

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2010

CITY OF LAKE FOREST, ILLINOIS
Comprehensive Annual Financial Report
Year Ended April 30, 2010
(With Independent Auditor's 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
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October 21, 2010

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 (City) for the year ended April 30, 2010, 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 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A 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 thirty (30) 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 nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 68.

Factors Affecting Financial Condition

Local Economy. The City of Lake Forest, like all communities, is continuing to face significant challenges brought on by the economy. Statistically:

- . Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. As of December 31, 2009, the City's unemployment rate was estimated to be 5.8%, compared to 9.8% for Lake County, 11.0% for the State of Illinois and 10.0% for the United States.
- . The consumer confidence index is closely monitored by economists because consumer spending accounts for 70% of the United States' economic activity. In August 2010, the index was 53.5, slightly lower than the 54.1 for August 2009. The index is currently below 90, the minimum level associated with a healthy economy. An index above 100 signals growth.
- . The number of foreclosures in Lake Forest for the first seven months of 2010 was four. There were thirteen foreclosures in all of calendar year 2009.

Per a recent Wall Street Journal article, the economic recovery is advancing unevenly across the United States, as regions reliant on such industries as manufacturing and farming show progress while those more dependent on housing continue to struggle. Although approximately half of the City's revenues in its General Fund come from property taxes, which continue to be stable, the remaining major funding sources of sales tax, income tax, utility taxes and building revenues fell short of FY2010 projections.

Future budgets continue to look to be challenging. A recent report by the National League of Cities, National Association of Counties, and the U.S. Conference of Mayors projects local government job losses in the current and fiscal years to approach 500,000 with public safety, public works, public health, social services and parks and recreation hardest hit by the cutbacks.

The State of Illinois' economic condition is a serious concern. Illinois is just 8 years away from exhausting its pension fund and creating a yearly \$14 billion gap, according to data from Joshua Ruah, an associate professor of finance at the Kellogg School of Management at Northwestern University. The gap is a projected 32 percent of the state's revenue. The State is currently several months behind in paying the City its share of the income tax. The State is currently discussing the possibility of reducing the income tax that is distributed to all municipalities. A solution to the State's fiscal problems should be addressed after the November 2010 elections.

In order to assist the business community, economic development initiatives are conducted through the Office of the City Manager. 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. 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.

A positive event in the business community occurred on August 4, 2010. The Fresh Market opened its store in the former Don's Finest Foods' building in downtown Lake Forest bringing approximately 90 new jobs to the area, most of which were filled locally. The Fresh Market's inviting atmosphere is reminiscent of old-world European markets.

In order to become aware of revenue shortfalls and/or expense overages, City staff monitors revenues and expenses throughout the fiscal year. Monthly financial "flash" reports are presented to the Finance Committee. City staff prepares five year fund balance reports for all significant funds beginning in November and these are updated as necessary throughout the fiscal year.

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

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

Long-Term Financial Planning. The City is funding infrastructure expenditures with the real estate transfer tax that was approved by a referendum. This real estate 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 continued decline in the sale of real estate in FY2010, led to the prioritizing of capital improvement projects. The City postponed \$500,000 of capital improvements in FY2010. Looking ahead to FY2011, although the first quarter of FY2011 has matched estimates for the real estate transfer tax revenue, the City will remain conservative in spending monies on capital projects.

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

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, Firefighters' Pension and Police Pension Funds are permitted by statute to invest in corporate securities. Investment income includes appreciation and/or reductions in the fair value of investments.

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

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

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. Sworn police and fire personnel receive retirement and disability benefits from the Police Pension Fund and Firefighters' Pension Fund, respectively. Both of these plans are defined benefit, single-employer plans administered by boards of trustees. The defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. Police participants are required to contribute 9.91% of their base salaries and fire participants are required to contribute 9.455% of their base salaries. The City is required to contribute the remaining amounts necessary to finance each plan as advised by an independent actuary. As of April 30, 2010, the funded ratio for the Police Pension Plan is 53.2% and for the Firefighters' Pension Plan is 77.4%.

All other employees of the City who work over 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. Benefit provisions and funding requirements are established by State statutes and may only be changed by the Illinois legislature. Employees participating are required to contribute 4.5% of their annual wages and the City is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan. As of December 31, 2009, the funded ratio for IMRF is 78.7%.

On April 14, 2010, the Governor signed into law a bill, effective January 1, 2011, that enacts many major changes to 13 of the state's pension systems that reformers have long sought. It created what has been called a "two-tier" system, where current employees keep their existing pension plans, but new hires will join a less expensive new system. IMRF was included in the bill but not the Police and Firefighters' pension plans.

The City has taken a proactive approach for pension plan reform. On the spring 2010 ballot, Lake Forest along with Barrington were the first communities in Illinois to put forth an advisory referendum for public consideration. Over 90% of Lake Forest voters and 88% of voters in Barrington responded yes to the question, "Shall the Illinois General Assembly and the Governor take immediate steps to implement meaningful pension reform which will relieve the sustainable burden on local taxpayers?" Thirty-eight communities will have the pension reform advisory referendum on the November 2010 ballot.

Lake Forest's City Manager, Robert Kiely, Jr. has testified along with several others before the Police and Fire Pension Reform Subcommittee of the House Personnel and Pensions Committee. It is hoped that a reform pension bill for the public safety pensions will be passed by the state legislature and become effective January 1, 2011.

The City has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. Since the City does not contribute towards the cost of the retiree's health insurance, the City is reporting only the implicit liability that is created when the retiree (by State Statute) is charged the group rate for the insurance as opposed to the true rate that would have been charged based on risk.

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 FY2010, 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. The City achieved LEED Gold rating for this building. According to the United States Green Building Council, only one other governmental municipal services facility in Illinois has achieved this Gold rating.

- On May 12, 2009, the City issued \$3,680,000 of General Obligation Bonds, which paid for the first phase of infrastructure improvements to Western Avenue. This project improved vehicular and pedestrian safety, enhanced the overall appearance along Western Avenue, and replaced aged infrastructure such as water mains and storm sewers. The intersection of Woodland Road and Western Avenue was realigned and traffic signals were installed at this intersection.
- Three projects within the TIF district were funded by TIF monies. The Telegraph Road train station parking lot was paved at a cost of \$396,000. The tennis court at Everett Park cost \$112,000. The project for the extension of and interconnection to citywide telecommunications network to public facilities in the district cost \$1,918,000.
- The Waukegan Road water main project, funded by the Waterworks and Sewerage Capital Improvements Fund, cost \$1,620,000 and replaced the 6" water main with a 12" pipe.
- To improve personnel and purchasing efficiencies, the Parks and the Forestry Departments were consolidated on November 1, 2009.

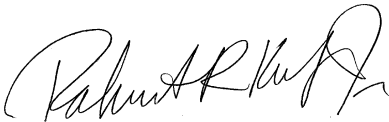
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Lake Forest for its comprehensive annual financial report for the fiscal year ended April 30, 2009. This was the thirty-first (31) consecutive year that The City of Lake Forest has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



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, 2009

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.



