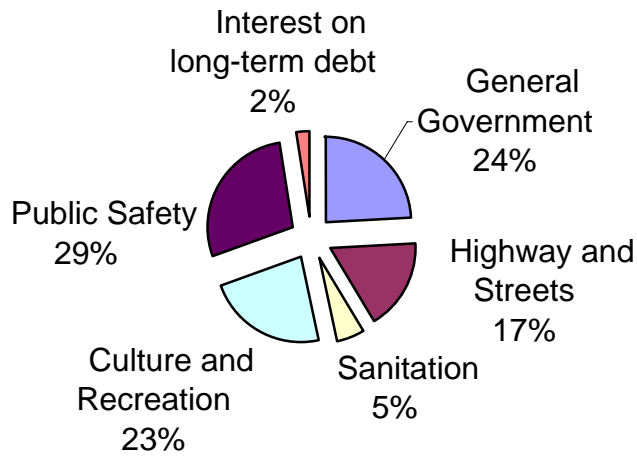


CITY OF LAKE FOREST, ILLINOIS
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2008 Governmental Activities Expense



2007 Governmental Activities Expense



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Normal Impacts

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

Revenues

Economic Condition – which 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, impact fee, 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 in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 54% of the City's general fund operating cost.

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, 2008, revenues from governmental activities totaled \$54.9 million which is an increase of \$4.5 million.

Property tax revenues continue to be the City's largest revenue source, coming in at \$22.3 million. Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$34.5 million and represent 70.6% of the total Governmental Fund revenue. This is an increase of \$2.0 million or 6.2% from FY07. \$1.0 million of the increase is property tax revenue and \$0.7 million is the real estate transfer tax.

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 2007 equalized assessed valuation increased 6.1% to \$2,807,947,615. Although the City became a home rule unit in November 2004, the City still follows the Illinois' Property Tax Extension Limitation Laws (PTELL), otherwise known as the tax cap.

CITY OF LAKE FOREST, ILLINOIS
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Charges for services decreased \$1.9 million mainly due to a \$1.7 million decrease in Culture and Recreation. The Culture and Recreation decrease was due to a \$1.5 million decrease in impact fees. Impact fees are collected prior to the recordation of a subdivision plat or if there is no plat, prior to the recording of a final development plan or special use permit ordinance. The turmoil in the real estate market led many developers to delay the start of new construction.

Capital grants increased by \$5.3 million due to the donation of \$2.6 million toward the CROYA student union by the CROYA Foundation and \$2.5 million of Elawa Farm improvements by the Elawa Farm Foundation.

Investment income decreased by \$0.2 million or 11.1% from FY07 (\$2.0 million to \$1.8 million). The rate of return on investments was 4.2% in FY08 compared to 5.6% in FY07. The City's strategy for investing did not change.

Expenses

For the fiscal year ended April 30, 2008, expenses for governmental activities totaled \$44.1 million which is an increase of \$2.8 million or 6.8%.

The City's General Government function expenditures increased by \$1.0 million from \$10.0 million to \$11.0 million which is 10.0%. This was mainly due to a \$0.7 million increase in the General Fund. \$0.5 million can be attributed to normal inflationary increases and \$0.2 million to the transfer of several activities from the Culture and Recreation function to the General Government function.

The City's Highway and Streets function expenditures increased by \$1.7 million from \$7.1 million to \$8.8 million which is 23.9%. \$0.4 million was due to the increase in the number of snow events which caused increased purchases of salt and overtime and \$0.8 million was due to additional street overlay work.

The City's Culture and Recreation function expenditures decreased by \$0.6 million from \$9.4 million to \$8.8 million or 6.4%. The majority of the decrease was due to \$0.4 million of capitalized expenses and \$0.2 million of decreased operational expenses due to the transfer of several activities to the General Government function.

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 FY2008 expenses included funding for the City's performance based employee compensation package plus a 4.00% general salary adjustment with specific positions receiving 4.25% due to market conditions.

Business-type Activities

Revenue

The total revenue for the business-type activities decreased by \$0.1 million. The Golf Fund experienced a \$0.3 million decrease in charges for services due to the national trend of less rounds of golf played. This was offset by an increase in capital contributions in the Waterworks and Sewerage Fund for water mains and sanitary sewers in the Willow Lakes subdivision.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Expenses

The City's business-type activity expenses increased \$0.2 million which is 1.9% from FY07. The Waterworks and Sewerage Fund operating and maintenance expense increased 5.9% due to increased energy costs. The Golf Fund experienced a very minimal operating expense increase as expenses were closely watched due to the revenue decrease.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2008, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$39.3 million which is a 36.5% increase from the beginning of the year (\$28.8 million). Of the total fund balance of \$39.3 million, \$35.4 million is unreserved indicating availability for continuing City services and capital projects. This is an increase of \$10.0 million from FY07 (39.4% increase). The primary reason for the increase in fund balance is a \$1.6 million increase in the General Fund, a \$6.9 million increase in the Municipal Services Building Construction Fund, a \$0.7 million increase in the Route 60 Park Fund, and a \$0.9 million increase in the Capital Improvements Fund. The Route 60 Park Fund is a new fund that was created to account for the construction of three grid fields, two baseball diamonds, a 3/4-mile walking trail, a restroom structure and a parking lot. It is being funded by a \$1.7 million bond issue that occurred in April 2008. The \$0.9 million increase in the Capital Improvements Fund is a result of the first full year of collection of the real estate transfer tax.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The Fund Balance of the General Fund increased by \$1.6 million or 17.8% from FY07 (from \$9.0 million to \$10.6 million). The General Fund revenues increased by \$1.2 million (4.1%) and the expenditures increased by \$2.2 million (8.8%). Thereby the excess of revenues over expenditures decreased to \$3.3 million from \$4.3 million. The other financing sources (uses) decreased by \$0.6 million.

The primary reason for the increase in revenue was the property tax which increased \$1.0 million. Although the City became a home rule unit in November 2004, the City still follows the Illinois' Property Tax Extension Limitation Laws (PTELL), otherwise known as the tax cap. The 2006 extension allowed for a 3.4% CPI factor as well as new equalized assessed valuation growth.

There are several reasons for the increase in expenditures. Highways and Streets increased \$0.4 million mainly due to the increase in the number of snow events which caused increased purchases of salt and overtime. Culture and Recreation increased \$0.4 million mainly due to the transfer of forestry activities to the General Fund from the Park and Recreation Fund. The General Government increased \$0.7 million due to salary increases as well as transfer of building maintenance activities to the General Fund from the Park and Recreation Fund. Public Safety increased \$0.8 million due to salary increases and the addition of the Fire Chief position. This position was combined with the Police Chief under one position entitled Public Safety Director for two years and was separated to distinct Fire and Police Chief positions in FY08. The transfer out of the General Fund decreased by \$0.6 million mainly due to a smaller transfer to the Capital Improvements Fund.

CITY OF LAKE FOREST, ILLINOIS
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Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 24.0	\$ 24.0	\$ 24.0
Other	5.7	5.7	6.3
Total	29.7	29.7	30.3
Expenditures and transfers:			
Expenditures	30.6	27.6	27.0
Transfers (net)	1.9	1.7	1.7
	32.5	29.3	28.7
Change in Fund Balance	\$ (2.8)	\$ 0.4	\$ 1.6

Actual General Fund revenues exceeded original budgeted revenues by \$0.6 million during FY2008. This increase is spread amongst several revenue categories: Charges for services of \$0.2 million due to increased engineering and ambulance revenue; fines and forfeitures of \$0.1 million due to increased parking ticket revenue; and miscellaneous revenue of \$0.2 million. Actual General Fund expenditures were lower than the original budget by \$3.8 million as it is the City's policy to add 10%, which is \$3.2 million, of contingency funding to the budget appropriation. The contingency amount is only for emergency use and was not used in FY08. Expenditures were lower than the final budget by \$0.6 million. This decrease is mainly attributable to savings in the general government and public safety area where several departments realized budget savings due to unexpected turnovers, delays in filling open positions and lower salaries for new hires. More information can be found on the schedule of revenues, expenditures and changes in fund balance on page 20.

The Park and Recreation Fund accounts for the parks and recreation programs. Services include a fitness center, dance academy, and a variety of other indoor and outdoor programs. The Fund Balance of the Parks and Recreation Fund increased by \$0.2 million from \$1.3 million to \$1.5 million. The Parks and Recreation Fund revenues decreased by \$0.3 million (4.4%) while expenditures decreased by \$0.7 million (10.3%). The excess of revenues over expenditures increased by \$0.4 million. FY08 revenues and expenses were lower than FY07 mainly due to the reduction of the tax levy due to expenditures that were transferred to the General Fund.

The Parks and Recreation Fund revenues were lower than the final budget by \$0.4 million. The variance occurred in a \$0.6 million decrease in charges for services, offset by small increases in the tax, investment income and other revenue categories. This is attributable to lower than anticipated registration in early childhood, dance and youth sports as well as fitness membership and boating permit sales. The Parks and Recreation Fund expenditures were lower than the final budget by \$0.6 million. This is a direct result of lower than anticipated participation which resulted in a corresponding reduction in expenses primarily in the areas of labor, materials and capital purchases.

The Debt Service Fund accounts for the payment of principal and interest currently due on general obligation bonds. The Fund Balance of the Debt Service Fund decreased by \$0.1 million or 3.6% from FY07 (from \$2.8 million to \$2.7 million).

CITY OF LAKE FOREST, ILLINOIS
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The Debt Service Fund revenues decreased by \$0.3 million (6.6%) and the expenditures decreased by \$0.1 million (2.2%). The deficiency of revenues over expenditures increased by \$0.2 million (23.9%). The other financing sources decreased by \$0.4 million (35.0%). The Debt Service Fund decreased slightly in fund balance due to the closure of the 2002B fund. The remaining balance was transferred to the Capital Improvements Fund.

The Municipal Services Building Construction Fund accounts for the construction of a new municipal services facility. The Fund Balance of the Municipal Services Building Construction Fund increased by \$6.9 million or 406% from FY07 (from \$1.7 million to \$8.7 million). The Municipal Services Building Construction Fund revenues increased by \$0.1 million. The only revenue in this fund is interest income. The expenditures increased by \$1.6 million (493%). The deficiency of revenues over expenditures increased by \$1.6 million (493%). The other financing sources increased by \$7.0 million (362%) as an \$8.0 million bond issue occurred in April 2008. The facility is expected to be completed in July 2009 (FY10). The remaining funding for this project will come from the sale of the current Municipal Services site.

Capital Assets

Table 4
Capital Assets at Year End
Net of Depreciation
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land and improvements	\$ 29.2	\$ 28.3	\$ 6.9	\$ 7.0	\$ 36.1	\$ 35.3
Infrastructure land	66.7	66.8	-	-	66.7	66.8
Construction in progress	5.0	0.8	0.2	-	5.2	0.8
Infrastructure	70.8	74.2		-	70.8	74.2
Buildings	8.3	5.5	22.0	23.0	30.3	28.5
Improvements	6.6	6.9	23.6	23.7	30.2	30.6
Machinery and equipment	4.2	3.5	2.5	2.6	6.7	6.1
Sanitary sewers	-	-	17.6	17.5	17.6	17.5
Total	\$ 190.8	\$ 186.0	\$ 72.8	\$ 73.8	\$ 263.6	\$ 259.8

At the end of fiscal year 2008, the City had a combined total of capital assets of \$263.6 million invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$3.8 million.

The net increase is attributable to the governmental activities. The majority of the additions were due to \$1.9 million of construction in progress for the new Municipal Services Building, \$2.5 million of construction in progress for the restoration of Elawa Farm and the completion of the \$3.2 million CROYA student union building offset by \$3.5 million of infrastructure depreciation.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 43-45 of the Notes.

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 186.0	\$ 73.8	\$ 259.8
Additions			
Depreciable	4.6	1.7	6.3
Non-Depreciation	1.2	-	1.2
Construction in Progress	4.6	0.1	4.7
Retirements			
Depreciable	(0.4)	-	(0.4)
Non-Depreciation	(0.3)	-	(0.3)
Construction in Progress	(0.3)	-	(0.3)
Depreciation	(5.0)	(2.8)	(7.8)
Retirements	0.4	-	0.4
Ending Balance	<u>\$ 190.8</u>	<u>\$ 72.8</u>	<u>\$ 263.6</u>

Debt Outstanding

The City had \$54.6 million of general obligation bonds outstanding at April 30, 2008. Of this amount \$16.3 million were payable from property taxes and the remainder were self supporting. The City's per capita debt ratio for all direct and overlapping debt was \$5,880 and \$5,127 if self-supporting debt is excluded.

The City operated as a home rule community for fiscal year 2008. The City was granted home rule status via a referendum held on November 2, 2004. Under home rule authority, The City will not have a legal debt limit. The City has no plans to issue bonds that have not been voter approved. For more detailed information on long-term debt activity, see pages 46 through 50.

Economic Factors

The City's unemployment rate was 2.8% for 2007, which is far below Lake County (5.8%) and the national (4.6%) and state (5.3%) levels.

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 Kathleen Reinertsen, Finance Director, City of Lake Forest, 110 E. Laurel Avenue, Lake Forest, IL 60045.

CITY OF LAKE FOREST, ILLINOIS
Statement of Net Assets
April 30, 2008

Exhibit A-1

	Primary Government			Component unit
	Governmental Activities	Business-type Activities	Total	Lake Forest Library
Assets				
Cash and cash equivalents	\$ 42,970,481	\$ 7,683,832	\$ 50,654,313	\$ 2,091,084
Investments	2,912,800	4,542,907	7,455,707	-
Receivables (net):				
Property taxes	22,736,457	-	22,736,457	3,097,701
Other taxes	277,339	-	277,339	6,650
Accounts	658,638	1,175,392	1,834,030	-
Accrued interest	-	2,604	2,604	-
Loans	438,138	-	438,138	-
Other	207,773	39	207,812	-
Due from other governments	1,966,683	-	1,966,683	-
Internal balances	(398,676)	398,676	-	-
Inventories	121,142	44,887	166,029	-
Prepays	733,222	100,142	833,364	-
Deferred charges – bond issuance costs	84,590	79,072	163,662	-
Net pension asset	859,028	-	859,028	-
Capital assets:				
Not being depreciated	100,971,025	7,108,241	108,079,266	200,117
Being depreciated, net	89,786,099	65,670,350	155,456,449	2,445,305
Total assets	<u>264,324,739</u>	<u>86,806,142</u>	<u>351,130,881</u>	<u>7,840,857</u>
Liabilities				
Accounts payable	\$ 1,913,433	\$ 171,933	\$ 2,085,366	\$ 7,972
Accrued liabilities	1,750,760	130,069	1,880,829	78,890
Accrued interest payable	246,885	453,455	700,340	-
Retainage payable	217,889	50,000	267,889	-
Deposits	1,496,721	-	1,496,721	-
Unearned revenue - property taxes	22,736,457	-	22,736,457	3,097,701
Unearned revenue - other	2,130,436	844,867	2,975,303	-
Long-term obligations:				
Due within one year	2,894,682	1,410,000	4,304,682	140,207
Due in more than one year	25,884,058	26,726,150	52,610,208	34,681
Total liabilities	<u>59,271,321</u>	<u>29,786,474</u>	<u>89,057,795</u>	<u>3,359,451</u>
Net Assets				
Invested in capital assets, net of related debt	172,325,675	44,932,466	217,258,141	2,606,063
Restricted for:				
Capital projects	1,148,103	-	1,148,103	-
Debt service	2,708,268	-	2,708,268	-
Other purposes	122,484	-	122,484	-
Unrestricted	28,748,888	12,087,202	40,836,090	1,875,343
Total net assets	<u>\$ 205,053,418</u>	<u>\$ 57,019,668</u>	<u>\$ 262,073,086</u>	<u>\$ 4,481,406</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Activities
For the Year Ended April 30, 2008

Exhibit A-2

Functions/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Lake Forest Library
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 11,035,000	\$ 5,249,766	\$ 48,550	\$ 2,764,387	\$ (2,972,297)	\$ -	\$ (2,972,297)	
Highways and streets	8,821,953	929,199	719,424	-	(7,173,330)	-	(7,173,330)	
Sanitation	2,310,966	295,658	-	-	(2,015,308)	-	(2,015,308)	
Culture and recreation	8,812,293	3,831,855	18,750	2,537,107	(2,424,581)	-	(2,424,581)	
Public safety	12,348,729	1,567,944	4,255	-	(10,776,530)	-	(10,776,530)	
Interest on long-term debt	808,253	-	-	-	(808,253)	-	(808,253)	
Total governmental activities	44,137,194	11,874,422	790,979	5,301,494	(26,170,299)	-	(26,170,299)	
Business-type activities:								
Waterworks and sewerage	8,228,975	6,893,939	-	1,367,797	-	32,761	32,761	
Paid parking	757,200	1,016,991	-	-	-	259,791	259,791	
Golf	1,562,520	1,430,875	-	-	-	(131,645)	(131,645)	
Total business-type activities	10,548,695	9,341,805	-	1,367,797	-	160,907	160,907	
Total primary government	\$ 54,685,889	\$ 21,216,227	\$ 790,979	\$ 6,669,291	(26,170,299)	160,907	(26,009,392)	
Component Unit								
Lake Forest Library	\$ 2,969,705	\$ 96,940	\$ 24,285	\$ -				\$ (2,848,480)
General revenues:								
Property taxes					22,324,863	-	22,324,863	3,018,737
Replacement taxes					115,223	-	115,223	24,684
Sales tax					3,118,339	-	3,118,339	-
Income tax					2,175,196	-	2,175,196	-
Utility tax					4,454,442	-	4,454,442	-
Real estate transfer tax					1,984,052	-	1,984,052	-
Other taxes					373,795	-	373,795	-
Investment income					1,771,629	525,833	2,297,462	107,390
Other					627,188	-	627,188	-
Transfers					(3,931)	3,931	-	-
Total general revenues and transfers					36,940,796	529,764	37,470,560	3,150,811
Change in net assets					10,770,497	690,671	11,461,168	302,331
Net assets – beginning of year					194,282,921	56,328,997	250,611,918	4,179,075
Net assets – end of year					\$ 205,053,418	\$ 57,019,668	\$ 262,073,086	\$ 4,481,406

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Balance Sheet

Governmental Funds

April 30, 2008

Assets	General Fund	Parks and Recreation Fund	Debt Service Fund	Municipal Services Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,136,208	\$ 2,555,525	\$ 2,708,268	\$ 9,383,918	\$ 13,155,006	\$ 38,938,925
Investments	111,532	-	-	-	2,801,268	2,912,800
Receivables (net of allowance for uncollectibles):						
Property taxes	15,077,078	3,081,763	2,394,851	-	2,182,765	22,736,457
Other taxes	277,339	-	-	-	-	277,339
Accounts	569,338	79,276	-	-	10,024	658,638
Loans	438,138	-	-	-	-	438,138
Other	52,001	-	-	-	112,237	164,238
Due from other governments	1,766,784	6,908	-	-	192,991	1,966,683
Due from other funds	17,914	-	-	-	-	17,914
Due from fiduciary funds	-	-	-	-	38,569	38,569
Prepays	603,049	123,987	-	-	6,186	733,222
Total assets	<u>\$ 30,049,381</u>	<u>\$ 5,847,459</u>	<u>\$ 5,103,119</u>	<u>\$ 9,383,918</u>	<u>\$ 18,499,046</u>	<u>\$ 68,882,923</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 658,109	\$ 156,377	\$ -	\$ 617,837	\$ 235,991	\$ 1,668,314
Accrued liabilities	1,074,575	179,864	-	-	34,340	1,288,779
Retainage payable	-	-	-	75,005	142,884	217,889
Deposits	1,496,721	-	-	-	-	1,496,721
Unearned revenue:						
Property taxes	15,077,078	3,081,763	2,394,851	-	2,182,765	22,736,457
Other	1,116,266	869,836	-	-	144,334	2,130,436
Total liabilities	<u>19,422,749</u>	<u>4,287,840</u>	<u>2,394,851</u>	<u>692,842</u>	<u>2,740,314</u>	<u>29,538,596</u>
Fund Balances:						
Reserved for:						
Debt service	-	-	2,708,268	-	-	2,708,268
Loans	438,138	-	-	-	-	438,138
Prepays	603,049	123,987	-	-	6,186	733,222
Unreserved, reported in:						
General fund	9,585,445	-	-	-	-	9,585,445
Special revenue funds	-	1,435,632	-	-	6,628,134	8,063,766
Capital projects funds	-	-	-	8,691,076	9,124,412	17,815,488
Total fund balances	<u>10,626,632</u>	<u>1,559,619</u>	<u>2,708,268</u>	<u>8,691,076</u>	<u>15,758,732</u>	<u>39,344,327</u>
Total liabilities and fund balances	<u>\$ 30,049,381</u>	<u>\$ 5,847,459</u>	<u>\$ 5,103,119</u>	<u>\$ 9,383,918</u>	<u>\$ 18,499,046</u>	<u>\$ 68,882,923</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
April 30, 2008

Total fund balances – governmental funds	\$ 39,344,327	
Amounts reported for governmental activities in the statement of net assets are different because:		
Bond costs of issuance are capitalized at the government wide level and amortized over the life of the related bonds.		84,590
Net pension asset recorded in governmental activities is not a financial resource and therefore is not reported in the funds.		859,028
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and land improvements	\$ 29,221,655	
Land-infrastructure	66,740,770	
Construction in progress	5,008,600	
Infrastructure, net of \$101,134,822 in accumulated depreciation	70,736,772	
Buildings, net of \$6,786,603 in accumulated depreciation	8,342,160	
Improvements, net of \$4,062,243 in accumulated depreciation	6,589,275	
Machinery and equipment, net of \$7,393,847 in accumulated depreciation	4,117,892	
Total capital assets, net	<u>190,757,124</u>	
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net assets. Balances at year-end are:		
Accrued interest on bonds	\$ (246,885)	
General obligation bonds	(26,631,080)	
Discount on general obligation bonds	60,886	
Installment purchase contracts	(558,334)	
Compensated absences	(1,616,704)	
Total long-term obligations	<u>(28,992,117)</u>	
Internal service funds are used by management to charge the costs of insurance and automotive services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		<u>3,000,466</u>
Net assets of governmental activities		<u>\$ 205,053,418</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended April 30, 2008

	General Fund	Parks and Recreation Fund	Debt Service Fund	Municipal Services Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	\$ 14,341,398	\$ 3,170,594	\$ 4,024,714	\$ -	\$ 788,157	\$ 22,324,863
Other	9,688,667	26,368	1,960	-	2,504,052	12,221,047
Intergovernmental revenues	48,550	-	-	-	742,429	790,979
Charges for services	2,158,104	3,170,082	-	-	1,865,056	7,193,242
Licenses and permits	2,345,931	-	-	-	-	2,345,931
Fines and forfeitures	469,208	-	-	-	-	469,208
Investment income	577,165	117,542	189,170	83,041	706,120	1,673,038
Miscellaneous revenue	685,257	44,772	-	-	1,140,898	1,870,927
Total revenues	30,314,280	6,529,358	4,215,844	83,041	7,746,712	48,889,235
Expenditures:						
Current:						
General government	9,260,158	-	4,700	-	1,304,410	10,569,268
Highways and streets	2,332,972	-	-	-	-	2,332,972
Sanitation	2,125,284	-	-	-	-	2,125,284
Culture and recreation	1,276,044	6,099,502	-	-	550,052	7,925,598
Public safety	11,856,670	-	-	-	313,053	12,169,723
Capital outlay	86,751	18,870	-	2,040,986	6,177,665	8,324,272
Debt service:						
Principal retirement	91,667	-	4,521,498	-	183,939	4,797,104
Interest	11,413	-	624,857	-	145,259	781,529
Total expenditures	27,040,959	6,118,372	5,151,055	2,040,986	8,674,378	49,025,750
Excess (deficiency) of revenues over expenditures	3,273,321	410,986	(935,211)	(1,957,945)	(927,666)	(136,515)
Other financing sources (uses):						
Bond issuance	-	-	-	8,011,418	1,738,582	9,750,000
Bond discount	-	-	-	(50,668)	-	(50,668)
Sale of property	-	-	-	770,585	-	770,585
Sale of scrap	950	-	-	1,499	-	2,449
Transfers in	233,948	42,315	1,243,447	170,704	1,510,761	3,201,175
Transfers out	(1,885,742)	(233,948)	(449,304)	-	(472,230)	(3,041,224)
Total other financing sources (uses)	(1,650,844)	(191,633)	794,143	8,903,538	2,777,113	10,632,317
Net change in fund balances	1,622,477	219,353	(141,068)	6,945,593	1,849,447	10,495,802
Fund balances – beginning of year	9,004,155	1,340,266	2,849,336	1,745,483	13,909,285	28,848,525
Fund balances – end of year	\$ 10,626,632	\$ 1,559,619	\$ 2,708,268	\$ 8,691,076	\$ 15,758,732	\$ 39,344,327

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended April 30, 2008

Net changes in fund balances—total governmental funds \$ 10,495,802

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 activities the cost of those assets is allocated over their estimated useful lives
and reported as depreciation expense. This is the amount by which depreciation
expense (\$5,008,370) exceeded capital outlay (\$4,750,475) in the current period. (257,895)

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins,
and disposals) is to decrease net assets (318,036)

Contributions of capital assets are not reported in governmental funds. However in
the statement of activities, contributions of capital assets are recognized as revenue. 5,301,494

Bond proceeds are reported as financing sources in governmental funds and thus
contribute to the change in fund balance. In the statement of net assets, however,
issuing debt increases long-term liabilities and does not affect the statement of
activities. Similarly, repayment of principal is an expenditure in the governmental
funds but reduces the liability in the statement of net assets.

