

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2009

CITY OF LAKE FOREST, ILLINOIS
Comprehensive Annual Financial Report
Year Ended April 30, 2009
(With Independent Auditors' Report Thereon)

Prepared by:

Department of Finance
Kathleen M. Reinertsen
Finance Director

and

Louise A. Breckan
Assistant Finance Director

INTRODUCTORY SECTION

CITY OF LAKE FOREST, ILLINOIS
 Comprehensive Annual Financial Report
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October 15, 2009

The Honorable Mayor Cowhey
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, Illinois (City) for the year ended April 30, 2009, 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, 2009, 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, 2009, 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-nine (29) 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 62 as required supplementary information. For the Municipal Services Building Construction Fund, also a major fund, this comparison is presented beginning on page 68. 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 69.

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.

There was great economic uncertainty in FY2009. The rise in unemployment, home foreclosures and declining consumer confidence impacted the City's revenues such as sales tax, building permits and real estate transfer tax. It is anticipated that the recovery will be more sluggish than the periods following the recessions of 1973-1975 and 1981-1982. Those recoveries were led by the strength in consumer spending and housing. Today with consumer preference to save rather than spend and more stringent standards for mortgage lending, a rapid resurgence is unlikely.

FY2009 revenues decreased 1.8% over FY2008 revenues yet FY2009 expenses increased 4.8% over FY2008.

As the City is in the service industry, the significant majority of the City's operating expenses are personnel related (67% of the FY2009 general fund operating cost). The City Council and city staff will need to continue to scrutinize expenditures. Looking ahead, the City Council and city staff will be evaluating and prioritizing all City services and identify them as either Core City Service (mission-critical) or an Elective City Service (enhances quality of life).

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. More information can be found on the main page of the City's website under Economic Development.

Long-Term Financial Planning

The City is funding needed infrastructure expenditures with the transfer tax that was approved by referendum three years ago. This transfer tax is imposed on all residential or commercial real estate transactions. The transfer tax of \$4.00 per \$1,000 of value is levied on the buyer of the real estate.

The decline in real estate sales in FY2009 and the continued decline to date in FY2010, led to the prioritizing of capital improvement projects. The City has postponed \$500,000 of capital improvements in FY2010. The City Council will be discussing alternatives to fund the capital improvement budgets for future years.

A Public Works Committee which consists of three City Council members was created four 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.

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 seventy-four (74) 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-seven (27) 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.

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 a single-employer defined benefit pension plan for its firefighters and police officers.

Firefighters' Pension. There were thirty-six (36) active firefighters covered by this pension fund as of April 30, 2009. Funding for the Firefighters' 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, 2009 (the date of the latest computation by an actuary) amounted to \$7,917,203 for prior service costs.

Police Pension. As of April 30, 2009, 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, 2009 (the date of the latest computation by an actuary), the actuarial reserve deficiency amounted to \$18,317,054 for prior service costs.

The Illinois Municipal Retirement Fund is operated by the State of Illinois. One hundred ninety-five (195) full-time employees of The City of Lake Forest (except the sworn Fire and Police Department personnel) were active members as of April 30, 2009. The City contributes 8.80% 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 \$106,800 and contributes 1.45% for Medicare on all salaries.

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* in FY2009. The City provides postemployment health care benefits for retired employees. The benefits, benefit levels, employee contributions and employer contributions are governed by the City Council and can only be amended by the City Council. For FY2009, the City contributed \$45,358 which represents approximately 24% of the total premiums.

Additional information on the City's pension arrangements and other postemployment benefits can be found in Notes #9 and #10 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 FY2009, the most significant initiatives were as follows:

- The new Municipal Services Facility, which consists of an 83,000 square-foot garage and 27,000 square-foot administrative office building, opened for business on August 3, 2009. A number of green technologies were installed on the inside as well as the outside of the building. Besides the natural lighting, there are motion-triggered lights, renewable bamboo surfaces, and high efficiency heating, ventilation and air-conditioning-systems inside the building. The white roof, reflective concrete surfaces, bioswales, low-energy LED lighting in the parking lot and accommodations for carpooling are eco-friendly features on the outside. This \$23.4 million project was the largest capital improvement project in the City's history and is being funded in part by the future sale of the former 10-acre Laurel/Western Avenue site.
- Townline Community Park, located on Rt. 60 west of the railroad tracks, had its grand opening on May 31, 2009. This 37-acre park has three multipurpose grid fields, two ball fields, a walking trail and pavilion.
- In April 2009, the Western Avenue redevelopment project began. This project is upgrading water mains, storm and sanitary sewers, realigning the Western/Woodland intersection and enhancing the streetscape along Western Avenue from Laurel Avenue on the north to Vine Avenue on the south. The bulk of this work will take place in FY2010 and FY2011. On May 14, 2009, the City issued \$3,680,000 of General Obligation Bonds, 2009 Series which will pay for the FY2010 portion of the project. Another bond sale is planned to pay for the FY2011 cost of this project.
- The unusual winter of 2007 and 2008 caused havoc with the roadway surface, and we experienced a tremendous amount of potholes. In addition to the annual planned street overlay program expense of \$827,000, an additional \$388,000 for the street overlay program and \$240,000 for street patching services was spent in FY2009.
- Federal funds paid for 80% of the \$1,600,000 cost of the reconstruction of the Old Elm Bridge east of Rt. 41. The City of Lake Forest's share was 10% and the remaining 10% was paid by the City of Highland Park.
- Besides the green technologies incorporated into the new Municipal Services Facility, a material transfer ramp (\$270,000 offset by a \$60,000 grant) was constructed at the compost center so the City could collect more recyclable materials at the curb.

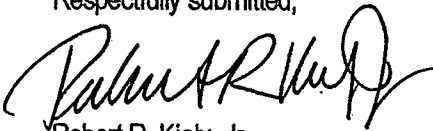
Awards and Acknowledgements

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, 2008. This was the thirtieth (30) 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.

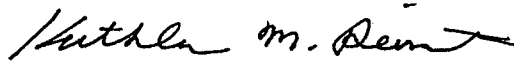
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lake Forest
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF LAKE FOREST, ILLINOIS

List of Principal Officials

Year Ended April 30, 2009

LEGISLATIVE

City Council

S. Michael Rummel, Mayor

David D. Grumhaus, Jr.

Thomas H. Morsch, Jr.

Kent E. Novit

Greg C. Hanrahan

Stuart M. Widman

John A. Looby III

Renard Goltra

Robert T. Palmer

AUDIT COMMITTEE

Allan J. Jacobs, Chairman

P.W. Kirkland Sweet

Kirk B. Johnson

Victoria Reich

Andrew Marwede

EXECUTIVE

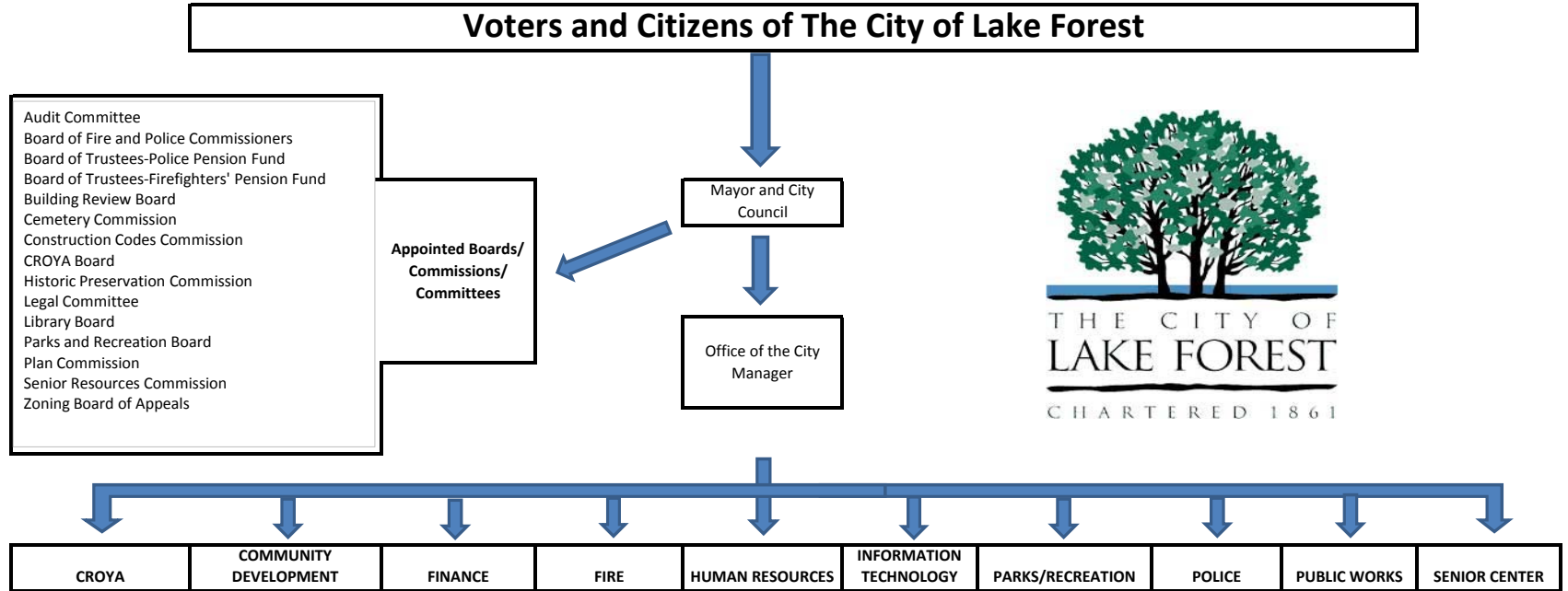
Robert R. Kiely, Jr., City Manager

DEPARTMENT OF FINANCE

Kathleen M. Reinertsen, Finance Director and Treasurer

Louise A. Breckan, Assistant Finance Director

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, 2009, 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, 2009, 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 62 and 63, and the pension and other post-employment benefit information on pages 64 through 66 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 68 – 136) 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 15, 2009

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2009

The City of Lake Forest's (the City) management's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year 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 \$7.7 million (or 2.9%) during the fiscal year ending April 30, 2009 (FY09). The governmental net assets increased by \$17.9 million (or 8.7% from FY08) and the business-type activities net assets decreased by \$10.2 million (or 17.9% from FY08).
- The City's total change of net assets compared to FY08 decreased by \$3.8 million. The general governmental activities change in net assets increased by \$7.1 million and the business-type activities change in net assets decreased by \$10.9 million.
- The governmental activities revenue increased by \$0.9 million or 1.6%. The expenses increased by \$3.9 million or 8.8%. The transfers increased by \$10.1 million.
- The business-type activities revenue decreased by \$2.1 million or 18.8%. The expenses decreased by \$1.3 million or 12.4%. The transfers increased by \$10.1 million.
- The total cost of all City programs increased by \$2.6 million or 4.8%.

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- closed on May 1, 2009), where the fee for service typically covers all or most of the cost of operation, including depreciation.

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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.

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GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

The City's combined net assets increased by \$7.7 million from FY08 – increasing from \$262.1 million to \$269.8 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 \$17.9 million from \$205.1 million to \$223.0 million, whereas the business-type activities net assets decreased by \$10.2 million from \$57.0 million to \$46.8 million. Table 1 reflects the condensed Summary of Net Assets compared to FY08. 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, 2009 and 2008
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 67.1	\$ 73.5	\$ 11.0	\$ 14.0	\$ 78.1	\$ 87.5
Capital assets	229.1	190.8	63.4	72.8	292.5	263.6
Total assets	296.2	264.3	74.4	86.8	370.6	351.1
Long-term liabilities	37.2	28.8	26.4	28.1	63.6	56.9
Other liabilities	36.0	30.4	1.2	1.7	37.2	32.1
Total liabilities	73.2	59.2	27.6	29.8	100.8	89.0
Net Assets:						
Invested in capital assets, net of debt	193.8	172.3	37.2	44.9	231.0	217.2
Restricted	3.3	4.0	-	-	3.3	4.0
Unrestricted	25.9	28.8	9.6	12.1	35.5	40.9
Total net assets	\$ 223.0	\$ 205.1	\$ 46.8	\$ 57.0	\$ 269.8	\$ 262.1

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.

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.

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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 \$7.7 million increase of combined net assets (which is the City's bottom line) was the result of the governmental activities net assets increasing by \$17.9 million and the business-type activities net assets decreasing by \$10.2 million.

The governmental activities total assets increased by \$31.9 million and the governmental activities total liabilities increased by \$14.0 million. The \$31.9 million increase in total assets is due to a \$6.4 million decrease in current and other assets and a \$38.3 million increase in capital assets. The \$14.0 million increase in total liabilities is due to an \$8.4 million increase in long term liabilities due to a \$10.7 million new short term promissory note for the new Municipal Services facility offset by the scheduled maturities of older bond issues. Other liabilities increased by \$5.6 million mainly due to the increase in accounts payable for the construction of the new Municipal Services Building (\$3.3 million) and an increase of \$1.3 million of unearned property tax revenue.

The current and other assets decrease was mainly due to a \$5.0 million decrease in cash in the Municipal Services Building Construction Fund. 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 \$38.3 million capital asset increase was mainly due to the Paid Parking Fund, a business-type activity, closing on May 1, 2009 and the net book value of \$9.5 million of capital assets transferring to the General Fund, a governmental activity.

Other capital asset increases include: \$18.0 million for the new Municipal Services Building; \$8.1 million of land acquired at the former Municipal Services site in FY02 and booked as a capital asset in FY09; The completion of a \$3.0 million restoration of Elawa Farm (\$2.5 million of FY08 construction in progress); The completion of the \$1.6 million Old Elm Bridge (\$0.2 million of FY08 construction in progress) ; A new City park, Townline Community Park, opened in FY09 with \$1.7 million of improvements; infrastructure improvements of \$1.0 million along Western Avenue in the City's Central Business District ; \$1.0 million of improvements to the North and South beach access roads; \$0.7 million of construction in progress toward the fiber optic communications network; and capital equipment of \$1.5 million. These additions were offset by \$5.1 million of depreciation.

The net assets of business-type activities decreased by \$10.2 million, from \$57.0 million to \$46.8 million. The total assets of the business-type activities decreased by \$12.4 million. \$12.4 million of the decrease was due to the \$9.5 million transfer of capital assets to the General Fund, a governmental activity. \$3.0 million of the decrease was due to current and other assets. \$1.5 million of cash and receivables was transferred to the General Fund from the Paid Parking Fund. The Waterworks and Sewerage Fund used \$1.6 million of cash for planned capital projects.

The total liabilities decreased by \$2.2 million from \$29.8 million to \$27.6 million. This was the result of a bonds payable decrease of \$1.4 million and the closure of the Paid Parking Fund liabilities into the General Fund. The unrestricted net assets of \$9.6 million decreased by \$2.5 million from FY08. This is mainly due to a \$1.5 million decrease in the Waterworks and Sewerage Fund that was invested in capital assets. The majority (\$8.9 million) of the \$9.6 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 \$6.6 million per year and interest expense on bonds is \$1.1 million.

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Changes in Net Assets

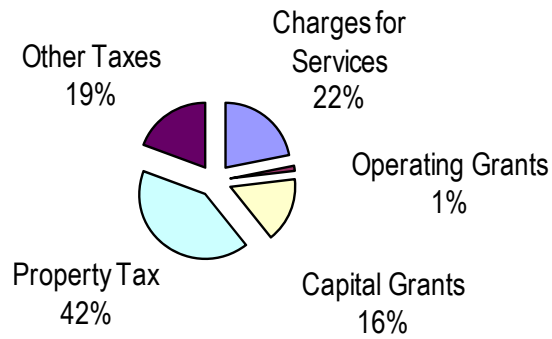
The City's combined change in net assets was a decrease of \$3.8 million. The City's total revenues decreased by \$1.2 million. The City's cost of all programs increased by \$2.6 million. The following chart compares the revenue and expenses for the current and previous fiscal year.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2009 and 2008
(in millions)

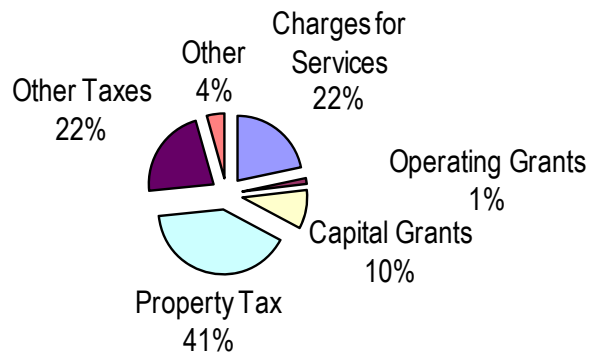
Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Program Revenues						
Charges for Services	\$ 12.2	\$ 11.9	\$ 8.0	\$ 9.3	\$ 20.2	\$ 21.2
Grants and contributions						
Operating	0.7	0.8	-	-	0.7	0.8
Capital	9.0	5.3	0.9	1.4	9.9	6.7
General Revenue						
Property	23.1	22.3	-	-	23.1	22.3
Other taxes	10.8	12.2	-	-	10.8	12.2
Other	-	2.4	0.2	0.5	0.2	2.9
Total Revenue	55.8	54.9	9.1	11.2	64.9	66.1
Expenses						
Governmental Activities						
General Government	14.9	11.0	-	-	14.9	11.0
Highways and Streets	7.9	8.8	-	-	7.9	8.8
Sanitation	2.2	2.3	-	-	2.2	2.3
Culture and Recreation	9.4	8.8	-	-	9.4	8.8
Public Safety	12.6	12.4	-	-	12.6	12.4
Interest	1.0	0.8	-	-	1.0	0.8
Business Type						
Waterworks and Sewerage	-	-	7.7	8.2	7.7	8.2
Golf	-	-	1.5	1.5	1.5	1.5
Paid Parking	-	-	-	0.8	-	0.8
Total Expenses	48.0	44.1	9.2	10.5	57.2	54.6
Excess before Transfers	7.8	10.8	(0.1)	0.7	7.7	11.5
Transfers In (Out)	10.1	-	(10.1)	-	-	-
Change in Net Assets	17.9	10.8	(10.2)	0.7	7.7	11.5
Net assets - beginning	205.1	194.3	57.0	56.3	262.1	250.6
Net assets - ending	223.0	205.1	46.8	57.0	269.8	262.1

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2009 Governmental Activities Revenue

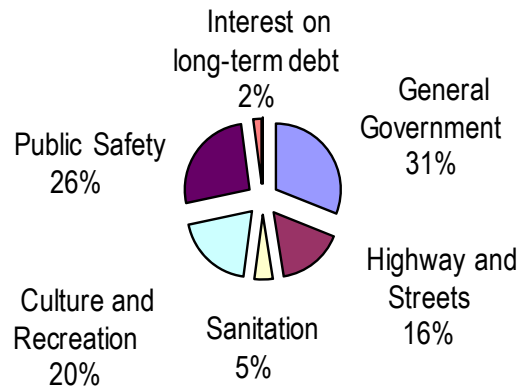


2008 Governmental Activities Revenue

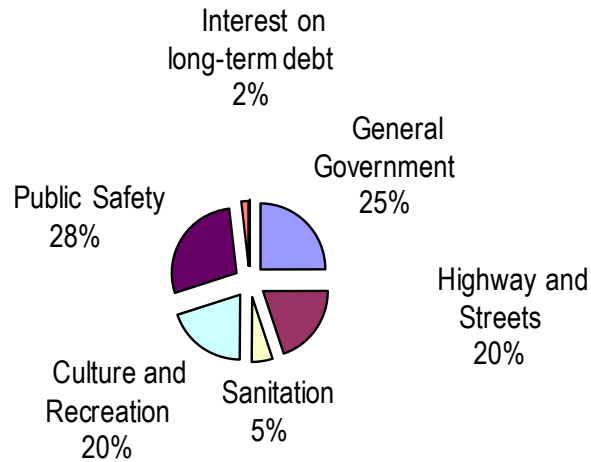


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2009 Governmental Activities Expense



2008 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, building fees, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – investment income on the City's investment portfolio may fluctuate based on market conditions.

Expenses

Introduction of New Programs – within the functional expense categories (Public Safety, Highways and Streets, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 67% 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, 2009, revenues from governmental activities totaled \$55.8 million which is an increase of \$0.9 million.

Property tax revenues continue to be the City's largest revenue source, coming in at \$23.1 million. Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$33.9 million and represent 60.8% of the total Governmental Fund revenue. This is a decrease of \$0.6 million or 1.7% from FY08. \$1.0 million of the decrease is the real estate transfer tax. \$.4 of the decrease is due to sales, income and utility tax offset by the \$0.8 million increase in property tax revenue

The real estate transfer tax became effective July 5, 2006 with a 58% voter approval via referendum. The tax is imposed upon buyers of any residential or commercial real estate at a rate of \$4.00 per \$1,000 of value. The revenue is used strictly to improve the City's infrastructure. The City's 2008 equalized assessed valuation increased 3.2% to

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\$2,898,071,972. 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.

Charges for services increased \$0.3 million mainly due to the closure of the Paid Parking Fund into the General Fund.