A stylized handwritten signature in black ink, appearing to read "J.R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF LAKE FOREST, ILLINOIS

List of Principal Officials

Year Ended April 30, 2010

LEGISLATIVE

City Council

James J. Cowhey, Jr., 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

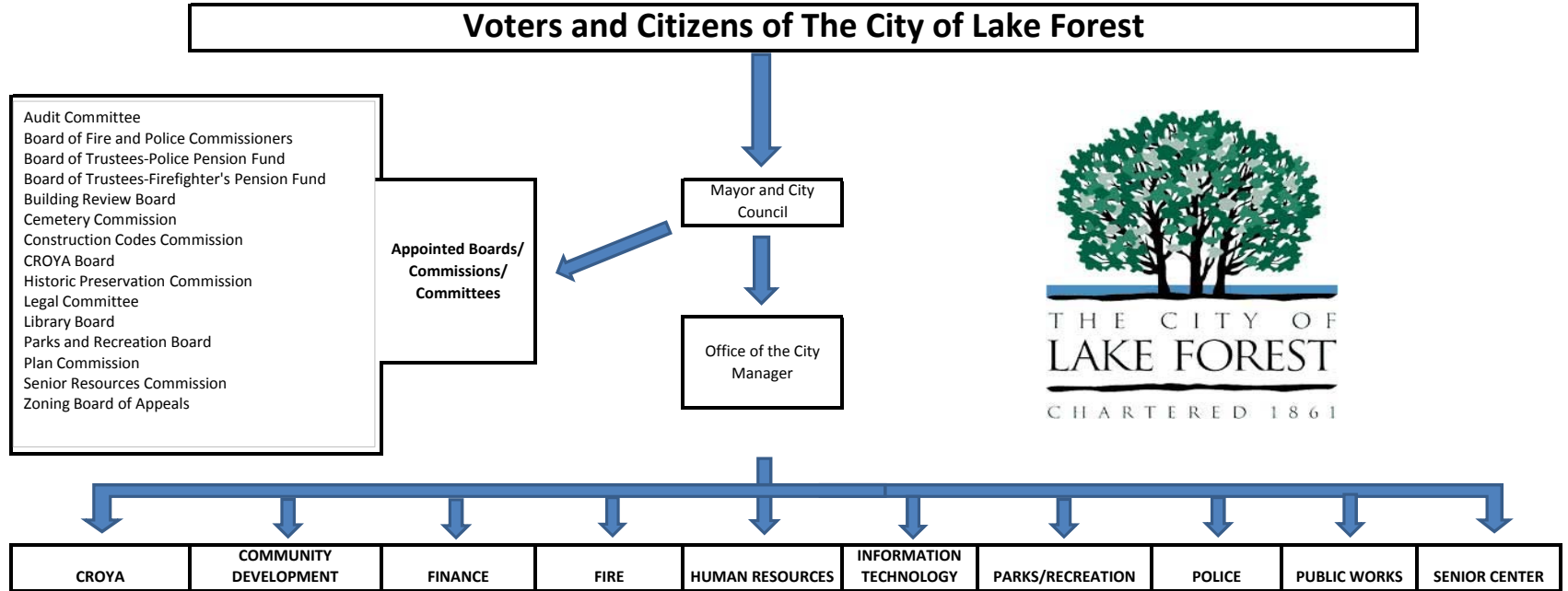
Robert R. Kiely, Jr., City Manager

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



Independent Auditor's 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, 2010, 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, 2010, 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 – 137) 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 21, 2010

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2010

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 decreased by \$1.8 million (or 0.7%) during the fiscal year ending April 30, 2010 (FY10). The governmental net assets decreased by \$1.7 million (or 0.8% from FY09) and the business-type activities net assets decreased by \$0.1 million (or 0.2% from FY09).
- The City's total change of net assets compared to FY09 decreased by \$9.5 million. The general governmental activities change in net assets decreased by \$19.6 million and the business-type activities change in net assets increased by \$10.1 million.
- The governmental activities revenue decreased by \$7.5 million or 13.4%. The expenses increased by \$1.4 million or 2.9%. The transfers decreased by \$10.7 million.
- The business-type activities revenue decreased by \$0.6 million or 6.6%. The expenses remained the same at \$9.2 million. The transfers increased by \$10.7 million.
- The total cost of all City programs increased by \$1.4 million or 2.4%.

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, and Golf) 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, Firefighters' Pension, Cemetery Trust, and Special Assessment Funds). While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 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 financing sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term 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 decreased by \$1.8 million from FY09 – decreasing from \$269.8 million to \$268.0 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 decreased by \$1.7 million from \$223.0 million to \$221.3 million, whereas the business-type activities net assets decreased by \$0.1 million from \$46.8 million to \$46.7 million. Table 1 reflects the condensed Summary of Net Assets compared to FY09. 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, 2010 and 2009
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 62.0	\$ 67.1	\$ 9.9	\$ 11.0	\$ 71.9	\$ 78.1
Capital assets	231.6	229.1	62.9	63.4	294.5	292.5
Total assets	293.6	296.2	72.8	74.4	366.4	370.6
Long-term liabilities	40.5	37.2	25.1	26.4	65.6	63.6
Other liabilities	31.8	36.0	1.0	1.2	32.8	37.2
Total liabilities	72.3	73.2	26.1	27.6	98.4	100.8
Net Assets:						
Invested in capital assets, net of debt	193.2	193.8	38.1	37.2	231.3	231.0
Restricted	3.0	3.3	-	-	3.0	3.3
Unrestricted	25.1	25.9	8.6	9.6	33.7	35.5
Total net assets	\$ 221.3	\$ 223.0	\$ 46.7	\$ 46.8	\$ 268.0	\$ 269.8

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

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The City's \$1.8 million decrease of combined net assets (which is the City's bottom line) was the result of the governmental activities net assets decreasing by \$1.7 million and the business-type activities net assets decreasing by \$0.1 million.

The governmental activities total assets decreased by \$2.6 million and the governmental activities total liabilities decreased by \$0.9 million. The \$2.6 million decrease in total assets is due to a \$5.1 million decrease in current and other assets and a \$2.5 million increase in capital assets. The \$0.9 million decrease in total liabilities is due to a long-term liabilities increase of \$3.3 million and an other liabilities decrease of \$4.2 million. The \$3.3 million long-term liability increase was mainly due to the issuance of \$3.6 million of General Obligation Bonds for the Western Avenue redevelopment project. The other liabilities decrease is mainly due to the decrease in accounts payable of \$3.2 million and retainage payable of \$0.5 million as the construction of the new Municipal Services Building was completed.

The current and other assets decrease was mainly due to a \$4.4 million decrease in cash in the Municipal Services Building Construction Fund. The Municipal Services Building Construction Fund was closed during FY10 as the construction of the new Municipal Services building on 40 acres of property, which the City purchased in FY07, was completed.

The \$2.5 million capital asset increase was mainly due to infrastructure improvements of \$3.8 million along Western Avenue in the City's Central Business District; \$1.7 million due to the completion of the extension and interconnection of the citywide telecommunications network to public facilities in the TIF district (fiber optic communications network); and \$2.0 million for the completion of the new Municipal Services Building. These additions were offset by \$5.0 million of depreciation.

The net assets of business-type activities decreased by \$0.1 million, from \$46.8 million to \$46.7 million. The total assets of the business-type activities decreased by \$1.6 million. \$1.1 million of the decrease was due to current and other assets. The Waterworks and Sewerage Fund used \$1.1 million of cash for planned capital projects, mainly the Waukegan Road water main.