Bond issuance, net of discount of \$50,668	\$ (9,699,332)	
Repayments:		
General obligation bonds	4,705,437	
Installment contracts	91,667	
Net adjustment		(4,902,228)

Under the modified accrual basis of accounting used in the governmental funds,
expenditures are not recognized for transactions that are not normally paid
with expendable available financial resources. In the statement of activities,
however, which is presented on the accrual basis, expenses and liabilities
are reported regardless of when financial resources are available. In addition,
interest on long-term debt is not recognized under the modified accrual
basis of accounting until due, rather than as it accrues.

Increase in net pension asset	\$ 35,122	
Decrease in accrued interest payable	36,891	
Accretion of interest on bond discount	(6,328)	
Accretion of interest on capital appreciation bonds	(51,648)	
Amortization of bond issuance costs	(5,639)	
Increase in compensated absences	(111,266)	
		(102,868)

The net revenue of certain activities of internal service funds is reported with
governmental activities. 554,228

Change in net assets of governmental activities – statement of activities \$ 10,770,497

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Net Assets

Proprietary Funds

April 30, 2008

Assets	Business-type Activities – Enterprise Funds				Governmental Activities— Internal Service Funds
	Waterworks and Sewerage Fund	Paid Parking Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	
Current assets:					
Cash and cash equivalents	\$ 5,690,288	\$ 1,302,127	\$ 691,417	\$ 7,683,832	\$ 4,031,556
Investments	4,542,907	-	-	4,542,907	-
Receivables:					
Accounts receivable	952,570	219,148	3,674	1,175,392	-
Accrued interest	2,604	-	-	2,604	-
Other	39	-	-	39	4,966
Inventories	-	-	44,887	44,887	121,142
Prepaid expenses	77,359	-	22,783	100,142	-
Total current assets	<u>11,265,767</u>	<u>1,521,275</u>	<u>762,761</u>	<u>13,549,803</u>	<u>4,157,664</u>
Noncurrent assets:					
Deferred charges – bond issuance costs	68,651	-	10,421	79,072	-
Capital assets:					
Not being depreciated	552,215	6,460,509	95,517	7,108,241	-
Being depreciated, net of accumulated depreciation	60,490,977	3,078,089	2,101,284	65,670,350	-
Total capital assets, net	<u>61,043,192</u>	<u>9,538,598</u>	<u>2,196,801</u>	<u>72,778,591</u>	<u>-</u>
Total noncurrent assets	<u>61,111,843</u>	<u>9,538,598</u>	<u>2,207,222</u>	<u>72,857,663</u>	<u>-</u>
Total assets	<u>72,377,610</u>	<u>11,059,873</u>	<u>2,969,983</u>	<u>86,407,466</u>	<u>4,157,664</u>
Liabilities					
Current liabilities:					
Accounts payable	118,608	5,292	48,033	171,933	245,119
Accrued liabilities	88,915	8,372	32,782	130,069	461,981
Accrued interest payable	428,191	6,873	18,391	453,455	-
Retainage payable	50,000	-	-	50,000	-
Due to funds	-	-	-	-	17,914
Unearned revenue	38,206	493,686	312,975	844,867	-
Current portion of long-term obligations					
General obligation bonds	1,265,000	135,000	-	1,400,000	-
Accrued compensated absences	7,880	487	1,633	10,000	1,675
Total current liabilities	<u>1,996,800</u>	<u>649,710</u>	<u>413,814</u>	<u>3,060,324</u>	<u>726,689</u>
Noncurrent liabilities:					
General obligation bonds payable (net of unamortized discounts)	24,973,353	284,193	1,188,579	26,446,125	-
Accrued compensated absences	220,650	13,657	45,718	280,025	31,833
Total noncurrent liabilities	<u>25,194,003</u>	<u>297,850</u>	<u>1,234,297</u>	<u>26,726,150</u>	<u>31,833</u>
Total liabilities	<u>27,190,803</u>	<u>947,560</u>	<u>1,648,111</u>	<u>29,786,474</u>	<u>758,522</u>
Net Assets					
Invested in capital assets, net of related debt	34,804,839	9,119,405	1,008,222	44,932,466	-
Unrestricted	10,381,968	992,908	313,650	11,688,526	3,399,142
Total net assets	<u>\$ 45,186,807</u>	<u>\$ 10,112,313</u>	<u>\$ 1,321,872</u>	<u>56,620,992</u>	<u>\$ 3,399,142</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				398,676	
Net assets of business-type activities reported in the government-wide statement of net assets.				<u>\$ 57,019,668</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Exhibit A-8

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended April 30, 2008

	Business-type Activities – Enterprise Funds				Governmental Activities— Internal Service Funds
	Waterworks and Sewerage Fund	Paid Parking Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	
Operating revenues:					
Charges for services	\$ 6,707,471	\$ 810,109	\$ 1,411,215	\$ 8,928,795	\$ 5,437,948
Connection fees	172,294	-	-	172,294	-
Miscellaneous	14,174	206,882	19,660	240,716	-
Total operating revenues	<u>6,893,939</u>	<u>1,016,991</u>	<u>1,430,875</u>	<u>9,341,805</u>	<u>5,437,948</u>
Operating expenses:					
General and administrative	1,188,939	153,486	869,763	2,212,188	4,909,440
Operations and maintenance	3,433,024	393,450	495,026	4,321,500	-
Depreciation and amortization	2,496,182	187,887	160,302	2,844,371	-
Total operating expenses	<u>7,118,145</u>	<u>734,823</u>	<u>1,525,091</u>	<u>9,378,059</u>	<u>4,909,440</u>
Operating income (loss)	<u>(224,206)</u>	<u>282,168</u>	<u>(94,216)</u>	<u>(36,254)</u>	<u>528,508</u>
Nonoperating revenues (expenses):					
Investment income	453,868	43,703	28,262	525,833	98,591
Interest expense	(1,176,553)	(22,377)	(47,999)	(1,246,929)	-
Total nonoperating revenues (expenses)	<u>(722,685)</u>	<u>21,326</u>	<u>(19,737)</u>	<u>(721,096)</u>	<u>98,591</u>
Increase (decrease) in net assets before contributions and transfers	<u>(946,891)</u>	<u>303,494</u>	<u>(113,953)</u>	<u>(757,350)</u>	<u>627,099</u>
Capital contributions	1,367,797	-	-	1,367,797	-
Transfers in	1,000	-	2,931	3,931	3,422
Change in net assets	<u>421,906</u>	<u>303,494</u>	<u>(111,022)</u>	<u>614,378</u>	<u>630,521</u>
Net assets – beginning of year	<u>44,764,901</u>	<u>9,808,819</u>	<u>1,432,894</u>	<u>56,006,614</u>	<u>2,768,621</u>
Net assets – end of year	<u>\$ 45,186,807</u>	<u>\$ 10,112,313</u>	<u>\$ 1,321,872</u>	<u>56,620,992</u>	<u>\$ 3,399,142</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>76,293</u>	
Change in net assets of business-type activities reported in the government-wide statement of activities				<u>\$ 690,671</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2008

Exhibit A-9

	Business-type Activities – Enterprise Funds				Governmental
	Waterworks and Sewerage Fund	Paid Parking Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ 7,141,985	\$ 888,152	\$ 1,423,834	\$ 9,453,971	\$ -
Receipts from miscellaneous revenue	14,174	206,882	19,660	240,716	-
Receipts from interfund services provided	-	-	-	-	5,469,276
Payments to suppliers	(2,533,196)	(262,557)	(712,065)	(3,507,818)	(4,269,407)
Payments to employees	(2,183,574)	(280,030)	(629,107)	(3,092,711)	(444,858)
Net cash provided by operating activities	2,439,389	552,447	102,322	3,094,158	755,011
Cash flows from noncapital financing activities:					
Transfer from other funds	1,000	-	2,931	3,931	3,422
Cash flows from capital and related financing activities:					
Purchases of capital assets	(355,526)	(92,533)	(34,502)	(482,561)	-
Principal paid on capital debt	(1,230,000)	(130,000)	(70,000)	(1,430,000)	-
Interest paid on capital debt	(1,165,990)	(24,650)	(48,431)	(1,239,071)	-
Net cash used in capital and related financing activities	(2,751,516)	(247,183)	(152,933)	(3,151,632)	-
Cash flows from investing activities:					
Purchases of investments	(1,400,000)	-	-	(1,400,000)	-
Proceeds from sales and maturities of investments	4,165,311	-	-	4,165,311	-
Interest and dividends received	485,910	43,703	28,262	557,875	98,591
Net cash provided by investing activities	3,251,221	43,703	28,262	3,323,186	98,591
Net increase (decrease) in cash and cash equivalents	2,940,094	348,967	(19,418)	3,269,643	857,024
Cash and cash equivalents – beginning of year	2,750,194	953,160	710,835	4,414,189	3,174,532
Cash and cash equivalents – end of year	\$ 5,690,288	\$ 1,302,127	\$ 691,417	\$ 7,683,832	\$ 4,031,556
Noncash capital financing activities:					
Contributions of capital assets	\$ 1,367,797	\$ -	\$ -	\$ 1,367,797	
Noncash investing activities:					
Appreciation in the fair value of investments	36,902	-	-	36,902	

(Continued)

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended April 30, 2008

Exhibit A-9, Continued

	Business-type Activities – Enterprise Funds				Governmental
	Waterworks and Sewerage Fund	Paid Parking Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (224,206)	\$ 282,168	\$ (94,216)	\$ (36,254)	\$ 528,508
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	2,496,182	187,887	160,302	2,844,371	-
Changes in assets and liabilities:					
Water sales receivable	281,647	-	-	281,647	-
Accounts receivable	-	71,294	2,491	73,785	25,977
Other receivables	39	-	-	39	-
Other assets	(16,916)	12,861	(1,036)	(5,091)	(27,352)
Accounts payable	(124,294)	(11,744)	160	(135,878)	24,243
Accrued liabilities	18,649	769	10,345	29,763	174,545
Unearned revenue	(19,466)	6,749	10,128	(2,589)	-
Compensated absences	27,754	2,463	14,148	44,365	11,176
Other liabilities	-	-	-	-	17,914
Total adjustments	2,663,595	270,279	196,538	3,130,412	226,503
Net cash provided by operating activities	\$ 2,439,389	\$ 552,447	\$ 102,322	\$ 3,094,158	\$ 755,011

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2008

Assets	Pension Trust Funds	Private Purpose Trust Fund	Agency Fund
Cash and cash equivalents	\$ 541,284	\$ 7,119	\$ 60,174
Investments			
U.S. Treasury obligations	14,496,284	-	-
U.S. government agencies	12,812,526	50,180	-
Municipal and corporate bonds	-	453,475	-
Common stock	1,477,357	-	-
Equity mutual funds	12,559,038	-	-
Other receivables	95,645	7,150	-
Prepaid expenses	3,629	-	-
Total assets	<u>41,985,763</u>	<u>517,924</u>	<u>60,174</u>
Liabilities			
Accounts payable	23,440	38,569	-
Due to special assessment districts	-	-	60,174
Total liabilities	<u>23,440</u>	<u>38,569</u>	<u>60,174</u>
Net Assets			
Held in trust for pension trust and other purposes	<u>\$ 41,962,323</u>	<u>\$ 479,355</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended April 30, 2008

	Pension Trust Funds	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 1,539,389	\$ -
Employee	607,606	-
Total contributions	<u>2,146,995</u>	<u>-</u>
Interest income	1,060,793	32,196
Net appreciation (depreciation) in fair value of investments	657,992	61
Investment expenses	(179,710)	-
Net investment income	<u>1,539,075</u>	<u>32,257</u>
Total additions	<u>3,686,070</u>	<u>32,257</u>
Deductions:		
Pension benefits and refunds	2,427,540	-
Other administrative expenses	5,001	27,922
Transfer out	-	167,304
Total deductions	<u>2,432,541</u>	<u>195,226</u>
Change in net assets	1,253,529	(162,969)
Net assets held in trust at beginning of year	<u>40,708,794</u>	<u>642,324</u>
Net assets held in trust at end of year	<u>\$ 41,962,323</u>	<u>\$ 479,355</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(1) Summary of Significant Accounting Policies

The City of Lake Forest, Illinois (City) was incorporated under a charter granted by the Illinois State Legislature in 1861 and amended in 1869. The City is a home-rule community that operates under a City Council-Manager form of government. The City provides many services to residents including police and fire protection, water and sewers, recreation, refuse collection, a senior center, public library, a cemetery, and a golf course.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

(a) Reporting Entity

As defined by generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

The accompanying financial statements present the City of Lake Forest (the primary government) and its component unit. The financial data of the component unit are included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Unit -

Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable, or whose relationship with the City are such that exclusion would cause the City's statements to be misleading or incomplete. The City's component unit is reported in a separate column to emphasize that it is legally separate from the City.

Lake Forest Library (Library) – The Library is governed by a seven-member Board of Trustees 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, 110 East Laurel Avenue, Lake Forest, Illinois 60045. The Library follows the same accounting policies as the City.

(b) Basis of Presentation

Government-wide Financial Statements. The government-wide statement of net assets and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the governmental and business-type activities of the City. However, interfund services provided for and used are not eliminated in the process of consolidation. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing activity.

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. The services which are administered by the City and accounted for in the General Fund include, among others, City Council, Finance, Administration, Police, Fire and Public Works.

Park and Recreation Fund – This fund accounts for the parks and recreation programs. Services include a fitness center, dance academy, and a variety of other indoor and outdoor programs.

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

Municipal Services Building Construction Fund - This fund accounts for the construction of a new municipal services building.

The City reports the following major proprietary funds:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the City and some residents of the Village of Bannockburn and Delmar Woods Subdivision.

Paid Parking Fund – This fund accounts for the operations of the City-owned parking lots. Financing is provided by daily parking fees, sales of parking permits and the collection of parking fines.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Additionally, the City reports the following fund types:

Internal Service – These funds account for the self-insured medical and dental benefits for City employees, and for the costs of operating a maintenance and repair facility for automotive and other equipment used by the City departments.

Pension Trust Funds – These funds account for the accumulation of resources to be used for disability or retirement annuity payments to uniformed police and fire department personnel at appropriate amounts and times in the future.

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

Agency Fund – This fund is custodial and accounts for amounts held for special assessment districts.

(c) *Basis of Accounting*

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2006 property tax levy is recognized as revenue for the year ended April 30, 2008. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, except for property 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. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Significant revenue sources which are susceptible to accrual include property taxes, miscellaneous taxes, charges for services, grants, and investment income. All other revenue sources including fines and forfeitures, inspection fees, and recreation fees are considered to be measurable and available only when cash is received.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Proprietary fund revenues are classified as either operating or nonoperating. Operating revenue includes activities that have characteristics of exchange transactions including charges for services. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as most grants and subsidies. Nonoperating revenues also include investment income.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City also has the option of following subsequent private-sector guidance for its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

(d) Cash and Cash Equivalents

The City considers all highly liquid investments with a maturity date within three months of the date acquired to be cash equivalents.

(e) Investments

Investments are reported at fair value based upon quoted market prices.

The City is 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 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 only in banks which are insured by the Federal Deposit Insurance Corporation;
- Commercial Paper – issuer must be a United States corporation with more than \$500 million in assets, rating must be within the highest tier (e.g., A-1, P-1, F-1, D-1, or higher) by two standard rating services, must mature within 180 days of purchase, such purchases cannot exceed 10% of the corporation's outstanding obligations, and such purchases cannot exceed one-third of funds;
- Money Market Mutual Funds – registered under the Investment Company Act of 1940 (15 U.S.C.A. § 80a-1 et seq.), provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the full faith and credit of the federal government as to principal and interest;

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

- 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 loan 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 loan associations are insured by the Federal Deposit Insurance Corporation;
- Dividend-bearing share accounts, share certificates accounts, or class of share accounts of a credit union chartered under the laws 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 unions the 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 thereunder, provided, however, that such government securities, unless registered or inscribed in the name of the City, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the City's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the City.

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

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

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

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(f) Unbilled Water Sales Receivables

Estimated water sales for water usage prior to year-end that are unbilled are recognized as current year revenues and are included in water sales receivables.

(g) Interfund Transactions

The City has the following types of interfund transactions:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

(h) Inventory and Prepaid Items

Inventory is stated at the lower of cost or market using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(i) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, traffic controls, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns 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. Purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, whereas improvements extending the useful lives of the related capital assets are capitalized.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Interest is capitalized on proprietary fund property acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated. During the year ended April 30, 2008, there was no interest expense capitalized in the enterprise funds.

Capital assets of the City and its component unit (Lake Forest Library) are depreciated using the straight-line method over the following useful lives:

Public domain infrastructure	20 – 60 years
Buildings	30 – 50 years
Improvements other than buildings	40 – 80 years
Vehicles, machinery, and equipment	3 – 20 years
Sanitary sewers	40 – 50 years

(j) Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability for compensated absences is only reported in the governmental funds if they have matured. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

(k) Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which is not materially different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(l) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans by the City for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenditures.

(m) Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(n) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

(o) *New Accounting Pronouncements*

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The City is required to implement this Statement for the year ending April 30, 2009.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which addressed accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This Statement will become effective for the year ending April 30, 2009.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in the notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The City will implement Statement No. 50 beginning with the year ending April 30, 2009.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets. All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to these intangible assets, as applicable. The City is required to implement this Statement for the year ending April 30, 2011.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, establishes consistent standards for the reporting of land and other real estate held as investments. It requires endowments to report their land and other real estate investments at fair value. This Statement will become effective for the year ending April 30, 2010.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It will improve financial reporting by requiring governments to measure derivative instruments at fair value in their economic resource measurement focus financial statements and allow the users to more fully understand the government's resources available to provide services. This Statement will become effective for the year ending April 30, 2011.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

(2) 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. Three supplemental appropriations were made for three funds during the year. The General Cemetery, Route 60 Academy Woods Improvement, Deerpath Golf Course, Fleet, Self-Insurance, Police Pension and Fire Pension Funds expenditures/expenses exceeded the approved final budget amounts by \$163,281, \$90,223, \$23,519, \$71,554, \$24,649, \$13,510 and \$106,631 respectively.
- (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) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(3) Cash and Investments

Cash and investments are held separately and in pools by several of the City's funds. The City maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance. The deposits and investments of the Police and Fire Pension Funds (Pension Funds) are held separately. A summary of cash and investments as of April 30, 2008 is as follows:

	Governmental and Business- type Activities	Fiduciary activities			Component Unit
		Police Pension Fund	Fire Pension Fund	Other Fiduciary Activities	Lake Forest Library
Petty cash	\$ 9,995	\$ -	\$ 300	\$ -	\$ 350
Demand deposits	46,612,476	113,290	427,694	67,293	2,090,734
Illinois Funds	7,369,906	-	-	-	-
Certificate of Deposit	587,379	-	-	-	-
U.S. Treasury obligations	-	7,400,366	7,095,918	-	-
U.S. Government agencies	103,031	3,644,956	9,167,570	50,180	-
Municipal/corporate bonds	1,854,921	-	-	453,475	-
Equity securities	1,572,312	7,845,925	6,190,470	-	-
Total	\$ 58,110,020	\$ 19,004,537	\$ 22,881,952	\$ 570,948	\$ 2,091,084

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, which is the price the investment could be sold for.

Investment Policies

The City and the Library's investments are made in accordance with the Public Funds Investment Act (30 ILCS 235/1) (the "Act") and the City's investment policy. The Cemetery Investment Fund's investments are made in accordance with the Cemetery Care Act (760 ILCS 100/1-24) (the "Act") and the Cemetery commission's investment policy. The Police and Fire Pension Funds' investments are made in accordance with the Illinois Pension Code (40 ILCS 5/1-113.2 to 113.10) and each respective pension funds' investment policy. A summary of authorized investments is included in Note 1E.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

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. The City's investment policy requires that deposits that exceed the amount insured by FDIC, NCUA, and/or SIPC insurance protection 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.

As of April 30, 2008, the City, Cemetery Investment Fund and the Police and Fire Pension Funds' bank balances were not subject to custodial credit risk as they were either insured or collateralized with investments held by the City or its agent, in the City's name.

Interest Rate Risk

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

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

As of April 30, 2008, the maturities for debt securities are as follows:

	Fair Value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Governmental and business-type activities:					
U.S. Government agencies	\$ 103,031	\$ -	\$ 103,031	\$ -	\$ -
Illinois Funds *	7,369,906	7,369,906	-	-	-
Municipal/corporate bonds	1,854,921	198,197	256,724	-	1,400,000
Total governmental and business-type activities	\$ 9,327,858	\$ 7,568,103	\$ 359,755	\$ -	\$ 1,400,000
Fiduciary activities:					
Police Pension Fund:					
U.S. Treasury obligations	\$ 7,400,366	\$ -	\$ 5,254,260	\$ 2,146,106	\$ -
U.S. Government agencies	3,644,956	-	2,442,121	1,202,835	-
Total Police Pension Fund	11,045,322	-	7,696,381	3,348,941	-
Fire Pension Fund:					
U.S. Treasury obligations	7,095,918	3,047,425	-	-	4,048,493
U.S. Government agencies	9,167,570	2,748	912,976	2,653,966	5,597,880
Total Fire Pension Fund	16,263,488	3,050,173	912,976	2,653,966	9,646,373
Other fiduciary activities:					
U.S. Government agencies	50,180	50,180	-	-	-
Municipal/corporate bonds	453,475	98,560	354,915	-	-
Total other fiduciary activities	503,655	148,740	354,915	-	-
Total fiduciary activities	\$ 27,812,465	\$ 3,198,913	\$ 8,964,272	\$ 6,002,907	\$ 9,646,373

* Weighted average maturity is less than one year

Credit Risk

Credit risk is the risk that the City or Pension Funds will not recover their investments due to the ability of the counterparty to 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 in Note 1E.

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

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. As of April 30, 2008, the City, Cemetery Investment Fund, and Pension Funds had the following fixed income investments which are rated by both Moody's and Standard and Poor's. U.S. Treasury obligations which are backed by the full faith and credit of the U.S. Government are not included in the chart below.

	Fair Value	Credit ratings		
		AAA	AA	A
Governmental and business-type activities:				
U.S. Government agencies	\$ 103,031	\$ 103,031	\$ -	\$ -
Illinois Funds	7,369,906	7,369,906	-	-
Municipal bonds	1,854,921	1,450,942	306,002	97,977
Total governmental and business-type activities	<u>\$ 9,327,858</u>	<u>\$ 8,923,879</u>	<u>\$ 306,002</u>	<u>\$ 97,977</u>
Fiduciary activities:				
Police Pension Fund:				
U.S. Government agencies	\$ 3,644,956	\$ 3,644,956	\$ -	\$ -
Fire Pension Fund:				
U.S. Government agencies	9,167,569	9,167,569	-	-
Other fiduciary activities:				
U.S. Government agencies	50,180	50,180	-	-
Corporate bonds	453,475	-	125,461	328,014
Total other fiduciary activities	<u>503,655</u>	<u>50,180</u>	<u>125,461</u>	<u>328,014</u>
Total fiduciary activities	<u>\$ 13,316,180</u>	<u>\$ 12,862,705</u>	<u>\$ 125,461</u>	<u>\$ 328,014</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The Fire Pension holds 7% of its portfolio in Tennessee Valley Authority (TVA) which is rated AAA. The TVA debt is primarily zero coupon bonds that are diversified by maturity. The Police Pension Fund's fixed income assets are invested in a commingled fund at Northern Trust. The underlying securities are diversified across 62 issues, in which the average credit quality is AAA. All issues are either U.S. Treasury or U.S. Government Agency issues. The Cemetery Fund holds 4.8% of its portfolio in debt issued by the Federal Home Loan Bank. These issues are AAA rated and have maturities within 2 years. This entire balance is subject to FDIC guarantees.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of a third 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.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of April 30, 2008, 5% of the Fire Pension Fund's assets were invested in the Harbor International Fund and Vanguard Total International Fund. The funds are subject to foreign currency risk. To diversify risk, the Fire Pension Fund utilizes an equity asset allocation that incorporates a variety of management styles. The allocations are reviewed quarterly and rebalanced if necessary. As of April 30, 2008, 9.7% of the Police Pension Fund's assets were invested in the Dodge & Cox International Stock Fund. This fund is subject to foreign currency risk; however, the fund is well diversified across international regions. The Cemetery Fund had 7.5% of its assets invested in IShares Total Return MSCI EAFE Index Fund as of April 30, 2008.