Capital grants increased by \$3.7 million to \$9.0 million due to the \$8.1 million of land acquired at the former Municipal Services site in FY02 and booked as a capital asset in FY09.

Investment income decreased by \$1.7 million or 98.0% from FY08 (\$1.8 million to \$36,000). The rate of return on investments was 1.5% in FY09 compared to 4.2% in FY08. In addition cash balances were used for capital projects. The City's strategy for investing did not change.

Expenses

For the fiscal year ended April 30, 2009, expenses for governmental activities totaled \$48.0 million which is an increase of \$3.9 million or 8.8%.

The City's General Government function expenditures increased by \$3.9 million from \$11.0 million to \$14.9 million which is 35.5%. The nonmajor governmental funds increased \$0.9 million mainly due to a scheduled increase in payment to the School District from the West Lake Forest TIF District Construction Fund. The Paid Parking Fund was closed into the General Fund and \$0.3 million of the expense was a General Government function. Depreciation expense increased by \$0.5 million. \$0.9 million can be attributed to increases in salaries and benefits, legal expense and liability insurance expense. A \$1.3 increase in capital outlay (below the capitalization threshold) occurred mainly attributable to the Municipal Services Building.

The City's Highway and Streets function expenditures decreased by \$0.9 million from \$8.8 million to \$7.9 million which is 10.2%. \$0.3 million was due to the increase in the number of snow events which caused increased purchases of salt and overtime and a \$1.2 million decrease was due to additional capitalized street projects.

The City's Culture and Recreation function expenditures increased by \$0.6 million from \$8.8 million to \$9.4 million or 6.8%. The majority of the increase was due to salary and benefit increases as well as new programs.

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 FY09 expenses included funding for the City's performance based employee compensation package plus a 3.95% general salary adjustment with specific positions receiving up to 4.50% due to market conditions.

Business-type Activities

Revenue

The total revenue for the business-type activities decreased by \$2.1 million. The Paid Parking Fund (\$1.0 million of revenue) was closed into the General Fund. The Waterworks and Sewerage Fund water sales revenue decreased by \$0.3 million due to the extremely wet summer. Capital grants in the Waterworks and Sewerage Fund decreased by \$0.5 million and investment income decreased by \$0.3 million.

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Expenses

The City's business-type activity expenses decreased by \$1.3 million which is 12.4% from FY08. The Paid Parking Fund (\$0.7 million of expense) was closed into the General Fund. The Waterworks and Sewerage Fund operating and maintenance expense decreased \$0.6 million (18.6%) as a direct result of the decrease in revenue due to the wet summer.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2009, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$26.9 million which is a 31.7% decrease from the beginning of the year (\$39.3 million). Of the total fund balance of \$26.9 million, \$21.9 million is unreserved indicating availability for continuing City services and capital projects. This is a decrease of \$13.5 million from FY08 (38.1% decrease). The primary reason for the decrease in fund balance is an \$8.3 million decrease in the Municipal Services Building Construction Fund, a \$0.7 million decrease in the Route 60 Park Fund, a \$1.1 million decrease in the Park and Public Land Fund, and a \$1.2 million decrease in the 2004 B Bond Construction Fund. The Capital Equipment Reserve Fund was closed into the Capital Improvements Fund for a net decrease of \$0.9 million. All of the decreases were due to cash draw downs for capital projects. The projects include the new Municipal Services Building, the new Townline Community Park, storm sewer projects, the pavement overlay program, Western Ave improvements, and capital equipment.

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 \$0.2 million or 2.0% from FY08 (from \$10.6 million to \$10.8 million). The General Fund revenues increased by \$0.8 million (2.6%) and the expenditures increased by \$2.1 million (7.9%). Thereby the excess of revenues over expenditures decreased to \$1.9 million from \$3.3 million. The other financing sources (uses) remained the same.

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 2007 extension allowed for a 2.5% CPI factor as well as new equalized assessed valuation growth.

There are several reasons for the increase in expenditures. Highways and Streets increased \$0.3 million mainly due to the increase in the number of snow events which caused increased purchases of salt and overtime. The General Government increased \$1.2 million due to salary increases as well as delays in filling open positions during FY08 that did not continue into FY09. Public Safety increased \$0.7 million due to salary and pension increases.

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Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 25.9	\$ 25.9	\$ 25.1
Other	5.9	5.9	6.0
Total	<u>31.8</u>	<u>31.8</u>	<u>31.1</u>
Expenditures and transfers:			
Expenditures	32.9	32.9	29.2
Transfers (net)	2.6	2.6	1.7
	<u>35.5</u>	<u>35.5</u>	<u>30.9</u>
Change in Fund Balance	<u>\$ (3.7)</u>	<u>\$ (3.7)</u>	<u>\$ 0.2</u>

Actual General Fund revenues were lower than the original budgeted revenues by \$0.7 million during FY09. This decrease is due to economic factors spread amongst several revenue categories: Licenses and permits of \$0.2 million due to decreased building permit activity; investment income of \$0.2 million due to the decline in interest rates; and \$0.6 million of other taxes due to the decline in sales, income, and utility taxes. Actual General Fund expenditures were lower than the original and final budget by \$3.7 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 FY09. \$0.5 million of the decrease is mainly attributable to expenditures that were not made as a result of the revenue shortfall. More information can be found on the schedule of revenues, expenditures and changes in fund balance on page 20.

The Parks 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 \$1.6 million to \$1.8 million. The Parks and Recreation Fund revenues increased by \$0.2 million (2.8%) while expenditures increased by \$0.7 million (11.0%). The excess of revenues over expenditures decreased by \$0.5 million to a \$0.1 million deficiency. FY09 revenues and expenses were higher than FY08 mainly due to the addition of new programs.

The Parks and Recreation Fund revenues were lower than the final budget by \$0.1 million. The variance occurred in a \$0.2 million decrease in charges for services, offset by small increases in the tax, and other revenue categories. This is attributable to lower than anticipated registration in early childhood, dance, youth sports and summer camps. The Parks and Recreation Fund expenditures were lower than the final budget by \$1.1 million. \$0.7 million was due to contingency expenditures not being expended and \$0.4 million was a direct result of lower than anticipated participation which resulted in a corresponding reduction in expenses primarily in the areas of labor and materials.

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 2.8% from FY08 (from \$2.7 million to \$2.6 million).

CITY OF LAKE FOREST, ILLINOIS
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The Debt Service Fund revenues decreased by \$1.7 million (41%) and the expenditures decreased by \$1.9 million (38%). The deficiency of revenues over expenditures decreased by \$0.2 million (21%). The other financing sources decreased by \$0.1 million (17%). The Debt Service Fund decreased slightly in fund balance due to the closure of the 1992B and 1998 funds. The remaining balances were 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 decreased by \$8.3 million or 95% from FY08 (from \$8.7 million to \$0.4 million). The Municipal Services Building Construction Fund revenues remained the same at \$0.1 million. The only revenue in this fund is interest income. The expenditures increased by \$17.0 million (834%). The deficiency of revenues over expenditures increased by \$17.0 million (869%). The other financing sources increased by \$1.8 million (20%) as a \$10.7 million draw on a \$13 million line of credit occurred in April 2009. The facility was completed in August 2009 (FY10).

Capital Assets

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land and improvements	\$ 45.1	\$ 29.2	\$ 0.5	\$ 6.9	\$ 45.6	\$ 36.1
Infrastructure land	66.7	66.7	-	-	66.7	66.7
Construction in progress	22.1	5.0	0.3	0.2	22.4	5.2
Infrastructure	69.9	70.8	-	-	69.9	70.8
Buildings	8.9	8.3	20.4	22.0	29.3	30.3
Improvements	11.8	6.6	22.5	23.6	34.3	30.2
Machinery and equipment	4.6	4.2	2.5	2.5	7.1	6.7
Sanitary sewers	-	-	17.2	17.6	17.2	17.6
Total	\$ 229.1	\$ 190.8	\$ 63.4	\$ 72.8	\$ 292.5	\$ 263.6

At the end of FY09, the City had a combined total of capital assets of \$292.5 million invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$28.9 million.

The net increase is attributable to a \$38.3 million increase in the governmental activities offset by a \$9.4 million decrease in the business-type activities. The Paid Parking Fund, a business-type activity, was closed on May 1, 2009 and the net book value of \$9.5 million of capital assets was transferred to the General Fund, a governmental activity.

Other governmental activities increases include: \$18.0 million of additions to construction in progress for the new Municipal Services Building; \$8.1 million of land acquired at the former Municipal Services site in FY02 and booked as a capital asset in FY09; The completion of a \$3.0 million restoration of Elawa Farm (\$2.5million of FY08 construction in progress); The completion of the \$1.6 million Old Elm Bridge (\$0.2 million of FY08 construction in progress) ; A new City park, Townline Community Park, opened in FY09 with \$1.7 million of improvements; infrastructure improvements of \$1.0 million along Western Avenue in the City's Central Business District ; \$1.0 million of improvements to the North and South beach access roads; \$0.7 million of construction in progress toward the fiber optic communications network; and capital equipment of \$1.5 million. These additions were offset by \$5.1 million of depreciation.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2009

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	\$ 190.8	\$ 72.8	\$ 263.6
Additions			
Depreciable	11.4	2.7	14.1
Non-Depreciation	15.9	-	15.9
Construction in Progress	19.8	0.1	19.9
Retirements			
Depreciable	(1.0)	(5.6)	(6.6)
Non-Depreciation	(0.1)	(6.5)	(6.6)
Construction in Progress	(2.7)	-	(2.7)
Depreciation	(5.8)	(2.7)	(8.5)
Retirements	0.8	2.6	3.4
Ending Balance	\$ 229.1	\$ 63.4	\$ 292.5

Debt Outstanding

The City had \$50.5 million of general obligation bonds outstanding at April 30, 2009. Of this amount \$14.2 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 \$6,187 and \$4,507 if self-supporting debt is excluded.

The City operated as a home rule community for FY09. 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 3.9% for 2008, which is far below Lake County (6.7%) and the national (8.9%) and state (6.5%) 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, 800 N. Field Drive, Lake Forest, IL 60045.

BASIC FINANCIAL STATEMENTS

CITY OF LAKE FOREST, ILLINOIS

Exhibit A-1

Statement of Net Assets

April 30, 2009

	Primary Government			Component unit
	Governmental Activities	Business-type Activities	Total	Lake Forest Library
Assets				
Cash and cash equivalents	\$ 36,056,218	\$ 9,008,724	\$ 45,064,942	\$ 946,797
Investments	2,035,329	289,651	2,324,980	-
Receivables (net):				
Property taxes	24,055,668	-	24,055,668	3,253,802
Other taxes	456,364	-	456,364	12,086
Accounts	525,447	1,037,892	1,563,339	24,267
Accrued interest	-	3,332	3,332	-
Loans	351,860	-	351,860	-
Other	182,259	-	182,259	-
Due from other governments	1,800,697	-	1,800,697	-
Internal balances	(476,139)	476,139	-	-
Inventories	271,735	57,144	328,879	-
Prepays	899,206	107,644	1,006,850	-
Deferred charges – bond issuance costs	78,951	69,657	148,608	-
Net pension asset	931,740	-	931,740	-
Capital assets:				
Not being depreciated	133,910,019	703,144	134,613,163	219,000
Being depreciated, net	95,158,752	62,657,432	157,816,184	3,138,401
Total assets	<u>296,238,106</u>	<u>74,410,759</u>	<u>370,648,865</u>	<u>7,594,353</u>
Liabilities				
Accounts payable	5,366,250	317,151	5,683,401	137,070
Accrued liabilities	1,865,577	118,343	1,983,920	86,090
Accrued interest payable	518,988	427,878	946,866	-
Retainage payable	1,029,220	-	1,029,220	-
Deposits	1,154,637	-	1,154,637	-
Unearned revenue - property taxes	24,055,668	-	24,055,668	3,253,802
Unearned revenue - other	2,116,754	355,079	2,471,833	-
Long-term obligations:				
Due within one year	2,952,662	1,360,000	4,312,662	21,152
Due in more than one year	34,221,848	25,070,530	59,292,378	105,476
Total liabilities	<u>73,281,604</u>	<u>27,648,981</u>	<u>100,930,585</u>	<u>3,603,590</u>
Net Assets				
Invested in capital assets, net of related debt	193,768,992	37,184,702	230,953,694	3,348,249
Restricted for:				
Capital projects	564,338	-	564,338	-
Debt service	2,632,215	-	2,632,215	-
Other purposes	123,421	-	123,421	-
Unrestricted	25,867,536	9,577,076	35,444,612	642,514
Total net assets	<u>\$ 222,956,502</u>	<u>\$ 46,761,778</u>	<u>\$ 269,718,280</u>	<u>\$ 3,990,763</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Activities
For the Year Ended April 30, 2009

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	Capital	Primary Government			
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 14,928,550	\$ 4,980,144	\$ 3,269	\$ 8,146,241	\$ (1,798,896)	\$ -	\$ (1,798,896)	
Highways and streets	7,911,604	1,239,586	676,958	407,207	(5,587,853)	-	(5,587,853)	
Sanitation	2,169,302	192,848	-	-	(1,976,454)	-	(1,976,454)	
Culture and recreation	9,430,847	4,197,023	-	479,981	(4,753,843)	-	(4,753,843)	
Public safety	12,623,300	1,589,647	4,645	-	(11,029,008)	-	(11,029,008)	
Interest on long-term debt	978,029	-	-	-	(978,029)	-	(978,029)	
Total governmental activities	48,041,632	12,199,248	684,872	9,033,429	(26,124,083)	-	(26,124,083)	
Business-type activities:								
Waterworks and sewerage	7,659,138	6,589,780	-	829,447	-	(239,911)	(239,911)	
Golf	1,490,115	1,413,732	-	-	-	(76,383)	(76,383)	
Total business-type activities	9,149,253	8,003,512	-	829,447	-	(316,294)	(316,294)	
Total primary government	\$ 57,190,885	\$ 20,202,760	\$ 684,872	\$ 9,862,876	(26,124,083)	(316,294)	(26,440,377)	
Component Unit								
Lake Forest Library	\$ 3,801,744	\$ 73,515	\$ 24,267	\$ -				\$ (3,703,962)
General revenues and transfers:								
General revenues								
Property taxes					23,067,216	-	23,067,216	3,141,146
Replacement taxes					138,004	-	138,004	31,320
Sales tax					3,010,457	-	3,010,457	-
Income tax					2,018,177	-	2,018,177	-
Utility tax					4,407,235	-	4,407,235	-
Real estate transfer tax					962,840	-	962,840	-
Other taxes					253,343	-	253,343	-
Investment income					35,853	169,717	205,570	40,853
Other					22,729	-	22,729	-
Transfers					10,111,313	(10,111,313)	-	-
Total general revenues and transfers					44,027,167	(9,941,596)	34,085,571	3,213,319
Change in net assets					17,903,084	(10,257,890)	7,645,194	(490,643)
Net assets – beginning of year					205,053,418	57,019,668	262,073,086	4,481,406
Net assets – end of year					\$ 222,956,502	\$ 46,761,778	\$ 269,718,280	\$ 3,990,763

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Balance Sheet

Governmental Funds

April 30, 2009

Assets	General Fund	Parks and Recreation Fund	Municipal Services Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,092,128	\$ 2,750,280	\$ 4,384,192	\$ 13,145,771	\$ 31,372,371
Investments	-	-	-	2,035,329	2,035,329
Receivables (net of allowance for uncollectibles):					
Property taxes	16,229,354	2,912,033	-	4,914,281	24,055,668
Other taxes	456,364	-	-	-	456,364
Accounts	458,403	39,298	-	27,746	525,447
Loans	351,860	-	-	-	351,860
Other	41,600	-	-	70,251	111,851
Due from other governments	1,748,455	12,190	-	40,052	1,800,697
Due from fiduciary funds	-	-	-	67,466	67,466
Inventory	138,600	-	-	-	138,600
Prepays	770,690	121,207	-	7,309	899,206
Total assets	<u>\$ 31,287,454</u>	<u>\$ 5,835,008</u>	<u>\$ 4,384,192</u>	<u>\$ 20,308,205</u>	<u>\$ 61,814,859</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 663,972	\$ 182,180	\$ 3,040,813	\$ 1,251,923	\$ 5,138,888
Accrued liabilities	1,152,090	172,323	-	108,609	1,433,022
Due to other funds	-	-	-	3,500	3,500
Retainage payable	-	-	922,237	106,983	1,029,220
Deposits	1,154,637	-	-	-	1,154,637
Unearned revenue:					
Property taxes	16,229,354	2,912,033	-	4,914,281	24,055,668
Other	1,250,580	773,980	4,633	87,561	2,116,754
Total liabilities	<u>20,450,633</u>	<u>4,040,516</u>	<u>3,967,683</u>	<u>6,472,857</u>	<u>34,931,689</u>
Fund Balances:					
Reserved for:					
Loans	351,860	-	-	-	351,860
Inventory	138,600	-	-	-	138,600
Prepays	770,690	121,207	-	7,309	899,206
Debt service	-	-	-	2,632,215	2,632,215
Paid parking	957,420	-	-	-	957,420
Unreserved, reported in:					
General fund	8,618,251	-	-	-	8,618,251
Special revenue funds	-	1,673,285	-	5,074,259	6,747,544
Capital projects funds	-	-	416,509	6,121,565	6,538,074
Total fund balances	<u>10,836,821</u>	<u>1,794,492</u>	<u>416,509</u>	<u>13,835,348</u>	<u>26,883,170</u>
Total liabilities and fund balances	<u>\$ 31,287,454</u>	<u>\$ 5,835,008</u>	<u>\$ 4,384,192</u>	<u>\$ 20,308,205</u>	<u>\$ 61,814,859</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, 2009

Total fund balances – governmental funds	\$ 26,883,170
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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.	78,951
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Net pension asset recorded in governmental activities is not a financial resource and therefore is not reported in the funds.	931,740
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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	\$ 45,090,184	
Land-infrastructure	66,740,770	
Construction in progress	22,079,065	
Infrastructure, net of \$104,566,487 in accumulated depreciation	69,887,036	
Buildings, net of \$7,381,565 in accumulated depreciation	8,899,970	
Improvements, net of \$4,662,551 in accumulated depreciation	11,817,857	
Machinery and equipment, net of \$7,841,888 in accumulated depreciation	4,553,889	
Total capital assets, net	229,068,771	

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	\$ (518,988)	
Net OPEB Obligation	(42,628)	
General obligation bonds	(24,188,066)	
Discount on general obligation bonds	54,954	
Installment purchase contracts and promissory note	(11,166,667)	
Compensated absences	(1,787,310)	
Total long-term obligations	(37,648,705)	

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.

3,642,575

Net assets of governmental activities	\$ 222,956,502
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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, 2009

	General Fund	Parks and Recreation Fund	Municipal Services Building Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$ 15,295,625	\$ 3,127,830	\$ -	\$ 4,643,761	\$ 23,067,216
Other	9,785,189	32,027	-	972,840	10,790,056
Intergovernmental revenues	3,269	-	-	681,603	684,872
Charges for services	2,597,515	3,399,760	-	2,298,485	8,295,760
Licenses and permits	2,117,774	-	-	-	2,117,774
Fines and forfeitures	387,629	-	-	-	387,629
Investment income (loss)	230,132	47,325	94,210	(383,362)	(11,695)
Miscellaneous revenue	673,177	102,512	-	645,126	1,420,815
Total revenues	31,090,310	6,709,454	94,210	8,858,453	46,752,427
Expenditures:					
Current:					
General government	10,465,264	-	139,321	2,173,615	12,778,200
Highways and streets	2,567,220	-	-	-	2,567,220
Sanitation	2,096,044	-	-	-	2,096,044
Culture and recreation	1,361,839	6,557,949	-	591,287	8,511,075
Public safety	12,547,425	-	-	272,775	12,820,200
Capital outlay	51,267	236,050	18,929,456	9,320,461	28,537,234
Debt service:					
Principal retirement	91,667	-	-	2,863,014	2,954,681
Interest	7,608	-	-	686,747	694,355
Total expenditures	29,188,334	6,793,999	19,068,777	15,907,899	70,959,009
Excess (deficiency) of revenues over expenditures	1,901,976	(84,545)	(18,974,567)	(7,049,446)	(24,206,582)
Other financing sources (uses):					
Debt issuance - installment contracts	-	-	10,700,000	-	10,700,000
Sale of property	-	-	-	75,000	75,000
Transfers in	1,013,925	319,418	-	4,091,747	5,425,090
Transfers out	(2,705,712)	-	-	(1,748,953)	(4,454,665)
Total other financing sources (uses)	(1,691,787)	319,418	10,700,000	2,417,794	11,745,425
Net change in fund balances	210,189	234,873	(8,274,567)	(4,631,652)	(12,461,157)
Fund balances - beginning of year	10,626,632	1,559,619	8,691,076	18,467,000	39,344,327
Fund balances - end of year	\$ 10,836,821	\$ 1,794,492	\$ 416,509	\$ 13,835,348	\$ 26,883,170

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, 2009

Net changes in fund balances—total governmental funds \$ (12,461,157)

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 capital outlay
(\$25,801,435) exceeded depreciation expense (\$5,812,346) in the current period. 19,989,089

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins,
and disposals) is to decrease net assets (249,467)

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

Contributions from external parties	\$ 9,033,428	
Contributions from enterprise fund	9,538,597	
Total contributions	<u>18,572,025</u>	18,572,025

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.