The total liabilities decreased by \$1.5 million from \$27.6 million to \$26.1 million. This was the result of a bonds payable decrease of \$1.4 million. The unrestricted net assets of \$8.6 million decreased by \$1.0 million from FY09. This is mainly due to a \$1.0 million decrease in the Waterworks and Sewerage Fund that was invested in capital assets. The majority (\$7.7 million) of the \$8.6 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 \$6.9 million per year and interest expense on bonds is \$1.1 million.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2010

Changes in Net Assets

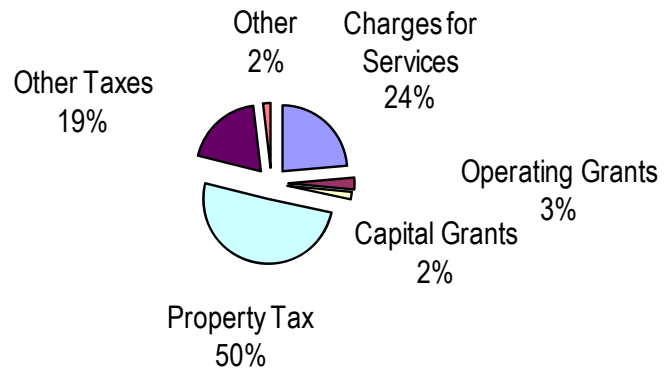
The City's combined change in net assets was a decrease of \$9.5 million from FY2009. The City's total revenues decreased by \$8.1 million. The City's cost of all programs increased by \$1.4 million. The following chart compares the revenue and expenses for the current and previous fiscal year.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2010 and 2009
(in millions)

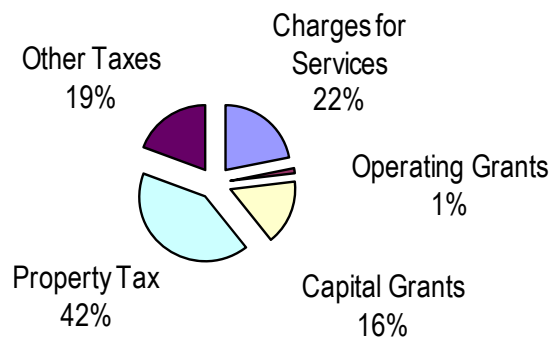
Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Services	\$ 11.4	\$ 12.2	\$ 8.3	\$ 8.0	\$ 19.7	\$ 20.2
Grants and contributions						
Operating	1.4	0.7	-	-	1.4	0.7
Capital	0.9	9.0	0.1	0.9	1.0	9.9
General Revenue						
Property	24.4	23.1	-	-	24.4	23.1
Other taxes	9.3	10.8	-	-	9.3	10.8
Other	0.9	-	0.1	0.2	1.0	0.2
Total Revenue	48.3	55.8	8.5	9.1	56.8	64.9
Expenses						
Governmental Activities						
General Government	14.0	14.9	-	-	14.0	14.9
Highways and Streets	9.5	7.9	-	-	9.5	7.9
Sanitation	2.2	2.2	-	-	2.2	2.2
Culture and Recreation	9.6	9.4	-	-	9.6	9.4
Public Safety	13.1	12.6	-	-	13.1	12.6
Interest	1.0	1.0	-	-	1.0	1.0
Business Type						
Waterworks and Sewerage	-	-	7.9	7.7	7.9	7.7
Golf	-	-	1.3	1.5	1.3	1.5
Paid Parking	-	-	-	-	-	-
Total Expenses	49.4	48.0	9.2	9.2	58.6	57.2
Excess before Transfers	(1.1)	7.8	(0.7)	(0.1)	(1.8)	7.7
Transfers In (Out)	(0.6)	10.1	0.6	(10.1)	-	-
Change in Net Assets	(1.7)	17.9	(0.1)	(10.2)	(1.8)	7.7
Net assets - beginning	223.0	205.1	46.8	57.0	269.8	262.1
Net assets - ending	\$ 221.3	\$ 223.0	\$ 46.7	\$ 46.8	\$ 268.0	\$ 269.8

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2010 Governmental Activities Revenue

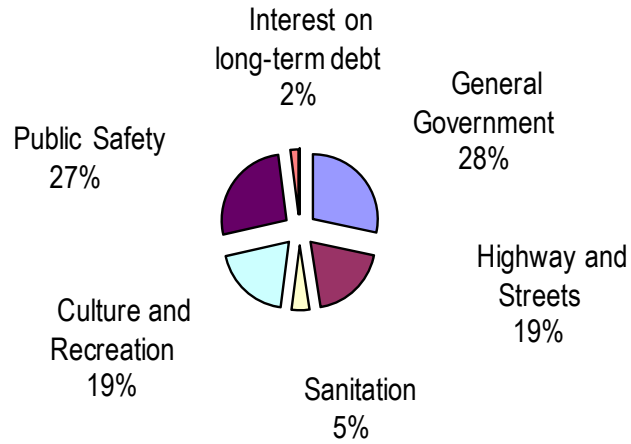


2009 Governmental Activities Revenue

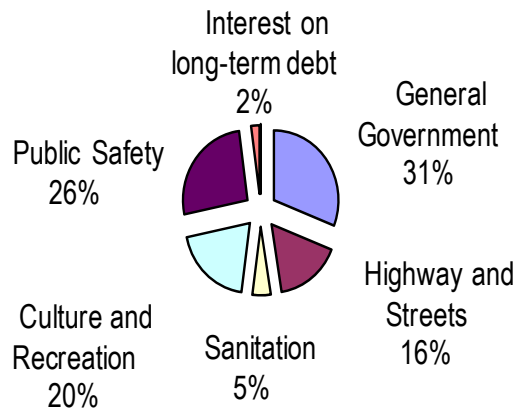


CITY OF LAKE FOREST, ILLINOIS
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2010 Governmental Activities Expense



2009 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 64% 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, 2010, revenues from governmental activities totaled \$48.3 million which is a decrease of \$7.5 million.

Property tax revenue continues to be the City's largest revenue source, coming in at \$24.4 million. This is an increase of \$1.3 million or 5.6% from FY09. Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$33.7 million and represent 69.1% of the total Governmental Fund 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 2009 equalized assessed valuation decreased 2.3% to \$2,830,031,857 (excludes TIF District). 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.

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Charges for services decreased \$0.8 million mainly due to \$0.4 million of Highways and Streets reimbursements received in FY09.

Operating grants increased by \$0.7 million to \$1.4 million due to the Route 60 intersection improvement grant received from the State of Illinois.

Capital grants decreased by \$8.1 million to \$0.9 million as \$8.1 million of land acquired at the former Municipal Services site (Laurel Ave.) was booked as a capital asset in FY09.

Investment income increased by \$0.8 million or 2,277.1% from FY09 (\$36,000 to \$0.9 million). The rate of return on demand deposits was 0.73% in FY10 compared to 1.5% in FY09. However, the Cemetery Fund, which is allowed to invest in equities, increased investment income from a loss of \$0.6 million in FY09 to a gain of \$0.6 million in FY10. The City's strategy for investing did not change.

Expenses

For the fiscal year ended April 30, 2010, expenses for governmental activities totaled \$49.4 million which is an increase of \$1.4 million or 2.9%.

The City's General Government function expenditures decreased by \$0.9 million from \$14.9 million to \$14.0 million which is 6.0%. The City decreased expenditures due to the economic downturn mainly by freezing vacant positions.

The City's Highway and Streets function expenditures increased by \$1.6 million from \$7.9 million to \$9.5 million which is 20.3%. The increase was due to the Route 60 intersection improvement which was not capitalized by the City as the State of Illinois is responsible for maintenance.

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 FY10 expenses included funding for the City's performance based employee compensation package plus a 1.0% general salary adjustment.

Business-type Activities

Revenue

The total revenue for the business-type activities decreased by \$0.6 million. This was mainly due to a \$0.8 million decrease in capital grants in the Waterworks and Sewerage Fund. There were less capital projects in which developers contributed infrastructure to the City.

CITY OF LAKE FOREST, ILLINOIS
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Expenses

The City's business-type activity expenses stayed the same at \$9.2 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2010, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$25.1 million which is a 6.7% decrease from the beginning of the year (\$26.9 million). Of the total fund balance of \$25.1 million, \$21.2 million is unreserved indicating availability for continuing City services and capital projects. This is a decrease of \$0.7 million of the unreserved fund balance from FY09 (3.2% decrease). The primary reason for the decrease in fund balance is a \$1.6 million decrease in the Route 60 Fitzmorris Improvements Fund, a \$0.9 million decrease in the West Lake Forest TIF District Fund offset by a \$0.8 million increase in the General Cemetery Fund. The decrease in the Route 60 Fitzmorris Improvements Fund was due to the completion of the Route 60 intersection. The decrease in the West Lake Forest TIF District Fund was due to capital projects and the increase in the General Cemetery Fund was due to interest income on investments.