(4) Property Tax

The City's property tax is levied each calendar year on all taxable real property located in the City. The City is a special charter community under the 1870 Illinois Constitution and, accordingly, does not have a statutory tax rate limit. The Lake County Assessor (Assessor) is responsible for assessment of all taxable real property within Lake County, except for certain railroad property which is assessed directly by the State. One quarter of Lake County is reassessed each year on a repeating quadrennial schedule established by the Assessor.

The Lake County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all taxing districts having jurisdiction over that particular parcel.

Property taxes are collected by the Lake County Collector and are submitted to the Lake County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments in June and September during the following year. Taxes must be levied by the last Tuesday in December for the following levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the City has provided an allowance for uncollectible real property taxes equivalent to 1.5% of the current year's levy. All uncollected taxes relating to prior years' levies have been written off.

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. The City considers property tax revenue to be available if it is collected during the current year or within 60 days after year-end. Property taxes levied for calendar year 2006 are intended to finance the fiscal year 2008 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2008 for collections from the calendar year 2006 levy if it was received by June 30, 2008. Property taxes levied for calendar year 2007 which will be collected in fiscal year 2009 are recorded as receivables and deferred revenue.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(5) Interfund Balances and Activity

Due to/from Other Funds

The following balances at April 30, 2008 represent amounts due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Internal Service Fund	\$ 17,914
Nonmajor governmental funds	Fiduciary Funds	38,569
Total		<u>\$ 56,483</u>

These balances result from operating transactions between funds and will be repaid during the next fiscal year within the normal course of business.

Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2008 were as follows:

Transfer In Fund(s)	Transfer Out Fund(s)	Purpose	Amount
Nonmajor Governmental	General	Transfer for capital outlay	\$ 850,000
Nonmajor Governmental	General	Transfer for operations	44,153
General	Parks and Recreation	Transfer for operations	233,948
Parks and Recreation	General	Transfer for operations	42,315
Debt Service	General	Transfer for debt service	771,217
Water and Sewer	General	Transfer for operations	1,000
Nonmajor Enterprise	General	Transfer for operations	2,931
Internal Service	General	Transfer for operations	3,422
Nonmajor Governmental	Debt Service	Transfer for capital outlay and close fund	449,304
Municipal Services			
Building Construction	General		170,704
Debt Service	Nonmajor Governmental	Transfer for debt service	472,230
Nonmajor Governmental	Fiduciary	Transfer for operations	167,304
Total			<u>\$ 3,208,528</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(6) Capital Assets

A summary of capital asset activity for the year ended April 30, 2008 is as follows:

	Balance May 1, 2007	Additions or transfers	Disposals Retirement or transfers	Balance April 30, 2008
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 28,292,879	\$ 1,241,276	\$ 312,500	\$ 29,221,655
Infrastructure – land	66,740,770	-	-	66,740,770
Construction in progress	776,651	4,581,128	349,179	5,008,600
Total capital assets not being depreciated	95,810,300	5,822,404	661,679	100,971,025
Capital assets being depreciated:				
Infrastructure	171,893,026	-	21,432	171,871,594
Buildings	11,988,018	3,140,745	-	15,128,763
Improvements other than buildings	10,592,598	58,920	-	10,651,518
Machinery and equipment	10,488,363	1,379,079	355,703	11,511,739
Total capital assets being depreciated	204,962,005	4,578,744	377,135	209,163,614
Less accumulated depreciation:				
Infrastructure	97,666,586	3,484,132	15,896	101,134,822
Buildings	6,486,012	300,591	-	6,786,603
Improvements other than buildings	3,661,657	400,586	-	4,062,243
Machinery and equipment	6,926,489	823,061	355,703	7,393,847
Total accumulated depreciation	114,740,744	5,008,370	371,599	119,377,515
Governmental Activity capital assets – net	\$ 186,031,561	\$ 5,392,778	\$ 667,215	\$ 190,757,124

Depreciation expense for governmental activities for the year ended April 30, 2008 was charged to functions as follows:

General government	\$ 418,325
Highways and streets	3,572,980
Sanitation	206,321
Culture and recreation	549,151
Public safety	261,593
	<u>\$ 5,008,370</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

	Balance May 1, 2007	Additions or transfers	Disposals retirement or transfers	Balance April 30, 2008
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 6,919,878	\$ -	\$ -	\$ 6,919,878
Construction in progress	-	188,363	-	188,363
Total capital assets not being depreciated	6,919,878	188,363	-	7,108,241
Capital assets being depreciated:				
Buildings	27,826,187	-	-	27,826,187
Improvements other than buildings	38,622,292	875,773	61,814	39,436,251
Machinery and equipment	3,920,420	105,235	-	4,025,655
Sanitary sewers and related property	28,904,414	680,988	-	29,585,402
Total capital assets being depreciated	99,273,313	1,661,996	61,814	100,873,495
Less accumulated depreciation:				
Buildings	4,836,680	1,019,936	-	5,856,616
Improvements other than buildings	14,850,613	999,989	61,812	15,788,790
Machinery and equipment	1,317,326	239,030	-	1,556,356
Sanitary sewers and related property	11,415,967	585,416	-	12,001,383
Total accumulated depreciation	32,420,586	2,844,371	61,812	35,203,145
Capital assets – net	\$ 73,772,605	\$ (994,012)	\$ 2	\$ 72,778,591

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

	Balance May 1, 2007	Additions or transfers	Disposals retirement or transfers	Balance April 30, 2008
Component Unit – Lake Forest Library				
Capital assets not being depreciated:				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	106,000	-	-	106,000
Construction in progress	-	24,117	-	24,117
Total capital assets not being depreciated	176,000	24,117	-	200,117
Capital assets being depreciated:				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	702,622	25,000	-	727,622
Machinery and equipment	3,388,282	328,418	250,313	3,466,387
Total capital assets being depreciated	5,271,811	353,418	250,313	5,374,916
Less accumulated depreciation:				
Buildings	467,462	23,338	-	490,800
Improvements other than buildings	269,640	54,191	-	323,831
Machinery and equipment	2,068,309	296,984	250,313	2,114,980
Total accumulated depreciation	2,805,411	374,513	250,313	2,929,611
Capital assets – net	\$ 2,642,400	\$ 3,022	\$ -	\$ 2,645,422

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(7) Long-term Obligations

The City issues debt to finance various capital projects and other construction activities. The following is a summary of the changes in long-term obligations of the City for the year ended April 30, 2008:

	Balance May 1, 2007	Additions	Deductions	Balance April 30, 2008	Amounts due within one year
Governmental activities:					
General obligation bonds	\$ 21,586,517	\$ 9,750,000	\$ 4,705,437	\$ 26,631,080	\$ 2,728,015
Discount on general obligation bonds	(16,546)	(50,668)	6,328	(60,886)	-
Discount on capital appreciation bonds	(51,648)	-	51,648	-	-
Total general obligation bonds	21,518,323	9,699,332	4,763,413	26,570,194	2,728,015
Installment purchase contracts	650,001	-	91,667	558,334	91,667
Compensated absences*	1,527,770	187,100	64,658	1,650,212	75,000
Total governmental activities	\$ 23,696,094	\$ 9,886,432	\$ 4,919,738	\$ 28,778,740	\$ 2,894,682
Business-type activities:					
General obligation bonds	\$ 29,325,000	\$ -	\$ 1,360,000	\$ 27,965,000	\$ 1,400,000
Revenue bonds	70,000	-	70,000	-	-
Discount	(134,063)	-	15,188	(118,875)	-
Compensated absences	246,660	55,739	12,374	290,025	10,000
Total business-type activities	\$ 29,507,597	\$ 55,739	\$ 1,457,562	\$ 28,136,150	\$ 1,410,000
Component Unit - Lake Forest Library					
Capital lease	\$ 69,272	\$ -	\$ 29,913	\$ 39,359	\$ 30,207
Compensated absences	134,170	126,194	124,835	135,529	110,000
Total component unit - Lake Forest Library	\$ 203,442	\$ 126,194	\$ 154,748	\$ 174,888	\$ 140,207

*Compensated absences 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

General obligation debt payable for the City as of April 30, 2008 consists of the following:

Governmental Activities:

General obligation bonds:

1998A Series General Obligation Bonds due in annual installments of \$135,000 to \$400,000 through December 15, 2008; interest at 4.25% to 4.30%, due semiannually on June 15 and December 15. Funded by utility taxes	\$ 135,000
1998B Series General Obligation Bonds due in annual installments of \$505,000 to \$595,000 through December 15, 2008; interest at 4.25% to 4.30%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	595,000
1999 Series General Obligation Bonds due in annual installments of \$75,000 to \$145,000 through December 15, 2014; interest at 4.70% to 5.15%, due semiannually on June 15 and December 15. Funded by cemetery revenues	885,000
2000 Series General Obligation Bonds due in annual installments of \$175,000 to \$600,000 through December 15, 2012; interest at 4.65% to 4.75%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	2,725,000
2001 Series B General Obligation Bonds due in annual installments of \$100,000 to \$200,000 through December 15, 2011; interest at 3.125% to 3.500%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	400,000
2003 A Series General Obligation Bonds due in annual installments of \$150,000 to \$1,535,000 through December 15, 2010; interest at 2.50% to 2.55%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	2,750,000
2003 D Series General Obligation Bonds due in annual installments of \$150,000 to \$200,000 through December 15, 2015; interest at 1.25% to 3.40%, due semiannually on June 15 and December 15. Funded by sales tax	1,600,000
Special Service Area 25 Special Tax Bonds due in annual installments of \$25,000 to \$75,000 through December 15, 2022; interest at 1.15% to 4.45%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	890,000
Special Service Area 26 Special Tax Bonds due in annual installments of \$9,545 to \$20,700 through December 15, 2022; interest at 1.40% to 4.90%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	233,112

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Governmental Activities:

General obligation bonds (Continued):

Special Service Area 29 Special Tax Bonds due in annual installments of \$76,192 to \$150,611 through December 15, 2023; interest at 2.45% to 5.15%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	\$ 1,767,968
2004 B Series General Obligation Bonds due in annual installments of \$100,000 to \$550,000 through December 15, 2023; interest at 3.50% to 4.45%, due semiannually on June 15 and December 15. Funded by sales tax	4,900,000
2008 B Series General Obligation Bonds due in annual installments of \$110,000 to \$635,000 through December 15, 2027; interest at 3.375 to 3.875%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies	9,750,000
Total general obligation bonds payable	<u>26,631,080</u>

Installment Purchase Contracts:

Installment purchase contract – \$450,000 real estate installment contract dated July 23, 2000, remaining installment of \$375,000 due on August 1, 2009; interest at 5.134%, due monthly	375,000
Installment purchase contract – \$550,000 telephone system installment contract dated April 16, 2004, annual installments of \$91,667 through April 16, 2010; interest at 4.15%, due annually	183,334
Total installment contracts payable	<u>558,334</u>
Total governmental activities	<u>\$ 27,189,414</u>

The City has outstanding bonds that will be paid from pledged future revenues. The 1998A bonds are to be paid with the utility tax revenue from the General Fund. The 1999 bonds are paid from cemetery revenues however sales taxes are pledged in the event that there are not sufficient cemetery revenues. The 2003D and 2004B bonds are to be paid from sales tax revenue from the General Fund. These pledges will remain until all bonds are retired. The amount of pledges remaining as of April 30, 2008 corresponds to the outstanding principal amounts as shown in the tables above. The secured debt was issued to purchase land for park purposes, provide improvements to the cemetery and provide improvements to storm sewers. A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2008 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2008 Pledged Revenue Collected	2008 Principal and Interest Retired
1998A	Utility tax	\$ 4,034	\$ 472
1999	Sales tax	3,118	155
2003D and 2004B	Sales tax	3,118	551

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Business-type Activities

General obligation and revenue bonds:

2001 Series A General Obligation Bonds due in annual installments of \$550,000 to \$700,000 through December 15, 2008; interest at 2.05% to 3.25%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues	\$ 550,000
2002 Series A General Obligation Bonds due in annual installments of \$195,000 to \$2,085,000 through December 15, 2023; interest at 3.00% to 5.00%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues	24,200,000
2003 Series C General Obligation Bonds due in annual installments of \$100,000 to \$155,000 through December 15, 2020; interest at 1.55% to 4.00%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues	1,600,000
1997 Series B General Obligation bonds dated October 16, 1997, due serially in annual installments of \$100,000 to \$145,000 through December 15, 2010; interest at 4.25% to 4.30%, due semiannually on June 15 and December 15. Funded by Paid Parking Fund revenues	420,000
2004 Series A General Obligation bonds dated September 15, 2004, due in annual installments of \$45,000 to \$100,000 through December 15, 2023; interest at 3.50% to 4.375%, due semiannually on June 15 and December 15. Funded by Golf Course Fund revenues and sales tax	1,195,000
Total Business-type Activities	<u><u>\$ 27,965,000</u></u>

The City has outstanding bonds that will be paid from pledged future revenues. The 2001A, 2002A, and 2003C bonds are to be paid from water/sewer revenues of the Waterworks and Sewerage Fund. The 1997B bonds are paid from revenues generated by the Paid Parking Fund however sales taxes are pledged in the event that there are not sufficient parking revenues. The 2004A bonds are to be paid from revenues from the Golf Course Fund. These pledges will remain until all bonds are retired. The amount of the pledges remaining as of April 30, 2008 corresponds to the outstanding principal amounts as shown in the table above. The secured debt was issued to provide improvements to the water/sewer system, the golf course and the train station parking lot. A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2008 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2008 Pledged Revenue Collected	2008 Principal and Interest Retired
2001A, 2002A and 2003C	Water/sewer revenues	\$ 6,894	\$ 2,396
1997B	Sales tax	3,118	155
2004A	Golf revenues and sales tax	4,549	118

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2009	\$ 2,728,015	\$ 648,171	\$ 1,400,000	\$ 1,191,561
2010	2,270,995	1,130,350	1,495,000	1,144,874
2011	2,514,313	824,050	1,545,000	1,086,179
2012	1,837,876	738,402	1,480,000	1,025,144
2013	1,666,734	666,129	1,540,000	967,309
2014-2018	5,932,736	2,570,630	8,625,000	3,867,483
2019-2023	6,174,800	1,440,575	10,410,000	1,841,949
2024-2027	3,505,611	361,700	1,470,000	72,875
Total	\$ 26,631,080	\$ 8,380,007	\$ 27,965,000	\$ 11,197,374

Annual debt service requirements to maturity for the installment purchase contracts are as follows:

Years	Governmental activities	
	Principal	Interest
2009	\$ 466,667	\$ 31,674
2010	91,667	3,804
Total	\$ 558,334	\$ 35,478

(8) Retirement Fund Commitments

Illinois Municipal Retirement Fund

(a) Plan Description

The City contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees, except those covered by the police and fire pension plans, hired in positions that meet or exceed the prescribed annual hourly standard, must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(b) Funding Policy

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by State statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2007 was 9.31% of payroll. The City's contribution requirements are established and amended by the IMRF Board of Trustees. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2007 was 25 years.

(c) Annual Pension Cost

For the year ended December 31, 2007, the City's annual pension cost of \$1,494,212 was equal to the City's required and actual contributions. The required contributions were determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00%, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year, depending on age and service attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

(d) Trend Information

Year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
12/31/07	\$ 1,494,212	100 %	\$ -
12/31/06	1,500,999	100	-
12/31/05	1,293,332	100	-

Police Pension and Fire Pension Plans

(a) Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the Police Pension Plan and the Fire Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police and Fire personnel are covered by the Plans. Although these are single-employer pension plans, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the Plans as Pension Trust Funds. The City does not, however, separately issue financial reports for the Plans.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Membership of each plan consisted of the following at April 30, 2008:

	Police Pension	Fire Pension
Retirees and beneficiaries currently receiving benefits	32	30
Terminated employees entitled to but not yet receiving benefits	3	-
Active plan members	41	37
Total	<u>76</u>	<u>67</u>

(b) Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Significant Investments – The Police Pension Fund has no significant investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5% or more of net assets available for benefits. The Fire Pension Fund has \$1,605,762 invested in the Tennessee Valley Authority, which represents 7% of plan net assets at April 30, 2008.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(c) *Funding Policy and Annual Pension Cost*

The City's annual pension cost and net pension asset for the police and fire pension plans for fiscal year 2008 were as follows:

	<u>Police Pension</u>	<u>Fire Pension</u>
Annual required contribution	\$ 917,388	\$ 608,241
Interest on net pension obligation	(44,269)	(17,524)
Adjustment to annual required contribution	28,965	11,466
Annual pension cost	<u>902,084</u>	<u>602,183</u>
Contributions made	928,718	610,671
Increase in net pension asset	<u>26,634</u>	<u>8,488</u>
Net pension asset at April 30, 2007	590,248	233,658
Net pension asset at April 30, 2008	<u>\$ 616,882</u>	<u>\$ 242,146</u>

Other related information is as follows:

	<u>Police Pension</u>	<u>Fire Pension</u>
Contribution rates - City	29.37%	21.38%
Contribution rates - plan members	9.91%	9.455%
Actuarial valuation date	4/30/08	4/30/08
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percentage of pay, closed	Level Percentage of pay, closed
Remaining amortization period	25	25 years
Asset valuation method	Fair value	Fair value
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases*	5.50%	5.50%
*Includes inflation at	3.00%	3.00%
Cost-of-living adjustments	3.00% per year	3.00% per year

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(d) *Plan Financial Statements*

Following are condensed financial statements for the police and fire pension plans as of and for the year ended April 30, 2008:

	Police Pension	Fire Pension
	<u> </u>	<u> </u>
Statement of Fiduciary Net Assets		
Assets:		
Cash and cash equivalents	\$ 113,290	\$ 427,994
Investments	18,891,247	22,453,958
Other receivables	5,589	90,056
Prepaid expenses	3,629	-
Total assets	<u>19,013,755</u>	<u>22,972,008</u>
Liabilities		
Accounts payable	<u>9,145</u>	<u>14,295</u>
Net assets:		
Held in trust for pension benefits	<u>\$ 19,004,610</u>	<u>\$ 22,957,713</u>
Statement of Changes in Fiduciary Net Assets		
Additions:		
Employer contributions	\$ 928,718	\$ 610,671
Employee contributions	322,055	285,551
Interest income	182,385	878,408
Net appreciation in fair value of investments	335,597	322,395
Investment expenses	(91,079)	(88,631)
Total additions	<u>1,677,676</u>	<u>2,008,394</u>
Deductions:		
Pension benefits and refunds	1,324,709	1,102,831
Administrative expenses	5,001	-
Total deductions	<u>1,329,710</u>	<u>1,102,831</u>
Changes in net assets	347,966	905,563
Net assets held in trust at beginning of year	<u>18,656,644</u>	<u>22,052,150</u>
Net assets held in trust at end of year	<u>\$ 19,004,610</u>	<u>\$ 22,957,713</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(e) *Trend Information*

	Year Ending	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Asset
Police Pension:	4/30/08	\$ 902,084	103 %	\$ 616,882
	4/30/07	845,864	103	590,248
	4/30/06	731,483	104	567,581
Fire Pension:	4/30/08	\$ 602,183	101 %	\$ 242,146
	4/30/07	531,110	104	233,658
	4/30/06	479,675	107	210,702

(9) **Other Post Employment Benefits**

In addition to the pension benefits described in Note 8, the City provides postretirement health care benefits, in accordance with the hospitalization and dental insurance for retired personnel, Administrative Directive 2-20. To be eligible for coverage, an employee must have 8 years or more of creditable service under the Illinois Municipal Retirement Fund and be at least 55 years of age or have 20 years or more of creditable service under the Police or Fire Pension Program.

Currently, 26 former employees meet the above stated requirements and are enrolled for coverage under Administrative Directive 2-20. The City pays the amount of validated medical claims incurred by retirees and their dependents according to the Directive. The City receives premium payments by billing the former employee in advance, or deducting the premium from the former employee's monthly benefit check. During the year, expenditures of \$202,442 were recognized for postretirement health care benefits paid on behalf of the retirees and their dependents. The City received \$169,174 in premiums from former employees.

(10) **Leases**

Operating Leases

The City leases land accounted for in the Paid Parking Fund from the Union Pacific Railroad Company and Lake Forest College. The railroad lease and Lake Forest College lease are based upon minimum rental payments and percentages of parking lot receipts. All leases are cancelable and the rental expense related to the railroad lease and Lake Forest College lease was \$2,046 and \$7,617, respectively, for the year ended April 30, 2008.

The City leases land to The Lake Forest Bank and Trust Company. This lease is based on an annual rent. Rental income to the City was \$55,938 for the year ended April 30, 2008. The minimum lease rental for April 30, 2008 is \$38,213.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Capital Lease

The City of Lake Forest Public Library has entered into a lease agreement as lessee for financing the technology upgrade project to the Library. The lease is due in installments through its maturity on August 31, 2009 at an annual interest rate of 0.98%. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease are as follows:

	Lake Forest Library
Asset:	
Improvements other than buildings	\$ 89,056
Less: accumulated depreciation	(49,475)
	<hr/>
Total	\$ 39,581
	<hr/> <hr/>

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2008 were as follows:

Year Ending April 30	Lake Forest Library
2009	\$ 30,457
2010	9,169
	<hr/>
Total	39,626
Less: Amount representing interest	(267)
	<hr/>
Present value of minimum lease payments	\$ 39,359
	<hr/> <hr/>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(11) Joint Ventures

A summary of the City's joint ventures is as follows:

(a) *Solid Waste Agency of Lake County*

The City is a member of the Solid Waste Agency of Lake County, Illinois (the Agency), a municipal joint action agency composed of 35 members, created as of February 21, 1991. The City was required at this time to provide an initial capital contribution of \$5,000. The Agency intends to acquire equipment and to construct and equip a waste project to dispose of the municipal waste received from its members on a site to be acquired by the Agency (the project).

The Agency is governed by a Board of Directors consisting of one official elected by each member. Each director has one vote. The Board of Directors determines the general policy of the Agency, makes all appropriations, approves contracts for solid waste disposal; adopts resolutions providing for the issuance of debt by the Agency; adopts by-laws, rules, and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency agreement or the by-laws. 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 has no explicit and measurable equity interest in the Agency, although there does exist a residual interest in the Agency's assets upon dissolution of the joint venture. The City has an ongoing financial responsibility for its share of the Agency's liabilities. Each participant is liable for their share of any of the Agency's contracts entered into while bound by the intergovernmental agreement until those contracts are paid off. To obtain the Agency's financial statements, contact the Solid Waste Agency of Lake County, Illinois at 1300 North Skokie Highway, No. 103 Gurnee, Illinois 60031.

(b) *Northern Suburban Special Recreation Association (NSSRA)*

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 has no explicit and measurable equity interest in the NSSRA, although there does exist a residual interest in the 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's 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 7 Happ P.O. Box 8437 Northfield, IL 60093-8437.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

(12) Risk Management

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

(a) *Intergovernmental Risk Management Agency (IRMA)*

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

The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 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 government 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 by-laws 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 a 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
2006-2007	\$ 1,759	\$ 123,048	\$ 120,803	\$ 4,004
2007-2008	4,004	89,476	88,628	4,852

(b) *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 an amount for claims that have been incurred but not reported (IBNR).

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2008

Changes in the balances of claims liabilities for the year ended April 30, 2008 and 2007 are as follows:

	Beginning of Fiscal-year Liability	Changes in Estimates	Claim Payments	End of Fiscal-year Liability
2006-2007	\$ 213,620	\$ 3,044,986	\$ 2,985,731	\$ 272,875
2007-2008	272,875	3,032,673	2,866,813	438,735

(13) Commitments and Contingencies

As of April 30, 2008 management knows of no claim, asserted or unasserted, which if asserted and paid, would have a materially adverse effect on the financial position of the various funds of the City.

The City has outstanding construction contracts with contractors of approximately \$22 million at April 30, 2008. Short-term future financing is being considered by the City Council.

A donation of \$1,000,000 was given to the Elawa Farm Foundation to fund improvements to the Elawa Farm property. The donation was set up in a separate bank account in the name of the Elawa Farm Foundation. However, the City Manager must approve all checks written against this account.