Debt issuance	\$ (11,120,000)	
Repayments:		
General obligation bonds	2,863,014	
Installment contracts	91,667	
Net adjustment	<u>(8,165,319)</u>	(8,165,319)

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	\$ 72,712	
Increase in OPEB obligation	(42,628)	
Increase in accrued interest payable	(272,103)	
Accretion of interest on bond discount	(5,932)	
Amortization of bond issuance costs	(5,639)	
Increase in compensated absences	(170,606)	
	<u>(424,196)</u>	(424,196)

The net revenue of certain activities of internal service funds is reported with
governmental activities. 642,109

Change in net assets of governmental activities – statement of activities \$ 17,903,084

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Net Assets

Proprietary Funds

April 30, 2009

Assets	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities— Internal Service Funds
Current assets:				
Cash and cash equivalents	\$ 8,325,466	\$ 683,258	\$ 9,008,724	\$ 4,683,847
Investments	289,651	-	289,651	-
Receivables:				
Accounts receivable	1,037,598	294	1,037,892	-
Accrued interest	3,332	-	3,332	-
Other	-	-	-	2,942
Due from other funds	3,500	-	3,500	-
Inventories	-	57,144	57,144	133,135
Prepaid expenses	77,696	29,948	107,644	-
Total current assets	<u>9,737,243</u>	<u>770,644</u>	<u>10,507,887</u>	<u>4,819,924</u>
Noncurrent assets:				
Deferred charges – bond issuance costs	60,418	9,239	69,657	-
Capital assets:				
Not being depreciated	607,627	95,517	703,144	-
Being depreciated, net of accumulated depreciation	60,530,193	2,127,239	62,657,432	-
Total capital assets, net	<u>61,137,820</u>	<u>2,222,756</u>	<u>63,360,576</u>	<u>-</u>
Total noncurrent assets	<u>61,198,238</u>	<u>2,231,995</u>	<u>63,430,233</u>	<u>-</u>
Total assets	<u>70,935,481</u>	<u>3,002,639</u>	<u>73,938,120</u>	<u>4,819,924</u>
Liabilities				
Current liabilities:				
Accounts payable	134,974	182,177	317,151	227,362
Accrued liabilities	89,455	28,888	118,343	432,555
Accrued interest payable	409,622	18,256	427,878	-
Unearned revenue	45,017	310,062	355,079	-
Current portion of long-term obligations				
General obligation bonds	1,310,000	45,000	1,355,000	-
Accrued compensated absences	4,360	640	5,000	1,775
Total current liabilities	<u>1,993,428</u>	<u>585,023</u>	<u>2,578,451</u>	<u>661,692</u>
Noncurrent liabilities:				
General obligation bonds payable (net of unamortized discounts)	23,676,567	1,144,307	24,820,874	-
Accrued compensated absences	217,727	31,929	249,656	43,018
Total noncurrent liabilities	<u>23,894,294</u>	<u>1,176,236</u>	<u>25,070,530</u>	<u>43,018</u>
Total liabilities	<u>25,887,722</u>	<u>1,761,259</u>	<u>27,648,981</u>	<u>704,710</u>
Net Assets				
Invested in capital assets, net of related debt	36,151,253	1,033,449	37,184,702	-
Unrestricted	8,896,506	207,931	9,104,437	4,115,214
Total net assets	<u>\$ 45,047,759</u>	<u>\$ 1,241,380</u>	<u>46,289,139</u>	<u>\$ 4,115,214</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			472,639	
Net assets of business-type activities reported in the government-wide statement of net assets.				
			<u>\$ 46,761,778</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, 2009

	Business-type Activities – Enterprise Funds			Governmental Activities— Internal Service Funds
	Waterworks and Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 6,460,339	\$ 1,359,150	\$ 7,819,489	\$ 5,795,482
Connection fees	121,710	-	121,710	-
Miscellaneous	7,731	54,582	62,313	-
Total operating revenues	<u>6,589,780</u>	<u>1,413,732</u>	<u>8,003,512</u>	<u>5,795,482</u>
Operating expenses:				
General and administrative	1,266,353	779,033	2,045,386	5,169,458
Operations and maintenance	2,794,767	520,079	3,314,846	-
Depreciation and amortization	2,531,065	153,445	2,684,510	-
Total operating expenses	<u>6,592,185</u>	<u>1,452,557</u>	<u>8,044,742</u>	<u>5,169,458</u>
Operating income (loss)	<u>(2,405)</u>	<u>(38,825)</u>	<u>(41,230)</u>	<u>626,024</u>
Nonoperating revenues (expenses):				
Investment income	162,713	7,004	169,717	47,548
Interest expense	(1,129,553)	(48,921)	(1,178,474)	-
Total nonoperating revenues (expenses)	<u>(966,840)</u>	<u>(41,917)</u>	<u>(1,008,757)</u>	<u>47,548</u>
Increase (decrease) in net assets before contributions and transfers	<u>(969,245)</u>	<u>(80,742)</u>	<u>(1,049,987)</u>	<u>673,572</u>
Capital contributions	829,447	-	829,447	-
Transfers in	750	250	1,000	42,500
Transfers out	-	(10,112,313)	(10,112,313)	-
Change in net assets	<u>(139,048)</u>	<u>(10,192,805)</u>	<u>(10,331,853)</u>	<u>716,072</u>
Net assets – beginning of year	<u>45,186,807</u>	<u>11,434,185</u>	<u>56,620,992</u>	<u>3,399,142</u>
Net assets – end of year	<u>\$ 45,047,759</u>	<u>\$ 1,241,380</u>	<u>46,289,139</u>	<u>\$ 4,115,214</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>73,963</u>	
Change in net assets of business-type activities reported in the government-wide statement of activities			<u>\$ (10,257,890)</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2009

Exhibit A-9

	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities— Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$ 6,503,871	\$ 1,362,221	\$ 7,866,092	\$ -
Receipts from miscellaneous revenue	7,731	54,582	62,313	-
Receipts from interfund services provided	-	-	-	5,797,506
Payments to suppliers	(1,829,844)	(397,393)	(2,227,237)	(4,748,958)
Payments to employees	(2,274,650)	(808,277)	(3,082,927)	(486,305)
Net cash provided by operating activities	2,407,108	211,133	2,618,241	562,243
Cash flows from noncapital financing activities:				
Transfer from other funds	750	250	1,000	42,500
Transfer to other funds	-	(1,302,127)	(1,302,127)	-
Net cash provided by (used in) noncapital financing activities	750	(1,301,877)	(1,301,127)	42,500
Cash flows from capital and related financing activities:				
Purchases of capital assets	(1,796,246)	(179,400)	(1,975,646)	-
Principal paid on capital debt	(1,265,000)	-	(1,265,000)	-
Interest paid on capital debt	(1,126,675)	(47,146)	(1,173,821)	-
Net cash used in capital and related financing activities	(4,187,921)	(226,546)	(4,414,467)	-
Cash flows from investing activities:				
Purchases of investments	-	-	-	-
Proceeds from sales and maturities of investments	4,253,256	-	4,253,256	-
Interest and dividends received	161,985	7,004	168,989	47,548
Net cash provided by investing activities	4,415,241	7,004	4,422,245	47,548
Net increase (decrease) in cash and cash equivalents	2,635,178	(1,310,286)	1,324,892	652,291
Cash and cash equivalents – beginning of year	5,690,288	1,993,544	7,683,832	4,031,556
Cash and cash equivalents – end of year	\$ 8,325,466	\$ 683,258	\$ 9,008,724	\$ 4,683,847

(Continued)

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended April 30, 2009

Exhibit A-9, Continued

	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities— Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (2,405)	\$ (38,825)	\$ (41,230)	\$ 626,024
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	2,531,065	153,445	2,684,510	-
Changes in assets and liabilities:				
Water sales receivable	(85,028)	-	(85,028)	-
Accounts receivable	-	5,984	5,984	2,024
Other receivables	39	-	39	-
Other assets	(3,837)	(19,422)	(23,259)	(11,993)
Accounts payable	16,366	131,540	147,906	(17,757)
Accrued liabilities	(49,460)	(3,894)	(53,354)	(29,426)
Unearned revenue	6,811	(2,913)	3,898	-
Compensated absences	(6,443)	(14,782)	(21,225)	11,285
Other liabilities	-	-	-	(17,914)
Total adjustments	2,409,513	249,958	2,659,471	(63,781)
Net cash provided by operating activities	\$ 2,407,108	\$ 211,133	\$ 2,618,241	\$ 562,243
Noncash capital financing activities:				
Contributions of capital assets	\$ 829,447	\$ -	\$ 829,447	\$ -
Transfer of capital assets to governmental activities	-	(9,538,598)	(9,538,598)	-
Transfer of capital related debt to governmental activities	-	420,000	420,000	-
Noncash investing activities:				
Depreciation in the fair value of investments	(5,725)	-	(5,725)	-

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2009

Assets	Pension Trust Funds	Private Purpose Trust Fund	Agency Fund
Cash and cash equivalents	\$ 1,218,170	\$ 40,096	\$ 60,174
Investments			
U.S. Treasury obligations	13,292,005	-	-
U.S. government agencies	13,528,970	-	-
Municipal and corporate bonds	-	495,026	-
Common stock	1,244,841	-	-
Equity mutual funds	9,036,472	-	-
Other receivables	66,244	7,292	-
Prepaid expenses	6,437	-	-
Total assets	<u>38,393,139</u>	<u>542,414</u>	<u>60,174</u>
Liabilities			
Accounts payable	19,416	70,913	-
Due to special assessment districts	-	-	60,174
Total liabilities	<u>19,416</u>	<u>70,913</u>	<u>60,174</u>
Net Assets			
Held in trust for pension trust and other purposes	<u>\$ 38,373,723</u>	<u>\$ 471,501</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, 2009

	Pension Trust Funds	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 1,739,694	\$ -
Employee	603,953	-
Total contributions	<u>2,343,647</u>	<u>-</u>
Interest income	758,857	24,124
Net appreciation (depreciation) in fair value of investments	(3,824,227)	1,142
Investment expenses	(197,761)	-
Net investment income	<u>(3,263,131)</u>	<u>25,266</u>
Total additions	<u>(919,484)</u>	<u>25,266</u>
Deductions:		
Pension benefits and refunds	2,658,715	-
Other administrative expenses	10,401	33,120
Total deductions	<u>2,669,116</u>	<u>33,120</u>
Change in net assets	(3,588,600)	(7,854)
Net assets held in trust at beginning of year	<u>41,962,323</u>	<u>479,355</u>
Net assets held in trust at end of year	<u>\$ 38,373,723</u>	<u>\$ 471,501</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(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, 800 North Field Drive, 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, 2009

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.

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 maintenance of the parks and recreation programs. Services include a fitness center, dance academy, and a variety of other indoor and outdoor programs.

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 Delmar Woods Subdivision.

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 2007 property tax levy is recognized as revenue for the year ended April 30, 2009. 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.

Proprietary fund revenues are classified as either operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. 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. Nonoperating expenses include interest expense.

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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(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;
- 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;

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

- 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, 2009

(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, 2009

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, 2009, 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, 2009

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 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.

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.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. This Statement will become effective for the year ending April 30, 2012.

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(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. The Affordable Housing Fund expenditures/expenses exceeded the approved final budget amounts by \$13,994.
- (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).

(b) *Deficit Fund Balance*

The 2009 Bond Construction Fund had a deficit fund balance of \$34,377 at April 30, 2009.

(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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

A summary of cash and investments as of April 30, 2009 is as follows:

	Governmental and Business- type Activities	Fiduciary activities			Component Unit
		Police Pension Fund	Firefighters' Pension Fund	Other Fiduciary Activities	Lake Forest Library
Petty cash	\$ 10,095	\$ -	\$ 300	\$ -	\$ 350
Demand deposits	44,917,833	139,316	1,078,554	100,270	946,447
Illinois Funds	137,014	-	-	-	-
Certificate of Deposit	407,232	-	-	-	-
U.S. Treasury obligations	50,717	7,407,982	5,884,023	-	-
U.S. Government agencies	-	3,200,613	10,328,357	-	-
Municipal/corporate bonds	449,218	-	-	495,026	-
Equity securities	1,417,813	6,038,770	4,242,543	-	-
Total	\$ 47,389,922	\$ 16,786,681	\$ 21,533,777	\$ 595,296	\$ 946,797

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.

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, 2009, 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

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

As of April 30, 2009, 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:					
Illinois Funds *	\$ 137,014	\$ 137,014	\$ -	\$ -	\$ -
U.S. Treasury obligations	50,717	50,717	-	-	-
Municipal bonds	449,218	-	236,376	212,842	-
Total governmental and business-type activities	\$ 636,949	\$ 187,731	\$ 236,376	\$ 212,842	\$ -
Fiduciary activities:					
Police Pension Fund:					
U.S. Treasury obligations	\$ 7,407,982	\$ -	\$ 4,942,897	\$ 2,465,085	\$ -
U.S. Government agencies	3,200,613	383,620	2,210,759	606,234	-
Total Police Pension Fund	10,608,595	383,620	7,153,656	3,071,319	-
Firefighters' Pension Fund:					
U.S. Treasury obligations	5,884,023	1,501,702	-	-	4,382,321
U.S. Government agencies	10,328,357	986	895,854	2,426,811	7,004,706
Total Firefighters' Pension Fund	16,212,380	1,502,688	895,854	2,426,811	11,387,027
Other fiduciary activities:					
Corporate bonds	495,026	50,009	344,195	100,822	-
Total fiduciary activities	\$ 27,316,001	\$ 1,936,317	\$ 8,393,705	\$ 5,598,952	\$ 11,387,027

* Weighted average maturity is less than one year

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

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.

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, 2009, 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	BBB
Governmental and business-type activities:					
Illinois Funds	\$ 137,014	\$ 137,014	\$ -	\$ -	\$ -
Municipal bonds	449,218	78,169	158,207	212,842	-
Total governmental and business-type activities	\$ 586,232	\$ 215,183	\$ 158,207	\$ 212,842	\$ -
Fiduciary activities:					
Police Pension Fund:					
U.S. Government agencies	\$ 3,200,613	\$ 3,171,011	\$ 29,602	\$ -	\$ -
Firefighters' Pension Fund:					
U.S. Government agencies	10,328,357	10,328,357	-	-	-
Other fiduciary activities:					
Corporate bonds	495,026	-	-	445,017	50,009
Total fiduciary activities	\$ 14,023,996	\$ 13,499,368	\$ 29,602	\$ 445,017	\$ 50,009

CITY OF LAKE FOREST, ILLINOIS

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April 30, 2009

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 Firefighters' Pension holds 10% 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 199 issues, in which the average credit quality is AAA / AA1. All issues are either U.S. Treasury or U.S. Government Agency issues.

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, 2009, 3% of the Firefighters' 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 Firefighters' 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, 2009, 7.7% 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 15% of its assets invested in William Blair International Growth Fund as of April 30, 2009.

(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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

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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 2007 are intended to finance the fiscal year 2009 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2009 for collections from the calendar year 2007 levy if it was received by June 30, 2009. Property taxes levied for calendar year 2008 which will be collected in fiscal year 2010 are recorded as receivables and deferred revenue.

(5) Interfund Balances and Activity

Due to/from Other Funds

The following balances at April 30, 2009 represent amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Waterworks and Sewerage Fund	Nonmajor Governmental Funds	\$ 3,500
Nonmajor Governmental Funds	Fiduciary Funds	67,466
Total		<u>\$ 70,966</u>

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2009 were as follows:

<u>Transfer In Fund(s)</u>	<u>Purpose</u>	<u>Amount</u>
Nonmajor Governmental Funds	Transfer for capital outlay	\$ 1,195,491
Nonmajor Governmental Funds	Transfer for debt service	903,504
Nonmajor Governmental Funds	Transfer for operations	244,049
Internal Service Funds	Transfer for operations	42,500
Parks and Recreation Fund	Transfer for operations	319,418
Waterworks and Sewerage Fund	Transfer for operations	750
General Fund	Transfer to close fund*	1,013,925
		<u>\$ 3,719,637</u>
<u>Transfer Out Fund(s)</u>		
General Fund	Transfer for capital outlay	\$ 1,195,491
General Fund	Transfer for debt service	903,504
General Fund	Transfer for operations	606,717
Nonmajor Business Fund	Transfer to close fund*	10,112,313
		<u>\$ 12,818,025</u>
		<u>\$ (9,098,388)</u>

*Note: The Paid Parking Fund was closed on May 1, 2008 and all current assets and liabilities were transferred to the General Fund in the amount of \$1,013,925. The book value of capital assets and noncurrent liabilities was transferred to governmental activities as follows:

Net book value of capital assets	\$ 9,538,598
Compensated absences payable	(14,144)
Net general obligation bonds and interest payable	(426,066)
	<u>\$ 9,098,388</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(6) Capital Assets

A summary of capital asset activity for the year ended April 30, 2009 is as follows:

	Balance May 1, 2008	Additions or transfers*	Disposals retirement or transfers	Balance April 30, 2009
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 29,221,655	\$ 15,919,013	\$ 50,484	\$ 45,090,184
Infrastructure – land	66,740,770	-	-	66,740,770
Construction in progress	5,008,600	19,795,551	2,725,086	22,079,065
Total capital assets not being depreciated	100,971,025	35,714,564	2,775,570	133,910,019
Capital assets being depreciated:				
Infrastructure	171,871,594	2,684,138	102,209	174,453,523
Buildings	15,128,763	1,302,772	150,000	16,281,535
Improvements other than buildings	10,651,518	5,828,890	-	16,480,408
Machinery and equipment	11,511,739	1,618,666	734,628	12,395,777
Total capital assets being depreciated	209,163,614	11,434,466	986,837	219,611,243
Less accumulated depreciation:				
Infrastructure	101,134,822	3,512,764	81,099	104,566,487
Buildings	6,786,603	694,337	99,375	7,381,565
Improvements other than buildings	4,062,243	600,308	-	4,662,551
Machinery and equipment	7,393,847	1,004,937	556,896	7,841,888
Total accumulated depreciation	119,377,515	5,812,346	737,370	124,452,491
Governmental Activity capital assets – net	\$ 190,757,124	\$ 41,336,684	\$ 3,025,037	\$ 229,068,771

* See Note 5 for a description of capital asset transfers received upon closing the Paid Parking Fund.

Depreciation expense for governmental activities for the year ended April 30, 2009 was charged to functions as follows:

General government	\$ 867,302
Highways and streets	3,738,706
Sanitation	200,454
Culture and recreation	727,988
Public safety	277,896
	<u>\$ 5,812,346</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

	Balance May 1, 2008	Additions or transfers	Disposals retirement or transfers*	Balance April 30, 2009
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 6,919,878	\$ -	\$ 6,460,509	\$ 459,369
Construction in progress	188,363	68,145	12,733	243,775
Total capital assets not being depreciated	7,108,241	68,145	6,473,242	703,144
Capital assets being depreciated:				
Buildings	27,826,187	-	804,397	27,021,790
Improvements other than buildings	39,436,251	2,402,068	4,797,527	37,040,792
Machinery and equipment	4,025,655	179,400	55,931	4,149,124
Sanitary sewers and related property	29,585,402	168,213	-	29,753,615
Total capital assets being depreciated	100,873,495	2,749,681	5,657,855	97,965,321
Less accumulated depreciation:				
Buildings	5,856,616	1,001,708	295,802	6,562,522
Improvements other than buildings	15,788,790	985,976	2,230,491	14,544,275
Machinery and equipment	1,556,356	107,939	53,473	1,610,822
Sanitary sewers and related property	12,001,383	588,887	-	12,590,270
Total accumulated depreciation	35,203,145	2,684,510	2,579,766	35,307,889
Capital assets – net	\$ 72,778,591	\$ 133,316	\$ 9,551,331	\$ 63,360,576

* See Note 5 for a description of capital asset transfers out upon closing the Paid Parking Fund.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

	Balance May 1, 2008	Additions or transfers	Disposals retirement or transfers	Balance April 30, 2009
Component Unit – Lake Forest Library				
Capital assets not being depreciated:				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	106,000	43,000	-	149,000
Construction in progress	24,117	-	24,117	-
Total capital assets not being depreciated	200,117	43,000	24,117	219,000
Capital assets being depreciated:				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	727,622	748,460	-	1,476,082
Machinery and equipment	3,466,387	341,372	492,796	3,314,963
Total capital assets being depreciated	5,374,916	1,089,832	492,796	5,971,952
Less accumulated depreciation:				
Buildings	490,800	23,338	-	514,138
Improvements other than buildings	323,831	68,465	-	392,296
Machinery and equipment	2,114,980	304,933	492,796	1,927,117
Total accumulated depreciation	2,929,611	396,736	492,796	2,833,551
Capital assets – net	\$ 2,645,422	\$ 736,096	\$ 24,117	\$ 3,357,401

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(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, 2009:

	Balance May 1, 2008	Additions or transfers*	Deductions or transfers*	Balance April 30, 2009	Amounts due within one year
Governmental activities:					
General obligation bonds	\$ 26,631,080	\$ 420,000	\$ 2,863,014	\$ 24,188,066	\$ 2,410,995
Discount on general obligation bonds	(60,886)	(807)	6,739	(54,954)	-
Total general obligation bonds	26,570,194	419,193	2,869,753	24,133,112	2,410,995
Installment purchase contracts and promissory note	558,334	10,700,000	91,667	11,166,667	466,667
Net OPEB obligation	-	42,628	-	42,628	-
Compensated absences**	1,650,212	2,383,500	2,201,609	1,832,103	75,000
Total governmental activities	\$ 28,778,740	\$ 13,545,321	\$ 5,163,029	\$ 37,174,510	\$ 2,952,662
Business-type activities:					
General obligation bonds	\$ 27,965,000	\$ -	\$ 1,685,000	\$ 26,280,000	\$ 1,355,000
Discount	(118,875)	-	14,749	(104,126)	-
Compensated absences	290,025	337,986	373,355	254,656	5,000
Total business-type activities	\$ 28,136,150	\$ 337,986	\$ 2,073,104	\$ 26,430,530	\$ 1,360,000
Component Unit - Lake Forest Library					
Capital lease	\$ 39,359	\$ -	\$ 30,207	\$ 9,152	\$ 9,152
Compensated absences	135,529	165,183	183,236	117,476	12,000
Total component unit - Lake Forest Library	\$ 174,888	\$ 165,183	\$ 213,443	\$ 126,628	\$ 21,152

* See Note 5 for a description of the G.O. debt transfers upon closing the Paid Parking Fund. (The gross amount of the G.O. debt transferred from business-type activities to governmental activities totaled \$420,000).