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 \$0.1 million or 0.5% from FY09 (from \$10.8 million to \$10.9 million). The General Fund revenues decreased by \$0.4 million (1.3%) and the expenditures decreased by \$0.3 million (1.1%). Thereby the excess of revenues over expenditures decreased to \$0.1 million in FY10 from \$0.2 million in FY09. The other financing sources (uses) increased by \$0.1 million.

The primary reason for the decrease in revenue was a \$1.3 million decrease in other taxes which consisted of a \$0.6 million decrease in sales tax, a \$0.4 million decrease in utility tax and a \$0.2 million decrease in income tax offset by the property tax, which increased \$0.8 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 2008 extension allowed for a 2.75% CPI factor as well as new equalized assessed valuation growth.

The primary reason for the decrease in expenditures was the general government decrease of \$0.7 million offset by small increases in public safety and culture and recreation. When revenues began to decrease due to the economic downturn, the City froze some of the planned expenditures.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2010

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$ 25.9	\$ 25.9	\$ 24.5
Other	6.2	6.2	6.2
Total	<u>32.1</u>	<u>32.1</u>	<u>30.7</u>
Expenditures and transfers:			
Expenditures	33.2	33.2	28.9
Transfers (net)	1.8	1.8	1.8
	<u>35.0</u>	<u>35.0</u>	<u>30.7</u>
Change in Fund Balance	<u>\$ (2.9)</u>	<u>\$ (2.9)</u>	<u>\$ -</u>

Actual General Fund revenues were lower than the original budgeted revenues by \$1.4 million during FY10. This decrease is entirely due to the decline in sales, income, and utility taxes. Actual General Fund expenditures were lower than the original and final budget by \$4.3 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 FY10. \$1.1 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 \$0.5 million from \$1.8 million to \$2.3 million. The Parks and Recreation Fund revenues increased by \$0.2 million (3.0%) while expenditures decreased by \$0.2 million (3.0%). The excess of revenues over expenditures increased by \$0.4 million to a \$0.3 million excess. FY10 revenues were higher than FY09 mainly due to small increases in the property tax and charges for services while expenditures were lower due to reduced capital outlay.

CITY OF LAKE FOREST, ILLINOIS
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Capital Assets

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land and improvements	\$ 46.3	\$ 45.1	\$ 0.5	\$ 0.5	\$ 46.8	\$ 45.6
Infrastructure land	66.7	66.7	-	-	66.7	66.7
Construction in progress	0.9	22.1	-	0.3	0.9	22.4
Infrastructure	70.7	69.9	-	-	70.7	69.9
Buildings	24.6	8.9	19.5	20.4	44.1	29.3
Improvements	17.9	11.8	24.1	22.5	42.0	34.3
Machinery and equipment	4.5	4.6	2.3	2.5	6.8	7.1
Sanitary sewers	-	-	16.5	17.2	16.5	17.2
Total	\$ 231.6	\$ 229.1	\$ 62.9	\$ 63.4	\$ 294.5	\$ 292.5

At the end of FY10, the City had a combined total of capital assets of \$294.5 million invested in a broad range of capital assets. This amount represents a net increase (including additions and deductions) of \$2.0 million.

The net increase is attributable to a \$2.5 million increase in the governmental activities offset by a \$0.5 million decrease in the business-type activities.

The \$2.5 million capital asset increase was mainly due to infrastructure improvements of \$3.8 million along Western Avenue in the City's Central Business District; \$1.7 million due to the completion of the fiber optic communications network; and \$2.0 million for the completion of the new Municipal Services Building. These additions were offset by \$5.0 million of depreciation.

CITY OF LAKE FOREST, ILLINOIS
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APRIL 30, 2010

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	\$ 229.1	\$ 63.4	\$ 292.5
Additions			
Depreciable	28.5	2.6	31.1
Non-Depreciation	1.2	-	1.2
Construction in Progress	0.8	-	0.8
Retirements			
Depreciable	(1.0)	(0.4)	(1.4)
Non-Depreciation	-	-	-
Construction in Progress	(22.0)	(0.2)	(22.2)
Depreciation	(5.9)	(2.6)	(8.5)
Retirements	0.9	0.1	1.0
Ending Balance	<u>\$ 231.6</u>	<u>\$ 62.9</u>	<u>\$ 294.5</u>

Debt Outstanding

The City had \$50.4 million of general obligation bonds outstanding at April 30, 2010. Of this amount \$16.2 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 with other governmental units was \$5,902 and \$4,319 if self-supporting debt is excluded.

The City operated as a home rule community for FY10. 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 5.8% for 2009, which is far below Lake County (9.8%) and the national (10.0%) and state (11.0%) 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
Statement of Net Assets
April 30, 2010

Exhibit A-1

	Primary Government			Component unit
	Governmental Activities	Business-type Activities	Total	Lake Forest Library
Assets				
Cash and cash equivalents	\$ 30,011,393	\$ 7,980,107	\$ 37,991,500	\$ 983,537
Investments	2,630,338	-	2,630,338	-
Receivables (net):				
Property taxes	24,404,445	-	24,404,445	3,289,338
Other taxes	406,768	-	406,768	3,708
Accounts	688,124	1,143,004	1,831,128	-
Accrued interest	-	3,332	3,332	-
Loans	12,452	-	12,452	-
Other	326,235	828	327,063	-
Due from other governments	2,054,055	-	2,054,055	-
Internal balances	(633,341)	633,341	-	-
Inventories	253,818	28,088	281,906	-
Prepays	852,586	1,137	853,723	-
Deferred charges – bond issuance costs	73,312	60,727	134,039	-
Net pension asset	1,001,631	-	1,001,631	-
Capital assets:				
Not being depreciated	113,935,309	459,369	114,394,678	219,000
Being depreciated, net	117,642,223	62,450,639	180,092,862	3,249,351
Total assets	<u>293,659,348</u>	<u>72,760,572</u>	<u>366,419,920</u>	<u>7,744,934</u>
Liabilities				
Accounts payable	2,219,924	186,592	2,406,516	25,423
Accrued liabilities	1,492,553	41,031	1,533,584	31,113
Accrued interest payable	432,558	407,979	840,537	-
Retainage payable	457,942	-	457,942	-
Deposits	874,117	-	874,117	-
Unearned revenue - property taxes	24,404,445	-	24,404,445	3,289,338
Unearned revenue - other	1,984,283	347,167	2,331,450	-
Long-term obligations:				
Due within one year	15,759,313	1,405,000	17,164,313	39,784
Due in more than one year	24,717,411	23,679,092	48,396,503	177,885
Total liabilities	<u>72,342,546</u>	<u>26,066,861</u>	<u>98,409,407</u>	<u>3,563,543</u>
Net Assets				
Invested in capital assets, net of related debt	193,225,047	38,075,853	231,300,900	3,386,824
Restricted for:				
Capital projects	77,276	-	77,276	-
Debt service	2,839,264	-	2,839,264	-
Other purposes	84,975	-	84,975	-
Unrestricted	25,090,240	8,617,858	33,708,098	794,567
Total net assets	<u>\$ 221,316,802</u>	<u>\$ 46,693,711</u>	<u>\$ 268,010,513</u>	<u>\$ 4,181,391</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Activities
For the Year Ended April 30, 2010