On February 7, 2007, the City entered into an agreement with the Elawa Farm Foundation where the City agreed to loan the Foundation up to \$425,000. The annual interest rate is 5% and the maturity is two years after the initial disbursement. On February 7, 2008, Elawa Farm Foundation requested and received \$425,000 from the City.

On May 25, 2007, the City guaranteed a one year line of credit (construction loan) for the CROYA Foundation, Inc. in the amount of \$600,000 for the expansion and construction of a student union located in the Recreation Center. The interest rate on the note is prime minus 1%. At April 30, 2008, the credit line had a balance of \$191,333.

(14) Related Party Transactions

The City of Lake Forest has entered into an agreement for the purchase of public safety communications equipment from a communications company. The communications company is owned and operated by a member of the City's Police Pension Board. As of April 30, 2008, the government had remitted \$62,907 to the company.

(15) Subsequent Event

On May 19, 2008, the City Council approved an agreement with the CROYA Foundation requesting a loan in the amount of \$180,000 in order to retire the May 25, 2007 construction loan. The annual interest rate is 5% and will be repaid with pledges and State grant funds that are anticipated to come in within the next three years.

On August 1, 2008, the City received \$125,000 from the Elawa Foundation to pay down its loan with the City.

Subsequent to the end of the City's fiscal year, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the City's investments, including the pension funds, have likely incurred a significant decline in fair values since April 30, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKE FOREST, ILLINOIS

Exhibit B-1

General Fund

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ -	\$ 14,316,071	\$ 14,341,398	\$ 25,327
Other	-	9,705,000	9,688,667	(16,333)
Intergovernmental		-	48,550	48,550
Charges for services	-	1,997,835	2,158,104	160,269
Licenses and permits	-	2,268,357	2,345,931	77,574
Fines and forfeitures	-	293,000	469,208	176,208
Investment income	-	670,000	577,165	(92,835)
Miscellaneous revenue	-	490,200	685,257	195,057
Total revenues	-	29,740,463	30,314,280	573,817
Expenditures:				
Current:				
General government	9,608,144	9,608,144	9,260,158	347,986
Highways and streets	2,131,308	2,131,308	2,332,972	(201,664)
Sanitation	2,221,869	2,221,869	2,125,284	96,585
Culture and recreation	1,287,259	1,287,259	1,276,044	11,215
Public safety	12,196,848	12,196,848	11,856,670	340,178
Capital outlay	106,035	106,035	86,751	19,284
Debt service:				
Principal retirement	91,667	91,667	91,667	-
Interest	11,413	11,413	11,413	-
Contingency	2,956,552	-	-	-
Total expenditures	30,611,095	27,654,543	27,040,959	613,584
Excess (deficiency) of revenues over expenditures	(30,611,095)	2,085,920	3,273,321	1,187,401
Other financing sources (uses):				
Sale of scrap	-	-	950	950
Transfers in	-	233,948	233,948	-
Transfers out	(1,910,985)	(1,910,985)	(1,885,742)	25,243
Total other financing sources and uses	(1,910,985)	(1,677,037)	(1,650,844)	25,243
Net change in fund balance	\$ (32,522,080)	\$ 408,883	1,622,477	\$ 1,212,644
Fund balance – beginning of year			9,004,155	
Fund balance – end of year	60		\$ 10,626,632	

CITY OF LAKE FOREST, ILLINOIS

Exhibit B-2

Parks and Recreation Fund

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes:				
Property	\$ -	\$ 3,076,258	\$ 3,170,594	\$ 94,336
Other	-	12,000	26,368	14,368
Charges for services	-	3,784,765	3,170,082	(614,683)
Investment income	-	83,176	117,542	34,366
Other	-	9,000	44,772	35,772
Total revenues	-	6,965,199	6,529,358	(435,841)
Expenditures:				
Current:				
Culture and recreation	6,564,176	6,564,176	6,099,502	464,674
Contingency	698,641	-	-	-
Capital outlay	116,873	116,873	18,870	98,003
Total expenditures	7,379,690	6,681,049	6,118,372	562,677
Excess (deficiency) of revenues over expenditures	(7,379,690)	284,150	410,986	126,836
Other financing sources (uses):				
Transfers in	37,815	37,815	42,315	4,500
Transfers out	(235,362)	(235,362)	(233,948)	1,414
Total other financing sources (uses)	(197,547)	(197,547)	(191,633)	5,914
Net change in fund balance	\$ (7,577,237)	\$ 86,603	219,353	\$ 132,750
Fund balance – beginning of year			1,340,266	
Fund balance – end of year			\$ 1,559,619	

CITY OF LAKE FOREST, ILLINOIS
 Illinois Municipal Retirement Fund
 Required Supplementary Information –
 Schedule of Funding Progress
 Last Six Fiscal Years

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) Entry Age (b)	Unfunded (assets in excess of) AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
12/30/2007	\$ 41,096,546	\$ 42,354,583	\$ 1,258,037	97.0 %	\$ 16,049,536	7.8 %
12/30/2006	38,420,853	39,364,751	943,898	97.6	15,070,275	6.3
12/30/2005	33,717,333	35,947,092	2,229,759	93.8	14,119,915	15.8
12/30/2004	29,850,845	34,172,963	4,322,118	87.4	14,188,146	30.5
12/30/2003	28,785,169	30,462,340	1,677,171	94.5	13,100,172	12.8
12/30/2002	28,640,056	28,329,320	(310,736)	101.1	12,724,143	(2.4)

CITY OF LAKE FOREST, ILLINOIS
 Police and Fire Pension Funds
 Required Supplementary Information –
 Schedules of Funding Progress
 Last Six Fiscal Years

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
Police Pension Plan:						
04/30/2008	\$ 19,004,088	\$ 32,815,313	\$ 13,811,225	57.9 %	\$ 3,162,441	436.7 %
04/30/2007	18,656,644	30,916,934	12,260,290	60.3	3,041,336	403.1
04/30/2006	17,263,222	28,224,334	10,961,112	61.2	3,084,360	355.4
04/30/2005	16,176,232	26,532,559	10,356,327	61.0	2,940,348	352.2
04/30/2004	15,861,639	24,201,001	8,339,362	65.5	2,869,652	290.6
04/30/2003	14,842,934	22,882,186	8,039,252	64.9	2,839,885	283.1
Fire Pension Plan:						
04/30/2008	\$ 22,913,950	\$ 27,739,010	\$ 4,825,060	82.6 %	\$ 2,855,889	169.0 %
04/30/2007	22,052,150	25,853,195	3,801,045	85.3	2,626,922	144.7
04/30/2006	20,470,504	24,003,112	3,532,608	85.3	2,454,181	143.9
04/30/2005	19,953,283	22,535,517	2,582,234	88.5	2,314,576	111.6
04/30/2004	19,209,135	19,881,086	671,951	96.6	2,496,317	26.9
04/30/2003	18,228,012	18,763,475	535,463	97.1	2,428,563	22.0

CITY OF LAKE FOREST, ILLINOIS

Police and Fire Pension Funds

Required Supplementary Information – Schedules of Employer Contributions

Last Six Fiscal Years

Fiscal year	Police Pension Plan		Fire Pension Plan	
	Annual required contribution	Percentage contributed	Annual required contribution	Percentage contributed
2008	\$ 917,388	101.2 %	\$ 608,241	100.4 %
2007	861,380	100.8	536,870	103.2
2006	747,004	101.4	484,776	105.7
2005	722,394	101.7	469,415	100.0
2004	646,192	101.9	462,285	101.9
2003	569,587	102.6	457,813	101.1

CITY OF LAKE FOREST, ILLINOIS

Notes to Required Supplementary Information

April 30, 2008

(1) *Budgetary Basis of Accounting*

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).

(2) **Police and Fire Pension Plans**

The information presented in the required supplementary schedules for the Police and Fire Pension Plans was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuations follows:

	<u>Police Pension Plan</u>	<u>Fire Pension Plan</u>
Actuarial valuation date	4/30/08	4/30/08
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level	Level
	Percentage	Percentage
	of pay, closed	of pay, closed
Remaining amortization period	25 years	25 years
Asset valuation method	Fair value	Fair value
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases*	5.50%	5.50%
*Includes inflation at	3.00%	3.00%
Cost-of-living adjustments	3.00% per year	3.00% per year

**Combining Financial Statements
and Other Schedules**

Major Fund Schedules

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Debt Service Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes				
Property	\$ -	\$ 3,946,399	\$ 4,024,714	\$ 78,315
Other	-	9,750	1,960	(7,790)
Investment income	-	140,810	189,170	48,360
Total revenues	-	4,096,959	4,215,844	118,885
Expenditures:				
Current:				
General government	-	8,000	4,700	3,300
Debt service:				
Principal	-	4,521,498	4,521,498	-
Interest	-	625,011	624,857	154
Total expenditures	-	5,154,509	5,151,055	3,454
Excess (deficiency) of revenues over expenditures	-	(1,057,550)	(935,211)	122,339
Other financing sources (uses):				
Transfers in	-	1,260,230	1,243,447	(16,783)
Transfers out	-	-	(449,304)	(449,304)
Total other financing sources (uses)	-	1,260,230	794,143	(466,087)
Net change in fund balance	\$ -	\$ 202,680	(141,068)	\$ (326,965)
Fund balance – beginning of year			2,849,336	
Fund balance – end of year			\$ 2,708,268	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Municipal Services Building Construction Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 123,294	\$ 83,041	\$ (40,253)
Expenditures:				
Capital outlay	9,874,700	8,977,000	2,040,986	6,936,014
Excess (deficiency) of revenues over expenditures	(9,874,700)	(8,853,706)	(1,957,945)	6,895,761
Other financing sources (uses):				
Bond issuance	-	5,300,000	8,011,418	2,711,418
Bond discount	-	-	(50,668)	(50,668)
Sale of property	-	1,614,094	770,585	(843,509)
Sale of scrap	-	-	1,499	1,499
Transfers in	170,704	170,704	170,704	-
Total other financing sources	170,704	7,084,798	8,903,538	1,818,740
Net change in fund balance	\$ (9,703,996)	\$ (1,768,908)	6,945,593	\$ 8,714,501
Fund balance – beginning of year			1,745,483	
Fund balance – end of year			\$ 8,691,076	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Asset Forfeiture Fund

The Asset Forfeiture 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

The Foreign Fire Insurance Tax 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

The Emergency Telephone 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.

Park and Public Land Fund

The Park and Public Land Fund accounts for the revenues received from the collection of open space fees. Such revenues are to be used to purchase or improve land.

Motor Fuel Tax Fund

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

General Cemetery Fund

The General Cemetery 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

The Senior Resources Commission Fund accounts for gifts and investments used to finance senior citizens' programs and activities.

Affordable Housing Fund

The Affordable Housing Fund accounts for half of the revenues received from the demolition tax. Revenues will be used for affordable housing projects in Lake Forest.

Elawa Farm Fund

The Elawa Farm Fund accounts for the funds used for the operating expenses of this historic farm complex.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

West Lake Forest TIF District Construction Fund

The West Lake Forest TIF District Construction Fund accounts for the proceeds of the \$5,000,000, 1989 General Obligation Bonds and the \$4,000,000, 1991 Series A General Obligation Bonds to be used for acquisition of land, improvement of Everett School, development of parks, and continuing studies and design services.

2003A Bond Construction Fund

The 2003A Bond Construction Fund accounts for the proceeds of the 2003 Series A General Obligation Bond Series to be used to purchase land and costs related to maintaining open/community space approved by referendum in November 2002.

Special Service Area Saunders Road Construction Fund

The Special Assessment Saunders Road Construction Fund accounts for the construction of sanitary sewers and road resurfacing which was financed with bond proceeds issued in fiscal year 2004.

Capital Equipment Reserve Fund

The Capital Equipment Reserve Fund accounts for revenues to be used to fund future capital equipment purchases.

Capital Improvements Fund

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

2004 B Bond Construction Fund

The 2004 B Bond Construction Fund accounts for the proceeds of the 2004 Series B General Obligation Bond Series to be used for the construction of storm sewers and related street and capital improvements financed with proceeds issued in fiscal year 2005.

Route 60 Bridge Improvements Fund

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

Route 60 Intersection Improvements Fund

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

Route 60 Academy Woods Improvements Fund

The Route 60 Academy Woods Improvements Fund accounts for the monies received from the developers and the city to be used for the improvements to be made to the intersection at Route 60 and Academy Woods.

Route 60 Park Fund

The Route 60 Park Fund accounts for the construction of a park which was financed with \$1,750,000 of the 2008 General Obligation Bond issued in April 2008.

Route 60 Fitzmorris Improvements Fund

The Route 60/Fitzmorris Improvements Fund accounts for the funds to be used to construct permanent signals and intersection improvements at Field Court and Route 60.

CITY OF LAKE FOREST, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2008

Assets	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Park and Public Land Fund
Cash and cash equivalents	\$ 40,535	\$ 8,340	\$ 540,530	\$ 1,461,118
Investments	-	114,144	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Other	-	-	50,659	-
Total receivables	-	-	50,659	-
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 40,535	\$ 122,484	\$ 591,189	\$ 1,461,118
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 679	\$ 4,656
Accrued liabilities	-	-	5,621	-
Retainage payable	-	-	-	-
Unearned revenue:				
Property taxes	-	-	-	-
Other	-	-	-	-
Total Liabilities	-	-	6,300	4,656
Fund balances:				
Reserved for:				
Prepays	-	-	-	-
Unreserved, reported in:				
Special revenue funds	40,535	122,484	584,889	1,456,462
Capital projects funds	-	-	-	-
Total fund balances	40,535	122,484	584,889	1,456,462
Total liabilities and fund balances	\$ 40,535	\$ 122,484	\$ 591,189	\$ 1,461,118

Exhibit D-1

Special Revenue Funds					Capital Projects Funds
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Affordable Housing Fund	Elawa Farm Fund	West Lake Forest TIF District Construction Fund
\$ 630,360	\$ 696,867	\$ 168,866	\$ 93,152	\$ 25,354	\$ 450,404
-	2,687,124	-	-	-	-
-	-	-	-	-	2,182,765
-	-	-	-	-	-
-	43,163	18,415	-	-	-
-	43,163	18,415	-	-	2,182,765
192,991	-	-	-	-	-
-	38,569	-	-	-	-
-	6,186	-	-	-	-
\$ 823,351	\$ 3,471,909	\$ 187,281	\$ 93,152	\$ 25,354	\$ 2,633,169
\$ -	\$ 5,883	\$ 6,102	\$ 10,000	\$ 904	\$ 3,162
-	10,998	14,720	-	-	-
122,490	-	-	-	-	-
-	-	-	-	-	2,182,765
-	-	-	-	-	-
122,490	16,881	20,822	10,000	904	2,185,927
-	6,186	-	-	-	-
700,861	3,448,842	166,459	83,152	24,450	-
-	-	-	-	-	447,242
700,861	3,455,028	166,459	83,152	24,450	447,242
\$ 823,351	\$ 3,471,909	\$ 187,281	\$ 93,152	\$ 25,354	\$ 2,633,169

(Continued)

CITY OF LAKE FOREST, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2008

Capital Projects Funds

Assets	Special Service Area Saunders Road Construction Fund	Capital Equipment Reserve Fund	Capital Improvements Fund	2004B Bond Construction Fund
Cash and cash equivalents	\$ 245,801	\$ 1,267,391	\$ 1,945,638	\$ 1,927,784
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	10,024	-
Other	-	-	-	-
Total receivables	-	-	10,024	-
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 245,801</u>	<u>\$ 1,267,391</u>	<u>\$ 1,955,662</u>	<u>\$ 1,927,784</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 35,676	\$ -
Accrued liabilities	-	-	3,001	-
Retainage payable	-	-	-	-
Unearned revenue:				
Property taxes	-	-	-	-
Other	-	-	144,334	-
Total Liabilities	-	-	183,011	-
Fund balances:				
Reserved for:				
Prepays	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	245,801	1,267,391	1,772,651	1,927,784
Total fund balances	<u>245,801</u>	<u>1,267,391</u>	<u>1,772,651</u>	<u>1,927,784</u>
Total liabilities and fund balances	<u>\$ 245,801</u>	<u>\$ 1,267,391</u>	<u>\$ 1,955,662</u>	<u>\$ 1,927,784</u>

Exhibit D-1 (Cont.)

Capital Projects Funds

Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Academy Woods Improvements Fund	Route 60 Park Fund	Route 60 Fitzmorris Improvements Fund	Total Nonmajor Governmental Funds
\$ 907,767	\$ 258,425	\$ 107,080	\$ 736,329	\$ 1,643,265	\$ 13,155,006
-	-	-	-	-	2,801,268
-	-	-	-	-	2,182,765
-	-	-	-	-	10,024
-	-	-	-	-	112,237
-	-	-	-	-	2,305,026
-	-	-	-	-	192,991
-	-	-	-	-	38,569
-	-	-	-	-	6,186
\$ 907,767	\$ 258,425	\$ 107,080	\$ 736,329	\$ 1,643,265	\$ 18,499,046
\$ -	\$ -	\$ 107,080	\$ 61,849	\$ -	\$ 235,991
-	-	-	-	-	34,340
-	-	-	20,394	-	142,884
-	-	-	-	-	2,182,765
-	-	-	-	-	144,334
-	-	107,080	82,243	-	2,740,314
-	-	-	-	-	6,186
-	-	-	-	-	6,628,134
907,767	258,425	-	654,086	1,643,265	9,124,412
907,767	258,425	-	654,086	1,643,265	15,758,732
\$ 907,767	\$ 258,425	\$ 107,080	\$ 736,329	\$ 1,643,265	\$ 18,499,046

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended April 30, 2008

	<u>Special Revenue Funds</u>			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Park and Public Land Fund
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	420,000
Intergovernmental revenues	4,255	-	-	18,750
Charges for services	-	99,624	278,546	94,128
Investment income	1,508	4,392	16,826	67,846
Miscellaneous revenue	-	-	93,000	100
Total revenues	<u>5,763</u>	<u>104,016</u>	<u>388,372</u>	<u>600,824</u>
Expenditures:				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	44
Public safety	-	107,562	205,491	-
Capital outlay	-	-	30,879	659,210
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	19,253
Total expenditures	<u>-</u>	<u>107,562</u>	<u>236,370</u>	<u>678,507</u>
Excess (deficiency) of revenues over expenditures	<u>5,763</u>	<u>(3,546)</u>	<u>152,002</u>	<u>(77,683)</u>
Other financing sources (uses):				
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(472,230)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(472,230)</u>
Net change in fund balances	5,763	(3,546)	152,002	(549,913)
Fund balances – beginning of year	<u>34,772</u>	<u>126,030</u>	<u>432,887</u>	<u>2,006,375</u>
Fund balances – end of year	<u>\$ 40,535</u>	<u>\$ 122,484</u>	<u>\$ 584,889</u>	<u>\$ 1,456,462</u>

Special Revenue Funds					Capital Projects Funds	
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Affordable Housing Fund	Elawa Farm Fund	West Lake Forest TIF District Construction Fund	2003A Bond Construction Fund
\$ -	\$ -	\$ 162,509	\$ -	\$ -	\$ 625,648	\$ -
-	-	-	50,000	-	-	-
719,424	-	-	-	-	-	-
-	949,825	288,866	-	-	-	-
30,609	239,945	11,111	2,484	1,158	24,121	3,700
-	63,472	122,715	-	21,878	-	-
750,033	1,253,242	585,201	52,484	23,036	649,769	3,700
-	669,475	-	-	-	438,337	-
-	-	532,350	-	17,658	-	-
-	-	-	-	-	-	-
1,132,291	94,090	-	-	-	-	174,500
-	105,000	-	-	-	-	-
-	49,625	-	-	-	-	-
1,132,291	918,190	532,350	-	17,658	438,337	174,500
(382,258)	335,052	52,851	52,484	5,378	211,432	(170,800)
-	-	-	-	-	-	-
-	168,445	42,262	-	-	-	-
-	-	-	-	-	-	-
-	168,445	42,262	-	-	-	-
(382,258)	503,497	95,113	52,484	5,378	211,432	(170,800)
1,083,119	2,951,531	71,346	30,668	19,072	235,810	170,800
\$ 700,861	\$ 3,455,028	\$ 166,459	\$ 83,152	\$ 24,450	\$ 447,242	\$ -

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended April 30, 2008

	Capital Projects Funds			
	Special Service Area Saunders Road Construction Fund	Capital Equipment Reserve Fund	Capital Improvements Fund	2004B Bond Construction Fund
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	2,034,052	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	81,610	72,457	-
Investment income	15,096	43,049	40,659	90,518
Miscellaneous revenue	3,043	-	13,483	6,265
Total revenues	<u>18,139</u>	<u>124,659</u>	<u>2,160,651</u>	<u>96,783</u>
Expenditures:				
Current:				
General government	-	-	-	10,905
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Capital outlay	-	295,679	2,028,075	-
Debt service:				
Principal	78,939	-	-	-
Interest	76,381	-	-	-
Total expenditures	<u>155,320</u>	<u>295,679</u>	<u>2,028,075</u>	<u>10,905</u>
Excess (deficiency) of revenues over expenditures	<u>(137,181)</u>	<u>(171,020)</u>	<u>132,576</u>	<u>85,878</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Transfers in	-	525,000	775,054	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>525,000</u>	<u>775,054</u>	<u>-</u>
Net change in fund balances	<u>(137,181)</u>	<u>353,980</u>	<u>907,630</u>	<u>85,878</u>
Fund balances – beginning of year	<u>382,982</u>	<u>913,411</u>	<u>865,021</u>	<u>1,841,906</u>
Fund balances – end of year	<u>\$ 245,801</u>	<u>\$ 1,267,391</u>	<u>\$ 1,772,651</u>	<u>\$ 1,927,784</u>

Capital Projects Funds

Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Academy Woods Improvements Fund	Route 60 Park Fund	Route 60 Fitzmorris Improvements Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788,157
-	-	-	-	-	2,504,052
-	-	-	-	-	742,429
-	-	-	-	-	1,865,056
35,856	7,190	6,599	-	63,453	706,120
-	766,942	-	-	50,000	1,140,898
35,856	774,132	6,599	-	113,453	7,746,712
-	-	180,903	-	4,790	1,304,410
-	-	-	-	-	550,052
-	-	-	-	-	313,053
-	677,227	1,218	1,084,496	-	6,177,665
-	-	-	-	-	183,939
-	-	-	-	-	145,259
-	677,227	182,121	1,084,496	4,790	8,674,378
35,856	96,905	(175,522)	(1,084,496)	108,663	(927,666)
-	-	-	1,738,582	-	1,738,582
-	-	-	-	-	1,510,761
-	-	-	-	-	(472,230)
-	-	-	1,738,582	-	2,777,113
35,856	96,905	(175,522)	654,086	108,663	1,849,447
871,911	161,520	175,522	-	1,534,602	13,909,285
\$ 907,767	\$ 258,425	\$ -	\$ 654,086	\$ 1,643,265	\$ 15,758,732

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Asset Forfeiture Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 5,000	\$ 4,255	\$ (745)
Investment income	-	1,500	1,508	8
Total revenues	-	6,500	5,763	(737)
Expenditures:				
Current:				
Public safety	16,500	15,000	-	15,000
Contingency	-	-	-	-
Total expenditures	16,500	15,000	-	15,000
Net change in fund balance	\$ (16,500)	\$ (8,500)	5,763	\$ 14,263
Fund balance – beginning of year			34,772	
Fund balance – end of year			\$ 40,535	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Foreign Fire Insurance Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ 100,000	\$ 99,624	\$ (376)
Investment income	-	5,000	4,392	(608)
Total revenues	-	105,000	104,016	(984)
Expenditures:				
Current:				
Public safety	225,000	225,000	107,562	117,438
Contingency	22,500	-	-	-
Total expenditures	247,500	225,000	107,562	117,438
Net change in fund balance	\$ (247,500)	\$ (120,000)	(3,546)	\$ 116,454
Fund balance – beginning of year			126,030	
Fund balance – end of year			\$ 122,484	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Emergency Telephone Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ 252,900	\$ 278,546	\$ 25,646
Investment income	-	10,000	16,826	6,826
Miscellaneous	-	-	93,000	93,000
Total revenues	-	262,900	388,372	125,472
Expenditures:				
Current:				
Public safety	243,177	243,177	205,491	37,686
Contingency	31,318	-	-	-
Capital outlay	70,000	70,000	30,879	39,121
Total expenditures	344,495	313,177	236,370	76,807
Net change in fund balance	\$ (344,495)	\$ (50,277)	152,002	\$ 202,279
Fund balance – beginning of year			432,887	
Fund balance – end of year			\$ 584,889	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Park and Public Land Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Other taxes	\$ -	\$ 420,000	\$ 420,000	\$ -
Intergovernmental revenues	-	179,000	18,750	(160,250)
Charges for services	-	1,206,728	94,128	(1,112,600)
Investment income	-	92,085	67,846	(24,239)
Miscellaneous revenue	-	-	100	100
Total revenues	-	1,897,813	600,824	(1,296,989)
Expenditures:				
Current:				
Culture and recreation	-	-	44	(44)
Capital outlay	1,076,908	826,127	659,210	166,917
Contingency	156,839	-	-	-
Debt service:				
Interest	-	-	19,253	(19,253)
Total expenditures	1,233,747	826,127	678,507	147,620
Excess (deficiency) of revenues over expenditures	(1,233,747)	1,071,686	(77,683)	(1,149,369)
Other financing uses:				
Transfers out	(491,483)	(491,483)	(472,230)	19,253
Net change in fund balance	\$ (1,725,230)	\$ 580,203	(549,913)	\$ (1,130,116)
Fund balance – beginning of year			2,006,375	
Fund balance – end of year			\$ 1,456,462	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Motor Fuel Tax Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental revenues	\$ -	\$ 706,160	\$ 719,424	\$ 13,264
Investment income	-	52,439	30,609	(21,830)
Total revenues	<u>-</u>	<u>758,599</u>	<u>750,033</u>	<u>(8,566)</u>
Expenditures:				
Current:				
Contingency	128,000	-	-	-
Capital outlay	1,280,000	1,280,000	1,132,291	147,709
Total expenditures	<u>1,408,000</u>	<u>1,280,000</u>	<u>1,132,291</u>	<u>147,709</u>
Net change in fund balance	<u>\$ (1,408,000)</u>	<u>\$ (521,401)</u>	<u>(382,258)</u>	<u>\$ 139,143</u>
Fund balance – beginning of year			<u>1,083,119</u>	
Fund balance – end of year			<u>\$ 700,861</u>	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