**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, 2009

General obligation debt payable for the City as of April 30, 2009 consists of the following:

Governmental Activities:

General obligation bonds:

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 parking lot revenues.	\$ 285,000
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.	775,000
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.	2,225,000
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.	300,000
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.	1,900,000
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.	1,400,000
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.	845,000
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.	221,326
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.	1,686,740

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

Governmental Activities:

General obligation bonds (Continued):

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. \$ 4,800,000

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 24,188,066

Installment Purchase Contracts and Promissory Notes:

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. 91,667

Promissory note - \$10,700,000 municipal services building promissory note dated March 13, 2009, variable interest (90-day T-bill rate + 1%, reset weekly), interest due monthly through January 2012. 10,700,000

Total installment contracts and promissory notes payable 11,166,667

Total governmental activities \$ 35,354,733

The City has outstanding bonds that will be paid from pledged future revenues. The 1997B bonds are paid from revenues generated by paid parking at the train station; however, sales taxes are pledged in the event that there are not sufficient parking revenues. 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, 2009 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, storm sewers and a central business district parking lot. A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2009 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2009 Pledged Revenue Collected	2009 Principal and Interest Retired
1997B	Sales Tax	\$ 3,010	\$ 153
1999	Sales Tax	3,010	155
2003D and 2004B	Sales Tax	3,010	543

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

Business-type Activities

General obligation and revenue bonds:

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.	\$ 23,585,000
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.	1,500,000
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>\$ 26,280,000</u></u>

The City has outstanding bonds that will be paid from pledged future revenues. The 2002A and 2003C bonds are to be paid from water/sewer revenues of the Waterworks and Sewerage Fund. 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, 2009 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 and the golf course. A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2009 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2009 Pledged Revenue Collected	2009 Principal and Interest Retired
2002A and 2003C	Water/Sewer revenues	\$ 6,584	\$ 2,395
2004A	Golf revenues and sales tax	4,369	97

The City has a \$2.3 million remaining line of credit available to them at year-end. A total line of credit of \$13,000,000 was provided to the City for which the City has utilized \$10.7 as of year-end (promissory note).

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

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

Years	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2010	\$ 2,410,995	\$ 1,142,605	\$ 1,355,000	\$ 1,132,619
2011	2,659,313	830,285	1,400,000	1,079,944
2012	1,837,876	738,402	1,480,000	1,025,144
2013	1,666,734	666,129	1,540,000	967,309
2014	1,190,949	600,523	1,595,000	906,629
2015-2019	5,983,412	2,354,564	8,970,000	3,512,347
2020-2024	6,153,787	1,194,368	9,940,000	1,363,331
2025-2028	2,285,000	223,450	-	-
Total	<u>\$ 24,188,066</u>	<u>\$ 7,750,326</u>	<u>\$ 26,280,000</u>	<u>\$ 9,987,323</u>

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

Year	Governmental Activities			
	Installment Contracts		Promissory Note	
	Principal	Interest	Principal	Interest
2010	\$ 466,667	\$ 8,617	\$ -	\$ 138,779
2011	-	-	-	138,779
2012	-	-	10,700,000	104,084
Total	<u>\$ 466,667</u>	<u>\$ 8,617</u>	<u>\$ 10,700,000</u>	<u>\$ 381,642</u>

(8) 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

The assets acquired through the capital lease are as follows:

	Lake Forest Library
Assets:	
Improvements other than buildings	\$ 89,056
Less: accumulated depreciation	(79,904)
	<hr/>
Total	\$ 9,152
	<hr/> <hr/>

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2009 were as follows:

Year Ending April 30	Lake Forest Library
2010	\$ 9,169
Less: Amount representing interest	(17)
	<hr/>
Present value of minimum lease payments	\$ 9,152
	<hr/> <hr/>

(9) 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 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. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org 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, 2009

(b) Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 8.67 percent of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(c) Annual Pension Cost

The City's annual pension cost of \$1,479,304 for the regular plan was equal to the City's required and actual contributions.

(d) Trend Information

Year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
12/31/08	\$ 1,479,304	100 %	\$ -
12/31/07	1,494,212	100	-
12/31/06	1,500,999	100	-

The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the City's regular plan 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 20% corridor between the actuarial and market value of assets. The unfunded actuarially accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 24 years.

(e) Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation, the regular plan was 77.48 percent funded. The actuarial liability for benefits was \$46,155,124 and the actuarial value of assets was \$35,762,935 resulting in an underfunded actuarial accrued liability (UAAL) of \$10,392,189. The covered payroll (annual payroll of active employees covered by the plan) was \$17,062,328 and the ratio of the UAAL to the covered payroll was 60.91 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension and Firefighters' Pension Plans

(a) Plan Descriptions

The City contributes to two single-employer defined benefit pension plans: the Police Pension Plan and the Firefighters' 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.

Membership of each plan consisted of the following at April 30, 2009:

	Police Pension	Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	34	30
Terminated employees entitled to but not yet receiving benefits	2	-
Active plan members	41	36
Total	<u>77</u>	<u>66</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 Firefighters' Pension Fund has \$1,700,845 invested in the Tennessee Valley Authority, which represents 8% of plan net assets at April 30, 2009.

(c) Funding Policy and Annual Pension Cost

Covered police pension eligible employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

Covered firefighters' pension eligible employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. Actuarial valuations are performed annually.

The City's annual pension cost and net pension asset for the Police and Firefighters' Pension Plans for fiscal year 2009 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 1,025,521	\$ 662,323
Interest on net pension obligation	(46,266)	(18,161)
Adjustment to annual required contribution	31,212	12,353
Annual pension cost	1,010,467	656,515
Contributions made	1,038,121	701,573
Increase in net pension asset	27,654	45,058
Net pension asset at April 30, 2008	616,882	242,146
Net pension asset at April 30, 2009	\$ 644,536	\$ 287,204

The net pension assets are reported by the City in the government-wide Statement of Net Assets.

Other related information is as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Contribution rates - City	31.61%	23.97%
Contribution rates - plan members	9.91%	9.455%
Actuarial valuation date	4/30/09	4/30/09
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percentage of pay, closed	Level Percentage of pay, closed
Remaining amortization period	24 years	24 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, 2009

(d) *Plan Financial Statements*

Following are condensed financial statements for the Police and Firefighters' Pension Plans as of and for the year ended April 30, 2009:

	Police Pension	Firefighters' Pension
	<u> </u>	<u> </u>
Statement of Fiduciary Net Assets		
Assets:		
Cash and cash equivalents	\$ 139,316	\$ 1,078,854
Investments	16,647,365	20,454,923
Other receivables	5,455	60,789
Prepaid expenses	6,104	333
Total assets	<u>16,798,240</u>	<u>21,594,899</u>
Liabilities		
Accounts payable	<u>4,457</u>	<u>14,959</u>
Net assets:		
Held in trust for pension benefits	<u>\$ 16,793,783</u>	<u>\$ 21,579,940</u>
Statement of Changes in Fiduciary Net Assets		
Additions:		
Employer contributions	\$ 1,038,121	\$ 701,573
Employee contributions	324,223	279,730
Interest income	164,797	594,060
Net depreciation in fair value of investments	(2,187,945)	(1,636,282)
Investment expenses	(116,884)	(80,877)
Total additions	<u>(777,688)</u>	<u>(141,796)</u>
Deductions:		
Pension benefits and refunds	1,427,938	1,230,777
Administrative expenses	5,201	5,200
Total deductions	<u>1,433,139</u>	<u>1,235,977</u>
Changes in net assets	(2,210,827)	(1,377,773)
Net assets held in trust at beginning of year	<u>19,004,610</u>	<u>22,957,713</u>
Net assets held in trust at end of year	<u>\$ 16,793,783</u>	<u>\$ 21,579,940</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(e) *Three Year Trend Information*

	Year Ending	Annual Pension Cost (APC)	Percentage of APC contributed		Net Pension Asset
Police Pension:	4/30/09	\$ 1,010,467	102.7	%	\$ 644,536
	4/30/08	902,084	103.0		616,882
	4/30/07	845,864	102.7		590,248
Firefighters' Pension:	4/30/09	\$ 656,515	106.9	%	\$ 287,204
	4/30/08	602,183	101.4		242,146
	4/30/07	531,110	104.3		233,658

(f) *Funded Status and Funding Progress – Pension Trust Funds*

The funded status of the Police and Firefighters' Pension Plans as of April 30, 2009, the most recent actuarial valuation date, is as follows:

	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
Police	\$ 16,793,784	\$ 35,110,838	\$ 18,317,054	47.8 %	\$ 3,283,760	557.8 %
Firefighters	21,579,941	29,497,144	7,917,203	73.2	2,926,591	270.5

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL's for benefits. The projection of benefits for financial reporting does not explicitly incorporate the potential effects of legal or contractual funding limitations.

(10) **Other Post Employment Benefits (OPEB)**

(a) **Plan Description**

In addition to providing the pension benefits described in Note 9, the City provides post-employment health care benefits (OPEB) for retired employees. Hereinafter, the medical and dental plan benefits offered are referred to as the "Plan." The Plan offers several medical and dental insurance benefit options to eligible retirees and their dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the City Council and can only be amended by the City Council. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The City does not issue a Plan financial report.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(b) Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council and are detailed in the various plan benefit booklets provided to employees. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009, the City contributed \$45,358, representing \$45,358 for current premiums (approximately 24% of total premiums). Plan members receiving benefits contributed \$146,035 (approximately 76% of total premiums).

(c) Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 87,986
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	87,986
Contribution made	45,358
	<hr/>
Increase in net OPEB obligation	42,628
Net OPEB obligation beginning of year	-
	<hr/>
Net OPEB obligation end of year	<u><u>\$ 42,628</u></u>

(d) Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2009	\$ 87,986	51.6%	\$ 42,628

(e) **Funded Status and Funding Progress**

As of April 30, 2009, the plan was 100% unfunded. The actuarial accrued liability for benefits was \$1,552,739, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,552,739. The covered payroll (annual payroll of active employees covered by the plan) was \$19,542,175, and the ratio of the UAAL to the covered payroll was 7.95 percent.

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

(f) **Actuarial Methods and Assumptions**

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

In the April 30, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent ultimately. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2009, was 30 years.

(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 41 municipalities, Great Lakes Naval Training Center and Lake County. The Agency was formed in 1991. The purpose of the Agency is to implement a regional approach to solid waste management which addresses the economic, political and environmental issues in Lake County.

The Agency is governed by a Board of Directors consisting of one official elected by each member. Each director has one vote. The 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

CITY OF LAKE FOREST, ILLINOIS

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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 1311 N. Estes Street, 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 3105 MacArthur Blvd., Northbrook, Illinois 60062.

(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

CITY OF LAKE FOREST, ILLINOIS

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April 30, 2009

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
2007-2008	\$ 4,004	\$ 89,476	\$ 88,628	\$ 4,852
2008-2009	4,852	68,210	67,661	5,401

(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 all amounts for claims, including incremental costs that have been incurred but not reported (IBNR).

Changes in the balances of claims liabilities for the years ended April 30, 2009 and 2008 are as follows:

	Beginning of Fiscal-year Liability	Changes in Estimates	Claim Payments	End of Fiscal-year Liability
2007-2008	\$ 272,875	\$ 3,032,673	\$ 2,866,813	\$ 438,735
2008-2009	438,735	3,193,963	3,222,294	410,404

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2009

(13) Commitments and Contingencies

As of April 30, 2009 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 \$11 million at April 30, 2009.

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. The outstanding balance at April 30, 2009 was \$220,479.

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 be received within the next three years. The outstanding balance at April 30, 2009 is \$122,469.

(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, 2009, the government had remitted \$54,304 to the company.

(15) Subsequent Event

On May 14, 2009, the City issued \$3,680,000 of General Obligation Bonds, 2009 Series, with interest rates ranging from 2.0% to 4.1%, payable annually, and maturity dates from December 15, 2011 to December 15, 2028. On April 20, 2009, a good faith deposit was made to the City in the amount of \$73,600 less bond issuance costs of \$6,519. This money was used to establish the 2009 Bond Construction Fund. Expenditures of \$27,876 were spent out of this fund as of April 30, 2009 on capital improvements related to Western Avenue.

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 15,220,333	\$ 15,295,625	\$ 75,292
Other	10,365,000	9,785,189	(579,811)
Intergovernmental	-	3,269	3,269
Charges for services	2,567,352	2,597,515	30,163
Licenses and permits	2,280,842	2,117,774	(163,068)
Fines and forfeitures	391,500	387,629	(3,871)
Investment income	408,200	230,132	(178,068)
Miscellaneous revenue	533,500	673,177	139,677
Total revenues	<u>31,766,727</u>	<u>31,090,310</u>	<u>(676,417)</u>
Expenditures:			
Current:			
General government	10,561,463	10,465,264	96,199
Highways and streets	2,385,706	2,567,220	(181,514)
Sanitation	2,212,544	2,096,044	116,500
Culture and recreation	1,519,306	1,361,839	157,467
Public safety	12,769,953	12,547,425	222,528
Capital outlay	109,500	51,267	58,233
Debt service:			
Principal retirement	91,667	91,667	-
Interest	7,608	7,608	-
Contingency	3,226,728	-	3,226,728
Total expenditures	<u>32,884,475</u>	<u>29,188,334</u>	<u>3,696,141</u>
Excess (deficiency) of revenues over expenditures	<u>(1,117,748)</u>	<u>1,901,976</u>	<u>3,019,724</u>
Other financing sources (uses):			
Transfers in	-	1,013,925	1,013,925
Transfers out	(2,609,529)	(2,705,712)	(96,183)
Total other financing sources and uses	<u>(2,609,529)</u>	<u>(1,691,787)</u>	<u>917,742</u>
Net change in fund balance	<u>\$ (3,727,277)</u>	<u>210,189</u>	<u>\$ 3,937,466</u>
Fund balance – beginning of year		<u>10,626,632</u>	
Fund balance – end of year		<u>\$ 10,836,821</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 3,082,310	\$ 3,127,830	\$ 45,520
Other	15,000	32,027	17,027
Charges for services	3,635,815	3,399,760	(236,055)
Investment income	82,500	47,325	(35,175)
Other	8,000	102,512	94,512
Total revenues	<u>6,823,625</u>	<u>6,709,454</u>	<u>(114,171)</u>
Expenditures:			
Current:			
Culture and recreation	7,001,799	6,557,949	443,850
Contingency	711,380	-	711,380
Capital outlay	162,000	236,050	(74,050)
Total expenditures	<u>7,875,179</u>	<u>6,793,999</u>	<u>1,081,180</u>
Excess (deficiency) of revenues over expenditures	(1,051,554)	(84,545)	967,009
Other financing sources (uses):			
Transfers in	298,700	319,418	20,718
Net change in fund balance	<u>\$ (752,854)</u>	<u>234,873</u>	<u>\$ 987,727</u>
Fund balance – beginning of year		<u>1,559,619</u>	
Fund balance – end of year		<u>\$ 1,794,492</u>	

CITY OF LAKE FOREST, ILLINOIS

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 (assets in excess of) AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	Percentage of covered payroll ((b-a)/c)
Illinois Municipal Retirement Fund:						
12/30/2008	\$ 35,762,935	\$ 46,155,124	\$ 10,392,189	77.5 %	\$ 17,062,328	60.9 %
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
Police Pension Plan:						
04/30/2009	\$ 16,793,784	\$ 35,110,838	\$ 18,317,054	47.8 %	\$ 3,283,760	557.8 %
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
Firefighters' Pension Plan:						
04/30/2009	\$ 21,579,941	\$ 29,497,144	\$ 7,917,203	73.2 %	\$ 2,926,591	270.5 %
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

CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information – Schedules of Employer Contributions
Last Six Fiscal Years

Police Pension Plan

Actuarial valuation date	Employer Contributions	Annual required contribution	Percentage contributed
4/30/09	\$ 1,038,121	\$ 1,025,521	101.2 %
4/30/08	928,718	917,388	101.2
4/30/07	868,271	861,380	100.8
4/30/06	757,462	747,004	101.4
4/30/05	734,675	722,394	101.7
4/30/04	658,470	646,192	101.9

Firefighters' Pension Plan

Actuarial valuation date	Employer Contributions	Annual required contribution	Percentage contributed
4/30/09	\$ 701,472	\$ 662,323	105.9 %
4/30/08	610,671	608,241	100.4
4/30/07	554,050	536,870	103.2
4/30/06	512,408	484,776	105.7
4/30/05	469,415	469,415	100.0
4/30/04	471,068	462,285	101.9

CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information
Other Post-Employment Benefits

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll (b - a) / c
04/30/2009	-	\$ 1,552,739	\$ 1,552,739	-	% \$ 19,542,175	7.95 %

Employer Contributions

Fiscal Year Ending	Employer Contributions	Required Contribution	Percentage Contributed
04/30/2009	\$ 45,358	\$ 87,986	51.6 %

Information is presented for as many years as is available. The City implemented GASB Statement No. 45 in fiscal year 2009.

CITY OF LAKE FOREST, ILLINOIS

Notes to Required Supplementary Information

April 30, 2009

(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) **Other Post-Employment Benefits**

The City adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. As such, only one year of data is included in the required supplementary information.

**Combining Financial Statements
and Other Schedules**

Major Fund Schedule

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 229,697	\$ 94,210	\$ (135,487)
Expenditures:			
Current			
General government	-	139,321	(139,321)
Contingency	1,893,900	-	1,893,900
Capital outlay	18,939,000	18,929,456	9,544
Total expenditures	<u>20,832,900</u>	<u>19,068,777</u>	<u>1,764,123</u>
Excess (deficiency) of revenues over expenditures	<u>(20,603,203)</u>	<u>(18,974,567)</u>	<u>1,628,636</u>
Other financing source:			
Debt issuance - installment contracts	-	10,700,000	10,700,000
Net change in fund balance	<u>\$ (20,603,203)</u>	<u>(8,274,567)</u>	<u>\$ 12,328,636</u>
Fund balance – beginning of year		<u>8,691,076</u>	
Fund balance – end of year		<u>\$ 416,509</u>	

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 administrated 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.

Debt Service Funds

Debt Service Fund

This fund accounts for the principal and interest currently due on general obligation bonds.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

West Lake Forest TIF District Construction Fund

The West Lake Forest TIF District Construction Fund accounts for tax increment revenues to be used for improvements in the TIF district.

Special Service Area Saunders Road Construction Fund

The Special Service Area Saunders Road Construction Fund originally accounted for the construction of sanitary sewers and road resurfacing which was financed with bond proceeds issued in fiscal year 2004. Currently, this fund is paying principal and interest payments with these bond proceeds.

Capital Equipment Reserve Fund

The Capital Equipment Reserve Fund originally accounted for revenues to be used to fund future capital equipment purchases. This fund was closed to the Capital Improvements Fund in fiscal year 2009.

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 issued in fiscal year 2005 to be used for the construction of storm sewers and related street and capital improvements.

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 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. This fund was closed in fiscal year 2009.

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.

2009 Bond Construction Fund

The 2009 Bond Construction Fund accounts for the proceeds of the 2009 General Obligation Bonds to be used for Western Avenue Improvements. These improvements include the installation of storm sewers, water mains and related street improvements.