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	\$ 13,974,412	\$ 4,822,344	\$ 420,666	\$ 20,350	\$ (8,711,052)	\$ -	\$ (8,711,052)	
Highways and streets	9,469,570	809,661	993,153	848,924	(6,817,832)	-	(6,817,832)	
Sanitation	2,183,373	104,158	-	-	(2,079,215)	-	(2,079,215)	
Culture and recreation	9,589,857	4,121,592	-	56,250	(5,412,015)	-	(5,412,015)	
Public safety	13,116,738	1,540,927	-	-	(11,575,811)	-	(11,575,811)	
Interest on long-term debt	1,097,805	-	-	-	(1,097,805)	-	(1,097,805)	
Total governmental activities	49,431,755	11,398,682	1,413,819	925,524	(35,693,730)	-	(35,693,730)	
Business-type activities:								
Waterworks and sewerage	7,882,904	7,048,854	-	97,724	-	(736,326)	(736,326)	
Golf	1,345,437	1,333,879	-	-	-	(11,558)	(11,558)	
Total business-type activities	9,228,341	8,382,733	-	97,724	-	(747,884)	(747,884)	
Total primary government	\$ 58,660,096	\$ 19,781,415	\$ 1,413,819	\$ 1,023,248	(35,693,730)	(747,884)	(36,441,614)	
Component Unit								
Lake Forest Library	\$ 3,242,547	\$ 74,970	\$ 20,482	\$ -				\$ (3,147,095)
General revenues and transfers:								
General revenues								
Property taxes					24,383,716	-	24,383,716	3,299,541
Replacement taxes					114,477	-	114,477	26,116
Sales tax					2,392,497	-	2,392,497	-
Income tax					1,762,425	-	1,762,425	-
Utility tax					3,967,398	-	3,967,398	-
Real estate transfer tax					878,925	-	878,925	-
Other taxes					258,163	-	258,163	-
Investment income					852,245	64,001	916,246	12,066
Other					60,000	-	60,000	-
Transfers					(615,816)	615,816	-	-
Total general revenues and transfers					34,054,030	679,817	34,733,847	3,337,723
Change in net assets					(1,639,700)	(68,067)	(1,707,767)	190,628
Net assets – beginning of year					222,956,502	46,761,778	269,718,280	3,990,763
Net assets – end of year					\$ 221,316,802	\$ 46,693,711	\$ 268,010,513	\$ 4,181,391

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
 Balance Sheet
 Governmental Funds
 April 30, 2010

Assets	General Fund	Parks and Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 10,554,698	\$ 2,968,396	\$ 11,257,777	\$ 24,780,871
Investments	-	-	2,630,338	2,630,338
Receivables (net of allowance for uncollectibles):				
Property taxes	15,142,523	4,209,249	5,052,673	24,404,445
Other taxes	406,768	-	-	406,768
Accounts	513,257	37,465	137,402	688,124
Loans	12,452	-	-	12,452
Other	116,418	-	106,310	222,728
Due from other governments	2,005,586	4,962	43,507	2,054,055
Due from other funds	968,480	115,683	5,393	1,089,556
Due from fiduciary funds	-	-	97,692	97,692
Inventory	64,000	-	-	64,000
Prepays	37,196	-	43,306	80,502
Total assets	<u>\$ 29,821,378</u>	<u>\$ 7,335,755</u>	<u>\$ 19,374,398</u>	<u>\$ 56,531,531</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 709,991	\$ 229,547	\$ 1,033,352	\$ 1,972,890
Accrued liabilities	786,527	59,653	381,185	1,227,365
Due to other funds	-	-	460,947	460,947
Retainage payable	1,261	-	456,681	457,942
Deposits	874,117	-	-	874,117
Unearned revenue:				
Property taxes	15,142,523	4,209,249	5,052,673	24,404,445
Other	1,420,671	509,988	53,624	1,984,283
Total liabilities	<u>18,935,090</u>	<u>5,008,437</u>	<u>7,438,462</u>	<u>31,381,989</u>
Fund Balances:				
Reserved for:				
Loans	12,452	-	-	12,452
Inventory	64,000	-	-	64,000
Prepays	37,196	-	43,306	80,502
Debt service	-	-	2,839,264	2,839,264
Paid parking	957,420	-	-	957,420
Unreserved, reported in:				
General fund	9,815,220	-	-	9,815,220
Special revenue funds	-	2,327,318	5,881,945	8,209,263
Capital projects funds	-	-	3,171,421	3,171,421
Total fund balances	<u>10,886,288</u>	<u>2,327,318</u>	<u>11,935,936</u>	<u>25,149,542</u>
Total liabilities and fund balances	<u>\$ 29,821,378</u>	<u>\$ 7,335,755</u>	<u>\$ 19,374,398</u>	<u>\$ 56,531,531</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, 2010

Total fund balances – governmental funds \$ 25,149,542

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. 73,312

Net pension asset recorded in governmental activities is not a financial resource and therefore is not reported in the funds. 1,001,631

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	\$ 46,283,782	
Land-infrastructure	66,740,770	
Construction in progress	910,757	
Infrastructure, net of \$107,298,686 in accumulated depreciation	70,714,672	
Buildings, net of \$7,692,601 in accumulated depreciation	24,584,727	
Improvements, net of \$5,576,440 in accumulated depreciation	17,903,418	
Machinery and equipment, net of \$8,864,612 in accumulated depreciation	4,439,406	
Total capital assets, net		231,577,532

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	\$ (432,558)	
Net OPEB Obligation	(108,613)	
General obligation bonds	(25,457,071)	
(Premium) Discount on general obligation bonds	31,274	
Installment purchase contracts and promissory note	(13,000,000)	
Compensated absences	(1,893,410)	
Total long-term obligations		(40,860,378)

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.

4,375,163

Net assets of governmental activities

\$ 221,316,802

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, 2010

	General Fund	Parks and Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ 16,116,492	\$ 3,290,247	\$ 4,976,977	\$ 24,383,716
Other	8,463,984	30,976	938,925	9,433,885
Intergovernmental revenues	108,491	-	1,195,877	1,304,368
Grants	-	-	706,250	706,250
Charges for services	2,621,493	3,545,194	1,677,432	7,844,119
Licenses and permits	2,135,888	-	-	2,135,888
Fines and forfeitures	372,924	-	-	372,924
Investment income	85,963	26,624	702,933	815,520
Miscellaneous revenue	766,622	29,136	578,718	1,374,476
Total revenues	<u>30,671,857</u>	<u>6,922,177</u>	<u>10,777,112</u>	<u>48,371,146</u>
Expenditures:				
Current:				
General government	9,809,117	-	2,417,072	12,226,189
Highways and streets	2,402,436	-	1,495,322	3,897,758
Sanitation	2,056,528	-	-	2,056,528
Culture and recreation	1,514,409	6,607,701	694,852	8,816,962
Public safety	12,708,152	-	354,301	13,062,453
Capital outlay	255,717	37,730	11,083,043	11,376,490
Debt service:				
Principal retirement	91,667	-	2,785,995	2,877,662
Interest	25,404	-	1,148,563	1,173,967
Total expenditures	<u>28,863,430</u>	<u>6,645,431</u>	<u>19,979,148</u>	<u>55,488,009</u>
Excess (deficiency) of revenues over expenditures	<u>1,808,427</u>	<u>276,746</u>	<u>(9,202,036)</u>	<u>(7,116,863)</u>
Other financing sources (uses):				
Debt issuance - installment contracts	-	-	2,300,000	2,300,000
Debt issuance - bonds	-	-	3,680,000	3,680,000
Premium on bonds	-	-	19,051	19,051
Transfers in	-	311,100	1,536,005	1,847,105
Transfers out	(1,758,960)	(55,020)	(648,941)	(2,462,921)
Total other financing sources (uses)	<u>(1,758,960)</u>	<u>256,080</u>	<u>6,886,115</u>	<u>5,383,235</u>
Net change in fund balances	49,467	532,826	(2,315,921)	(1,733,628)
Fund balances – beginning of year	10,836,821	1,794,492	14,251,857	26,883,170
Fund balances – end of year	<u>\$ 10,886,288</u>	<u>\$ 2,327,318</u>	<u>\$ 11,935,936</u>	<u>\$ 25,149,542</u>