General Cemetery Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ 522,167	\$ 949,825	\$ 427,658
Investment income	-	75,000	239,945	164,945
Miscellaneous revenue	-	26,019	63,472	37,453
Total revenues	-	623,186	1,253,242	630,056
Expenditures:				
Current:				
General government	449,684	420,284	669,475	(249,191)
Contingency	75,491	-	-	-
Capital outlay	150,000	180,000	94,090	85,910
Debt service:				
Principal retirement	105,000	105,000	105,000	-
Interest	50,225	49,625	49,625	-
Total expenditures	830,400	754,909	918,190	(163,281)
Excess (deficiency) of revenues over expenditures	(830,400)	(131,723)	335,052	466,775
Other financing sources:				
Transfers in	-	1,141	168,445	167,304
Net change in fund balance	\$ (830,400)	\$ (130,582)	503,497	\$ 634,079
Fund balance – beginning of year			2,951,531	
Fund balance – end of year			\$ 3,455,028	

CITY OF LAKE FOREST, ILLINOIS
 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 Senior Resources Commission Fund
 For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes:				
Tax levy	\$ -	\$ 162,509	\$ 162,509	\$ -
Charges for services	-	295,459	288,866	(6,593)
Investment income	-	10,000	11,111	1,111
Miscellaneous revenue	-	53,000	122,715	69,715
Total revenues	-	520,968	585,201	64,233
Expenditures:				
Current:				
Culture and recreation	556,684	556,684	532,350	24,334
Contingency	55,668	-	-	-
Total expenditures	612,352	556,684	532,350	24,334
Excess (deficiency) of revenues over expenditures	(612,352)	(35,716)	52,851	88,567
Other financing sources:				
Transfers in	38,834	38,834	42,262	3,428
Net change in fund balance	\$ (573,518)	\$ 3,118	95,113	\$ 91,995
Fund balance – beginning of year			71,346	
Fund balance – end of year			\$ 166,459	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Affordable Housing Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Other taxes	\$ -	\$ 90,000	\$ 50,000	\$ (40,000)
Investment income	-	500	2,484	1,984
Total revenues	-	90,500	52,484	(38,016)
Net change in fund balance	\$ -	\$ 90,500	52,484	\$ (38,016)
Fund balance – beginning of year			30,668	
Fund balance – end of year			\$ 83,152	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Elawa Farm Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 1,000	\$ 1,158	\$ 158
Miscellaneous revenue	-	26,150	21,878	(4,272)
Total revenues	-	27,150	23,036	(4,114)
Expenditures:				
Current:				
Culture and recreation	40,150	40,150	17,658	22,492
Contingency	4,015	-	-	-
Total expenditures	44,165	40,150	17,658	22,492
Net change in fund balance	\$ (44,165)	\$ (13,000)	5,378	\$ 18,378
Fund balance – beginning of year			19,072	
Fund balance – end of year			\$ 24,450	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

West Lake Forest TIF District Construction Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes - property	\$ -	\$ 614,538	\$ 625,648	\$ 11,110
Investment income	-	25,000	24,121	(879)
Total revenues	-	639,538	649,769	10,231
Expenditures:				
Current:				
General government	663,100	663,100	438,337	224,763
Contingency	66,310	-	-	-
Total expenditures	729,410	663,100	438,337	224,763
Net change in fund balance	\$ (729,410)	\$ (23,562)	211,432	\$ 234,994
Fund balance – beginning of year			235,810	
Fund balance – end of year			\$ 447,242	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

2003A Bond Construction Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 3,700	\$ 3,700
Expenditures:				
Capital outlay	233,120	233,120	174,500	58,620
Contingency	23,312	-	-	-
Total expenditures	<u>256,432</u>	<u>233,120</u>	<u>174,500</u>	<u>58,620</u>
Net change in fund balance	<u>\$ (256,432)</u>	<u>\$ (233,120)</u>	(170,800)	<u>\$ 62,320</u>
Fund balance – beginning of year			<u>170,800</u>	
Fund balance – end of year			<u>\$ -</u>	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Special Service Area Saunders Road Construction Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 20,000	\$ 15,096	\$ (4,904)
Miscellaneous	-	-	3,043	3,043
Total revenues	-	20,000	18,139	(1,861)
Expenditures:				
Capital outlay	9,731	9,731	-	9,731
Debt service:				
Principal	78,939	78,939	78,939	-
Interest	75,134	75,134	76,381	(1,247)
Contingency	16,380	-	-	-
Total expenditures	180,184	163,804	155,320	8,484
Net change in fund balance	\$ (180,184)	\$ (143,804)	(137,181)	\$ 6,623
Fund balance – beginning of year			382,982	
Fund balance – end of year			\$ 245,801	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Capital Equipment Reserve Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ 35,000	\$ 81,610	\$ 46,610
Investment income	-	30,000	43,049	13,049
Total revenues	-	65,000	124,659	59,659
Expenditures:				
Capital outlay	332,000	332,000	295,679	36,321
Contingency	33,200	-	-	-
Total expenditures	365,200	332,000	295,679	36,321
Excess (deficiency) of revenues over expenditures	(365,200)	(267,000)	(171,020)	95,980
Other financing sources:				
Transfers in	-	-	525,000	525,000
Net change in fund balance	\$ (365,200)	\$ (267,000)	353,980	\$ 620,980
Fund balance – beginning of year			913,411	
Fund balance – end of year			\$ 1,267,391	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Capital Improvements Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes - other	\$ -	\$ 1,490,000	\$ 2,034,052	\$ 544,052
Intergovernmental revenues	-	4,076,000	-	(4,076,000)
Charges for services	-	255,208	72,457	(182,751)
Investment income	-	11,819	40,659	28,840
Miscellaneous revenue	-	-	13,483	13,483
Total revenues	-	5,833,027	2,160,651	(3,672,376)
Expenditures:				
Capital outlay	6,437,890	6,437,890	2,028,075	4,409,815
Contingency	643,789	-	-	-
Total expenditures	7,081,679	6,437,890	2,028,075	4,409,815
Excess (deficiency) of revenues over expenditures	(6,437,890)	(604,863)	132,576	737,439
Other financing sources:				
Transfers in	-	325,000	775,054	450,054
Net change in fund balance	\$ (6,437,890)	\$ (279,863)	907,630	\$ 1,187,493
Fund balance – beginning of year			865,021	
Fund balance – end of year			\$ 1,772,651	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

2004B Bond Construction Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 108,000	\$ -	\$ (108,000)
Investment income	-	-	90,518	90,518
Miscellaneous	-	-	6,265	6,265
Total revenues	-	108,000	96,783	(11,217)
Expenditures:				
Current:				
General government	-	18,190	10,905	7,285
Net change in fund balance	\$ -	\$ 89,810	85,878	\$ (3,932)
Fund balance – beginning of year			1,841,906	
Fund balance – end of year			\$ 1,927,784	

CITY OF LAKE FOREST, ILLINOIS
 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 Route 60 Bridge Improvements Fund
 For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 20,000	\$ 35,856	\$ 15,856
Expenditures:				
Capital outlay	884,585	884,585	-	884,585
Contingency	88,459	-	-	-
Total expenditures	<u>973,044</u>	<u>884,585</u>	-	<u>884,585</u>
Net change in fund balance	<u>\$ (973,044)</u>	<u>\$ (864,585)</u>	35,856	<u>\$ 900,441</u>
Fund balance – beginning of year			<u>871,911</u>	
Fund balance – end of year			<u>\$ 907,767</u>	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Route 60 Intersection Improvements Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 5,000	\$ 7,190	\$ 2,190
Miscellaneous	-	-	766,942	766,942
Total revenues	-	5,000	774,132	769,132
Expenditures:				
Capital outlay	179,655	713,916	677,227	36,689
Contingency	17,966	-	-	-
Total expenditures	197,621	713,916	677,227	36,689
Net change in fund balance	\$ (197,621)	\$ (708,916)	96,905	\$ 805,821
Fund balance – beginning of year			161,520	
Fund balance – end of year			\$ 258,425	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Route 60 Academy Woods Improvements Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 10,000	\$ 6,599	\$ (3,401)
Expenditures:				
General government	-	-	180,903	(180,903)
Capital outlay	91,898	91,898	1,218	90,680
Contingency	9,190	-	-	-
Total expenditures	<u>101,088</u>	<u>91,898</u>	<u>182,121</u>	<u>(90,223)</u>
Net change in fund balance	<u>\$ (101,088)</u>	<u>\$ (81,898)</u>	<u>(175,522)</u>	<u>\$ (93,624)</u>
Fund balance – beginning of year			<u>175,522</u>	
Fund balance – end of year			<u>\$ -</u>	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Route 60 Park Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	1,750,000	1,084,496	665,504
Excess (deficiency) of revenues over expenditures	-	(1,750,000)	(1,084,496)	665,504
Other financing sources:				
Bond issuance	-	1,750,000	1,738,582	(11,418)
Net change in fund balance	\$ -	\$ -	654,086	\$ 654,086
Fund balance – beginning of year			-	
Fund balance – end of year			\$ 654,086	

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Route 60 Fitzmorris Improvements Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ 15,000	\$ 63,453	\$ 48,453
Miscellaneous revenue	-	-	50,000	50,000
Total revenues	-	15,000	113,453	98,453
Expenditures:				
General government	-	-	4,790	(4,790)
Capital outlay	1,535,777	1,535,777	-	1,535,777
Contingency	153,578	-	-	-
	1,689,355	1,535,777	4,790	1,530,987
Net change in fund balance	\$ (1,689,355)	\$ (1,520,777)	108,663	\$ 1,629,440
Fund balance – beginning of year			1,534,602	
Fund balance – end of year			\$ 1,643,265	

MAJOR ENTERPRISE FUNDS

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund accounts for the provision of water and sewer services to the residents of the City and some residents of the Village of Bannockburn and Delmar Woods Subdivision.

Paid Parking Fund

The Paid Parking Fund accounts for the operations of City-owned parking lots. Financing is provided by daily parking fees, sales of parking permits and the collection of parking fines.

CITY OF LAKE FOREST, ILLINOIS

Exhibit E-1

Schedule of Revenues, Expenses, and Nonoperating Revenues (Expenses)

Budget and Actual (Budgetary Basis)

Waterworks and Sewerage Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Operating revenues:				
Charges for services	\$ -	\$ 7,226,300	\$ 6,707,471	\$ (518,829)
Connection fees	-	345,000	172,294	(172,706)
Miscellaneous	-	122,600	14,174	(108,426)
Total operating revenues	-	7,693,900	6,893,939	(799,961)
Operating expenses:				
General and administrative	1,729,904	1,202,134	1,188,939	13,195
Operations and maintenance	6,194,731	5,609,853	3,433,024	2,176,829
Contingency	760,698	-	-	-
Total operating expenses	7,924,635	6,811,987	4,621,963	2,190,024
Nonoperating revenues (expenses):				
Investment income	250,000	250,000	453,868	203,868
Principal retirement	(1,230,000)	(1,230,000)	(1,230,000)	-
Interest expense	(1,165,991)	(1,165,991)	(1,176,553)	(10,562)
Total nonoperating revenues (expenses)	(2,145,991)	(2,145,991)	(1,952,685)	193,306

CITY OF LAKE FOREST, ILLINOIS

Exhibit E-2

Schedule of Revenues, Expenses, and Nonoperating Revenues (Expenses)

Budget and Actual (Budgetary Basis)

Paid Parking Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Operating revenues:				
Charges for services	\$ -	\$ 599,440	\$ 810,109	\$ 210,669
Miscellaneous	-	186,882	206,882	20,000
Total operating revenues	-	786,322	1,016,991	230,669
Operating expenses:				
General and administrative	3,491,622	161,622	153,486	8,136
Operations and maintenance	353,752	3,683,752	393,450	3,290,302
Contingency	399,962	-	-	-
Total operating expenses	3,845,374	3,845,374	546,936	3,298,438
Nonoperating revenues (expenses):				
Grants	-	2,560,000	-	(2,560,000)
Investment income	-	-	43,703	43,703
Principal retirement	(130,000)	(130,000)	(130,000)	-
Interest expense	(24,250)	(24,250)	(22,377)	1,873
Total nonoperating revenues (expenses)	(154,250)	2,405,750	(108,674)	(2,514,424)

NONMAJOR ENTERPRISE FUND

Deerpath Golf Course Fund

The Golf Fund accounts for the operations of the City golf course. Financing is provided by user charges from utilizing the golf course.

CITY OF LAKE FOREST, ILLINOIS
Statement of Net Assets
Nonmajor Enterprise Fund
April 30, 2008

Assets	Deerpath Golf Course Fund
Current assets:	
Cash and cash equivalents	\$ 691,417
Accounts receivable	3,674
Inventories	44,887
Prepaid items	22,783
Total current assets	<u>762,761</u>
Noncurrent assets:	
Deferred charges - bond issuance costs	<u>10,421</u>
Capital assets:	
Not being depreciated	95,517
Being depreciated, net of accumulated depreciation	<u>2,101,284</u>
Total capital assets, net	<u>2,196,801</u>
Total noncurrent assets	<u>2,207,222</u>
Total assets	<u>2,969,983</u>
Liabilities	
Current liabilities:	
Accounts payable	48,033
Accrued liabilities	32,782
Accrued interest payable	18,391
Unearned revenue	312,975
Current portion of long-term obligations:	
Accrued compensated absences	<u>1,633</u>
Total current liabilities	<u>413,814</u>
Noncurrent liabilities:	
General obligation bonds payable (net of unamortized discounts)	1,188,579
Accrued compensated absences	<u>45,718</u>
Total noncurrent liabilities	<u>1,234,297</u>
Total liabilities	<u>1,648,111</u>
Net Assets	
Invested in capital assets, net of related debt	1,008,222
Unrestricted	<u>313,650</u>
Total net assets	<u>\$ 1,321,872</u>

CITY OF LAKE FOREST, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Deerpath Golf Course Fund - Nonmajor Enterprise Fund

For the Year Ended April 30, 2008

Operating revenues:	
Charges for services	\$ 1,411,215
Miscellaneous	19,660
Total operating revenues	<u>1,430,875</u>
Operating expenses:	
General and administrative	869,763
Operations and maintenance	495,026
Depreciation and amortization	160,302
Total operating expenses	<u>1,525,091</u>
Operating loss	<u>(94,216)</u>
Nonoperating revenues (expenses):	
Investment income	28,262
Interest expense	(47,999)
	<u>(19,737)</u>
Loss before transfers	(113,953)
Transfers in	<u>2,931</u>
Change in net assets	(111,022)
Net assets – beginning of year	<u>1,432,894</u>
Net assets – end of year	<u>\$ 1,321,872</u>

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows
Nonmajor Enterprise Fund
For the Year Ended April 30, 2008

	Deerpath Golf Course Fund
<hr/>	
Cash flows from operating activities:	
Receipts from customers	\$ 1,423,834
Receipts from miscellaneous revenue	19,660
Payments to suppliers	(712,065)
Payments to employees	(629,107)
Net cash provided by operating activities	<u>102,322</u>
Cash flows from noncapital financing activities:	
Transfer from other funds	<u>2,931</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(34,502)
Principal paid on capital debt	(70,000)
Interest paid on capital debt	(48,431)
Net cash used in capital and related financing activities	<u>(152,933)</u>
Cash flows from investing activities:	
Interest and dividends received	<u>28,262</u>
Decrease in cash and cash equivalents	(19,418)
Cash and cash equivalents – beginning of year	<u>710,835</u>
Cash and cash equivalents – end of year	<u><u>\$ 691,417</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (94,216)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	160,302
Changes in assets and liabilities:	
Accounts receivable	2,491
Other assets	(1,036)
Accounts payable	160
Accrued liabilities	10,345
Unearned revenue	10,128
Compensated absences	14,148
Total adjustments	<u>196,538</u>
Net cash provided by operating activities	<u><u>\$ 102,322</u></u>

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenses, and Nonoperating Revenues (Expenses) and Transfers

Budget and Actual (Budgetary Basis)

Deerpath Golf Course Fund - Nonmajor Enterprise Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
Operating revenues:				
Charges for services	\$ -	\$ 1,431,652	\$ 1,411,215	\$ (20,437)
Miscellaneous	-	20,000	19,660	(340)
Total operating revenues	-	1,451,652	1,430,875	(20,777)
Operating expenses:				
General and administrative	819,827	819,827	869,763	(49,936)
Operations and maintenance	521,443	521,443	495,026	26,417
Contingency	146,317	-	-	-
Total operating expenses	1,487,587	1,341,270	1,364,789	(23,519)
Nonoperating revenues (expenses):				
Investment income	9,000	9,000	28,262	19,262
Principal retirement	(70,000)	(70,000)	(70,000)	-
Interest expense	(51,895)	(51,895)	(47,999)	3,896
	(112,895)	(112,895)	(89,737)	23,158
Transfers in	2,281	2,281	2,931	650

INTERNAL SERVICE FUNDS

Fleet Fund

The Fleet 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 itself is acquired by the various user departments.

Self Insurance Fund

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

CITY OF LAKE FOREST, ILLINOIS
 Combining Statement of Net Assets
 Internal Service Funds
 April 30, 2008

Assets	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Current assets:			
Cash and cash equivalents	\$ 105,591	\$ 3,925,965	\$ 4,031,556
Other receivables	4,966	-	4,966
Inventories	121,142	-	121,142
Total current assets	231,699	3,925,965	4,157,664
Liabilities			
Current liabilities:			
Accounts payable	11,815	233,304	245,119
Accrued liabilities	23,246	438,735	461,981
Due to other funds	-	17,914	17,914
Current portion of long-term obligations:			
Accrued compensated absences	1,675	-	1,675
Total current liabilities	36,736	689,953	726,689
Noncurrent liabilities:			
Accrued compensated absences	31,833	-	31,833
Total liabilities	68,569	689,953	758,522
Net Assets			
Total net assets – unrestricted	\$ 163,130	\$ 3,236,012	\$ 3,399,142

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended April 30, 2008

	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 1,343,042	\$ 4,094,906	\$ 5,437,948
Operating expenses:			
General and administrative	1,419,791	3,489,649	4,909,440
Operating income (loss)	(76,749)	605,257	528,508
Nonoperating revenues:			
Investment income	9,637	88,954	98,591
Increase (decrease) in net assets before transfers	(67,112)	694,211	627,099
Transfers in	3,422	-	3,422
Change in net assets	(63,690)	694,211	630,521
Net assets – beginning of year	226,820	2,541,801	2,768,621
Net assets – end of year	\$ 163,130	\$ 3,236,012	\$ 3,399,142

CITY OF LAKE FOREST, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2008

	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 1,348,255	\$ 4,121,021	\$ 5,469,276
Payments to suppliers	(977,936)	(3,291,471)	(4,269,407)
Payments to employees	(444,858)	-	(444,858)
Net cash provided by (used in) operating activities	<u>(74,539)</u>	<u>829,550</u>	<u>755,011</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	<u>3,422</u>	<u>-</u>	<u>3,422</u>
Cash flows from investing activities:			
Interest and dividends received	<u>9,637</u>	<u>88,954</u>	<u>98,591</u>
Increase (decrease) in cash and cash equivalents	(61,480)	918,504	857,024
Cash and cash equivalents – beginning of year	<u>167,071</u>	<u>3,007,461</u>	<u>3,174,532</u>
Cash and cash equivalents – end of year	<u>\$ 105,591</u>	<u>\$ 3,925,965</u>	<u>\$ 4,031,556</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (76,749)	\$ 605,257	\$ 528,508
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Accounts receivable	5,213	20,764	25,977
Other assets	(32,703)	5,351	(27,352)
Accounts payable	9,839	14,404	24,243
Accrued liabilities	8,685	165,860	174,545
Compensated absences	11,176	-	11,176
Other liabilities	-	17,914	17,914
Total adjustments	<u>2,210</u>	<u>224,293</u>	<u>226,503</u>
Net cash provided by (used in) operating activities	<u>\$ (74,539)</u>	<u>\$ 829,550</u>	<u>\$ 755,011</u>

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenses, Nonoperating Revenues and Transfers

Budget and Actual (Budgetary Basis)

Fleet Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
<hr/>				
Operating revenues:				
Charges for services	\$ -	\$ 1,336,157	\$ 1,343,042	\$ 6,885
<hr/>				
Operating expenses:				
General and administrative	1,348,237	1,348,237	1,419,791	(71,554)
Contingency	134,824	-	-	-
Total operating expenses	<hr/> 1,483,061	<hr/> 1,348,237	<hr/> 1,419,791	<hr/> (71,554)
<hr/>				
Nonoperating revenues:				
Investment income	-	4,000	9,637	5,637
<hr/>				
Transfers in	-	3,422	3,422	-
<hr/>				

CITY OF LAKE FOREST, ILLINOIS

Schedule of Revenues, Expenses and Nonoperating Revenues

Budget and Actual (Budgetary Basis)

Self Insurance Fund

For the Year Ended April 30, 2008

	Original and Final Appropriations	Final Budget	Actual Amounts	Variance with Final Budget
<hr/>				
Operating revenues:				
Charges for services	\$ -	\$ 3,855,600	\$ 4,094,906	\$ 239,306
<hr/>				
Operating expenses:				
General and administrative	3,465,000	3,465,000	3,489,649	(24,649)
Contingency	346,500	-	-	-
	<hr/> 3,811,500	<hr/> 3,465,000	<hr/> 3,489,649	<hr/> (24,649)
<hr/>				
Nonoperating revenues:				
Investment income	-	108,000	88,954	19,046
<hr/>				

FIDUCIARY FUNDS

Pension Trust Funds

Police Pension Fund

The Police Pension 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 the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Fire Pension Fund

The Fire Pension 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 the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Private Purpose Trust Fund

Cemetery Trust Fund - The Cemetery Trust Fund accounts for monies provided by private donations.

The investment earnings are expended for the operations of the cemetery. These statements are included in Exhibits A-10 and A-11.

Agency Fund

Special Assessment Fund - The Special Assessment Fund is used to account for the collection of special assessments of property owners and payments of related special assessment liabilities. The City does not have any outstanding special assessments. The cash balance is unclaimed rebated special assessments.