CITY OF LAKE FOREST, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2009

Assets	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Park and Public Land Fund
Cash and cash equivalents	\$ 45,835	\$ 5,841	\$ 296,423	\$ 561,621
Investments	-	117,580	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Other	-	-	47,623	-
Total receivables	-	-	47,623	-
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 45,835	\$ 123,421	\$ 344,046	\$ 561,621
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,741	\$ 172,520
Accrued liabilities	-	-	6,000	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	-
Unearned revenue:				
Property taxes	-	-	-	-
Other	-	-	-	-
Total Liabilities	-	-	8,741	172,520
Fund balances:				
Reserved for:				
Prepays	-	-	-	-
Debt Service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	45,835	123,421	335,305	389,101
Capital projects funds	-	-	-	-
Total fund balances	45,835	123,421	335,305	389,101
Total liabilities and fund balances	\$ 45,835	\$ 123,421	\$ 344,046	\$ 561,621

Exhibit D-1

Special Revenue Funds					Debt Service Funds	
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Affordable Housing Fund	Elawa Farm Fund	Debt Service Fund	
\$ 264,773	\$ 917,985	\$ 206,185	\$ 925,406	\$ 9,360	\$ 2,632,215	
-	1,917,749	-	-	-	-	
-	-	-	-	-	2,626,949	
-	-	-	-	-	-	
-	6,426	16,202	-	-	-	
-	6,426	16,202	-	-	2,626,949	
40,052	-	-	-	-	-	
-	67,466	-	-	-	-	
-	7,309	-	-	-	-	
\$ 304,825	\$ 2,916,935	\$ 222,387	\$ 925,406	\$ 9,360	\$ 5,259,164	
\$ -	\$ 19,601	\$ 8,347	\$ 14,550	\$ 5,292	\$ -	
-	11,636	14,263	-	-	-	
-	-	-	-	-	-	
106,983	-	-	-	-	-	
-	-	-	-	-	2,626,949	
-	-	335	10,000	-	-	
106,983	31,237	22,945	24,550	5,292	2,626,949	
-	7,309	-	-	-	-	
-	-	-	-	-	2,632,215	
197,842	2,878,389	199,442	900,856	4,068	-	
-	-	-	-	-	-	
197,842	2,885,698	199,442	900,856	4,068	2,632,215	
\$ 304,825	\$ 2,916,935	\$ 222,387	\$ 925,406	\$ 9,360	\$ 5,259,164	

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2009

Assets	Capital Projects Funds			
	West Lake Forest TIF District Construction Fund	Special Service Area Saunders Road Construction Fund	Capital Equipment Reserve Fund	Capital Improvements Fund
Cash and cash equivalents	\$ 687,241	\$ 89,142	\$ -	\$ 2,493,375
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,287,332	-	-	-
Accounts	-	-	-	27,746
Other	-	-	-	-
Total receivables	<u>2,287,332</u>	<u>-</u>	<u>-</u>	<u>27,746</u>
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 2,974,573</u>	<u>\$ 89,142</u>	<u>\$ -</u>	<u>\$ 2,521,121</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 320,745	\$ -	\$ -	\$ 330,299
Accrued liabilities	-	-	-	3,110
Due to other funds	-	-	-	3,500
Retainage payable	-	-	-	-
Unearned revenue:				
Property taxes	2,287,332	-	-	-
Other	-	-	-	77,226
Total Liabilities	<u>2,608,077</u>	<u>-</u>	<u>-</u>	<u>414,135</u>
Fund balances:				
Reserved for:				
Prepays	-	-	-	-
Debt Service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	366,496	89,142	-	2,106,986
Total fund balances	<u>366,496</u>	<u>89,142</u>	<u>-</u>	<u>2,106,986</u>
 Total liabilities and fund balances	 <u>\$ 2,974,573</u>	 <u>\$ 89,142</u>	 <u>\$ -</u>	 <u>\$ 2,521,121</u>

Exhibit D-1 (Cont.)

Capital Projects Funds

2004B Bond Construction Fund	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Fitzmorris Improvements Fund	2009 Bond Construction Fund	Total Nonmajor Governmental Funds
\$ 1,063,660	\$ 1,001,933	\$ 263,584	\$ 1,609,418	\$ 71,774	\$ 13,145,771
-	-	-	-	-	2,035,329
-	-	-	-	-	4,914,281
-	-	-	-	-	27,746
-	-	-	-	-	70,251
-	-	-	-	-	5,012,278
-	-	-	-	-	40,052
-	-	-	-	-	67,466
-	-	-	-	-	7,309
\$ 1,063,660	\$ 1,001,933	\$ 263,584	\$ 1,609,418	\$ 71,774	\$ 20,308,205
\$ 324,032	\$ -	\$ -	\$ 21,245	\$ 32,551	\$ 1,251,923
-	-	-	-	73,600	108,609
-	-	-	-	-	3,500
-	-	-	-	-	106,983
-	-	-	-	-	4,914,281
-	-	-	-	-	87,561
324,032	-	-	21,245	106,151	6,472,857
-	-	-	-	-	7,309
-	-	-	-	-	2,632,215
-	-	-	-	-	5,074,259
739,628	1,001,933	263,584	1,588,173	(34,377)	6,121,565
739,628	1,001,933	263,584	1,588,173	(34,377)	13,835,348
\$ 1,063,660	\$ 1,001,933	\$ 263,584	\$ 1,609,418	\$ 71,774	\$ 20,308,205

CITY OF LAKE FOREST, ILLINOIS

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

Nonmajor Governmental Funds

For the Year Ended April 30, 2009

	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Park and Public Land Fund
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental revenues	4,645	-	-	-
Charges for services	-	95,961	294,871	65,688
Investment income / (loss)	655	1,524	8,078	18,469
Miscellaneous revenue	-	-	-	50,165
Total revenues	5,300	97,485	302,949	134,322
Expenditures:				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	15,491
Public safety	-	96,548	176,227	-
Capital outlay	-	-	376,306	1,547,189
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	19,253
Total expenditures	-	96,548	552,533	1,581,933
Excess (deficiency) of revenues over expenditures	5,300	937	(249,584)	(1,447,611)
Other financing sources (uses):				
Sale of equipment	-	-	-	-
Transfers in	-	-	-	500,000
Transfers out	-	-	-	(119,750)
Total other financing sources and uses	-	-	-	380,250
Net change in fund balances	5,300	937	(249,584)	(1,067,361)
Fund balances – beginning of year	40,535	122,484	584,889	1,456,462
Fund balances – end of year	\$ 45,835	\$ 123,421	\$ 335,305	\$ 389,101

Motor Fuel Tax Fund	Special Revenue Funds				Debt Service Funds
	General Cemetery Fund	Senior Resources Commission Fund	Affordable Housing Fund	Elawa Farm Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,427,253
-	-	-	5,000	-	-
622,958	-	-	-	-	-
-	636,191	274,800	840,000	-	-
6,458	(626,672)	3,333	6,698	330	55,645
125,511	50,585	53,369	-	12,766	-
754,927	60,104	331,502	851,698	13,096	2,482,898
-	464,314	-	33,994	-	4,100
-	-	542,318	-	33,478	-
-	-	-	-	-	-
1,257,946	10,535	-	-	-	-
-	110,000	-	-	-	2,671,786
-	44,585	-	-	-	544,507
1,257,946	629,434	542,318	33,994	33,478	3,220,393
(503,019)	(569,330)	(210,816)	817,704	(20,382)	(737,495)
-	-	-	-	-	-
-	-	243,799	-	-	1,023,254
-	-	-	-	-	(361,812)
-	-	243,799	-	-	661,442
(503,019)	(569,330)	32,983	817,704	(20,382)	(76,053)
700,861	3,455,028	166,459	83,152	24,450	2,708,268
\$ 197,842	\$ 2,885,698	\$ 199,442	\$ 900,856	\$ 4,068	\$ 2,632,215

(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			
	West Lake Forest TIF District Construction Fund	Special Service Area Saunders Road Construction Fund	Capital Equipment Reserve Fund	Capital Improvements Fund
Revenues:				
Taxes:				
Property	\$ 2,216,508	\$ -	\$ -	\$ -
Other	-	-	-	967,840
Intergovernmental revenues	-	-	-	54,000
Charges for services	-	-	-	90,974
Investment income / (loss)	25,922	2,971	-	42,116
Miscellaneous revenue	-	-	-	272,730
Total revenues	<u>2,242,430</u>	<u>2,971</u>	<u>-</u>	<u>1,427,660</u>
Expenditures:				
Current:				
General government	1,663,983	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Capital outlay	690,997	-	-	3,447,224
Debt service:				
Principal	-	81,228	-	-
Interest	-	78,402	-	-
Total expenditures	<u>2,354,980</u>	<u>159,630</u>	<u>-</u>	<u>3,447,224</u>
Excess (deficiency) of revenues over expenditures	<u>(112,550)</u>	<u>(156,659)</u>	<u>-</u>	<u>(2,019,564)</u>
Other financing sources (uses):				
Sale of equipment	-	-	-	75,000
Transfers in	31,804	-	-	2,278,899
Transfers out	-	-	(1,267,391)	-
Total other financing sources and uses	<u>31,804</u>	<u>-</u>	<u>(1,267,391)</u>	<u>2,353,899</u>
Net change in fund balances	<u>(80,746)</u>	<u>(156,659)</u>	<u>(1,267,391)</u>	<u>334,335</u>
Fund balances – beginning of year	<u>447,242</u>	<u>245,801</u>	<u>1,267,391</u>	<u>1,772,651</u>
Fund balances – end of year	<u>\$ 366,496</u>	<u>\$ 89,142</u>	<u>\$ -</u>	<u>\$ 2,106,986</u>

Capital Projects Funds

2004B Bond Construction Fund	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Park Fund	Route 60 Fitzmorris Improvements Fund	2009 Bond Construction Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,643,761
-	-	-	-	-	-	972,840
-	-	-	-	-	-	681,603
-	-	-	-	-	-	2,298,485
21,091	14,166	4,116	6,592	25,128	18	(383,362)
-	80,000	-	-	-	-	645,126
21,091	94,166	4,116	6,592	25,128	18	8,858,453
705	-	-	-	-	6,519	2,173,615
-	-	-	-	-	-	591,287
-	-	-	-	-	-	272,775
1,208,542	-	12,948	660,678	80,220	27,876	9,320,461
-	-	-	-	-	-	2,863,014
-	-	-	-	-	-	686,747
1,209,247	-	12,948	660,678	80,220	34,395	15,907,899
(1,188,156)	94,166	(8,832)	(654,086)	(55,092)	(34,377)	(7,049,446)
-	-	-	-	-	-	75,000
-	-	13,991	-	-	-	4,091,747
-	-	-	-	-	-	(1,748,953)
-	-	13,991	-	-	-	2,417,794
(1,188,156)	94,166	5,159	(654,086)	(55,092)	(34,377)	(4,631,652)
1,927,784	907,767	258,425	654,086	1,643,265	-	18,467,000
\$ 739,628	\$ 1,001,933	\$ 263,584	\$ -	\$ 1,588,173	\$ (34,377)	\$ 13,835,348

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 3,000	\$ 4,645	\$ 1,645
Investment income	1,500	655	(845)
Total revenues	4,500	5,300	800
Expenditures:			
Current:			
Public safety	40,000	-	40,000
Contingency	4,000	-	4,000
Total expenditures	44,000	-	44,000
Net change in fund balance	\$ (35,500)	5,300	\$ 40,800
Fund balance – beginning of year		40,535	
Fund balance – end of year		\$ 45,835	

CITY OF LAKE FOREST, ILLINOIS

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

Foreign Fire Insurance Tax Fund

For the Year Ended April 30, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 105,000	\$ 95,961	\$ (9,039)
Investment income	-	1,524	1,524
Total revenues	105,000	97,485	(7,515)
Expenditures:			
Current:			
Public safety	125,000	96,548	28,452
Contingency	12,500	-	12,500
Total expenditures	137,500	96,548	40,952
Net change in fund balance	\$ (32,500)	937	\$ (48,467)
Fund balance – beginning of year		122,484	
Fund balance – end of year		\$ 123,421	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 250,000	\$ 294,871	\$ 44,871
Investment income	10,000	8,078	(1,922)
Total revenues	260,000	302,949	42,949
Expenditures:			
Current:			
Public safety	208,956	176,227	32,729
Contingency	37,396	-	37,396
Capital outlay	485,000	376,306	108,694
Total expenditures	731,352	552,533	178,819
Net change in fund balance	\$ (471,352)	(249,584)	\$ 221,768
Fund balance – beginning of year		584,889	
Fund balance – end of year		\$ 335,305	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 2,146,516	\$ 65,688	\$ (2,080,828)
Investment income	49,821	18,469	(31,352)
Miscellaneous revenue	-	50,165	50,165
Total revenues	<u>2,196,337</u>	<u>134,322</u>	<u>(2,062,015)</u>
Expenditures:			
Current:			
Culture and recreation	40,000	15,491	24,509
Contingency	120,530	-	120,530
Capital outlay	2,105,913	1,547,189	558,724
Debt service:			
Interest	-	19,253	(19,253)
Total expenditures	<u>2,266,443</u>	<u>1,581,933</u>	<u>684,510</u>
Excess (deficiency) of revenues over expenditures	<u>(70,106)</u>	<u>(1,447,611)</u>	<u>(1,377,505)</u>
Other financing uses:			
Transfers in	-	500,000	500,000
Transfers out	(159,383)	(119,750)	39,633
	<u>(159,383)</u>	<u>380,250</u>	<u>539,633</u>
Net change in fund balance	<u>\$ (229,489)</u>	<u>(1,067,361)</u>	<u>\$ (837,872)</u>
Fund balance – beginning of year		<u>1,456,462</u>	
Fund balance – end of year		<u>\$ 389,101</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental revenues	\$ 1,825,960	\$ 622,958	\$ (1,203,002)
Investment income	19,731	6,458	(13,273)
Miscellaneous revenue	149,500	125,511	(23,989)
Total revenues	1,995,191	754,927	(1,240,264)
Expenditures:			
Current:			
Contingency	252,167	-	252,167
Capital outlay	2,521,669	1,257,946	1,263,723
Total expenditures	2,773,836	1,257,946	1,515,890
Net change in fund balance	\$ (526,478)	(503,019)	\$ 23,459
Fund balance – beginning of year		700,861	
Fund balance – end of year		\$ 197,842	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 454,095	\$ 636,191	\$ 182,096
Investment income / (loss)	75,000	(626,672)	(701,672)
Miscellaneous revenue	28,138	50,585	22,447
Total revenues	<u>557,233</u>	<u>60,104</u>	<u>(497,129)</u>
Expenditures:			
Current:			
General government	443,444	464,314	(20,870)
Contingency	70,408	-	70,408
Capital outlay	106,046	10,535	95,511
Debt service:			
Principal retirement	110,000	110,000	-
Interest	44,585	44,585	-
Total expenditures	<u>774,483</u>	<u>629,434</u>	<u>145,049</u>
Net change in fund balance	<u>\$ (217,250)</u>	<u>(569,330)</u>	<u>\$ (352,080)</u>
Fund balance – beginning of year		<u>3,455,028</u>	
Fund balance – end of year		<u>\$ 2,885,698</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 310,605	\$ 274,800	\$ (35,805)
Investment income	10,000	3,333	(6,667)
Miscellaneous revenue	53,000	53,369	369
Total revenues	373,605	331,502	(42,103)
Expenditures:			
Current:			
Culture and recreation	591,621	542,318	49,303
Contingency	59,162	-	59,162
Total expenditures	650,783	542,318	108,465
Excess (deficiency) of revenues over expenditures	(277,178)	(210,816)	66,362
Other financing sources:			
Transfers in	-	243,799	243,799
Net change in fund balance	\$ (277,178)	32,983	\$ 310,161
Fund balance – beginning of year		166,459	
Fund balance – end of year		\$ 199,442	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Other taxes	\$ 75,000	\$ 5,000	\$ (70,000)
Charges for services	-	840,000	840,000
Investment income	2,000	6,698	4,698
Total revenues	<u>77,000</u>	<u>851,698</u>	<u>774,698</u>
Expenditures:			
Current:			
General government	<u>20,000</u>	<u>33,994</u>	<u>(13,994)</u>
Net change in fund balance	<u>\$ 57,000</u>	<u>817,704</u>	<u>\$ 760,704</u>
Fund balance – beginning of year		<u>83,152</u>	
Fund balance – end of year		<u>\$ 900,856</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 1,000	\$ 330	\$ (670)
Miscellaneous revenue	90,475	12,766	(77,709)
Total revenues	<u>91,475</u>	<u>13,096</u>	<u>(78,379)</u>
Expenditures:			
Current:			
Culture and recreation	84,193	33,478	50,715
Contingency	8,419	-	8,419
Total expenditures	<u>92,612</u>	<u>33,478</u>	<u>59,134</u>
Net change in fund balance	<u>\$ (1,137)</u>	<u>(20,382)</u>	<u>\$ (19,245)</u>
Fund balance – beginning of year		<u>24,450</u>	
Fund balance – end of year		<u>\$ 4,068</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes			
Property	\$ 2,379,777	\$ 2,427,253	\$ 47,476
Other	11,800	-	(11,800)
Investment income	59,000	55,645	(3,355)
Total revenues	<u>2,450,577</u>	<u>2,482,898</u>	<u>32,321</u>
Expenditures:			
Current:			
General government	7,600	4,100	3,500
Debt service:			
Principal	2,671,786	2,671,786	-
Interest	544,506	544,507	(1)
Total expenditures	<u>3,223,892</u>	<u>3,220,393</u>	<u>3,499</u>
Excess (deficiency) of revenues over expenditures	<u>(773,315)</u>	<u>(737,495)</u>	<u>35,820</u>
Other financing sources (uses):			
Transfers in	1,066,790	1,023,254	(43,536)
Transfers out	(363,000)	(361,812)	1,188
Total other financing sources (uses)	<u>703,790</u>	<u>661,442</u>	<u>(42,348)</u>
Net change in fund balance	<u>\$ (69,525)</u>	<u>(76,053)</u>	<u>\$ (6,528)</u>
Fund balance – beginning of year		<u>2,708,268</u>	
Fund balance – end of year		<u>\$ 2,632,215</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 2,215,965	\$ 2,216,508	\$ 543
Investment income	20,000	25,922	5,922
Total revenues	<u>2,235,965</u>	<u>2,242,430</u>	<u>6,465</u>
Expenditures:			
Current:			
General government	2,291,699	1,663,983	627,716
Contingency	229,170	-	229,170
Capital outlay	970,000	690,997	279,003
Total expenditures	<u>3,490,869</u>	<u>2,354,980</u>	<u>1,135,889</u>
Excess (deficiency) of revenues over expenditures	<u>(1,254,904)</u>	<u>(112,550)</u>	<u>1,142,354</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>31,804</u>	<u>31,804</u>
Net change in fund balance	<u>\$ (1,254,904)</u>	<u>(80,746)</u>	<u>\$ 1,174,158</u>
Fund balance – beginning of year		<u>447,242</u>	
Fund balance – end of year		<u>\$ 366,496</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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 8,000	\$ 2,971	\$ (5,029)
Total revenues	<u>8,000</u>	<u>2,971</u>	<u>(5,029)</u>
Expenditures:			
Debt service:			
Principal	81,229	81,228	1
Interest	77,140	78,402	(1,262)
Contingency	15,837	-	15,837
Total expenditures	<u>174,206</u>	<u>159,630</u>	<u>14,576</u>
Net change in fund balance	<u>\$ (166,206)</u>	<u>(156,659)</u>	<u>\$ 9,547</u>
Fund balance – beginning of year		<u>245,801</u>	
Fund balance – end of year		<u>\$ 89,142</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -
Expenditures:	-	-	-
Excess of revenues Over expenditures	-	-	-
Other financing uses:			
Transfers out	(1,275,000)	(1,267,391)	7,609
Net change in fund balance	<u>\$ (1,275,000)</u>	<u>(1,267,391)</u>	<u>\$ 7,609</u>
Fund balance – beginning of year		<u>1,267,391</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

Capital Improvements Fund

For the Year Ended April 30, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Other	\$ 1,768,000	\$ 967,840	\$ (800,160)
Intergovernmental revenues	191,000	54,000	(137,000)
Charges for services	533,881	90,974	(442,907)
Investment income	95,283	42,116	(53,167)
Miscellaneous revenue	270,000	272,730	2,730
Total revenues	<u>2,858,164</u>	<u>1,427,660</u>	<u>(1,430,504)</u>
Expenditures:			
Capital outlay	3,997,285	3,447,224	550,061
Contingency	399,729	-	399,729
Total expenditures	<u>4,397,014</u>	<u>3,447,224</u>	<u>949,790</u>
Excess (deficiency) of revenues over expenditures	<u>(1,538,850)</u>	<u>(2,019,564)</u>	<u>(480,714)</u>
Other financing sources:			
Sale of equipment	-	75,000	75,000
Transfers in	825,500	2,278,899	1,453,399
Total other financing sources	<u>825,500</u>	<u>2,353,899</u>	<u>1,528,399</u>
Net change in fund balance	<u><u>\$ (713,350)</u></u>	<u>334,335</u>	<u><u>\$ 1,047,685</u></u>
Fund balance – beginning of year		<u>1,772,651</u>	
Fund balance – end of year		<u><u>\$ 2,106,986</u></u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 21,091	\$ 21,091
Expenditures:			
Current:			
General government	-	705	705
Capital outlay	1,927,784	1,208,542	719,242
Total expenditures	<u>1,927,784</u>	<u>1,209,247</u>	<u>719,947</u>
Net change in fund balance	<u>\$ 1,927,784</u>	<u>(1,188,156)</u>	<u>\$ 741,038</u>
Fund balance – beginning of year		<u>1,927,784</u>	
Fund balance – end of year		<u>\$ 739,628</u>	