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, 2010

Net changes in fund balances—total governmental funds \$ (1,733,628)

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
 (\$8,497,431) exceeded depreciation expense (\$5,852,887) in the current period. 2,644,544

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins,
 and disposals) is to decrease net assets (135,783)

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	\$	(5,980,000)	
Debt premium		(19,051)	
Repayments:			
General obligation bonds		2,410,995	
Installment contracts		466,667	
Net adjustment		(3,121,389)	(3,121,389)

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	\$	69,891	
Increase in OPEB obligation		(65,985)	
Decrease in accrued interest payable		86,430	
Amortization of bond premiums and discounts		(4,629)	
Amortization of bond issuance costs		(5,639)	
Increase in compensated absences		(110,211)	(30,143)

The net revenue of certain activities of internal service funds is reported with
 governmental activities. 736,699

Change in net assets of governmental activities – statement of activities \$ (1,639,700)

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Net Assets
Proprietary Funds
April 30, 2010

Assets	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Current assets:				
Cash and cash equivalents	\$ 7,345,034	\$ 635,073	\$ 7,980,107	\$ 5,230,522
Receivables:				
Accounts receivable	1,143,004	-	1,143,004	-
Accrued interest	3,332	-	3,332	-
Other	828	-	828	5,815
Due from other funds	52,375	18,504	70,879	-
Inventories	-	28,088	28,088	189,818
Prepaid expenses	1,137	-	1,137	772,084
Total current assets	<u>8,545,710</u>	<u>681,665</u>	<u>9,227,375</u>	<u>6,198,239</u>
Noncurrent assets:				
Deferred charges – bond issuance costs	52,624	8,103	60,727	-
Capital assets:				
Not being depreciated	363,852	95,517	459,369	-
Being depreciated, net of accumulated depreciation	60,463,360	1,987,279	62,450,639	47,349
Total capital assets, net	<u>60,827,212</u>	<u>2,082,796</u>	<u>62,910,008</u>	<u>47,349</u>
Total noncurrent assets	<u>60,879,836</u>	<u>2,090,899</u>	<u>62,970,735</u>	<u>47,349</u>
Total assets	<u>69,425,546</u>	<u>2,772,564</u>	<u>72,198,110</u>	<u>6,245,588</u>
Liabilities				
Current liabilities:				
Accounts payable	142,421	44,171	186,592	247,034
Accrued liabilities	29,115	11,916	41,031	265,188
Accrued interest payable	390,318	17,661	407,979	-
Due to other funds	-	-	-	699,488
Unearned revenue	48,961	298,206	347,167	-
Current portion of long-term obligations				
General obligation bonds	1,350,000	50,000	1,400,000	-
Accrued compensated absences	4,219	781	5,000	2,018
Total current liabilities	<u>1,965,034</u>	<u>422,735</u>	<u>2,387,769</u>	<u>1,213,728</u>
Noncurrent liabilities:				
General obligation bonds payable (net of unamortized discounts)	22,339,148	1,095,007	23,434,155	-
Accrued compensated absences	206,691	38,246	244,937	46,886
Total noncurrent liabilities	<u>22,545,839</u>	<u>1,133,253</u>	<u>23,679,092</u>	<u>46,886</u>
Total liabilities	<u>24,510,873</u>	<u>1,555,988</u>	<u>26,066,861</u>	<u>1,260,614</u>
Net Assets				
Invested in capital assets, net of related debt	37,138,064	937,789	38,075,853	47,349
Unrestricted	7,776,609	278,787	8,055,396	4,937,625
Total net assets	<u>\$ 44,914,673</u>	<u>\$ 1,216,576</u>	<u>46,131,249</u>	<u>\$ 4,984,974</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			562,462	
Net assets of business-type activities reported in the government-wide statement of net assets.				
			<u>\$ 46,693,711</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended April 30, 2010

Exhibit A-8

	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Operating revenues:				
Charges for services	\$ 6,982,686	\$ 1,327,252	\$ 8,309,938	\$ 6,722,274
Connection fees	61,971	-	61,971	-
Miscellaneous	4,197	6,627	10,824	-
Total operating revenues	<u>7,048,854</u>	<u>1,333,879</u>	<u>8,382,733</u>	<u>6,722,274</u>
Operating expenses:				
General and administrative	1,860,878	682,200	2,543,078	5,888,542
Operations and maintenance	2,532,340	492,052	3,024,392	-
Depreciation and amortization	2,475,739	139,960	2,615,699	697
Total operating expenses	<u>6,868,957</u>	<u>1,314,212</u>	<u>8,183,169</u>	<u>5,889,239</u>
Operating income	<u>179,897</u>	<u>19,667</u>	<u>199,564</u>	<u>833,035</u>
Nonoperating revenues (expenses):				
Investment income	60,042	3,959	64,001	36,725
Interest expense	(1,086,565)	(48,430)	(1,134,995)	-
Total nonoperating revenues (expenses)	<u>(1,026,523)</u>	<u>(44,471)</u>	<u>(1,070,994)</u>	<u>36,725</u>
Increase (decrease) in net assets before contributions and transfers	(846,626)	(24,804)	(871,430)	869,760
Capital contributions	97,724	-	97,724	-
Transfers in	615,816	-	615,816	-
Change in net assets	(133,086)	(24,804)	(157,890)	869,760
Net assets – beginning of year	<u>45,047,759</u>	<u>1,241,380</u>	<u>46,289,139</u>	<u>4,115,214</u>
Net assets – end of year	<u>\$ 44,914,673</u>	<u>\$ 1,216,576</u>	<u>46,131,249</u>	<u>\$ 4,984,974</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>89,823</u>	
Change in net assets of business-type activities reported in the government-wide statement of activities			<u>\$ (68,067)</u>	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2010

Exhibit A-9

	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$ 6,943,195	\$ 1,297,186	\$ 8,240,381	\$ -
Receipts from miscellaneous revenue	3,369	6,627	9,996	-
Receipts from interfund services provided	-	-	-	6,719,401
Payments to suppliers	(1,969,370)	(584,989)	(2,554,359)	(5,545,602)
Payments to employees	(2,241,173)	(678,779)	(2,919,952)	(615,803)
Net cash provided by operating activities	2,736,021	40,045	2,776,066	557,996
Cash flows from noncapital financing activities:				
Transfer from other funds	566,941	-	566,941	-
Cash flows from capital and related financing activities:				
Purchases of capital assets	(2,237,593)	-	(2,237,593)	(48,046)
Principal paid on capital debt	(1,310,000)	(45,000)	(1,355,000)	-
Interest paid on capital debt	(1,085,494)	(47,189)	(1,132,683)	-
Net cash used in capital and related financing activities	(4,633,087)	(92,189)	(4,725,276)	(48,046)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	289,651	-	289,651	-
Interest and dividends received	60,042	3,959	64,001	36,725
Net cash provided by investing activities	349,693	3,959	353,652	36,725
Net increase (decrease) in cash and cash equivalents	(980,432)	(48,185)	(1,028,617)	546,675
Cash and cash equivalents – beginning of year	8,325,466	683,258	9,008,724	4,683,847
Cash and cash equivalents – end of year	\$ 7,345,034	\$ 635,073	\$ 7,980,107	\$ 5,230,522

(Continued)