CITY OF LAKE FOREST, ILLINOIS
 Combining Statement of Fiduciary Net Assets
 Pension Trust Funds
 April 30, 2008

Assets	Police Pension Fund	Fire Pension Fund	Total
Cash and cash equivalents	\$ 113,290	\$ 427,994	\$ 541,284
Investments:			
U.S. Treasury obligations	7,400,366	7,095,918	14,496,284
U.S. Government agencies	3,644,956	9,167,570	12,812,526
Common stock	1,477,357	-	1,477,357
Equity mutual funds	6,368,568	6,190,470	12,559,038
Other receivables	5,589	90,056	95,645
Prepaid items	3,629	-	3,629
Total assets	19,013,755	22,972,008	41,985,763
Liabilities			
Accounts payable	9,145	14,295	23,440
Net Assets			
Held in trust for pension benefits	\$ 19,004,610	\$ 22,957,713	\$ 41,962,323

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

For the Year Ended April 30, 2008

	Police Pension Fund	Fire Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 928,718	\$ 610,671	\$ 1,539,389
Employee	322,055	285,551	607,606
Total contributions	<u>1,250,773</u>	<u>896,222</u>	<u>2,146,995</u>
Interest income	182,385	878,408	1,060,793
Net appreciation in fair value of investments	335,597	322,395	657,992
Less investment expenses	(91,079)	(88,631)	(179,710)
Net investment income	<u>426,903</u>	<u>1,112,172</u>	<u>1,539,075</u>
Total additions	<u>1,677,676</u>	<u>2,008,394</u>	<u>3,686,070</u>
Deductions:			
Pension benefits and refunds	1,324,709	1,102,831	2,427,540
Other administrative expenses	5,001	-	5,001
	<u>1,329,710</u>	<u>1,102,831</u>	<u>2,432,541</u>
Change in net assets	347,966	905,563	1,253,529
Net assets held in trust at beginning of year	<u>18,656,644</u>	<u>22,052,150</u>	<u>40,708,794</u>
Net assets held in trust at end of year	<u>\$ 19,004,610</u>	<u>\$ 22,957,713</u>	<u>\$ 41,962,323</u>

CITY OF LAKE FOREST, ILLINOIS
 Statement of Changes in Assets and Liabilities
 Agency Fund - Special Assessment Fund
 For the Year Ended April 30, 2008

	Balance, May 1	Additions	Deductions	Balance, April 30
Assets				
Cash and cash equivalents	\$ 60,174	\$ -	\$ -	\$ 60,174
Liabilities				
Amounts held in trust for special assessment districts	\$ 60,174	\$ -	\$ -	\$ 60,174

Police Pension Fund
 Schedule of Changes in Fiduciary Net Assets - Budget and Actual
 For the Year Ended April 30, 2008

	Original/Final Appropriations	Final Budget	Actual	Variance with Final Budget
Additions				
Contributions				
Employer	\$ -	\$ 923,388	\$ 928,718	\$ 5,330
Employee	-	330,000	322,055	(7,945)
	-	1,253,388	1,250,773	(2,615)
Interest income	-	600,000	182,385	(417,615)
Net appreciation in fair value of investments	-	-	335,597	335,597
Less investment expense	-	(103,000)	(91,079)	11,921
	-	497,000	426,903	(70,097)
Total additions	-	1,750,388	1,677,676	(72,712)
Deductions				
Pension benefits and refunds	1,260,000	1,157,000	1,324,709	(167,709)
Other administrative expenses	159,200	159,200	5,001	154,199
Contingency	141,920	-	-	-
Total deductions	1,561,120	1,316,200	1,329,710	(13,510)
Change in net assets	<u>\$ (1,561,120)</u>	<u>\$ 434,188</u>	347,966	<u>\$ (86,222)</u>
Net assets held in trust at beginning of year			18,656,644	
Net assets held in trust at end of year			<u>\$ 19,004,610</u>	

Fire Pension Fund
 Schedule of Changes in Fiduciary Net Assets - Budget and Actual
 For the Year Ended April 30, 2008

	Original/Final Appropriations	Final Budget	Actual	Variance with Final Budget
Additions				
Contributions				
Employer	\$ -	\$ 612,241	\$ 610,671	\$ (1,570)
Employee	-	260,000	285,551	25,551
	-	872,241	896,222	23,981
Interest income	-	700,000	878,408	178,408
Net appreciation in fair value of investments	-	-	322,395	322,395
Less investment expense	-	(68,000)	(88,631)	(20,631)
	-	632,000	1,112,172	480,172
Total additions	-	1,504,241	2,008,394	504,153
Deductions				
Pension benefits and refunds	960,000	960,000	1,102,831	(142,831)
Other administrative expenses	104,200	36,200	-	36,200
Contingency	106,420	-	-	-
Total deductions	1,170,620	996,200	1,102,831	(106,631)
Change in net assets	<u>\$ (1,170,620)</u>	<u>\$ 508,041</u>	905,563	<u>\$ 397,522</u>
Net assets held in trust at beginning of year			22,052,150	
Net assets held in trust at end of year			<u>\$ 22,957,713</u>	

DISCRETELY PRESENTED COMPONENT UNIT

Lake Forest Library

General Fund

The General 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, ILLINOIS

Discretely Presented Component Unit – Lake Forest Library

Statement of Net Assets and General Fund Balance Sheet

April 30, 2008

Assets	General Fund	Adjustments	Statement of Net Assets
Cash and cash equivalents	\$ 2,091,084	\$ -	\$ 2,091,084
Receivables (net of allowance for uncollectibles):			
Property taxes	3,097,701	-	3,097,701
Other taxes	6,650	-	6,650
Total receivables	<u>3,104,351</u>	<u>-</u>	<u>3,104,351</u>
Capital assets (net):			
Capital assets not depreciated	-	200,117	200,117
Capital assets depreciated (net)	-	2,445,305	2,445,305
Total assets	<u>\$ 5,195,435</u>	<u>\$ 2,645,422</u>	<u>\$ 7,840,857</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 7,972	\$ -	\$ 7,972
Accrued liabilities	78,890	-	78,890
Unearned revenue – property taxes	3,097,701	-	3,097,701
Long-term obligations:			
Due within one year	-	140,207	140,207
Due in more than one year	-	34,681	34,681
Total Liabilities	<u>3,184,563</u>	<u>174,888</u>	<u>3,359,451</u>
Fund Balance/Net Assets:			
Fund balance:			
Designated for capital additions	900,000	(900,000)	-
Unreserved – undesignated	1,110,872	(1,110,872)	-
Net assets:			
Invested in capital assets	-	2,606,063	2,606,063
Unrestricted	-	1,875,343	1,875,343
Total fund balance/net assets	<u>2,010,872</u>	<u>2,470,534</u>	<u>4,481,406</u>
Total liabilities and fund balance/net assets	<u>\$ 5,195,435</u>	<u>\$ 2,645,422</u>	<u>\$ 7,840,857</u>

CITY OF LAKE FOREST, ILLINOIS

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, 2008

Revenues	General Fund	Adjustments	Statement of Activities
Taxes:			
Property	\$ 3,018,737	\$ -	\$ 3,018,737
Other	24,684	-	24,684
Charges for services	16,670	-	16,670
Intergovernmental – per capita grant	24,285	-	24,285
Fines	50,052	-	50,052
Net investment income	107,390	-	107,390
Other	30,218	-	30,218
Total revenues	<u>3,272,036</u>	<u>-</u>	<u>3,272,036</u>
Expenditures/Expenses			
Current:			
Library Services:			
Personnel services	1,852,717	1,359	1,854,076
Other	730,554	88,366	818,920
Library Building:			
Personnel services	126,106	-	126,106
Other	92,530	77,529	170,059
Capital outlay:			
Capital equipment	34,364	(34,364)	-
Capital improvements	134,553	(134,553)	-
Debt service:			
Principal retirement	29,913	(29,913)	-
Interest	544	-	544
Total expenditures/expenses	<u>3,001,281</u>	<u>(31,576)</u>	<u>2,969,705</u>
Net change in fund balance	270,755	31,576	302,331
Fund balance/net assets – beginning of year	1,740,117	2,438,958	4,179,075
Fund balance/net assets – end of year	<u>\$ 2,010,872</u>	<u>\$ 2,470,534</u>	<u>\$ 4,481,406</u>

CITY OF LAKE FOREST, ILLINOIS

Summary of Debt Service Requirements to Maturity

April 30, 2008

Fiscal year	General Obligation Bonds
2009	\$ 5,967,747
2010	6,041,219
2011	5,969,542
2012	5,081,422
2013	4,840,172
2014	4,293,101
2015	4,296,328
2016	4,129,996
2017	4,134,246
2018	4,142,178
2019	4,117,575
2020	4,150,465
2021	3,970,785
2022	3,812,072
2023	3,816,427
2024	2,901,736
2025	627,169
2026	626,919
2027	625,919
2028	628,444
	\$ 74,173,461

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity – General Obligation Bonds

April 30, 2008

Fiscal year	1997 Series B General Obligation Bonds		1998 Series A General Obligation Bonds		1998 Series B General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 135,000	\$ 18,060	\$ 135,000	\$ 5,130	\$ 595,000	\$ 22,610
2010	140,000	12,255	-	-	-	-
2011	145,000	6,235	-	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	<u>\$ 420,000</u>	<u>\$ 36,550</u>	<u>\$ 135,000</u>	<u>\$ 5,130</u>	<u>\$ 595,000</u>	<u>\$ 22,610</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2008

Fiscal Year	1999 Series General Obligation Bonds		2000 Series General Obligation Bonds		2001A Series General Obligation Bonds		2001B Series General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 110,000	\$ 44,585	\$ 500,000	\$ 128,912	\$ 550,000	\$ 17,875	\$ 100,000	\$ 13,900
2010	115,000	39,250	550,000	105,413	-	-	100,000	10,500
2011	120,000	33,558	575,000	79,562	-	-	100,000	7,000
2012	125,000	27,558	600,000	52,250	-	-	100,000	3,500
2013	130,000	21,307	500,000	23,750	-	-	-	-
2014	140,000	14,678	-	-	-	-	-	-
2015	145,000	7,467	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
	<u>\$ 885,000</u>	<u>\$ 188,403</u>	<u>\$ 2,725,000</u>	<u>\$ 389,887</u>	<u>\$ 550,000</u>	<u>\$ 17,875</u>	<u>\$ 400,000</u>	<u>\$ 34,900</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2008

Fiscal year	2002 Series A Obligation Bonds		2003 Series A Obligation Bonds		2003 Series C Obligation Bonds		2003 Series D Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 615,000	\$ 1,052,493	\$ 850,000	\$ 69,700	\$ 100,000	\$ 54,808	\$ 200,000	\$ 46,300
2010	1,210,000	1,031,736	925,000	48,450	100,000	52,558	200,000	42,300
2011	1,250,000	983,336	975,000	24,862	100,000	49,858	200,000	37,500
2012	1,295,000	933,336	-	-	110,000	46,808	200,000	32,100
2013	1,350,000	881,536	-	-	115,000	43,398	200,000	26,000
2014	1,400,000	827,536	-	-	120,000	39,718	200,000	19,800
2015	1,455,000	771,536	-	-	125,000	35,758	200,000	13,400
2016	1,520,000	713,336	-	-	125,000	31,508	200,000	6,800
2017	1,585,000	649,496	-	-	130,000	27,133	-	-
2018	1,655,000	582,134	-	-	135,000	22,453	-	-
2019	1,725,000	509,728	-	-	140,000	17,390	-	-
2020	1,810,000	432,102	-	-	145,000	12,000	-	-
2021	1,895,000	350,653	-	-	155,000	6,200	-	-
2022	1,980,000	261,588	-	-	-	-	-	-
2023	2,085,000	167,538	-	-	-	-	-	-
2024	1,370,000	68,500	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
	<u>\$ 24,200,000</u>	<u>\$ 10,216,584</u>	<u>\$ 2,750,000</u>	<u>\$ 143,012</u>	<u>\$ 1,600,000</u>	<u>\$ 439,590</u>	<u>\$ 1,600,000</u>	<u>\$ 224,200</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2008

Fiscal year	Special Service Area 25 Tax Bonds		Special Service Area 26 Tax Bonds		2004 Series A Obligation Bonds		2004 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 45,000	\$ 32,940	\$ 11,786	\$ 9,929	\$ -	\$ 48,325	\$ 100,000	\$ 197,025
2010	50,000	31,793	12,127	9,588	45,000	48,325	125,000	193,525
2011	50,000	30,342	12,509	9,206	50,000	46,750	125,000	189,150
2012	50,000	28,818	12,947	8,768	75,000	45,000	150,000	184,775
2013	55,000	27,217	13,433	8,282	75,000	42,375	150,000	179,525
2014	55,000	25,375	13,963	7,752	75,000	39,375	150,000	174,275
2015	55,000	23,478	14,522	7,193	75,000	36,375	175,000	169,025
2016	60,000	21,525	15,117	6,598	75,000	33,375	175,000	162,725
2017	60,000	19,335	15,767	5,948	75,000	30,375	400,000	156,250
2018	60,000	17,085	16,461	5,253	75,000	27,375	425,000	141,050
2019	65,000	14,775	17,202	4,513	75,000	24,375	425,000	124,475
2020	65,000	12,207	17,993	3,721	100,000	21,375	450,000	107,475
2021	70,000	9,575	18,839	2,876	100,000	17,250	475,000	89,025
2022	75,000	6,600	19,746	1,971	100,000	13,000	500,000	69,075
2023	75,000	3,338	20,700	1,014	100,000	8,750	525,000	47,575
2024	-	-	-	-	100,000	4,375	550,000	24,475
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
	<u>\$ 890,000</u>	<u>\$ 304,403</u>	<u>\$ 233,112</u>	<u>\$ 92,612</u>	<u>\$ 1,195,000</u>	<u>\$ 486,775</u>	<u>\$ 4,900,000</u>	<u>\$ 2,209,425</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2008

Fiscal year	Special Service Area 29 Tax Bonds		Series 2008 Tax Bonds		Total requirements		Total
	Principal	Interest			Principal	Interest	
2009	\$ 81,229	\$ 77,140	\$ -	\$ -	\$ 4,128,015	\$ 1,839,732	\$ 5,967,747
2010	83,868	74,500	110,000	575,031	3,765,995	2,275,224	6,041,219
2011	86,804	71,564	270,000	341,306	4,059,313	1,910,229	5,969,542
2012	89,929	68,439	510,000	332,194	3,317,876	1,763,546	5,081,422
2013	93,301	65,067	525,000	314,981	3,206,734	1,633,438	4,840,172
2014	96,986	61,380	535,000	297,263	2,785,949	1,507,152	4,293,101
2015	100,914	57,454	550,000	279,206	2,895,436	1,400,892	4,296,328
2016	105,102	53,266	565,000	260,644	2,840,219	1,289,777	4,129,996
2017	109,569	48,798	580,000	241,575	2,955,336	1,178,910	4,134,246
2018	114,335	44,032	600,000	222,000	3,080,796	1,061,382	4,142,178
2019	119,423	38,944	615,000	201,750	3,181,625	935,950	4,117,575
2020	124,857	33,510	635,000	180,225	3,347,850	802,615	4,150,465
2021	130,663	27,704	465,000	158,000	3,309,502	661,283	3,970,785
2022	136,869	21,498	485,000	141,725	3,296,615	515,457	3,812,072
2023	143,508	14,860	500,000	124,144	3,449,208	367,219	3,816,427
2024	150,611	7,756	520,000	106,019	2,690,611	211,125	2,901,736
2025	-	-	540,000	87,169	540,000	87,169	627,169
2026	-	-	560,000	66,919	560,000	66,919	626,919
2027	-	-	580,000	45,919	580,000	45,919	625,919
2028	-	-	605,000	23,444	605,000	23,444	628,444
	<u>\$ 1,767,968</u>	<u>\$ 765,912</u>	<u>\$ 9,750,000</u>	<u>\$ 3,999,513</u>	<u>\$ 54,596,080</u>	<u>\$ 19,577,381</u>	<u>\$ 74,173,461</u>

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1997 Series B

April 30, 2008

Date of issue: October 16, 1998
 Date of maturity: December 15, 2010
 Authorized issue: \$ 1,500,000
 Denomination of bonds: \$ 1,000
 Interest rate: 4.25-4.30%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually

<u>on December 15</u>	<u>Amount</u>
2008	\$ 135,000
2009	140,000
2010	145,000
	<u>\$ 420,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 135,000	\$ 18,060	\$ 153,060	2008	\$ 9,030	2008	\$ 9,030
2008	140,000	12,255	152,255	2009	6,128	2009	6,127
2009	145,000	6,235	151,235	2010	3,118	2010	3,117
	<u>\$ 420,000</u>	<u>\$ 36,550</u>	<u>\$ 456,550</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1998 Series A

April 30, 2008

Date of issue: December 7, 1998
 Date of maturity: December 15, 2008
 Authorized issue: \$ 3,600,000
 Denomination of bonds: \$ 1,000
 Interest rate: 3.70-3.80%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

**Redeemable annually
 on December 15**

2008

Amount

\$ 135,000

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 135,000	\$ 5,130	\$ 140,130	2008	\$ 2,565	2008	\$ 2,565

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1998 Series B

April 30, 2008

Date of issue: December 7, 1998
 Date of maturity: December 15, 2008
 Authorized issue: \$ 5,000,000
 Denomination of bonds: \$ 1,000
 Interest rate: 3.70-3.80%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually

on December 15

2008

Amount

\$ 595,000

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 595,000	\$ 22,610	\$ 617,610	2007	\$ 11,305	2007	\$ 11,305

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1999 Series

April 30, 2008

Date of issue: November 1, 1999
 Date of maturity: December 15, 2014
 Authorized issue: \$ 1,600,000
 Denomination of bonds: \$ 1,000
 Interest rate: 4.70-5.15%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

**Redeemable annually
 on December 15**

	Amount
2008	\$ 110,000
2009	115,000
2010	120,000
2011	125,000
2012	130,000
2013	140,000
2014	145,000
	<u>\$ 885,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 110,000	\$ 44,585	\$ 154,585	2008	\$ 22,293	2008	\$ 22,292
2008	115,000	39,250	154,250	2009	19,625	2009	19,625
2009	120,000	33,558	153,558	2010	16,779	2010	16,779
2010	125,000	27,558	152,558	2011	13,779	2011	13,778
2011	130,000	21,307	151,307	2012	10,654	2012	10,653
2012	140,000	14,678	154,678	2013	7,339	2013	7,338
2013	145,000	7,467	152,467	2014	3,734	2014	3,733
	<u>\$ 885,000</u>	<u>\$ 188,403</u>	<u>\$ 1,073,403</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2000 Series

April 30, 2008

Date of issue: November 16, 2000
 Date of maturity: December 15, 2012
 Authorized issue: \$ 5,000,000
 Denomination of bonds: \$ 1,000
 Interest rate: 4.65-4.75%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

**Redeemable annually
 on December 15**

Amount

2008	\$ 500,000
2009	550,000
2010	575,000
2011	600,000
2012	500,000
	<u>\$ 2,725,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 500,000	\$ 128,912	\$ 628,912	2008	\$ 64,456	2008	\$ 64,456
2008	550,000	105,413	655,413	2009	52,706	2009	52,707
2009	575,000	79,562	654,562	2010	39,781	2010	39,781
2010	600,000	52,250	652,250	2011	26,125	2011	26,125
2011	500,000	23,750	523,750	2012	11,875	2012	11,875
	<u>\$ 2,725,000</u>	<u>\$ 389,887</u>	<u>\$ 3,114,887</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2001 Series A

April 30, 2008

Date of issue: November 15, 2001
 Date of maturity: December 15, 2008
 Authorized issue: \$ 4,000,000
 Denomination of bonds: \$ 5,000
 Interest rate: 2.05-3.25%
 Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually

on December 15

2008

Amount

\$ 550,000

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 550,000	\$ 17,875	\$ 567,875	2008	\$ 8,937	2008	\$ 8,938

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2001 Series B

April 30, 2008

Date of issue: November 15, 2001
 Date of maturity: December 15, 2011
 Authorized issue: \$ 1,000,000
 Denomination of bonds: \$ 5,000
 Interest rate: 3.125-3.500%

Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually

<u>on December 15</u>	<u>Amount</u>
2008	\$ 100,000
2009	100,000
2010	100,000
2011	100,000
	<u>\$ 400,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 100,000	\$ 13,900	\$ 113,900	2008	\$ 6,850	2008	\$ 6,850
2008	100,000	10,500	110,500	2009	5,250	2009	5,250
2009	100,000	7,000	107,000	2010	3,500	2010	3,500
2010	100,000	3,500	103,500	2011	1,750	2011	1,750
	<u>\$ 400,000</u>	<u>\$ 34,900</u>	<u>\$ 434,900</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2002 Series A

April 30, 2008

Date of issue: August 5, 2002
 Date of maturity: December 15, 2023
 Authorized issue: \$ 26,000,000
 Denomination of bonds: \$ 5,000
 Interest rate: 3.00-5.00%

Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually

<u>on December 15</u>	<u>Amount</u>
2008	\$ 615,000
2009	1,210,000
2010	1,250,000
2011	1,295,000
2012	1,350,000
Thereafter	18,480,000
	<u>\$ 24,200,000</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>
2007	\$ 615,000	\$ 1,052,493	\$ 1,667,493	2008	\$ 526,246	2008	\$ 526,247
2008	1,210,000	1,031,736	2,241,736	2009	515,868	2009	515,868
2009	1,250,000	983,336	2,233,336	2009	491,668	2009	491,668
2010	1,295,000	933,336	2,228,336	2010	466,668	2010	466,668
2011	1,350,000	881,536	2,231,536	2011	440,768	2011	440,768
Thereafter	18,480,000	5,334,147	23,814,147	Thereafter	2,667,074	Thereafter	2,667,074
	<u>\$ 24,200,000</u>	<u>\$ 10,216,584</u>	<u>\$ 34,416,584</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2003 Series A

April 30, 2008

Date of issue: January 6, 2003
 Date of maturity: December 15, 2010
 Authorized issue: \$ 4,250,000
 Denomination of bonds: \$ 5,000
 Interest rate: 2.50-2.55%

Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

Redeemable annually on December 15		Amount
2008	\$	850,000
2009		925,000
2010		975,000
	\$	<u>2,750,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 850,000	\$ 69,700	\$ 919,700	2008	\$ 34,850	2008	\$ 34,850
2008	925,000	48,450	973,450	2009	24,225	2009	24,225
2009	975,000	24,862	999,862	2010	12,431	2010	12,431
	<u>\$ 2,750,000</u>	<u>\$ 143,012</u>	<u>\$ 2,893,012</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2003 Series C

April 30, 2008

Date of issue: May 5, 2003
 Date of maturity: December 15, 2020
 Authorized issue: \$ 2,000,000
 Denomination of bonds: \$ 5,000
 Interest rate: 1.55-4.00%

Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

**Redeemable annually
on December 15**

	Amount
2008	\$ 100,000
2009	100,000
2010	100,000
2011	110,000
2012	115,000
Thereafter	1,075,000
	<u>\$ 1,600,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 100,000	\$ 54,808	\$ 154,808	2008	\$ 27,404	2008	\$ 27,404
2008	100,000	52,558	152,558	2009	26,279	2009	26,279
2009	100,000	49,858	149,858	2010	24,929	2010	24,929
2010	110,000	46,808	156,808	2011	23,404	2011	23,404
	115,000	43,398	158,398	2012	21,699	2012	21,699
Thereafter	1,075,000	192,160	1,267,160	Thereafter	96,080	Thereafter	96,080
	<u>\$ 1,600,000</u>	<u>\$ 439,590</u>	<u>\$ 2,039,590</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2003 Series D
 April 30, 2008

Date of issue: May 5, 2003
 Date of maturity: December 15, 2015
 Authorized issue: \$ 2,350,000
 Denomination of bonds: \$ 5,000
 Interest rate: 1.25-3.40%

Interest dates: June 15 and December 15
 Payable at: The Bank of New York Mellon
 Dallas, Texas

**Redeemable annually
 on December 15**

	Amount
2008	\$ 200,000
2009	200,000
2010	200,000
2011	200,000
2012	200,000
Thereafter	600,000
	<u>\$ 1,600,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 200,000	\$ 46,300	\$ 246,300	2008	\$ 23,150	2008	\$ 23,150
2008	200,000	42,300	242,300	2009	21,150	2009	21,150
2009	200,000	37,500	237,500	2010	18,750	2010	18,750
2010	200,000	32,100	232,100	2011	16,050	2011	16,050
2011	200,000	26,000	226,000	2012	13,000	2012	13,000
Thereafter	600,000	40,000	640,000	Thereafter	20,000	Thereafter	20,000
	<u>\$ 1,600,000</u>	<u>\$ 224,200</u>	<u>\$ 1,824,200</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2008

Date of issue: May 1, 2003
 Date of maturity: December 15, 2022
 Authorized issue: \$ 1,050,000
 Denomination of bonds: \$ 5,000
 Interest rate: 1.15-4.45%

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

**Redeemable annually
 on December 15**

	Amount
2008	\$ 45,000
2009	50,000
2010	50,000
2011	50,000
2012	55,000
Thereafter	640,000
	<u>\$ 890,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 45,000	\$ 32,940	\$ 77,940	2008	\$ 16,470	2008	\$ 16,470
2008	50,000	31,793	81,793	2009	15,897	2009	15,896
2009	50,000	30,342	80,342	2009	15,171	2009	15,171
2010	50,000	28,818	78,818	2010	14,409	2010	14,409
2011	55,000	27,217	82,217	2011	13,609	2011	13,609
Thereafter	640,000	153,293	793,293	Thereafter	76,647	Thereafter	76,647
	<u>\$ 890,000</u>	<u>\$ 304,403</u>	<u>\$ 1,194,403</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2008