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 20,000	\$ 14,166	\$ (5,834)
Miscellaneous revenue	-	80,000	80,000
Total revenues	<u>20,000</u>	<u>94,166</u>	<u>74,166</u>
Expenditures:			
Capital outlay	926,911	-	926,911
Contingency	92,691	-	92,691
Total expenditures	<u>1,019,602</u>	<u>-</u>	<u>1,019,602</u>
Net change in fund balance	<u>\$ (999,602)</u>	94,166	<u>\$ 1,093,768</u>
Fund balance – beginning of year		<u>907,767</u>	
Fund balance – end of year		<u>\$ 1,001,933</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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 5,000	\$ 4,116	\$ (884)
Miscellaneous	-	-	-
Total revenues	<u>5,000</u>	<u>4,116</u>	<u>(884)</u>
Expenditures:			
Capital outlay	163,520	12,948	150,572
Contingency	16,352	-	16,352
Total expenditures	<u>179,872</u>	<u>12,948</u>	<u>166,924</u>
Excess (deficiency) of revenues over expenditures	(174,872)	(8,832)	166,040
Other financing sources:			
Transfers in	-	13,991	13,991
Net change in fund balance	<u>\$ (174,872)</u>	5,159	<u>\$ 180,031</u>
Fund balance – beginning of year		<u>258,425</u>	
Fund balance – end of year		<u>\$ 263,584</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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 6,592	\$ 6,592
Expenditures:			
Capital outlay	1,889,300	660,678	1,228,622
Contingency	188,930	-	188,930
	<u>2,078,230</u>	<u>660,678</u>	<u>1,417,552</u>
Net change in fund balance	<u>\$ (2,078,230)</u>	<u>(654,086)</u>	<u>\$ 1,424,144</u>
Fund balance – beginning of year		<u>654,086</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 Fitzmorris Improvements Fund

For the Year Ended April 30, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 25,000	\$ 25,128	\$ 128
Miscellaneous revenue	-	-	-
Total revenues	25,000	25,128	128
Expenditures:			
General government			-
Capital outlay	1,629,602	80,220	1,549,382
Contingency	162,960	-	162,960
Total expenditures	1,792,562	80,220	1,712,342
Net change in fund balance	\$ (1,767,562)	(55,092)	\$ 1,712,470
Fund balance – beginning of year		1,643,265	
Fund balance – end of year		\$ 1,588,173	

CITY OF LAKE FOREST, ILLINOIS

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

2009 Bond Construction Fund

For the Year Ended April 30, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Revenues:			
Investment income	\$ -	\$ 18	\$ 18
<hr/>			
Expenditures:			
General government	-	6,519	(6,519)
Capital outlay	3,669,051	27,876	3,641,175
Total expenditures	<u>3,669,051</u>	<u>34,395</u>	<u>3,634,656</u>
<hr/>			
Net change in fund balance	<u>\$ (3,669,051)</u>	<u>(34,377)</u>	<u>\$ 3,634,674</u>
<hr/>			
Fund balance – beginning of year		<u>-</u>	
Fund balance – end of year		<u>\$ (34,377)</u>	

MAJOR ENTERPRISE FUND

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 Delmar Woods Subdivision.

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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 7,408,290	\$ 6,460,339	\$ (947,951)
Connection fees	214,000	121,710	(92,290)
Miscellaneous	17,600	7,731	(9,869)
Total operating revenues	<u>7,639,890</u>	<u>6,589,780</u>	<u>(1,050,110)</u>
Operating expenses:			
General and administrative	1,233,247	772,428	460,819
Operations and maintenance	3,802,608	2,794,767	1,007,841
Contingency	974,053	-	974,053
Total operating expenses	<u>5,035,855</u>	<u>3,567,195</u>	<u>1,468,660</u>
Nonoperating revenues (expenses):			
Investment income	317,937	162,713	(155,224)
Principal retirement	(1,265,000)	(1,265,000)	-
Interest expense	(1,125,176)	(1,129,553)	(4,377)
Total nonoperating revenues (expenses)	<u>(2,072,239)</u>	<u>(2,231,840)</u>	<u>(159,601)</u>

NONMAJOR ENTERPRISE FUNDS

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. This fund was closed to the General Fund on May 1, 2008.

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 Funds
 April 30, 2009

Assets	Deerpath Golf Course Fund
Current assets:	
Cash and cash equivalents	\$ 683,258
Accounts receivable	294
Inventories	57,144
Prepaid items	29,948
Total current assets	<u>770,644</u>
Noncurrent assets:	
Deferred charges - bond issuance costs	<u>9,239</u>
Capital assets:	
Not being depreciated	95,517
Being depreciated, net of accumulated depreciation	<u>2,127,239</u>
Total capital assets, net	<u>2,222,756</u>
Total noncurrent assets	<u>2,231,995</u>
Total assets	<u>3,002,639</u>
Liabilities	
Current liabilities:	
Accounts payable	182,177
Accrued liabilities	28,888
Accrued interest payable	18,256
Unearned revenue	310,062
Current portion of long-term obligations:	
General obligation bonds	45,000
Accrued compensated absences	640
Total current liabilities	<u>585,023</u>
Noncurrent liabilities:	
General obligation bonds payable (net of unamortized discounts)	1,144,307
Accrued compensated absences	31,929
Total noncurrent liabilities	<u>1,176,236</u>
Total liabilities	<u>1,761,259</u>
Net Assets	
Invested in capital assets, net of related debt	1,033,449
Unrestricted	207,931
Total net assets	<u>\$ 1,241,380</u>

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets -
 Nonmajor Enterprise Funds
 For the Year Ended April 30, 2009

	Paid Parking Fund	Deerpath Golf Course Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ -	\$ 1,359,150	\$ 1,359,150
Miscellaneous	-	54,582	54,582
Total operating revenues	-	1,413,732	1,413,732
Operating expenses:			
General and administrative	-	779,033	779,033
Operations and maintenance	-	520,079	520,079
Depreciation and amortization	-	153,445	153,445
Total operating expenses	-	1,452,557	1,452,557
Operating loss	-	(38,825)	(38,825)
Nonoperating revenues (expenses):			
Investment income	-	7,004	7,004
Interest expense	-	(48,921)	(48,921)
Total nonoperating revenues (expenses)	-	(41,917)	(41,917)
Loss before transfers	-	(80,742)	(80,742)
Transfers in	-	250	250
Transfers out	(10,112,313)	-	(10,112,313)
Change in net assets	(10,112,313)	(80,492)	(10,192,805)
Net assets – beginning of year	10,112,313	1,321,872	11,434,185
Net assets – end of year	\$ -	\$ 1,241,380	\$ 1,241,380

CITY OF LAKE FOREST, ILLINOIS

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

Budget and Actual (Budgetary Basis)

Deerpath Golf Course Fund

For the Year Ended April 30, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,502,326	\$ 1,359,150	\$ (143,176)
Miscellaneous	14,000	54,582	40,582
Total operating revenues	<u>1,516,326</u>	<u>1,413,732</u>	<u>(102,594)</u>
Operating expenses:			
General and administrative	832,187	779,033	53,154
Operations and maintenance	613,062	520,079	92,983
Contingency	149,357	-	149,357
Total operating expenses	<u>1,594,606</u>	<u>1,299,112</u>	<u>295,494</u>
Nonoperating revenues (expenses):			
Investment income	20,000	7,004	(12,996)
Interest expense	(48,325)	(48,921)	(596)
Total nonoperating revenues (expenses)	<u>(28,325)</u>	<u>(41,917)</u>	<u>(13,592)</u>

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended April 30, 2009

	Paid Parking Fund	Deerpath Golf Course Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ -	\$ 1,362,221	\$ 1,362,221
Receipts from miscellaneous revenue	-	54,582	54,582
Payments to suppliers	-	(397,393)	(397,393)
Payments to employees	-	(808,277)	(808,277)
Net cash provided by operating activities	-	211,133	211,133
Cash flows from noncapital financing activities:			
Transfer from other funds	-	250	250
Transfer to other funds	(1,302,127)	-	(1,302,127)
Net cash provided by (used in) noncapital financing activities	(1,302,127)	250	(1,301,877)
Cash flows from capital and related financing activities:			
Purchases of capital assets	-	(179,400)	(179,400)
Interest paid on capital debt	-	(47,146)	(47,146)
Net cash used in capital and related financing activities	-	(226,546)	(226,546)
Cash flows from investing activities:			
Interest and dividends received	-	7,004	7,004
Decrease in cash and cash equivalents	(1,302,127)	(8,159)	(1,310,286)
Cash and cash equivalents – beginning of year	1,302,127	691,417	1,993,544
Cash and cash equivalents – end of year	\$ -	\$ 683,258	\$ 683,258
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ -	\$ (38,825)	\$ (38,825)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	-	153,445	153,445
Changes in assets and liabilities:			
Accounts receivable	-	5,984	5,984
Other assets	-	(19,422)	(19,422)
Accounts payable	-	131,540	131,540
Accrued liabilities	-	(3,894)	(3,894)
Unearned revenue	-	(2,913)	(2,913)
Compensated absences	-	(14,782)	(14,782)
Total adjustments	-	249,958	249,958
Net cash provided by operating activities	\$ -	\$ 211,133	\$ 211,133
Noncash capital financing activities:			
Transfer of capital assets to governmental activities	\$ (9,538,598)	\$ -	\$ (9,538,598)
Transfer of capital related debt to governmental activities	420,000	-	420,000

CITY OF LAKE FOREST, ILLINOIS
 Combining Statement of Net Assets
 Internal Service Funds
 April 30, 2009

Assets	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Current assets:			
Cash and cash equivalents	\$ 52,807	\$ 4,631,040	\$ 4,683,847
Other receivables	2,942	-	2,942
Inventories	133,135	-	133,135
Total current assets	188,884	4,631,040	4,819,924
Liabilities			
Current liabilities:			
Accounts payable	13,498	213,864	227,362
Accrued liabilities	22,151	410,404	432,555
Current portion of long-term obligations:			
Accrued compensated absences	1,775	-	1,775
Total current liabilities	37,424	624,268	661,692
Noncurrent liabilities:			
Accrued compensated absences	43,018	-	43,018
Total liabilities	80,442	624,268	704,710
Net Assets			
Total net assets – unrestricted	\$ 108,442	\$ 4,006,772	\$ 4,115,214

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, 2009

	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 1,472,597	\$ 4,322,885	\$ 5,795,482
Operating expenses:			
General and administrative	1,572,177	3,597,281	5,169,458
Operating income (loss)	(99,580)	725,604	626,024
Nonoperating revenues:			
Investment income	2,392	45,156	47,548
Increase (decrease) in net assets before transfers	(97,188)	770,760	673,572
Transfers in	42,500	-	42,500
Change in net assets	(54,688)	770,760	716,072
Net assets – beginning of year	163,130	3,236,012	3,399,142
Net assets – end of year	\$ 108,442	\$ 4,006,772	\$ 4,115,214

CITY OF LAKE FOREST, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2009

	Fleet Fund	Self Insurance Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 1,474,621	\$ 4,322,885	\$ 5,797,506
Payments to suppliers	(1,107,118)	(3,662,966)	(4,770,084)
Payments to employees	(465,179)	-	(465,179)
Net cash provided by (used in) operating activities	<u>(97,676)</u>	<u>659,919</u>	<u>562,243</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	<u>42,500</u>	<u>-</u>	<u>42,500</u>
Cash flows from investing activities:			
Interest and dividends received	<u>2,392</u>	<u>45,156</u>	<u>47,548</u>
Increase (decrease) in cash and cash equivalents	(52,784)	705,075	652,291
Cash and cash equivalents – beginning of year	<u>105,591</u>	<u>3,925,965</u>	<u>4,031,556</u>
Cash and cash equivalents – end of year	<u>\$ 52,807</u>	<u>\$ 4,631,040</u>	<u>\$ 4,683,847</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (99,580)	\$ 725,604	\$ 626,024
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Accounts receivable	2,024	-	2,024
Other assets	(11,993)	-	(11,993)
Accounts payable	1,683	(19,440)	(17,757)
Accrued liabilities	(1,095)	(28,331)	(29,426)
Compensated absences	11,285	-	11,285
Other liabilities	-	(17,914)	(17,914)
Total adjustments	<u>1,904</u>	<u>(65,685)</u>	<u>(63,781)</u>
Net cash provided by (used in) operating activities	<u>\$ (97,676)</u>	<u>\$ 659,919</u>	<u>\$ 562,243</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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Operating revenues:			
Charges for services	\$ 1,472,087	\$ 1,472,597	\$ (510)
<hr/>			
Operating expenses:			
General and administrative	1,562,255	1,572,177	(9,922)
Contingency	156,226	-	156,226
Total operating expenses	<hr/> 1,718,481	<hr/> 1,572,177	<hr/> 146,304
<hr/>			
Nonoperating revenues:			
Investment income	12,000	2,392	(9,608)
<hr/>			
Transfers in	41,000	42,500	1,500
<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, 2009

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Operating revenues:			
Charges for services	\$ 4,100,000	\$ 4,322,885	\$ 222,885
<hr/>			
Operating expenses:			
General and administrative	3,667,000	3,597,281	69,719
Contingency	366,700	-	366,700
	<hr/> 4,033,700	<hr/> 3,597,281	<hr/> 436,419
<hr/>			
Nonoperating revenues:			
Investment income	123,000	45,156	77,844
<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.

Firefighters' Pension Fund

The Firefighters' 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, 2009

Assets	Police Pension Fund	Firefighters' Pension Fund	Total
Cash and cash equivalents	\$ 139,316	\$ 1,078,854	\$ 1,218,170
Investments:			
U.S. Treasury obligations	7,407,982	5,884,023	13,292,005
U.S. Government agencies	3,200,613	10,328,357	13,528,970
Common stock	1,244,841	-	1,244,841
Equity mutual funds	4,793,929	4,242,543	9,036,472
Other receivables	5,455	60,789	66,244
Prepaid items	6,104	333	6,437
Total assets	16,798,240	21,594,899	38,393,139
Liabilities			
Accounts payable	4,457	14,959	19,416
Net Assets			
Held in trust for pension benefits	\$ 16,793,783	\$ 21,579,940	\$ 38,373,723

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

For the Year Ended April 30, 2009

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 1,038,121	\$ 701,573	\$ 1,739,694
Employee	324,223	279,730	603,953
Total contributions	<u>1,362,344</u>	<u>981,303</u>	<u>2,343,647</u>
Interest income	164,797	594,060	758,857
Net depreciation in fair value of investments	(2,187,945)	(1,636,282)	(3,824,227)
Less investment expenses	(116,884)	(80,877)	(197,761)
Net investment income (loss)	<u>(2,140,032)</u>	<u>(1,123,099)</u>	<u>(3,263,131)</u>
Total additions	<u>(777,688)</u>	<u>(141,796)</u>	<u>(919,484)</u>
Deductions:			
Pension benefits and refunds	1,427,938	1,230,777	2,658,715
Other administrative expenses	5,201	5,200	10,401
	<u>1,433,139</u>	<u>1,235,977</u>	<u>2,669,116</u>
Change in net assets	(2,210,827)	(1,377,773)	(3,588,600)
Net assets held in trust at beginning of year	<u>19,004,610</u>	<u>22,957,713</u>	<u>41,962,323</u>
Net assets held in trust at end of year	<u>\$ 16,793,783</u>	<u>\$ 21,579,940</u>	<u>\$ 38,373,723</u>

CITY OF LAKE FOREST, ILLINOIS
 Statement of Changes in Assets and Liabilities
 Agency Fund - Special Assessment Fund
 For the Year Ended April 30, 2009

	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, 2009

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions			
Contributions			
Employer	\$ 1,025,521	\$ 1,038,121	\$ 12,600
Employee	325,000	324,223	(777)
	<u>1,350,521</u>	<u>1,362,344</u>	<u>11,823</u>
Interest income	175,000	164,797	(10,203)
Net depreciation in fair value of investments	-	(2,187,945)	(2,187,945)
Less investment expense	(103,000)	(116,884)	(13,884)
	<u>72,000</u>	<u>(2,140,032)</u>	<u>(2,212,032)</u>
Total additions	<u>1,422,521</u>	<u>(777,688)</u>	<u>(2,200,209)</u>
Deductions			
Pension benefits and refunds	1,535,753	1,427,938	107,815
Other administrative expenses	5,200	5,201	(1)
Contingency	164,495	-	164,495
Total deductions	<u>1,705,448</u>	<u>1,433,139</u>	<u>272,309</u>
Change in net assets	<u>\$ (282,927)</u>	<u>(2,210,827)</u>	<u>\$ (1,927,900)</u>
Net assets held in trust at beginning of year		<u>19,004,610</u>	
Net assets held in trust at end of year		<u>\$ 16,793,783</u>	

Firefighters' Pension Fund
 Schedule of Changes in Fiduciary Net Assets - Budget and Actual
 For the Year Ended April 30, 2009

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions			
Contributions			
Employer	\$ 662,323	\$ 701,573	\$ 39,250
Employee	268,000	279,730	11,730
	<u>930,323</u>	<u>981,303</u>	<u>50,980</u>
Interest income	725,000	594,060	(130,940)
Net depreciation in fair value of investments	-	(1,636,282)	(1,636,282)
Less investment expense	(70,000)	(80,877)	(10,877)
	<u>655,000</u>	<u>(1,123,099)</u>	<u>(1,778,099)</u>
Total additions	<u>1,585,323</u>	<u>(141,796)</u>	<u>(1,727,119)</u>
Deductions			
Pension benefits and refunds	1,300,860	1,230,777	70,083
Other administrative expenses	5,200	5,200	-
Contingency	137,606	-	137,606
Total deductions	<u>1,443,666</u>	<u>1,235,977</u>	<u>207,689</u>
Change in net assets	<u>\$ 141,657</u>	<u>(1,377,773)</u>	<u>\$ (1,519,430)</u>
Net assets held in trust at beginning of year		<u>22,957,713</u>	
Net assets held in trust at end of year		<u>\$ 21,579,940</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, 2009

Assets	General Fund	Adjustments	Statement of Net Assets
Cash and cash equivalents	\$ 946,797	\$ -	\$ 946,797
Receivables (net of allowance for uncollectibles):			
Property taxes	3,253,802	-	3,253,802
Other taxes	12,086	-	12,086
Accounts	24,267	-	24,267
Total receivables	<u>3,290,155</u>	<u>-</u>	<u>3,290,155</u>
Capital assets (net):			
Capital assets not depreciated	-	219,000	219,000
Capital assets depreciated (net)	-	3,138,401	3,138,401
Total assets	<u>\$ 4,236,952</u>	<u>\$ 3,357,401</u>	<u>\$ 7,594,353</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 137,070	\$ -	\$ 137,070
Accrued liabilities	86,090	-	86,090
Unearned revenue – property taxes	3,253,802	-	3,253,802
Long-term obligations:			
Due within one year	-	21,152	21,152
Due in more than one year	-	105,476	105,476
Total Liabilities	<u>3,476,962</u>	<u>126,628</u>	<u>3,603,590</u>
Fund Balance/Net Assets:			
Fund balance:			
Designated for capital additions	759,990	(759,990)	-
Net assets:			
Invested in capital assets	-	3,348,249	3,348,249
Unrestricted	-	642,514	642,514
Total fund balance/net assets	<u>759,990</u>	<u>3,230,773</u>	<u>3,990,763</u>
Total liabilities and fund balance/net assets	<u>\$ 4,236,952</u>	<u>\$ 3,357,401</u>	<u>\$ 7,594,353</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, 2009

Revenues	General Fund	Adjustments	Statement of Activities
Taxes:			
Property	\$ 3,141,146	\$ -	\$ 3,141,146
Other	31,320	-	31,320
Charges for services	9,341	-	9,341
Intergovernmental – per capita grant	24,267	-	24,267
Fines	42,063	-	42,063
Net investment income	40,853	-	40,853
Other	22,111	-	22,111
Total revenues	<u>3,311,101</u>	<u>-</u>	<u>3,311,101</u>
Expenditures/Expenses			
Current:			
Library Services:			
Personnel services	1,959,883	(18,053)	1,941,830
Other	760,556	743,311	1,503,867
Library Building:			
Personnel services	138,726	-	138,726
Other	125,268	91,803	217,071
Capital outlay:			
Capital equipment	107,099	(107,099)	-
Capital improvements	1,439,994	(1,439,994)	-
Debt service:			
Principal retirement	30,207	(30,207)	-
Interest	250	-	250
Total expenditures/expenses	<u>4,561,983</u>	<u>(760,239)</u>	<u>3,801,744</u>
Net change in fund balance	(1,250,882)	760,239	(490,643)
Fund balance/net assets – beginning of year	2,010,872	2,470,534	4,481,406
Fund balance/net assets – end of year	<u>\$ 759,990</u>	<u>\$ 3,230,773</u>	<u>\$ 3,990,763</u>