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended April 30, 2010

Exhibit A-9, Continued

	Business-type Activities – Enterprise Funds			Governmental
	Waterworks and Sewerage Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Activities— Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 179,897	\$ 19,667	\$ 199,564	\$ 833,035
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	2,475,739	139,960	2,615,699	697
Loss on disposal of capital assets	170,186	-	170,186	-
Changes in assets and liabilities:				
Water sales receivable	(105,406)	-	(105,406)	-
Accounts receivable	-	(18,210)	(18,210)	(2,873)
Other receivables	(828)	-	(828)	-
Other assets	-	59,004	59,004	(828,767)
Prepaid expenses	76,559	-	76,559	-
Accounts payable	7,447	(138,006)	(130,559)	19,672
Accrued liabilities	(60,340)	(16,972)	(77,312)	(167,367)
Unearned revenue	3,944	(11,856)	(7,912)	-
Compensated absences	(11,177)	6,458	(4,719)	4,111
Other liabilities	-	-	-	699,488
Total adjustments	2,556,124	20,378	2,576,502	(275,039)
Net cash provided by operating activities	\$ 2,736,021	\$ 40,045	\$ 2,776,066	\$ 557,996
Noncash capital financing activities:				
Contributions of capital assets	\$ 97,724	\$ -	\$ 97,724	\$ -

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2010

Assets	Pension Trust Funds	Private Purpose Trust Fund	Agency Fund
Cash and cash equivalents	\$ 1,308,922	\$ 22,638	\$ 60,174
Investments			
U.S. Treasury obligations	12,469,872	-	-
U.S. Government agencies	12,129,599	-	-
Municipal and corporate bonds	-	537,110	-
Common stock	6,766,018	-	-
Equity mutual funds	10,240,332	-	-
Other receivables	84,356	6,433	-
Prepaid expenses	8,387	-	-
Total assets	<u>43,007,486</u>	<u>566,181</u>	<u>60,174</u>
Liabilities			
Accounts payable	16,119	469	-
Due to other funds	-	97,692	-
Due to special assessment districts	-	-	60,174
Total liabilities	<u>16,119</u>	<u>98,161</u>	<u>60,174</u>
Net Assets			
Held in trust for pension trust and other purposes	<u>\$ 42,991,367</u>	<u>\$ 468,020</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, 2010

	Pension Trust Funds	Private Purpose Trust Fund
<hr/>		
Additions:		
Contributions:		
Employer	\$ 1,938,721	\$ -
Employee	618,703	-
Total contributions	<hr/> 2,557,424	<hr/> -
Interest income	698,753	23,910
Net appreciation in fair value of investments	4,453,475	9,601
Less investment expenses	(182,355)	-
Net investment income	<hr/> 4,969,873	<hr/> 33,511
Total additions	<hr/> 7,527,297	<hr/> 33,511
Deductions:		
Pension benefits and refunds	2,909,298	-
Other administrative expenses	355	36,992
Total deductions	<hr/> 2,909,653	<hr/> 36,992
Change in net assets	4,617,644	(3,481)
Net assets held in trust at beginning of year	<hr/> 38,373,723	<hr/> 471,501
Net assets held in trust at end of year	<hr/> <hr/> \$ 42,991,367	<hr/> <hr/> \$ 468,020

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

(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, 2010

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.

Parks 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.

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, the costs of liability insurance, 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 Fund – 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 2008 property tax levy is recognized as revenue for the year ended April 30, 2010. 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, 2010

(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, 2010

- 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.

(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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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

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

(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.

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, 2010, there was no interest expense capitalized in the enterprise funds.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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
Water mains	40 years
Sanitary sewers	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, 2010

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 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, 2010

(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 Foreign Fire Insurance Tax Fund and Debt Service Fund expenditures/expenses exceeded the approved final budget amounts by \$26,086 and \$929, respectively.
- (5) Formal budgetary integration and legally adopted budgets are employed as a management control device during the year for the General and Special Revenue Funds, through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year. Formal encumbrance accounting is not used, and appropriations not used by the end of the fiscal year lapse.
- (6) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(b) *Deficit Fund Balance*

The Park and Public Land Fund had a deficit balance of \$30,063, the West Lake Forest TIF District Construction Fund had a deficit balance of \$561,947, and the 2010 General Obligation Bond Fund had a deficit fund balance of \$228,605 at April 30, 2010. The Parks and Public Land Fund anticipated a state grant that was not received, but still had contractual commitments for projects. The West Lake TIF District Construction Fund has retainage payable and due to funds received from the City recorded as liabilities for work on future projects. The 2010 General Obligation Bond Fund received a good faith deposit for bond issue not received at the end of the year.

(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, 2010

A summary of cash and investments as of April 30, 2010 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	\$ 10,345	\$ -	\$ 300	\$ -	\$ 350
Demand deposits	37,574,388	170,344	1,138,278	82,812	983,187
Illinois Funds	406,767	-	-	-	-
Certificate of Deposit	80,695	-	-	-	-
U.S. Treasury obligations	-	8,246,230	4,223,642	-	-
U.S. Government agencies	-	2,398,767	9,730,832	-	-
Municipal/corporate bonds	488,297	-	-	537,110	-
Equity securities	2,061,346	8,553,618	8,452,732	-	-
Total	\$ 40,621,838	\$ 19,368,959	\$ 23,545,784	\$ 619,922	\$ 983,537

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 Firefighters' 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, 2010, the City, Cemetery Investment Fund and the Police and Firefighters' 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, 2010

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, 2010, 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 *	\$ 406,767	\$ 406,767	\$ -	\$ -	\$ -
Municipal bonds	488,297	50,545	210,653	227,099	-
Total governmental and business-type activities	\$ 895,064	\$ 457,312	\$ 210,653	\$ 227,099	\$ -
Fiduciary activities:					
Police Pension Fund:					
U.S. Treasury obligations	\$ 8,246,230	\$ 1,071	\$ 5,572,207	\$ 2,672,952	\$ -
U.S. Government agencies	2,398,767	-	2,020,495	378,272	-
Total Police Pension Fund	10,644,997	1,071	7,592,702	3,051,224	-
Firefighters' Pension Fund:					
U.S. Treasury obligations	4,223,642	-	1,553,052	638,198	2,032,392
U.S. Government agencies	9,730,832	19,980	924,124	2,068,002	6,718,726
Total Firefighters' Pension Fund	13,954,474	19,980	2,477,176	2,706,200	8,751,118
Other fiduciary activities:					
Corporate bonds	537,110	-	428,149	108,961	-
Total fiduciary activities	\$ 25,136,581	\$ 21,051	\$ 10,498,027	\$ 5,866,385	\$ 8,751,118

* Weighted average maturity is less than one year

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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, 2010, the City, Cemetery Investment Fund, and Pension Funds had the following fixed income investments which are rated by both Moody's and Standard and Poor's. U.S. Treasury obligations which are backed by the full faith and credit of the U.S. Government are not included in the chart below.

	Fair Value	Credit ratings		
		AAA	AA	A
Governmental and business-type activities:				
Illinois Funds	\$ 406,767	\$ 406,767	\$ -	\$ -
Municipal bonds	488,297	-	261,198	227,099
Total governmental and business-type activities	\$ 895,064	\$ 406,767	\$ 261,198	\$ 227,099
Fiduciary activities:				
Police Pension Fund:				
U.S. Government agencies	\$ 2,398,767	\$ 2,398,767	\$ -	\$ -
Firefighters' Pension Fund:				
U.S. Government agencies	9,730,832	9,730,832	-	-
Other fiduciary activities:				
Corporate bonds	537,110	-	-	537,110
Total fiduciary activities	\$ 12,666,709	\$ 12,129,599	\$ -	\$ 537,110

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 7% of its portfolio in Tennessee Valley Authority (TVA) which is rated AAA as well as 4% of its portfolio in J.P. Morgan High Yield Fund. 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 255 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, 2010, 4% 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, 2010, 10.8% of the Police Pension Fund's assets were invested in the Dodge & Cox International Stock Fund and Vanguard Total International Stock Index Fund. The funds are subject to foreign currency risk; however, the funds are well diversified across international regions. The Cemetery Fund had 17% of its assets invested in William Blair International Growth Fund as of April 30, 2010.