Date of issue: October 7, 2003
 Date of maturity: December 15, 2022
 Authorized issue: \$ 276,500
 Interest rate: 1.40-4.90%

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

**Redeemable annually
 on December 15**

	Amount
2008	\$ 11,786
2009	12,127
2010	12,509
2011	12,947
2012	13,433
Thereafter	170,310
	<u>\$ 233,112</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 11,786	\$ 9,929	\$ 21,715	2008	\$ 4,964	2008	\$ 4,964
2008	12,127	9,588	21,715	2009	4,794	2009	4,794
2009	12,509	9,206	21,715	2010	4,603	2010	4,603
2010	12,947	8,768	21,715	2011	4,384	2011	4,384
2011	13,433	8,282	21,715	2012	4,141	2012	4,141
Thereafter	170,310	46,839	217,149	Thereafter	23,420	Thereafter	23,420
	<u>\$ 233,112</u>	<u>\$ 92,612</u>	<u>\$ 325,724</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2004 Series A

April 30, 2008

Date of issue: September 15, 2004
 Date of maturity: December 15, 2023
 Authorized issue: \$ 1,195,000
 Interest rate: 3.50-4.375%

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

Redeemable annually on December 15	Amount
2008	\$ -
2009	45,000
2010	50,000
2011	75,000
2012	75,000
Thereafter	950,000
	<u>\$ 1,195,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ -	\$ 48,325	\$ 48,325	2008	\$ 24,163	2008	\$ 24,162
2008	45,000	48,325	93,325	2009	24,163	2009	24,162
2009	50,000	46,750	96,750	2010	23,375	2010	23,374
2010	75,000	45,000	120,000	2011	22,500	2011	22,500
2011	75,000	42,375	117,375	2012	21,188	2012	21,188
Thereafter	950,000	256,000	1,206,000	Thereafter	128,000	Thereafter	128,000
	<u>\$ 1,195,000</u>	<u>\$ 486,775</u>	<u>\$ 1,681,775</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2004 Series B

April 30, 2008

Date of issue: September 15, 2004
 Date of maturity: December 15, 2023
 Authorized issue: \$ 5,200,000
 Interest rate: 3.50-4.45%

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

**Redeemable annually
 on December 15**

	<u>Amount</u>
2008	\$ 100,000
2009	125,000
2010	125,000
2011	150,000
2012	150,000
Thereafter	4,250,000
	<u>\$ 4,900,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 100,000	\$ 197,025	\$ 297,025	2008	\$ 98,513	2008	\$ 98,512
2008	125,000	193,525	318,525	2009	96,763	2009	96,762
2009	125,000	189,150	314,150	2010	94,575	2010	94,574
2010	150,000	184,775	334,775	2011	92,388	2011	92,388
2011	150,000	179,525	329,525	2012	89,763	2012	89,763
Thereafter	4,250,000	1,265,425	5,515,425	Thereafter	632,713	Thereafter	632,713
	<u>\$ 4,900,000</u>	<u>\$ 2,209,425</u>	<u>\$ 7,109,425</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2008

Date of issue: December 20, 2004
 Date of maturity: December 15, 2023
 Authorized issue: \$ 2,000,000
 Interest rate: 2.45-5.15%

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

Redeemable annually on December 15	Amount
2008	\$ 81,229
2009	83,868
2010	86,804
2011	89,929
2012	93,301
Thereafter	1,332,837
	<u>\$ 1,767,968</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2007	\$ 81,229	\$ 77,140	\$ 158,369	2008	\$ 38,570	2008	\$ 38,570
2008	83,868	74,500	158,368	2009	37,250	2009	37,250
2009	86,804	71,564	158,368	2010	35,782	2010	35,782
2010	89,929	68,439	158,368	2011	34,220	2011	34,220
2011	93,301	65,067	158,368	2012	32,534	2012	32,534
Thereafter	1,332,837	409,202	1,742,039	Thereafter	204,601	Thereafter	204,601
	<u>\$ 1,767,968</u>	<u>\$ 765,912</u>	<u>\$ 2,533,880</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2008 Series
 April 30, 2008

Date of issue: April 15, 2008
 Date of maturity: December 15, 2027
 Authorized issue: \$ 9,750,000
 Interest rate: 3.375-3.875%

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

Redeemable annually on December 15	Amount
2009	\$ 110,000
2010	270,000
2011	510,000
2012	525,000
Thereafter	8,335,000
	\$ 9,750,000

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2008	\$ 110,000	\$ 575,031	\$ 685,031	2009	\$ 287,516	2009	\$ 287,516
2009	270,000	341,306	611,306	2010	170,653	2010	170,653
2010	510,000	332,194	842,194	2011	166,097	2011	166,097
2011	525,000	314,981	839,981	2012	157,491	2012	157,491
Thereafter	8,335,000	2,436,001	10,771,001	Thereafter	1,218,001	Thereafter	1,218,001
	\$ 9,750,000	\$ 3,999,513	\$ 13,749,513				

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

Combining Schedule of Assets, Liabilities, and Fund Balance

April 30, 2008

Assets	1992 Series B General Obligation Bonds	1998 General Obligation Bonds	2000 General Obligation Bonds	2001 General Obligation Bonds	2002 Series B General Obligation Bonds
Cash and cash equivalents	\$ 31,804	\$ 329,716	\$ 416,333	\$ 92,602	\$ -
Receivables (net of allowance for uncollectibles):					
Property taxes	-	621,782	633,234	114,721	-
Total assets	<u>\$ 31,804</u>	<u>\$ 951,498</u>	<u>\$ 1,049,567</u>	<u>\$ 207,323</u>	<u>\$ -</u>
Liabilities and Fund Balance					
Liabilities:					
Deferred revenue – property taxes	\$ -	\$ 621,782	\$ 633,234	\$ 114,721	\$ -
Fund balance – reserved for debt service	<u>31,804</u>	<u>329,716</u>	<u>416,333</u>	<u>92,602</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 31,804</u>	<u>\$ 951,498</u>	<u>\$ 1,049,567</u>	<u>\$ 207,323</u>	<u>\$ -</u>

2003 Series A General Obligation Bonds	2003 Series D General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	2004 Series B General Obligation Bonds	Special Service Area 29 General Obligation Bonds	Total
\$ 84,369	\$ 1,173,683	\$ 6,488	\$ 3,825	\$ 569,448	\$ -	\$ 2,708,268
925,959	-	77,240	21,915	-	-	2,394,851
<u>\$ 1,010,328</u>	<u>\$ 1,173,683</u>	<u>\$ 83,728</u>	<u>\$ 25,740</u>	<u>\$ 569,448</u>	<u>\$ -</u>	<u>\$ 5,103,119</u>
\$ 925,959	\$ -	\$ 77,240	\$ 21,915	\$ -	\$ -	\$ 2,394,851
84,369	1,173,683	6,488	3,825	569,448	-	2,708,268
<u>\$ 1,010,328</u>	<u>\$ 1,173,683</u>	<u>\$ 83,728</u>	<u>\$ 25,740</u>	<u>\$ 569,448</u>	<u>\$ -</u>	<u>\$ 5,103,119</u>

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year ended April 30, 2008

	1992		1998		2000		2001		2002
	Series B		General		General		General		Series B
	Obligation		Obligation		Obligation		Obligation		General
	Bonds		Bonds		Bonds		Bonds		Obligation
	Bonds		Bonds		Bonds		Bonds		Bonds
Revenues:									
Taxes:									
Property taxes	\$ 1,592,145	\$	630,437	\$	669,552	\$	119,645	\$	-
Other	-		1,107		636		217		-
Investment income	35,887		22,487		25,398		5,408		17,747
Total revenues	<u>1,628,032</u>		<u>654,031</u>		<u>695,586</u>		<u>125,270</u>		<u>17,747</u>
Expenditures:									
General government	900		1,200		600		300		-
Debt service:									
Principal	1,745,000		1,020,000		500,000		100,000		-
Interest			66,500		152,412		17,100		-
Total expenditures	<u>1,745,900</u>		<u>1,087,700</u>		<u>653,012</u>		<u>117,400</u>		<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(117,868)</u>		<u>(433,669)</u>		<u>42,574</u>		<u>7,870</u>		<u>17,747</u>
Other financing sources (uses):									
Transfers in	-		472,230		-		-		-
Transfers out	-		-		-		-		(449,304)
Total other financing sources (uses)	<u>-</u>		<u>472,230</u>		<u>-</u>		<u>-</u>		<u>(449,304)</u>
Net change in fund balance	(117,868)		38,561		42,574		7,870		(431,557)
Fund balance – beginning of year	<u>149,672</u>		<u>291,155</u>		<u>373,759</u>		<u>84,732</u>		<u>431,557</u>
Fund balance – end of year	<u>\$ 31,804</u>	\$	<u>\$ 329,716</u>	\$	<u>\$ 416,333</u>	\$	<u>\$ 92,602</u>	\$	<u>-</u>

2003 Series A General Obligation Bonds	2003 Series D General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	2004 Series B General Obligation Bonds	Special Service Area 29 General Obligation Bonds	Total
\$ 911,143	\$ -	\$ 79,550	\$ 22,242	\$ -	\$ -	\$ 4,024,714
-	-	-	-	-	-	1,960
17,113	47,454	1,247	449	15,961	19	189,170
928,256	47,454	80,797	22,691	15,961	19	4,215,844
600	600	-	-	500	-	4,700
800,000	200,000	45,000	11,498	100,000	-	4,521,498
89,700	50,300	33,952	10,217	200,525	4,151	624,857
890,300	250,900	78,952	21,715	301,025	4,151	5,151,055
37,956	(203,446)	1,845	976	(285,064)	(4,132)	(935,211)
-	246,836	-	-	524,381	-	1,243,447
-	-	-	-	-	-	(449,304)
-	246,836	-	-	524,381	-	794,143
37,956	43,390	1,845	976	239,317	(4,132)	(141,068)
46,413	1,130,293	4,643	2,849	330,131	4,132	2,849,336
\$ 84,369	\$ 1,173,683	\$ 6,488	\$ 3,825	\$ 569,448	\$ -	\$ 2,708,268

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the City of Lake Forest 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 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.	141-146
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.	147-154
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 in the future.	155-159
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 with other governments.	160-162
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.	163-165

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

Net Assets by Component
Last Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets					
Net of Related Debt	\$ 159,438,322	\$ 157,490,638	\$ 166,151,385	\$ 163,863,237	\$ 172,325,675
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855
Unrestricted	13,987,875	18,310,053	16,476,341	26,409,165	28,748,888
Total Governmental Activities	\$ 175,876,635	\$ 178,797,865	\$ 186,196,636	\$ 194,282,921	\$ 205,053,418
Business-type Activities					
Invested in Capital Assets					
Net of Related Debt	\$ 35,742,886	\$ 41,401,968	\$ 43,183,127	\$ 44,504,668	\$ 44,932,466
Restricted	-	-	-	-	-
Unrestricted	16,127,338	11,917,654	11,105,554	11,824,329	12,087,202
Total Business-type Activities	\$ 51,870,224	\$ 53,319,622	\$ 54,288,681	\$ 56,328,997	\$ 57,019,668
Total					
Invested in Capital Assets					
Net of Related Debt	\$ 195,181,208	\$ 198,892,606	\$ 209,334,512	\$ 208,367,905	\$ 217,258,141
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855
Unrestricted	30,115,213	30,227,707	27,581,895	38,233,494	40,836,090
Total Primary Government	\$ 227,746,859	\$ 232,117,487	\$ 240,485,317	\$ 250,611,918	\$ 262,073,086

Data Source

Audited Financial Statements

Change in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities					
General Government	\$ 8,814,921	\$ 10,248,966	\$ 10,621,820	\$ 10,026,323	\$ 11,035,000
Highways and Streets	5,384,798	9,702,235	6,195,805	7,102,425	8,821,953
Sanitation	1,926,662	1,949,856	2,053,718	2,225,808	2,310,966
Culture and recreation	8,228,552	7,884,543	8,450,431	9,403,755	8,812,293
Public safety	10,014,765	10,224,612	11,081,841	11,557,020	12,348,729
Public improvements and other	2,519,628	-	-	-	-
Interest	1,152,352	1,245,364	1,218,802	968,963	808,253
Total Governmental Activities Expenses	38,041,678	41,255,576	39,622,417	41,284,294	44,137,194
Business-type Activities					
Waterworks and sewerage	6,287,674	6,226,893	7,347,680	7,891,031	8,228,975
Golf	1,453,481	1,320,941	1,411,572	1,545,070	1,562,520
Paid Parking	740,922	707,319	684,855	767,413	757,200
Total Business-type Activities Expenses	8,482,077	8,255,153	9,444,107	10,203,514	10,548,695
Total Primary Government Expenses	\$ 46,523,755	\$ 49,510,729	\$ 49,066,524	\$ 51,487,808	\$ 54,685,889
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	\$ 5,497,280	\$ 4,966,614	\$ 6,022,462	\$ 5,094,588	\$ 5,249,766
Highways and Streets	-	1,502,928	145,245	1,576,654	929,199
Sanitation	152,317	134,242	189,943	293,410	295,658
Culture and recreation	3,706,758	4,508,488	4,273,157	5,458,842	3,831,855
Public safety	1,156,868	1,368,304	1,357,067	1,387,792	1,567,944
Operating Grants and Contributions	615,152	956,752	1,407,815	1,284,897	790,979
Capital Grants and Contributions	4,339,612	524,811	1,657,563	-	5,301,494
Total Governmental Activities Program Revenues	15,467,987	13,962,139	15,053,252	15,096,183	17,966,895
Business-type Activities					
Charges for Services					
Waterworks and sewerage	6,223,091	6,723,387	7,668,972	6,944,190	6,893,939
Golf	1,445,152	1,382,190	1,373,637	1,702,287	1,430,875
Paid Parking	603,707	1,007,204	781,213	1,007,654	1,016,991
Operating Grants and Contributions	-	-	-	217,249	-
Capital Grants and Contributions	1,746,614	312,372	154,966	854,027	1,367,797
Total Business-type Activities Program Revenues	10,018,564	9,425,153	9,978,788	10,725,407	10,709,602
Total Primary Government Program Revenues	\$ 25,486,551	\$ 23,387,292	\$ 25,032,040	\$ 25,821,590	\$ 28,676,497
Net (Expense) Revenue					
Governmental Activities	\$ (22,573,691)	\$ (27,293,437)	\$ (24,569,165)	\$ (26,188,111)	\$ (26,170,299)
Business-type Activities	1,536,487	1,170,000	534,681	521,893	160,907
Total Primary Government Net (Expense) Revenue	\$ (21,037,204)	\$ (26,123,437)	\$ (24,034,484)	\$ (25,666,218)	\$ (26,009,392)

Change in Net Assets (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes					
Property taxes	\$ 19,846,632	\$ 19,846,632	\$ 20,858,317	\$ 21,287,422	\$ 22,324,863
Sales	2,900,860	2,900,860	3,058,396	3,271,452	3,118,339
Income and Use	1,747,505	1,747,505	1,826,030	1,989,187	2,175,196
Telecommunications and Utility	4,066,843	4,066,843	4,434,227	4,198,439	4,454,442
Real Estate Transfer Tax	-	-	-	1,259,295	1,984,052
Other	388,059	388,059	356,466	463,689	489,018
Investment Earnings	861,935	861,935	1,434,500	1,991,995	1,771,629
Gain on sale of capital assets	470,463	470,463	-	-	-
Miscellaneous	-	-	-	805,436	627,188
Transfers	(67,630)	(67,630)	-	(992,519)	(3,931)
Total Governmental Activities	30,214,667	30,214,667	31,967,936	34,274,396	36,940,796
Business-type Activities					
Investment Earnings	211,768	211,768	434,378	525,904	525,833
Miscellaneous	-	-	-	-	-
Transfers	67,630	67,630	-	992,519	3,931
Total Business-type Activities	279,398	279,398	434,378	1,518,423	529,764
Total Primary Government	\$ 30,494,065	\$ 30,494,065	\$ 32,402,314	\$ 35,792,819	\$ 37,470,560
Change in Net Assets					
Governmental Activities	\$ 2,921,230	\$ 2,921,230	\$ 7,398,771	\$ 8,086,285	\$ 10,770,497
Business-type Activities	1,449,398	1,449,398	969,059	2,040,316	690,671
Total Primary Government Change in Net Assets	\$ 4,370,628	\$ 4,370,628	\$ 8,367,830	\$ 10,126,601	\$ 11,461,168

Data Source

Audited Financial Statements

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,265,475	\$ 585,232	\$ 510,960	\$ 470,008	\$ 1,041,187
Unreserved	6,962,859	7,723,959	9,424,879	9,255,739	10,074,523	9,367,525	11,178,843	6,506,164	8,534,147	9,585,445
Total General Fund	\$ 6,962,859	\$ 7,723,959	\$ 9,424,879	\$ 9,255,739	\$ 10,074,523	\$ 10,633,000	\$ 11,764,075	\$ 7,017,124	\$ 9,004,155	\$ 10,626,632
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,625	\$ 407,587	\$ 121,299	\$ 89,809	\$ 130,173
Capital Project Funds	-	-	-	-	-	84,645	69,058	-	-	-
Debt Service Funds	-	-	-	-	-	1,300,000	1,915,242	2,381,564	2,849,336	2,708,268
Unreserved, reported in										
Special Revenue Funds	4,415,932	5,678,621	4,521,546	4,340,661	3,429,452	3,323,478	3,885,249	5,531,312	8,006,257	8,063,766
Capital Project Funds	4,921,209	3,768,926	7,655,520	177,314	454,680	3,028,546	10,123,851	8,048,381	8,898,968	17,815,488
Debt Service Funds	258,536	432,212	586,727	652,656	731,785	-	-	-	-	-
Total All Other Governmental Funds	\$ 9,595,677	\$ 9,879,759	\$ 12,763,793	\$ 5,170,631	\$ 4,615,917	\$ 8,372,294	\$ 16,400,987	\$ 16,082,556	\$ 19,844,370	\$ 28,717,695
Total All Governmental	\$ 16,558,536	\$ 17,603,718	\$ 22,188,672	\$ 14,426,370	\$ 14,690,440	\$ 19,005,294	\$ 28,165,062	\$ 23,099,680	\$ 28,848,525	\$ 39,344,327

Data Source

Audited Financial Statements

CITY OF LAKE FOREST, ILLINOIS

Table 4

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 15,084,837	\$ 15,686,354	\$ 16,770,042	\$ 17,401,345	\$ 18,209,089	\$ 19,057,023	\$ 19,846,632	\$ 20,858,317	\$ 21,287,422	\$ 22,324,863
Other taxes	6,413,431	7,039,411	7,732,476	7,269,982	8,175,698	8,701,692	9,103,267	9,675,119	11,182,063	12,221,047
Intergovernmental revenues	440,347	532,251	542,175	553,725	585,578	615,152	1,254,231	1,407,815	948,449	790,979
Charges for services	3,886,086	4,431,526	5,409,448	5,154,695	5,546,058	6,133,220	6,946,174	7,422,055	8,416,183	7,193,242
Licenses and permits	2,086,006	2,129,934	2,266,671	2,196,046	1,454,015	2,450,163	2,933,400	2,488,811	2,483,638	2,345,931
Fines and forfeitures	405,306	296,791	291,789	291,026	353,664	350,989	387,178	461,909	357,556	469,208
Investment income	980,271	1,046,814	1,198,274	723,418	471,228	505,696	832,709	1,358,266	1,866,217	1,673,038
Miscellaneous revenue	537,240	666,263	617,742	545,297	621,854	1,324,563	2,114,370	1,419,807	2,890,358	1,870,927
Total Revenues	29,833,524	31,829,344	34,828,617	34,135,534	35,417,184	39,138,498	43,417,961	45,092,099	49,431,886	48,889,235
Expenditures										
General government	7,164,257	6,789,220	7,673,248	8,135,509	6,840,374	8,218,581	9,739,170	9,158,599	9,533,418	10,569,268
Highways and streets	1,465,049	1,174,591	1,237,125	1,276,301	1,635,827	1,668,162	1,682,996	1,770,853	1,979,122	2,332,972
Sanitation	1,488,493	1,523,947	1,724,782	1,832,100	1,916,458	1,853,561	1,845,302	1,943,042	2,023,726	2,125,284
Culture and recreation	4,624,155	5,370,001	5,299,362	5,892,966	6,893,911	7,326,207	7,253,560	7,662,467	8,174,644	7,925,598
Public safety	6,375,734	6,480,111	6,789,700	7,084,910	8,704,648	10,137,485	10,099,843	10,895,658	11,341,849	12,169,723
Pension fund contributions	1,638,753	1,670,365	1,749,058	1,879,656	1,042,745	-	-	-	-	-
Public improvements and other	1,915,145	1,750,821	2,068,428	2,255,264	2,015,690	2,519,580	-	-	-	-
Capital Outlay	1,775,281	4,009,701	4,307,050	10,640,836	5,944,383	3,236,984	6,253,592	12,940,175	5,466,571	8,324,272
Debt Service										
Principal	3,036,000	3,273,000	3,436,000	3,400,000	3,475,000	3,990,000	4,376,212	5,013,943	4,774,827	4,797,104
Interest	757,489	963,075	919,670	1,008,545	923,742	800,699	827,160	982,744	881,087	781,529
Bond issuance costs	20,100	5,550	6,200	6,350	55,546	62,370	64,640	-	-	-
Total Expenditures	30,260,456	33,010,382	35,210,623	43,412,437	39,448,324	39,813,629	42,142,475	50,367,481	44,175,244	49,025,750
Excess of Revenues over (under)										
Expenditures	(426,932)	(1,181,038)	(382,006)	(9,276,903)	(4,031,140)	(675,131)	1,275,486	(5,275,382)	5,256,642	(136,515)

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Table 4

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing Sources (Uses)										
Transfers In	\$ 75,598	\$ 880,080	\$ 734,349	\$ 2,263,690	\$ 1,350,576	\$ 2,039,032	\$ 3,350,766	\$ 9,713,436	\$ 2,893,460	\$ 3,201,175
Transfers Out	(75,598)	(880,080)	(734,349)	(2,263,690)	(1,350,576)	(2,280,752)	(3,418,396)	(9,713,436)	(3,885,979)	(3,041,224)
Bonds Issued	8,527,042	1,590,405	4,966,960	1,000,000	4,219,810	3,676,500	7,200,000	-	-	9,750,000
Installment note proceeds	-	450,000	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	880,000	-	-	-	-
Discount on bonds issued	-	-	-	-	-	(7,818)	(16,631)	-	-	(50,668)
Proceeds from refunding G.O. bonds	-	-	-	-	5,305,000	-	-	-	-	-
Payments for refunding G.O. bonds	-	-	-	-	(5,229,600)	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	768,543	210,000	1,484,722	773,034
Total Other Financing Sources (Uses)	8,527,042	2,040,405	4,966,960	1,000,000	4,295,210	4,306,962	7,884,282	210,000	492,203	10,632,317
Net Change in Fund Balances	\$ 8,100,110	\$ 859,367	\$ 4,584,954	\$ (8,276,903)	\$ 264,070	\$ 3,631,831	\$ 9,159,768	\$ (5,065,382)	\$ 5,748,845	\$ 10,495,802
Debt Service as a Percentage of Noncapital Expenditures	13.32%	14.61%	14.09%	13.45%	13.13%	13.10%	14.50%	16.02%	14.61%	12.60%

Data Source

Audited Financial Statements

CITY OF LAKE FOREST, ILLINOIS

Table 5

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
1998	\$ 1,253,595,654	\$ 72,712,481	\$ 1,257,432	\$ 4,323,856	\$ 35,620,625	\$ 1,367,510,048	1.1970	\$ 4,102,530,144	33.333%
1999	1,336,329,466	96,508,039	1,332,416	3,761,935	37,005,116	1,474,936,972	1.1620	4,424,810,916	33.333%
2000	1,436,176,919	110,869,903	1,458,942	3,888,482	39,025,206	1,591,419,452	1.1350	4,774,258,356	33.333%
2001	1,576,778,908	130,660,576	1,540,590	4,077,894	42,697,718	1,755,755,686	1.0870	5,267,267,058	33.333%
2002	1,733,400,716	142,343,209	900,582	3,538,829	47,209,649	1,927,392,985	1.0390	5,782,178,955	33.333%
2003	1,866,407,716	167,903,070	971,387	3,935,325	50,388,361	2,089,605,859	0.9940	6,268,817,577	33.333%
2004	2,030,461,408	167,553,300	1,016,864	4,424,771	49,762,611	2,253,218,954	0.9630	6,759,656,862	33.333%
2005	2,229,037,071	171,210,021	62,957	4,476,207	52,512,948	2,457,299,204	0.9110	7,371,897,612	33.333%
2006	2,453,626,272	187,607,513	64,953	5,407,000	58,493,629	2,705,199,367	0.8690	8,115,598,101	33.333%
2007	2,610,727,055	191,390,427	65,007	5,765,126	59,284,794	2,867,232,409	0.8510	8,601,697,227	33.333%

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.