CITY OF LAKE FOREST, ILLINOIS

Summary of Debt Service Requirements to Maturity

April 30, 2009

Fiscal year	General Obligation Bonds
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	2,901,737
2025	627,169
2026	626,919
2027	625,919
2028	628,444
	\$ 68,205,715

Exhibit J-2

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity – General Obligation Bonds

April 30, 2009

Fiscal Year	1997 Series B General Obligation Bonds		1999 Series General Obligation Bonds		2000 Series General Obligation Bonds		2001B Series General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 140,000	\$ 12,255	\$ 115,000	\$ 39,250	\$ 550,000	\$ 105,413	\$ 100,000	\$ 10,500
2011	145,000	6,235	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>\$ 285,000</u>	<u>\$ 18,490</u>	<u>\$ 775,000</u>	<u>\$ 143,818</u>	<u>\$ 2,225,000</u>	<u>\$ 260,975</u>	<u>\$ 300,000</u>	<u>\$ 21,000</u>

(Continued)

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2009

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
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>\$ 23,585,000</u>	<u>\$ 9,164,091</u>	<u>\$ 1,900,000</u>	<u>\$ 73,312</u>	<u>\$ 1,500,000</u>	<u>\$ 384,782</u>	<u>\$ 1,400,000</u>	<u>\$ 177,900</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2009

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
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>\$ 845,000</u>	<u>\$ 271,463</u>	<u>\$ 221,326</u>	<u>\$ 82,683</u>	<u>\$ 1,195,000</u>	<u>\$ 438,450</u>	<u>\$ 4,800,000</u>	<u>\$ 2,012,400</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2009

Fiscal Year	Special Service Area 29		Series 2008		Total		Total
	Tax Bonds		Tax Bonds		Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	
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	150,612	7,756	520,000	106,019	2,690,612	211,125	2,901,737
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>\$ 1,686,740</u>	<u>\$ 688,772</u>	<u>\$ 9,750,000</u>	<u>\$ 3,999,513</u>	<u>\$ 50,468,066</u>	<u>\$ 17,737,649</u>	<u>\$ 68,205,715</u>

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1997 Series B

April 30, 2009

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
 on December 15**

Amount	
2009	\$ 140,000
2010	145,000
	<u>\$ 285,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 285,000</u>	<u>\$ 18,490</u>	<u>\$ 303,490</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1999 Series

April 30, 2009

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
2009	\$	115,000
2010		120,000
2011		125,000
2012		130,000
2013		140,000
2014		145,000
		<u>\$ 775,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 775,000</u>	<u>\$ 143,818</u>	<u>\$ 918,818</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2000 Series

April 30, 2009

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
2009	\$ 550,000
2010	575,000
2011	600,000
2012	500,000
	<u>\$ 2,225,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 2,225,000</u>	<u>\$ 260,975</u>	<u>\$ 2,485,975</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2001 Series B

April 30, 2009

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>
2009	\$ 100,000
2010	100,000
2011	100,000
	<u>\$ 300,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
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>\$ 300,000</u>	<u>\$ 21,000</u>	<u>\$ 321,000</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2002 Series A

April 30, 2009

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>
2009	\$ 1,210,000
2010	1,250,000
2011	1,295,000
2012	1,350,000
2013	1,400,000
Thereafter	17,080,000
	<u>\$ 23,585,000</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>
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	2010	491,668	2010	491,668
2010	1,295,000	933,336	2,228,336	2011	466,668	2011	466,668
2011	1,350,000	881,536	2,231,536	2012	440,768	2012	440,768
2012	1,400,000	827,536	2,227,536	2013	413,768	2013	413,768
Thereafter	17,080,000	4,506,611	21,586,611	Thereafter	2,253,306	Thereafter	2,253,306
	<u>\$ 23,585,000</u>	<u>\$ 9,164,091</u>	<u>\$ 32,749,091</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2003 Series A

April 30, 2009

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	
2009	\$ 925,000
2010	975,000
	<u>\$ 1,900,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 1,900,000</u>	<u>\$ 73,312</u>	<u>\$ 1,973,312</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2003 Series C

April 30, 2009

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
2009	\$ 100,000
2010	100,000
2011	110,000
2012	115,000
2013	120,000
Thereafter	955,000
	<u>\$ 1,500,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2011	115,000	43,398	158,398	2012	21,699	2012	21,699
2012	120,000	39,718	159,718	2013	19,859	2013	19,859
Thereafter	955,000	152,442	1,107,442	Thereafter	76,221	Thereafter	76,221
	<u>\$ 1,500,000</u>	<u>\$ 384,782</u>	<u>\$ 1,884,782</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2003 Series D

April 30, 2009

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
2009	\$ 200,000
2010	200,000
2011	200,000
2012	200,000
2013	200,000
Thereafter	400,000
	<u>\$ 1,400,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2012	200,000	19,800	219,800	2013	9,900	2013	9,900
Thereafter	400,000	20,200	420,200	Thereafter	10,100	Thereafter	10,100
	<u>\$ 1,400,000</u>	<u>\$ 177,900</u>	<u>\$ 1,577,900</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2009

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
2009	\$ 50,000
2010	50,000
2011	50,000
2012	55,000
2013	55,000
Thereafter	585,000
	<u>\$ 845,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2012	55,000	25,375	80,375	2012	12,688	2012	12,688
Thereafter	585,000	127,918	712,918	Thereafter	63,959	Thereafter	63,959
	<u>\$ 845,000</u>	<u>\$ 271,463</u>	<u>\$ 1,116,463</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2009

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
2009	\$ 12,127
2010	12,509
2011	12,947
2012	13,433
2013	13,963
Thereafter	156,347
	<u>\$ 221,326</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2012	13,963	7,752	21,715	2013	3,876	2013	3,876
Thereafter	156,347	39,087	195,434	Thereafter	19,544	Thereafter	19,544
	<u>\$ 221,326</u>	<u>\$ 82,683</u>	<u>\$ 304,009</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2004 Series A

April 30, 2009

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
2009	\$ 45,000
2010	50,000
2011	75,000
2012	75,000
2013	75,000
Thereafter	875,000
	<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
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
2012	75,000	39,375	114,375	2013	19,688	2013	19,688
Thereafter	875,000	216,625	1,091,625	Thereafter	108,313	Thereafter	108,313
	<u>\$ 1,195,000</u>	<u>\$ 438,450</u>	<u>\$ 1,633,450</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2004 Series B

April 30, 2009

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>
2009	\$ 125,000
2010	125,000
2011	150,000
2012	150,000
2013	150,000
Thereafter	4,100,000
	<u>\$ 4,800,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2012	150,000	174,275	324,275	2013	87,138	2013	87,138
Thereafter	4,100,000	1,091,150	5,191,150	Thereafter	545,575	Thereafter	545,575
	<u>\$ 4,800,000</u>	<u>\$ 2,012,400</u>	<u>\$ 6,812,400</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2009

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
2009	\$ 83,868
2010	86,804
2011	89,929
2012	93,301
2013	96,986
Thereafter	1,235,852
	<u>\$ 1,686,740</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2012	96,986	61,380	158,366	2013	30,690	2013	30,690
Thereafter	1,235,852	347,822	1,583,674	Thereafter	173,911	Thereafter	173,911
	<u>\$ 1,686,740</u>	<u>\$ 688,772</u>	<u>\$ 2,375,512</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2008 Series
 April 30, 2009

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
2013	535,000
Thereafter	7,800,000
	<u>\$ 9,750,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2008	\$ 110,000	\$ 575,031	\$ 685,031	2009	\$ 402,522	2009	\$ 172,509
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
2012	535,000	297,263	832,263	2013	148,632	2013	148,632
Thereafter	7,800,000	2,138,738	9,938,738	Thereafter	1,069,369	Thereafter	1,069,369
	<u>\$ 9,750,000</u>	<u>\$ 3,999,513</u>	<u>\$ 13,749,513</u>				

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

Combining Schedule of Assets, Liabilities, and Fund Balance

April 30, 2009

Assets	1997 Series B General Obligation Bonds	2000 General Obligation Bonds	2001 General Obligation Bonds	2003 Series A General Obligation Bonds	2003 Series D General Obligation Bonds
Cash and cash equivalents	\$ 612	\$ 438,392	\$ 95,262	\$ 109,463	\$ 1,185,215
Receivables (net of allowance for uncollectibles):					
Property taxes	-	663,682	111,896	985,733	-
Total assets	<u>\$ 612</u>	<u>\$ 1,102,074</u>	<u>\$ 207,158</u>	<u>\$ 1,095,196</u>	<u>\$ 1,185,215</u>
 Liabilities and Fund Balance					
Liabilities:					
Deferred revenue – property taxes	\$ -	\$ 663,682	\$ 111,896	\$ 985,733	\$ -
Fund balance – reserved for debt service	<u>612</u>	<u>438,392</u>	<u>95,262</u>	<u>109,463</u>	<u>1,185,215</u>
Total liabilities and fund balance	<u>\$ 612</u>	<u>\$ 1,102,074</u>	<u>\$ 207,158</u>	<u>\$ 1,095,196</u>	<u>\$ 1,185,215</u>

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	2008 General Obligation Bonds	Total
\$ 7,406	\$ 4,492	\$ 791,373	\$ -	\$ -	\$ 2,632,215
81,093	21,815	-	69,000	693,730	2,626,949
<u>\$ 88,499</u>	<u>\$ 26,307</u>	<u>\$ 791,373</u>	<u>\$ 69,000</u>	<u>\$ 693,730</u>	<u>\$ 5,259,164</u>
\$ 81,093	\$ 21,815	\$ -	\$ 69,000	\$ 693,730	\$ 2,626,949
7,406	4,492	791,373	-	-	2,632,215
<u>\$ 88,499</u>	<u>\$ 26,307</u>	<u>\$ 791,373</u>	<u>\$ 69,000</u>	<u>\$ 693,730</u>	<u>\$ 5,259,164</u>

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

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

Year ended April 30, 2009

	1992	1997	1998	2000	2001
	Series B	Series B	General	General	General
	Obligation	Obligation	Obligation	Obligation	Obligation
	Bonds	Bonds	Bonds	Bonds	Bonds
Revenues:					
Taxes:					
Property taxes	\$ -	\$ -	\$ 630,881	\$ 641,955	\$ 115,123
Investment income	-	612	8,301	9,617	2,037
Total revenues	-	612	639,182	651,572	117,160
Expenditures:					
General government	-	600	900	600	600
Debt service:					
Principal	-	135,000	730,000	500,000	100,000
Interest	-	18,060	27,740	128,913	13,900
Total expenditures	-	153,660	758,640	629,513	114,500
Excess (deficiency) of revenues over expenditures	-	(153,048)	(119,458)	22,059	2,660
Other financing sources (uses):					
Transfers in	-	153,660	119,750	-	-
Transfers out	(31,804)	-	(330,008)	-	-
Total other financing sources (uses)	(31,804)	153,660	(210,258)	-	-
Net change in fund balance	(31,804)	612	(329,716)	22,059	2,660
Fund balance – beginning of year	31,804	-	329,716	416,333	92,602
Fund balance – end of year	\$ -	\$ 612	\$ -	\$ 438,392	\$ 95,262

Exhibit J-18

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	Total
\$ 938,585	\$ -	\$ 78,482	\$ 22,227	\$ -	\$ 2,427,253
6,509	18,483	376	155	9,555	55,645
945,094	18,483	78,858	22,382	9,555	2,482,898
300	600	-	-	500	4,100
850,000	200,000	45,000	11,786	100,000	2,671,786
69,700	46,300	32,940	9,929	197,025	544,507
920,000	246,900	77,940	21,715	297,525	3,220,393
25,094	(228,417)	918	667	(287,970)	(737,495)
-	239,949	-	-	509,895	1,023,254
-	-	-	-	-	(361,812)
-	239,949	-	-	509,895	661,442
25,094	11,532	918	667	221,925	(76,053)
84,369	1,173,683	6,488	3,825	569,448	2,708,268
\$ 109,463	\$ 1,185,215	\$ 7,406	\$ 4,492	\$ 791,373	\$ 2,632,215

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.	137-143
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	144-150
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.	151-155
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.	156-158
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.	159-161

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 Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
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	\$ 193,768,992
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855	3,319,974
Unrestricted	13,987,875	18,310,053	16,476,341	26,409,165	28,748,888	25,867,536
Total Governmental Activities	\$ 175,876,635	\$ 178,797,865	\$ 186,196,636	\$ 194,282,921	\$ 205,053,418	\$ 222,956,502
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	\$ 37,184,702
Restricted	-	-	-	-	-	-
Unrestricted	16,127,338	11,917,654	11,105,554	11,824,329	12,087,202	9,577,076
Total Business-type Activities	\$ 51,870,224	\$ 53,319,622	\$ 54,288,681	\$ 56,328,997	\$ 57,019,668	\$ 46,761,778
Total						
Invested in Capital Assets Net of Related Debt	\$ 195,181,208	\$ 198,892,606	\$ 209,334,512	\$ 208,367,905	\$ 217,258,141	\$ 230,953,694
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855	3,319,974
Unrestricted	30,115,213	30,227,707	27,581,895	38,233,494	40,836,090	35,444,612
Total Primary Government	\$ 227,746,859	\$ 232,117,487	\$ 240,485,317	\$ 250,611,918	\$ 262,073,086	\$ 269,718,280

Data Source

Audited Financial Statements

Change in Net Assets
Last Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental Activities						
General Government	\$ 8,814,921	\$ 10,248,966	\$ 10,621,820	\$ 10,026,323	\$ 11,035,000	\$ 14,928,550
Highways and Streets	5,384,798	9,702,235	6,195,805	7,102,425	8,821,953	7,911,604
Sanitation	1,926,662	1,949,856	2,053,718	2,225,808	2,310,966	2,169,302
Culture and recreation	8,228,552	7,884,543	8,450,431	9,403,755	8,812,293	9,430,847
Public safety	10,014,765	10,224,612	11,081,841	11,557,020	12,348,729	12,623,300
Public improvements and other	2,519,628	-	-	-	-	-
Interest	1,152,352	1,245,364	1,218,802	968,963	808,253	978,029
Total Governmental Activities Expenses	38,041,678	41,255,576	39,622,417	41,284,294	44,137,194	48,041,632
Business-type Activities						
Waterworks and sewerage	6,287,674	6,226,893	7,347,680	7,891,031	8,228,975	7,659,138
Golf	1,453,481	1,320,941	1,411,572	1,545,070	1,562,520	1,490,115
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	9,149,253
Total Primary Government Expenses	\$ 46,523,755	\$ 49,510,729	\$ 49,066,524	\$ 51,487,808	\$ 54,685,889	\$ 57,190,885
Program Revenues						
Governmental Activities						
Charges for Services						
General Government	\$ 5,497,280	\$ 4,966,614	\$ 6,022,462	\$ 5,094,588	\$ 5,249,766	\$ 4,980,144
Highways and Streets	-	1,502,928	145,245	1,576,654	929,199	1,239,586
Sanitation	152,317	134,242	189,943	293,410	295,658	192,848
Culture and recreation	3,706,758	4,508,488	4,273,157	5,458,842	3,831,855	4,197,023
Public safety	1,156,868	1,368,304	1,357,067	1,387,792	1,567,944	1,589,647
Operating Grants and Contributions	615,152	956,752	1,407,815	1,284,897	790,979	684,872
Capital Grants and Contributions	4,339,612	524,811	1,657,563	-	5,301,494	9,033,429
Total Governmental Activities Program Revenues	15,467,987	13,962,139	15,053,252	15,096,183	17,966,895	21,917,549
Business-type Activities						
Charges for Services						
Waterworks and sewerage	6,223,091	6,723,387	7,668,972	6,944,190	6,893,939	6,589,780
Golf	1,445,152	1,382,190	1,373,637	1,702,287	1,430,875	1,413,732
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	829,447
Total Business-type Activities Program Revenues	10,018,564	9,425,153	9,978,788	10,725,407	10,709,602	8,832,959
Total Primary Government Program Revenues	\$ 25,486,551	\$ 23,387,292	\$ 25,032,040	\$ 25,821,590	\$ 28,676,497	\$ 30,750,508
Net (Expense) Revenue						
Governmental Activities	\$ (22,573,691)	\$ (27,293,437)	\$ (24,569,165)	\$ (26,188,111)	\$ (26,170,299)	\$ (26,124,083)
Business-type Activities	1,536,487	1,170,000	534,681	521,893	160,907	(316,294)
Total Primary Government Net (Expense) Revenue	\$ (21,037,204)	\$ (26,123,437)	\$ (24,034,484)	\$ (25,666,218)	\$ (26,009,392)	\$ (26,440,377)

Change in Net Assets (Continued)
Last Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
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	\$ 23,067,216
Sales	2,900,860	2,900,860	3,058,396	3,271,452	3,118,339	3,010,457
Income and Use	1,747,505	1,747,505	1,826,030	1,989,187	2,175,196	2,018,177
Telecommunications and Utility	4,066,843	4,066,843	4,434,227	4,198,439	4,454,442	4,407,235
Real Estate Transfer Tax	-	-	-	1,259,295	1,984,052	962,840
Other	388,059	388,059	356,466	463,689	489,018	391,347
Investment Earnings	861,935	861,935	1,434,500	1,991,995	1,771,629	35,853
Gain on sale of capital assets	470,463	470,463	-	-	-	-
Miscellaneous	-	-	-	805,436	627,188	22,729
Transfers	(67,630)	(67,630)	-	(992,519)	(3,931)	10,111,313
Total Governmental Activities	30,214,667	30,214,667	31,967,936	34,274,396	36,940,796	44,027,167
Business-type Activities						
Investment Earnings	211,768	211,768	434,378	525,904	525,833	169,717
Miscellaneous	-	-	-	-	-	-
Transfers	67,630	67,630	-	992,519	3,931	(10,111,313)
Total Business-type Activities	279,398	279,398	434,378	1,518,423	529,764	(9,941,596)
Total Primary Government	\$ 30,494,065	\$ 30,494,065	\$ 32,402,314	\$ 35,792,819	\$ 37,470,560	\$ 34,085,571
Change in Net Assets						
Governmental Activities	\$ 2,921,230	\$ 2,921,230	\$ 7,398,771	\$ 8,086,285	\$ 10,770,497	\$ 17,903,084
Business-type Activities	1,449,398	1,449,398	969,059	2,040,316	690,671	(10,257,890)
Total Primary Government Change in Net Assets	\$ 4,370,628	\$ 4,370,628	\$ 8,367,830	\$ 10,126,601	\$ 11,461,168	\$ 7,645,194

Data Source

Audited Financial Statements

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 1,265,475	\$ 585,232	\$ 510,960	\$ 470,008	\$ 1,041,187	\$ 2,218,570
Unreserved	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	8,618,251
Total General Fund	\$ 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	\$ 10,836,821
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ 635,625	\$ 407,587	\$ 121,299	\$ 89,809	\$ 130,173	\$ 128,516
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	2,632,215
Unreserved, reported in										
Special Revenue Funds	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	6,747,544
Capital Project Funds	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	6,538,074
Debt Service Funds	432,212	586,727	652,656	731,785	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 16,046,349
Total All Governmental	\$ 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	\$ 26,883,170

Data Source

Audited Financial Statements

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 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	\$ 23,067,216
Other taxes	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	10,790,056
Intergovernmental revenues	532,251	542,175	553,725	585,578	615,152	1,254,231	1,407,815	948,449	790,979	684,872
Charges for services	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	8,295,760
Licenses and permits	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	2,117,774
Fines and forfeitures	296,791	291,789	291,026	353,664	350,989	387,178	461,909	357,556	469,208	387,629
Investment income	1,046,814	1,198,274	723,418	471,228	505,696	832,709	1,358,266	1,866,217	1,673,038	(11,695)
Miscellaneous revenue	666,263	617,742	545,297	621,854	1,324,563	2,114,370	1,419,807	2,890,358	1,870,927	1,420,815
Total Revenues	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	46,752,427
Expenditures										
General government	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	12,778,200
Highways and streets	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	2,567,220
Sanitation	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	2,096,044
Culture and recreation	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	8,511,075
Public safety	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	12,820,200
Pension fund contributions	1,670,365	1,749,058	1,879,656	1,042,745	-	-	-	-	-	-
Public improvements and other	1,750,821	2,068,428	2,255,264	2,015,690	2,519,580	-	-	-	-	-
Capital Outlay	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	28,537,234
Debt Service										
Principal	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	2,954,681
Interest	963,075	919,670	1,008,545	923,742	800,699	827,160	982,744	881,087	781,529	694,355
Bond issuance costs	5,550	6,200	6,350	55,546	62,370	64,640	-	-	-	-
Total Expenditures	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	70,959,009
Excess of Revenues over (under)										
Expenditures	(1,181,038)	(382,006)	(9,276,903)	(4,031,140)	(675,131)	1,275,486	(5,275,382)	5,256,642	(136,515)	(24,206,582)

(Continued)

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing Sources (Uses)										
Transfers In	\$ 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	\$ 5,425,090
Transfers Out	(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)	(4,454,665)
Bonds Issued	1,590,405	4,966,960	1,000,000	4,219,810	3,676,500	7,200,000	-	-	9,750,000	10,700,000
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	75,000
Total Other Financing Sources (Uses)	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	11,745,425
Net Change in Fund Balances	\$ 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	\$ (12,461,157)
Debt Service as a Percentage of										
Noncapital Expenditures	14.61%	14.09%	13.45%	13.13%	13.10%	14.50%	16.02%	14.61%	12.60%	8.60%

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
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
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	33.3333%
2008	2,674,566,048	217,608,832	79,283	5,817,809	60,603,515	2,958,675,487	0.8700	8,876,026,461	33.3333%

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City Direct Rates *	1.162	1.135	1.087	1.039	0.994	0.963	0.911	0.869	0.851	0.870
Overlapping Rates										
College of Lake County	0.213	0.235	0.211	0.208	0.201	0.200	0.197	0.195	0.192	0.196
County of Lake	0.521	0.521	0.516	0.502	0.490	0.465	0.454	0.450	0.444	0.453
Lake County Forest Preserve	0.187	0.231	0.221	0.232	0.225	0.219	0.210	0.204	0.201	0.199
North Shore Sanitary District	0.172	0.167	0.160	0.152	0.144	0.139	0.132	0.125	0.120	0.121
School District 67, Elem.	1.299	1.270	1.224	1.152	1.101	1.051	1.013	0.964	0.944	0.965
School District 115, High School	1.219	1.201	1.157	1.092	1.045	1.003	0.965	0.961	0.959	1.001
Township	0.060	0.059	0.058	0.055	0.053	0.052	0.051	0.050	0.050	0.050
Township Road and Bridge	0.025	0.025	0.025	0.043	0.030	0.018	0.018	0.020	0.016	0.019
Total tax rate	4.858	4.844	4.659	4.475	4.283	4.110	3.951	3.838	3.777	3.874
City's share of total tax rate	24%	23%	23%	23%	23%	23%	23%	23%	23%	22%

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 is in Lake Forest and parts of Shields and West Deerfield Townships in Lake Forest lie in the North Shore Sanitary District.