CITY OF LAKE FOREST, ILLINOIS

Table 6

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

	Levy Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City Direct Rates *	1.197	1.162	1.135	1.087	1.039	0.994	0.963	0.911	0.869	0.851
Overlapping Rates										
College of Lake County	0.221	0.213	0.235	0.211	0.208	0.201	0.200	0.197	0.195	0.192
County of Lake	0.531	0.521	0.521	0.516	0.502	0.490	0.465	0.454	0.450	0.444
Lake County Forest Preserve	0.157	0.187	0.231	0.221	0.232	0.225	0.219	0.210	0.204	0.201
North Shore Sanitary District	0.181	0.172	0.167	0.160	0.152	0.144	0.139	0.132	0.125	0.120
School District 67, Elem.	1.337	1.299	1.270	1.224	1.152	1.101	1.051	1.013	0.964	0.944
School District 115, High School	1.251	1.219	1.201	1.157	1.092	1.045	1.003	0.965	0.961	0.959
Township	0.061	0.060	0.059	0.058	0.055	0.053	0.052	0.051	0.050	0.050
Township Road and Bridge	0.025	0.025	0.025	0.025	0.043	0.030	0.018	0.018	0.020	0.016
Total tax rate	4.961	4.858	4.844	4.659	4.475	4.283	4.110	3.951	3.838	3.777
City's share of total tax rate	24%	24%	23%	23%	23%	23%	23%	23%	23%	23%

Data Source

Office of the County Clerk - Shields Township

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

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
The Presbyterian Home	\$ 19,857,414	1	0.69%	\$ 6,814,932	5	0.50%
Hospira Inc	16,567,811	2	0.58%			
CBIZ Property Tax Solutions	13,102,961	3	0.46%			
Tap Holdings Inc.	12,689,770	4	0.44%			
Lake Forest Hospital	7,857,813	5	0.27%	7,272,579	4	0.50%
Trustmark Insurance Co	7,562,841	6	0.26%	8,130,010	2	0.60%
Lake Forest Landmark Co. LLC	7,166,288	7	0.25%			
James Campbell Company, LLC	6,659,076	8	0.23%			
Northern Trust Lake Forest 474402040	5,136,972	9	0.18%			
Northern Trust/Katrina Giangiorgi	4,984,324	10	0.17%			
Tenneco Packaging				9,629,755	1	0.70%
Moore Business Forms				7,382,810	3	0.50%
Brunswick Corporation				4,328,276	6	0.30%
Duke Realty Ltd. Partnership				4,109,029	7	0.30%
Shawgate-Broadacre				3,601,040	8	0.30%
James Altounian				3,537,744	9	0.30%
Mabeck Co.				3,248,199	10	0.20%
	<u>\$ 101,585,270</u>		<u>3.54%</u>	<u>\$ 58,054,374</u>		<u>4.20%</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.

2008 based upon 2007 Assessed Valuation

1999 based upon 1998 Assessed Valuation

Property Tax Levies and Collections
Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
1998	\$ 15,987,039	\$ 15,947,477	99.75%
1999	16,762,734	16,748,717	99.92%
2000	17,628,929	17,606,407	99.87%
2001	18,630,195	18,587,253	99.77%
2002	19,535,105	19,422,272	99.42%
2003	20,269,822	20,173,430	99.52%
2004	21,219,092	21,215,148	99.98%
2005	21,907,603	21,800,689	99.51%
2006	22,999,873	23,007,764	100.03%
2007	23,895,634	N/A	N/A

Data Source

Lake County Clerk and City

Note: Property is assessed at 33 1/3 % of actual value.
Collections for prior tax years are immaterial.

CITY OF LAKE FOREST, ILLINOIS

Table 9

Tax Extensions for City Funds
Last Ten Levy Years

	Levy Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General	0.679	0.666	0.648	0.622	0.512	0.493	0.481	0.461	0.449	0.443
IMRF/Social Security	0.085	0.081	0.078	0.077	0.072	0.061	0.058	0.055	0.052	0.051
Fire Pension	0.024	0.024	0.028	0.027	0.025	0.023	0.023	0.023	0.023	0.025
Police Pension	0.033	0.031	0.033	0.034	0.035	0.036	0.034	0.036	0.035	0.037
Parks and Recreation	0.064	0.063	0.062	0.060	0.133	0.128	0.127	0.112	0.098	0.090
Special Recreation			-	-	-	-	-	0.011	0.010	0.010
General Obligation Bond 1992 C	0.101	0.096	-	-	-	-	-	-	-	-
General Obligation Bond 1995	0.024	0.020	0.068	0.063	-	-	-	-	-	-
General Obligation Bond 1998 B	0.049	0.046	0.039	0.035	0.032	0.031	0.028	0.026	0.024	0.023
General Obligation Bond 2000	-	-	0.046	0.035	0.020	0.022	0.020	0.020	0.025	0.023
General Obligation Bond 2001 B	-	-	-	0.005	0.012	0.006	0.006	0.005	0.005	0.004
General Obligation Bond 2002 B	-	-	-	-	0.058	0.054	0.051	0.031	-	-
General Obligation Bond 2003 A	-	-	-	-	0.017	0.014	0.013	0.013	0.034	0.033
Total tax rate	1.059	1.027	1.002	0.958	0.916	0.868	0.841	0.793	0.755	0.739

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, ILLINOIS

Table 10

Sales Tax Base and Number of Principal Payers
 Taxable Sales by Category - .5% Sales Tax
 Last Ten Calendar Years

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,374	\$ 28,705	\$ 22,694	\$ 33,206	\$ 26,184
Food	-	-	-	-	-	43,407	86,898	88,675	89,536	89,969
Drinking and Eating Places	-	-	-	-	-	57,236	113,425	124,221	129,149	139,291
Apparel	-	-	-	-	-	36,595	70,485	68,594	63,083	60,423
Furniture & H.H. & Radio	-	-	-	-	-	18,509	44,588	57,206	57,996	58,530
Lumber, Building, Hardware	-	-	-	-	-	21,118	42,130	46,974	38,373	30,834
Automobile and Filling Stations	-	-	-	-	-	20,450	39,402	45,494	48,129	44,478
Drugs and Miscellaneous Retail	-	-	-	-	-	67,576	126,277	123,674	113,558	116,910
Agriculture and All Others	-	-	-	-	-	45,369	92,361	102,164	91,488	96,048
Manufacturers	-	-	-	-	-	1,967	43,902	64,286	88,889	102,914
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326,601	\$ 688,173	\$ 743,982	\$ 753,407	\$ 765,581
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	-	-	-	-	-	0.50%	0.50%	0.50%	0.50%	0.50%

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; totals include censored data.

Effectively July 2003, an additional .5% non home rule sales tax was collected.
 The City of Lake Forest became a home rule community in November 2004.

CITY OF LAKE FOREST, ILLINOIS

Table 11

Sales Tax Base and Number of Principal Payers
 Taxable Sales by Category - 1% Sales Tax
 Last Ten Calendar Years

	Calendar Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	\$ 40,946	\$ -	\$ -	\$ -	\$ 49,597	\$ 54,103	\$ 58,491	\$ 45,778	\$ 67,042	\$ 52,664
Food	503,569	569,352	562,974	569,063	567,937	600,443	607,508	621,140	621,566	635,560
Drinking and Eating Places	178,643	184,513	215,624	205,565	223,844	221,068	229,158	252,171	261,151	285,968
Apparel	136,802	149,025	148,261	129,616	130,567	134,835	142,328	137,422	126,196	124,644
Furniture & H.H. & Radio	76,418	89,427	102,080	99,158	109,444	73,506	89,219	114,945	115,995	117,060
Lumber, Building, Hardware	84,908	102,898	110,323	134,587	108,135	91,831	86,497	94,007	76,746	61,668
Automobile and Filling Stations	325,380	304,042	342,332	314,756	219,807	243,898	153,273	165,396	167,847	165,896
Drugs and Miscellaneous Retail	347,494	376,410	416,275	435,025	427,166	420,878	456,475	434,170	425,144	441,773
Agriculture and All Others	163,417	207,878	202,451	208,183	185,280	187,102	199,683	219,086	200,515	208,076
Manufacturers	14,583	-	-	-	(4,347)	6,845	88,094	129,053	347,340	205,978
Censored categories		75,441	103,769	71,018	-	-	-	-	-	-
Total	\$ 1,872,160	\$ 2,058,987	\$ 2,204,090	\$ 2,166,971	\$ 2,017,429	\$ 2,034,509	\$ 2,110,726	\$ 2,213,168	\$ 2,409,543	\$ 2,299,287
Total Number of Payers	839	702	700	686	693	743	737	837	849	843
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; totals include censored data.

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
1999	1.00%	5.00%	0.25%	0.25%	6.50%
2000	1.00%	5.00%	0.25%	0.25%	6.50%
2001	1.00%	5.00%	0.25%	0.25%	6.50%
2002	1.00%	5.00%	0.25%	0.25%	6.50%
2003	1.00%	5.00%	0.25%	0.25%	6.50%
2004 *	1.50%	5.00%	0.25%	0.25%	7.00%
2005	1.50%	5.00%	0.25%	0.25%	7.00%
2006	1.50%	5.00%	0.25%	0.25%	7.00%
2007	1.50%	5.00%	0.25%	0.25%	7.00%
2008**	1.50%	5.00%	0.50%	0.50%	7.50%

Data Source

City records

* Effective July 2003, an additional .5% non home rule sales tax was collected. The City of Lake Forest became a home rule community in November 2004.

** The sales tax rate remained the same as 2007 until April 1, 2008. On April 1, 2008, the sales tax rates increased to the tax rate indicated on the schedule.

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*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds			
1999	\$ 27,624,326	\$ -	\$ 4,235,000	\$ 500,000	\$ 32,359,326	2.37%	\$ 1,739.19
2000	26,294,304	375,000	3,375,000	455,000	30,499,304	2.07%	1,639.22
2001	28,142,464	375,000	2,475,000	410,000	31,402,464	1.97%	1,687.76
2002	26,043,777	375,000	6,125,000	360,000	32,903,777	1.87%	1,640.35
2003	27,168,289	375,000	31,070,000	310,000	58,923,289	3.06%	2,937.50
2004	27,946,500	1,255,000	31,965,000	255,000	61,421,500	2.94%	3,062.35
2005	30,861,955	1,163,333	31,920,000	195,000	64,140,288	2.85%	2,983.27
2006	26,159,679	851,666	30,645,000	135,000	57,791,345	2.35%	2,687.97
2007	21,586,517	650,001	29,325,000	70,000	51,631,518	1.91%	2,401.47
2008	26,631,080	558,334	27,965,000	-	55,154,414	2.04%	2,565.32

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 and population data. Personal income information is not available.

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
1999	\$ 31,859,326	\$ 258,536	\$ 31,600,790	0.77%	\$ 1,698.42
2000	29,669,304	432,212	29,237,092	0.66%	1,571.38
2001	30,617,464	586,727	30,030,737	0.63%	1,497.12
2002	32,168,777	652,656	31,516,121	0.60%	1,571.17
2003	58,238,289	731,785	57,506,504	0.99%	2,867.15
2004	59,911,500	1,300,000	58,611,500	0.93%	2,922.25
2005	62,781,955	1,915,242	60,866,713	0.90%	2,831.01
2006	56,804,679	2,381,564	54,423,115	0.74%	2,531.31
2007	50,911,517	2,849,336	48,062,181	0.61%	2,235.45
2008	54,596,080	2,708,268	51,887,812	0.65%	2,413.39

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.

Direct and Overlapping Governmental Activities Debt
As of April 30, 2008

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 38,945,000	9.56%	\$ 3,723,142
Lake County Community College #532	9,772,475	10.05%	982,134
Lake County Forest Preserve District	206,524,438	9.56%	19,743,736
North Shore Sanitary District	6,061,809	27.90%	1,691,245
Central Lake County Joint Action Water Ager	26,060,000	0.0006%	156
Lake Bluff Park District	2,242,500	0.0065%	146
School District #65	24,950,000	0.0063%	1,572
School District #67	2,220,015	100.00%	2,220,015
School District #103	5,095,000	0.16%	8,152
High School District #115	60,710,000	78.82%	47,851,622
High School District #128	38,895,000	2.64%	1,026,828
Subtotal, overlapping debt	<u>421,476,237</u>		<u>77,248,748</u>
City of Lake Forest direct debt	\$ 54,726,080	100.00%	\$ 54,726,080
Total direct and overlapping debt	<u>\$ 476,202,317</u>		<u>\$ 131,974,828</u>

Source: Lake County Clerk

* Determined by ratio of assessed valuation of property subject to taxation in the City of Lake Forest to valuation of property subject to taxation in overlapping unit.

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, ILLINOIS

Table 16

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 117,947,742	\$ 127,213,314	\$ 137,259,928	\$ 151,433,929	\$ 166,237,645	\$ 180,228,505	N/A	N/A	N/A	N/A
Total net debt applicable to limit	31,780,326	29,628,304	30,617,464	32,168,777	58,238,289	59,911,500	N/A	N/A	N/A	N/A
Legal debt margin	\$ 86,167,416	\$ 97,585,010	\$ 106,642,464	\$ 119,265,152	\$ 107,999,356	\$ 120,317,005	N/A	N/A	N/A	N/A
Total net debt applicable to the limit as a percentage of debt limit	26.94%	23.29%	22.31%	21.24%	35.03%	33.24%	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.

Pledged Revenue Coverage
Last Ten Fiscal Years

Waterworks and Sewerage, Golf and Paid Parking Bonds						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 7,545,257	\$ 4,524,044	\$ 3,021,213	\$ 780,000	\$ 443,178	2.47
2000	7,408,107	5,926,046	1,482,061	935,000	195,969	1.31
2001	7,771,157	5,333,258	2,437,899	945,000	179,186	2.17
2002	7,051,140	4,899,564	2,151,576	710,000	180,730	2.42
2003	7,296,486	5,237,874	2,058,612	1,105,000	899,141	1.03
2004	8,641,006	5,994,954	2,646,052	1,146,000	1,083,555	1.19
2005	9,324,549	5,152,272	4,172,277	1,300,000	930,502	1.87
2006	10,258,200	5,508,705	4,749,495	1,335,000	1,345,021	1.77
2007	10,180,035	6,226,411	3,953,624	1,385,000	1,277,609	1.48
2008	9,870,570	6,532,687	3,337,883	1,430,000	1,236,624	1.25

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 do not include debt service, depreciation or reserve requirements

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)		Per Capita EAV	Unemployment Rate	Per Capita Personal Income
1999	18,606	(A)	\$ 1,367,510,048	\$	73,498	3.4%	47,200
2000	18,606	(A)	1,474,936,972		79,272	3.2%	77,092
2001	20,059	(A)	1,591,419,452		79,337	3.7%	77,092
2002	20,059	(A)	1,755,755,686		87,530	4.5%	77,092
2003	20,057	(A)	1,927,392,985		96,096	5.6%	77,092
2004	20,057	(A)	2,089,605,859		104,183	2.9%	77,092
2005	21,500	(E)	2,253,198,954		104,800	2.5%	77,092
2006	21,500	(E)	2,457,299,204		114,293	2.0%	77,092
2007	21,500	(E)	2,705,199,367		125,823	2.3%	77,092
2008	21,600	(E)	2,867,232,409		132,742	2.8%	77,092

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

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

For FY1999 to FY2003, Lake County's unemployment rate was used.

Beginning with FY2004, the unemployment rate was obtained for City of Lake Forest.

Principal Employers
Current Year and Nine Years Ago

Employer	2008			1999		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Lake Forest Hospital	1,600	1	7.44%	1,400	2	7.85%
Hospira Inc.	1,350	2	6.28%			0.00%
Trustmark Insurance Company	814	3	3.79%	1,500	1	8.41%
TAP Pharmaceutical Products	804	4	3.74%			0.00%
Lake Forest College excludes student employees	514	5	2.39%	385	5	2.16%
Pactiv Corporation	500	6	2.33%			0.00%
Lake Forest H.S. District 115 teacher, support,coaches	360	7	1.67%	250	7	1.40%
Brunswick Corporation	308	8	1.43%	200	9	1.12%
City of Lake Forest	255	9	1.19%	233	8	1.31%
Lake Forest Elem. S.D. No. 67 teachers only	240	10	1.12%	302	6	1.69%
Moore Business Forms			-	559	4	3.13%
Tenneco Packaging/Tenneco Automotive			-	800	3	4.49%
Packaging Corp. of America			-	200	10	1.12%

Data Source

City staff contacted companies via mail.

H.S. District 115 and S.D. 67 consolidated support staff in 2005.

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Budgeted Employees as of April 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	25	26.25	29.5	36.5	30	36	29	27	29	30
Community Development	10	10	11	11	12	12	14	16	16	18
Public Safety										
Fire Protection										
Firefighters	35	36	37	37	38	38	38	37	37	37
Administrative	1	1	1	1	1	1	1	1	1	1.5
Police										
Officers	41	43	44	45	45	45	45	45	43	43
Civilians	18	19	18	17	18	18	19	17	19	18.5
Public Works										
Public Works Administration	4	4	4	4	4	4	4	5	5	5
Building Maintenance	1	1	3	3	3	3	3	3	4	6
Engineering	6	6	6	6	6	6	6	6	7	7
Streets	9	9	9	9	9	8	8	8	8	8
Sanitation	15	15	15	15	15	12	12	12	14	14
Forestry	6	8	8	8	8	8	8	9	6	9
Fleet (vehicle) Maintenance	6	6	6	6	6	6	6	6	5	5
Water										
Water Plant	9	9	9	9	9	9	9	9	9	9
Water and Sewer	11	11	11	11	11	11	10	10	10	10
Parks	16.75	18.75	16	16	18	19	16	16	11	7.25
Recreation	13.5	14.5	16	14	13	13	14	14	19	17.5
Golf Course	3	3	3	3	3	3	3	4	4	4.25
Cemetery	2	2	2	2	2	2	2	2	2	2
Senior Resources	2	2	2	2	3	3	3	3	3	3
Sub - total City	234.25	244.5	250.5	255.5	254	257	250	250	252	255
Library	27.5	28.5	29.6	29.6	29.6	29.6	29.6	29.6	29.6	30
Total all	261.75	273	280.1	285.1	283.6	286.6	279.6	279.6	281.6	285

Data Source

City Departments

Operating Indicators
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	-	-	-	-	-	-	-	-	249	283
Rebates Issued	-	-	-	-	-	-	-	-	24	35
Birth Certificates Issued	2,776	2,982	2,777	3,191	2,164	1,957	2,419	2,198	2,930	2,790
Passports Issued (2)	-	-	-	-	172	314	252	193	314	132
Community Development										
Building permits issued	4,383	4,313	4,931	4,331	3,767	4,308	4,740	4,055	3,501	3,491
Residential construction	98	109	78	64	63	83	128	44	22	33
Commercial construction	3	3	5	3	1	3	5	1	3	1
Building inspections conducted	N/A	N/A	N/A	N/A	N/A	10,706	13,021	11,945	10,880	11,343
Public Safety										
Fire protection										
I.S.O. rating	4	4	4	4	4	4	4	4	4	4
Number of calls answered (calendar year)										
EMS	N/A	N/A	N/A	1,423	1,443	1,403	1,465	1,446	1,477	1,624
Fire	N/A	N/A	N/A	1,545	1,459	1,581	1,523	1,558	1,647	1,576
Police (calendar year)										
Non traffic arrests	631	688	626	599	556	537	506	526	450	449
Parking violations	9,281	6,464	8,530	8,939	10,360	9,655	11,189	11,898	9,530	9,626
Traffic violations	5,179	4,510	4,202	5,210	4,948	4,721	4,821	4,512	3,287	5,320
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	5.40	4.40	9.33	6.31	6.95	2.41	3.90	4.41	1.90	10.36
Potholes repaired	N/A	N/A	3,701	3,512	1,846	2,102	2,957	2,484	1,575	(4)
Number of snow events										
Salting	6	11	12	14	21	8	14	5	10	20
Plowing	11	8	16	3	10	15	10	9	16	36
Inches of snow	31	31	52	23	33	30	46	47	33	83
Sanitation										
Refuse collection customers	5,676	5,830	5,870	5,896	5,896	5,896	5,896	6,217	6,316	6,356
Parks and Recreation (3)										
Fitness										
Number of programs	237	358	435	436	414	564	565	533	478	370
Units of participation	442	1,347	1,922	1,861	2,070	2,682	2,616	2,657	2,228	1,796
Athletics										
Number of programs	279	310	206	228	209	229	200	199	210	220
Units of Participation	4,005	5,128	4,217	4,063	3,770	3,608	3,369	3,279	3,189	3,232
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	257	245	257	279	299	327	324	323	337	343
Units of participation	1,565	1,735	1,886	1,990	2,053	2,016	2,169	1,932	1,874	1,873
Cultural Arts/Special Events										
Number of programs	234	201	264	334	335	362	356	436	417	326
Units of participation	1,639	1,926	2,467	2,652	3,052	3,062	2,894	3,831	3,618	2,454

CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	193	308	245	220	263	214	227	231	224	221
Units of participation	1,133	1,575	1,366	1,421	1,562	1,149	1,273	1,335	1,274	1,157
Developed parks and recreation areas	10	10	10	10	10	10	10	10	10	10
Developed park acreage	354.5	354.5	354.5	354.5	370.0	370.5	370.5	370.5	395.5	395.5
Sites with playgrounds	7	7	7	7	8	8	8	8	8	8
Sites with baseball diamonds	5	5	5	5	7	7	7	7	7	7
Sites with soccer fields	6	6	6	6	7	7	7	7	7	7
Sites with basketball courts	3	3	3	3	4	4	4	4	4	4
Sites with tennis courts	6	6	6	6	6	6	6	6	6	6
Deer Path Golf Course										
Size	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes
Rounds of Play	37,440	37,552	33,780	35,032	31,980	33,500	34,500	38,700	36,500	39,900
Daily fee	18,968	19,080	15,783	17,404	15,994	17,500	18,000	18,600	17,000	18,000
Seasonal	18,472	18,472	17,997	17,628	15,986	16,000	16,500	20,100	19,500	21,900
Water										
New Connections (tap-ons)	172	162	139	110	95	120	140	99	52	34
Meters in operation	5,724	5,878	6,302	6,380	6,194	6,534	6,566	6,633	6,695	6,681
Meters connected to sewerage system	5,405	5,559	5,950	5,950	6,105	6,105	6,137	6,501	6,482	6,520
Average daily consumption (MGD)	4.047	4.094	3.847	3.598	4.155	3.977	3.942	4.913	3.931	4.182
Peak daily consumption (MGD)	9.964	11.971	10.437	10.139	12.092	11.073	9.394	12.407	10.773	9.477
Rated daily pumping capacity (MGD)	12	12	12	12	12	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	1,481.0	1,435	1,360.4	1,281.8	1,522.5	1,457.0	1,421.8	1,777.6	1,441.6	1,525.1
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	123,755	121,000	120,892	124,258	127,790	126,930	128,817	133,893	137,343	140,171
Registered borrowers	16,530	19,734	19,097	13,855	14,825	13,593	13,634	13,820	14,002	14,233
Fiscal yearbooks, items or materials circulation	383,677	399,511	400,069	388,787	425,427	387,894	399,844	398,504	407,399	415,547

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.
- (3) a. Data unavailable for FY1998.
b. Fitness data does not include Fitness Center memberships.
c. Units of participation may include an individual participant more than once.
d. Data for FY1999 does not include summer programs.
- (4) Department stopped tracking
N/A equals data not available

Capital Asset Statistics
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	23	23	23	23	23	23
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	14	14	14	14	14
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	7	7	7	7	7	7	7	7	7
Streets										
Streets (centerline miles)	112.64	114.01	114.00	115.29	118.16	118.16	118.40	118.66	118.66	118.66
Streetslights										
Gas	441	440	440	440	438	438	438	438	438	438
Electric	1,344	1,389	1,397	1,431	1,436	1,437	1,438	1,452	1,460	1,460
Storm sewer (miles)	203.21	205.72	208.06	213.32	213.32	213.36	216.14	217.56	218.26	218.26
Parks and Recreation										
Acreage	354.5	354.5	354.5	354.5	370.0	370.5	370.5	370.5	395.5	395.5
Water										
Water mains (miles)	N/A	N/A	N/A	N/A	N/A	158.59	160.03	160.51	163.33	164.27
Fire hydrants	1,300	1,300	1,300	1,300	1,300	1,328	1,350	1,350	1,353	1,331
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A	135.44	136.06	136.12	137.60	138.39

Data Source

City departments

N/A equals data not available