* Excludes rates for the Special Service Areas

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

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 23,152,678	1	0.78%			
The Presbyterian Home	19,603,405	2	0.66%			
CBIZ Property Tax Solutions	13,566,806	3	0.46%			
Lake Products, Inc	13,488,063	4	0.46%			
Lake Forest Hospital	8,074,913	5	0.27%	\$ 7,659,013	3	0.50%
Trustmark Insurance Co	7,830,565	6	0.26%	8,375,536	2	0.60%
Lake Forest Landmark Co. LLC	7,465,122	7	0.25%			
James Campbell Company, LLC	6,894,807	8	0.23%			
Shawgate Lake Forest, LLC	5,987,003	9	0.20%			
Northern Trust Company	5,252,962	10	0.18%			
Tenneco Packaging				10,907,003	1	0.70%
Moore Business Forms				7,398,070	4	0.50%
Brunswick Corporation				4,458,989	5	0.30%
Opus North Corporation				4,406,989	6	0.30%
Duke Realty Ltd. Partnership				4,233,122	7	0.30%
Shawgate- Broadacre				3,801,509	8	0.30%
James Altounian				3,734,691	9	0.30%
Northern Trust Company				3,367,627	10	0.20%
	<u>\$ 111,316,324</u>		<u>3.76%</u>	<u>\$ 58,342,549</u>		<u>4.00%</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.

2009 Column is 2008 Assessed Valuation

2000 Column is 1999 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
1999	\$ 16,762,734	\$ 16,748,717	99.92%
2000	17,628,929	17,606,407	99.87%
2001	18,630,195	18,595,515	99.81%
2002	19,535,105	19,422,272	99.42%
2003	20,269,822	20,213,624	99.72%
2004	21,219,092	21,197,444	99.90%
2005	21,907,603	21,773,228	99.39%
2006	22,999,873	22,979,703	99.91%
2007	23,895,634	23,863,170	99.86%
2008	25,213,226	N/A	N/A

Data Source

Lake County Treasurer 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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General	0.666	0.648	0.622	0.512	0.493	0.481	0.461	0.449	0.443	0.449
IMRF/Social Security	0.081	0.078	0.077	0.072	0.061	0.058	0.055	0.052	0.051	0.052
Fire Pension	0.024	0.028	0.027	0.025	0.023	0.023	0.023	0.023	0.025	0.028
Police Pension	0.031	0.033	0.034	0.035	0.036	0.034	0.036	0.035	0.037	0.039
Parks and Recreation	0.063	0.062	0.060	0.133	0.128	0.127	0.112	0.098	0.090	0.092
Special Recreation		-	-	-	-	-	0.011	0.010	0.010	0.010
General Obligation Bond 1992 C	0.096	-	-	-	-	-	-	-	-	-
General Obligation Bond 1995	0.020	0.068	0.063	-	-	-	-	-	-	-
General Obligation Bond 1998 B	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	0.023
General Obligation Bond 2001 B	-	-	0.005	0.012	0.006	0.006	0.005	0.005	0.004	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	0.035
General Obligation Bond 2008	-	-	-	-	-	-	-	-	-	0.024
Total tax rate	1.027	1.002	0.958	0.916	0.868	0.841	0.793	0.755	0.739	0.756

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ -	\$ -	\$ -	\$ -	\$ 14,374	\$ 28,705	\$ 22,694	\$ 33,206	\$ 26,184	\$ 2,194
Food	-	-	-	-	43,407	86,898	88,675	89,536	89,969	97,870
Drinking and Eating Places	-	-	-	-	57,236	113,425	124,221	129,149	139,291	147,973
Apparel	-	-	-	-	36,595	70,485	68,594	63,083	60,423	54,674
Furniture & H.H. & Radio	-	-	-	-	18,509	44,588	57,206	57,996	58,530	51,881
Lumber, Building, Hardware	-	-	-	-	21,118	42,130	46,974	38,373	30,834	5,765
Automobile and Filling Stations	-	-	-	-	20,450	39,402	45,494	48,129	44,478	37,349
Drugs and Miscellaneous Retail	-	-	-	-	67,576	126,277	123,674	113,558	116,910	117,787
Agriculture and All Others	-	-	-	-	45,369	92,361	102,164	91,488	96,048	100,902
Manufacturers	-	-	-	-	1,967	43,902	64,286	88,889	102,914	109,291
Censored categories	-	-	-	-	-	-	-	-	-	29,005
Total	\$ -	\$ -	\$ -	\$ -	\$ 326,601	\$ 688,173	\$ 743,982	\$ 753,407	\$ 765,581	\$ 754,691
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	-	-	-	-	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Data Source

Illinois Department of Revenue

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

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

CITY OF LAKE FOREST, ILLINOIS

Table 11

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ -	\$ -	\$ -	\$ 49,597	\$ 54,103	\$ 58,491	\$ 45,778	\$ 67,042	\$ 52,664	\$ 4,392
Food	569,352	562,974	569,063	567,937	600,443	607,508	621,140	621,566	635,560	629,087
Drinking and Eating Places	184,513	215,624	205,565	223,844	221,068	229,158	252,171	261,151	285,968	302,523
Apparel	149,025	148,261	129,616	130,567	134,835	142,328	137,422	126,196	124,644	109,349
Furniture & H.H. & Radio	89,427	102,080	99,158	109,444	73,506	89,219	114,945	115,995	117,060	103,763
Lumber, Building, Hardware	102,898	110,323	134,587	108,135	91,831	86,497	94,007	76,746	61,668	11,529
Automobile and Filling Stations	304,042	342,332	314,756	219,807	243,898	153,273	165,396	167,847	165,896	130,459
Drugs and Miscellaneous Retail	376,410	416,275	435,025	427,166	420,878	456,475	434,170	425,144	441,773	438,917
Agriculture and All Others	207,878	202,451	208,183	185,280	187,102	199,683	219,086	200,515	208,076	219,358
Manufacturers	-	-	-	(4,347)	6,845	88,094	129,053	347,340	205,978	218,715
Censored categories	75,441	103,769	71,018	-	-	-	-	-	-	58,028
Total	\$ 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	\$ 2,226,120
Total Number of Payers	702	700	686	693	743	737	837	849	843	663
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

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

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

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
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%
2009	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.

** On April 1, 2008, the sales tax rates increased to the rate indicated on this schedule.
increased to the rate indicated on this 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*	Percentage of Personal Income*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Installment Purchase Contracts	General Obligation Bonds	Revenue Bonds				
2000	\$ 26,294,304	\$ 375,000	\$ 3,375,000	\$ 455,000	\$ 30,499,304	2.07%	2.13%	\$ 1,639.22
2001	28,142,464	375,000	2,475,000	410,000	31,402,464	1.97%	2.03%	1,687.76
2002	26,043,777	375,000	6,125,000	360,000	32,903,777	1.87%	2.13%	1,640.35
2003	27,168,289	375,000	31,070,000	310,000	58,923,289	3.06%	3.81%	2,937.50
2004	27,946,500	1,255,000	31,965,000	255,000	61,421,500	2.94%	3.97%	3,062.35
2005	30,861,955	1,163,333	31,920,000	195,000	64,140,288	2.85%	3.87%	2,983.27
2006	26,159,679	851,666	30,645,000	135,000	57,791,345	2.35%	3.49%	2,687.97
2007	21,586,517	650,001	29,325,000	70,000	51,631,518	1.91%	3.12%	2,401.47
2008	26,631,080	558,334	28,095,000	-	55,284,414	1.93%	3.32%	2,559.46
2009	24,188,066	11,166,667	26,280,000	-	61,634,733	2.08%	3.70%	2,853.46

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

* See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property, population data and personal income.

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
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	0.59%	2,235.45
2008	54,726,080	2,708,268	52,017,812	0.60%	2,408.23
2009	50,468,066	2,632,215	47,835,851	0.54%	2,214.62

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, 2009

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	9.86%	\$ 3,839,977
Lake County Community College #532	8,660,229	10.38%	898,932
Lake County Forest Preserve District	252,435,000	9.86%	24,890,091
North Shore Sanitary District	4,882,852	29.27%	1,429,211
Central Lake County Joint Action Water Agency	24,360,000	0.0006%	146
Lake Bluff Park District	831,100	0.0065%	54
School District #65	24,400,000	0.0063%	1,537
School District #67	2,042,121	100.00%	2,042,121
School District #103	5,095,000	0.16%	8,152
High School District #115	58,565,000	83.84%	49,100,896
High School District #128	36,365,000	2.64%	960,036
Subtotal, overlapping debt	<u>456,581,302</u>		<u>83,171,153</u>
City of Lake Forest direct debt	\$ 50,468,066	100.00%	\$ 50,468,066
Total direct and overlapping debt	<u>\$ 507,049,368</u>		<u>\$ 133,639,219</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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 127,213,314	\$ 137,259,928	\$ 151,433,929	\$ 166,237,645	\$ 180,228,505	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	29,628,304	30,617,464	32,168,777	58,238,289	59,911,500	N/A	N/A	N/A	N/A	N/A
Legal debt margin	\$ 97,585,010	\$ 106,642,464	\$ 119,265,152	\$ 107,999,356	\$ 120,317,005	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to the limit as a percentage of debt limit	23.29%	22.31%	21.24%	35.03%	33.24%	N/A	N/A	N/A	N/A	N/A

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

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

Pledged Revenue Coverage
Last Ten Fiscal Years

Waterworks and Sewerage and Golf Course Bonds						
Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2009**	9,901,537	6,738,037	3,163,500	1,265,000	1,168,738	1.30

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

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

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

** In FY2009, the Paid Parking Fund was closed to the General Fund. Debt payments were paid from a new Debt Service Fund.

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year	Population		Equalized Accessed Value (EAV)	Per Capita EAV	Personal Income	Per Capita Personal Income	Unemployment Rate
2000	18,606	(A)	\$ 1,474,936,972	\$ 79,272	\$ 1,434,373,752	\$ 77,092	3.2%
2001	20,059	(A)	1,591,419,452	79,337	1,546,388,428	77,092	3.7%
2002	20,059	(A)	1,755,755,686	87,530	1,546,388,428	77,092	4.5%
2003	20,057	(A)	1,927,392,985	96,096	1,546,234,244	77,092	5.6%
2004	20,057	(A)	2,089,605,859	104,183	1,546,234,244	77,092	3.0%
2005	21,500	(E)	2,253,198,954	104,800	1,657,478,000	77,092	3.0%
2006	21,500	(E)	2,457,299,204	114,293	1,657,478,000	77,092	2.6%
2007	21,500	(E)	2,705,199,367	125,823	1,657,478,000	77,092	2.3%
2008	21,600	(E)	2,867,232,409	132,742	1,665,187,200	77,092	2.8%
2009	21,600	(E)	2,958,675,487	136,976	1,665,187,200	77,092	3.9%

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

City records, Department of Labor and Office of the County Clerk.
 For FY1998 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	2009			2000		
	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%	1,600	1	8.97%
TAP Pharmaceutical Products	804	4	3.74%	750	3	4.20%
Lake Forest College excludes student employees	514	5	2.39%	385	5	2.16%
Pactiv Corporation	470	6	2.19%	500	4	2.80%
Lake Forest Elem. S.D. No. 67 teachers, support staff	321	7	1.49%	294	7	1.65%
Brunswick Corporation	308	8	1.43%	200	10	1.12%
Lake Forest H.S. District 115 teacher, support staff	300	9	1.40%	250	8	1.40%
City of Lake Forest	253	10	1.18%	250	9	1.40%
Tenneco Packaging/Tenneco Automotive			-	300	6	1.68%

Data Source

City staff contacted companies via mail.

CITY OF LAKE FOREST, ILLINOIS

Table 20

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Budgeted Employees as of April 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration	26.25	29.5	36.5	30	36	29	27	29	30	30
Community Development	10	11	11	12	12	14	16	16	18	18
Public Safety										
Fire Protection										
Firefighters	36	37	37	38	38	38	37	37	37	37
Administrative	1	1	1	1	1	1	1	1	1.5	1.5
Police										
Officers	43	44	45	45	45	45	45	43	43	43
Civilians	19	18	17	18	18	19	17	19	18.5	18.5
Public Works										
Public Works Administration	4	4	4	4	4	4	5	5	5	5
Building Maintenance	1	3	3	3	3	3	3	4	6	6
Engineering	6	6	6	6	6	6	6	7	7	7
Streets	9	9	9	9	8	8	8	8	8	8
Sanitation	15	15	15	15	12	12	12	14	14	12
Forestry	8	8	8	8	8	8	9	6	9	9
Fleet (vehicle) Maintenance	6	6	6	6	6	6	6	5	5	5
Water										
Water Plant	9	9	9	9	9	9	9	9	9	9
Water and Sewer	11	11	11	11	11	10	10	10	10	10
Parks	18.75	16	16	18	19	16	16	11	7.25	7.25
Recreation	14.5	16	14	13	13	14	14	19	17.5	17.5
Golf Course	3	3	3	3	3	3	4	4	4.25	4.25
Cemetery	2	2	2	2	2	2	2	2	2	2
Senior Resources	2	2	2	3	3	3	3	3	3	3
Sub - total City	244.5	250.5	255.5	254	257	250	250	252	255	253
Library	28.5	29.6	29.6	29.6	29.6	29.6	29.6	29.6	30	29
Total all	273	280.1	285.1	283.6	286.6	279.6	279.6	281.6	285	282

Data Source

City Departments

CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	-	-	-	-	-	-	-	249	283	183
Rebates Issued	-	-	-	-	-	-	-	24	35	23
Birth Certificates Issued	2,982	2,777	3,191	2,164	1,957	2,419	2,198	2,930	2,790	2,690
Passports Issued (2)	-	-	-	172	314	252	193	314	132	89
Community Development										
Building permits issued	4,313	4,931	4,331	3,767	4,308	4,740	4,055	3,501	3,491	3,142
Residential construction	109	78	64	63	83	128	44	22	33	23
Commercial construction	3	5	3	1	3	5	1	3	1	3
Building inspections conducted	N/A	N/A	N/A	N/A	10,706	13,021	11,945	10,880	11,343	9,284
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	1,423	1,443	1,403	1,465	1,446	1,477	1,624	1,558
Fire	N/A	N/A	1,545	1,459	1,581	1,523	1,558	1,647	1,576	1,759
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)	4.40	9.33	6.31	6.95	2.41	3.90	4.41	1.90	10.36	3
Potholes repaired	N/A	3,701	3,512	1,846	2,102	2,957	2,484	1,575	(4)	(4)
Number of snow events										
Salting	11	12	14	21	8	14	5	10	20	8
Plowing	8	16	3	10	15	10	9	16	36	25
Inches of snow	31	52	23	33	30	46	47	33	83	72
Sanitation										
Refuse collection customers	5,830	5,870	5,896	5,896	5,896	5,896	6,217	6,316	6,356	6,361
Parks and Recreation (3)										
Fitness										
Number of programs	358	435	436	414	564	565	533	478	370	348
Units of participation	1,347	1,922	1,861	2,070	2,682	2,616	2,657	2,228	1,796	1,648
Athletics										
Number of programs	310	206	228	209	229	200	199	210	220	213
Units of Participation	5,128	4,217	4,063	3,770	3,608	3,369	3,279	3,189	3,232	3,253
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	245	257	279	299	327	324	323	337	343	307
Units of participation	1,735	1,886	1,990	2,053	2,016	2,169	1,932	1,874	1,873	1,541
Cultural Arts/Special Events										
Number of programs	201	264	334	335	362	356	436	417	326	338
Units of participation	1,926	2,467	2,652	3,052	3,062	2,894	3,831	3,618	2,454	2,536

CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators (Continued)
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	308	245	220	263	214	227	231	224	221	176
Units of participation	1,575	1,366	1,421	1,562	1,149	1,273	1,335	1,274	1,157	969
Developed parks and recreation areas	10	10	10	10	10	10	10	10	10	10
Developed park acreage	354.5	354.5	354.5	370.0	370.5	370.5	370.5	395.5	395.5	395.5
Sites with playgrounds	7	7	7	8	8	8	8	8	8	8
Sites with baseball diamonds	5	5	5	7	7	7	7	7	7	7
Sites with soccer fields	6	6	6	7	7	7	7	7	7	7
Sites with basketball courts	3	3	3	4	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	37,552	33,780	35,032	31,980	33,500	34,500	38,700	36,500	39,900	35,494
Daily fee	19,080	15,783	17,404	15,994	17,500	18,000	18,600	17,000	18,000	15,500
Seasonal	18,472	17,997	17,628	15,986	16,000	16,500	20,100	19,500	21,900	19,994
Water										
New Connections (tap-ons)	162	139	110	95	120	140	99	52	34	39
Meters in operation	5,878	6,302	6,380	6,194	6,534	6,566	6,633	6,695	6,681	6,771
Meters connected to sewerage system	5,559	5,950	5,950	6,105	6,105	6,137	6,501	6,482	6,520	6,606
Average daily consumption (MGD)	4.094	3.847	3.598	4.155	3.977	3.942	4.913	3.931	4.182	4
Peak daily consumption (MGD)	11.971	10.437	10.139	12.092	11.073	9.394	12.407	10.773	9.477	10
Rated daily pumping capacity (MGD)	12	12	12	12	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	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	1,441.7
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	121,000	120,892	124,258	127,790	126,930	128,817	133,893	137,343	140,171	143,518
Registered borrowers	19,734	19,097	13,855	14,825	13,593	13,634	13,820	14,002	14,233	14,490
Fiscal yearbooks, items or materials circulation	399,511	400,069	388,787	425,427	387,894	399,844	398,504	407,399	415,547	406,998

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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)	114.01	114.00	115.29	118.16	118.16	118.40	118.66	118.66	118.66	119.00
Streetlights										
Gas	440	440	440	438	438	438	438	438	438	438
Electric	1,389	1,397	1,431	1,436	1,437	1,438	1,452	1,460	1,460	1,460
Storm sewer (miles)	205.72	208.06	213.32	213.32	213.36	216.14	217.56	218.26	218.26	218.29
Parks and Recreation										
Acreage	354.5	354.5	354.5	370.0	370.5	370.5	370.5	395.5	395.5	395.5
Water										
Water mains (miles)	N/A	N/A	N/A	N/A	158.59	160.03	160.51	163.33	164.27	165.25
Fire hydrants	1,300	1,300	1,300	1,300	1,328	1,350	1,350	1,353	1,331	1,362
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	135.44	136.06	136.12	137.60	138.39	138.71

Data Source

City departments

N/A equals data not available