(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

April 30, 2010

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 2009 are intended to finance the fiscal year 2011 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2010 for collections from the calendar year 2008 levy if it was received by June 30, 2010. Property taxes levied for calendar year 2009 which will be collected in fiscal year 2011 are recorded as receivables and deferred revenue.

(5) Interfund Balances and Activity

Due to/from Other Funds

The following balances at April 30, 2010 represent amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 537,596
General Fund	Nonmajor Governmental Funds	430,884
Parks and Recreation Fund	Nonmajor Governmental Funds	30,063
Parks and Recreation Fund	Internal Service Fund	85,620
Nonmajor Governmental Fund	Internal Service Fund	5,393
Waterworks and Sewerage Fund	Internal Service Fund	52,375
Nonmajor Enterprise Fund	Internal Service Fund	18,504
Nonmajor Governmental Fund	Fiduciary Fund	97,692
Total		<u><u>\$ 1,258,127</u></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, 2010

Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2010 were as follows:

<u>Transfer In Fund(s)</u>	<u>Purpose</u>	<u>Amount</u>
Parks and Recreation Fund	Transfer for operations	\$ 311,100
Waterworks and Sewerage Fund	Transfer for operations	19,196
Waterworks and Sewerage Fund	Transfer for capital outlay	596,620
Nonmajor Governmental Funds	Transfer for capital outlay	463,336
Nonmajor Governmental Funds	Transfer for debt service	52,321
Nonmajor Governmental Funds	Transfer for operations	1,020,348
		<u>\$ 2,462,921</u>
<u>Transfer Out Fund(s)</u>		
General Fund	Transfer for capital outlay	\$ 408,316
General Fund	Transfer for operations	1,350,644
Parks and Recreation Fund	Transfer for capital outlay	55,020
Nonmajor Governmental Funds	Transfer for debt service	52,321
Nonmajor Governmental Funds	Transfer for capital outlay	596,620
		<u>\$ 2,462,921</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

(6) Capital Assets

A summary of capital asset activity for the year ended April 30, 2010 is as follows:

	Balance May 1, 2009	Additions	Disposals	Balance April 30, 2010
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 45,090,184	\$ 1,193,598	\$ -	\$ 46,283,782
Infrastructure – land	66,740,770	-	-	66,740,770
Construction in progress	22,079,065	819,820	21,988,128	910,757
Total capital assets not being depreciated	133,910,019	2,013,418	21,988,128	113,935,309
Capital assets being depreciated:				
Infrastructure	174,453,523	4,066,519	506,684	178,013,358
Buildings	16,281,535	16,312,901	317,108	32,277,328
Improvements other than buildings	16,480,408	7,140,480	141,030	23,479,858
Machinery and equipment	12,395,777	952,241	44,000	13,304,018
Total capital assets being depreciated	219,611,243	28,472,141	1,008,822	247,074,562
Less accumulated depreciation:				
Infrastructure	104,566,487	3,107,450	375,251	107,298,686
Buildings	7,381,565	628,143	317,107	7,692,601
Improvements other than buildings	4,662,551	1,054,919	141,030	5,576,440
Machinery and equipment	7,841,888	1,062,375	39,651	8,864,612
Total accumulated depreciation	124,452,491	5,852,887	873,039	129,432,339
Governmental Activity capital assets – net	\$ 229,068,771	\$ 24,632,672	\$ 22,123,911	\$ 231,577,532

Depreciation expense for governmental activities for the year ended April 30, 2010 was charged to functions as follows:

General government	\$ 1,452,451
Highways and streets	3,227,176
Sanitation	194,563
Culture and recreation	739,691
Public safety	239,006
	<u>\$ 5,852,887</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

	Balance May 1, 2009	Additions	Disposals	Balance April 30, 2010
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 459,369	\$ -	\$ -	\$ 459,369
Construction in progress	243,775	-	243,775	-
Total capital assets not being depreciated	703,144	-	243,775	459,369
Capital assets being depreciated:				
Buildings	27,021,790	-	-	27,021,790
Improvements other than buildings	37,040,792	2,435,669	336,318	39,140,143
Machinery and equipment	4,149,124	30,099	-	4,179,223
Sanitary sewers and related property	29,753,615	113,324	-	29,866,939
Total capital assets being depreciated	97,965,321	2,579,092	336,318	100,208,095
Less accumulated depreciation:				
Buildings	6,562,522	960,896	-	7,523,418
Improvements other than buildings	14,544,275	587,581	166,132	14,965,724
Machinery and equipment	1,610,822	261,189	-	1,872,011
Sanitary sewers and related property	12,590,270	806,033	-	13,396,303
Total accumulated depreciation	35,307,889	2,615,699	166,132	37,757,456
Capital assets – net	\$ 63,360,576	\$ (36,607)	\$ 413,961	\$ 62,910,008

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

	Balance May 1, 2009	Additions	Disposals	Balance April 30, 2010
Component Unit – Lake Forest Library				
Capital assets not being depreciated:				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	149,000	-	-	149,000
Total capital assets not being depreciated	219,000	-	-	219,000
Capital assets being depreciated:				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	1,476,082	174,875	89,056	1,561,901
Machinery and equipment	3,314,963	405,374	271,259	3,449,078
Total capital assets being depreciated	5,971,952	580,249	360,315	6,191,886
Less accumulated depreciation:				
Buildings	514,138	23,338	-	537,476
Improvements other than buildings	392,296	128,442	89,056	431,682
Machinery and equipment	1,927,117	317,519	271,259	1,973,377
Total accumulated depreciation	2,833,551	469,299	360,315	2,942,535
Capital assets – net	\$ 3,357,401	\$ 110,950	\$ -	\$ 3,468,351

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

(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, 2010:

	Balance			Balance		Amounts
	May 1, 2009	Additions	Deductions	April 30, 2010		due within
						one year
Governmental activities:						
General obligation bonds	\$ 24,188,066	\$ 3,680,000	\$ 2,410,995	\$ 25,457,071	\$ 2,659,313	
Premium on general obligation bonds	-	19,051	(1,667)	17,384	-	
Discount on general obligation bonds	(54,954)	-	6,296	(48,658)	-	
Total general obligation bonds	24,133,112	3,699,051	2,415,624	25,425,797	2,659,313	
Installment purchase contracts and promissory note	11,166,667	2,300,000	466,667	13,000,000	13,000,000	
Net OPEB obligation	42,628	87,986	22,001	108,613	-	
Compensated absences**	1,832,103	2,329,095	2,218,884	1,942,314	100,000	
Total governmental activities	\$ 37,174,510	\$ 8,416,132	\$ 5,123,176	\$ 40,476,724	\$ 15,759,313	
Business-type activities:						
General obligation bonds	\$ 26,280,000	\$ -	\$ 1,355,000	\$ 24,925,000	\$ 1,400,000	
Discount	(104,126)	-	13,281	(90,845)	-	
Compensated absences	254,656	282,198	286,917	249,937	5,000	
Total business-type activities	\$ 26,430,530	\$ 282,198	\$ 1,655,198	\$ 25,084,092	\$ 1,405,000	
Component Unit - Lake Forest Library						
Capital lease	\$ 9,152	\$ 91,389	\$ 19,014	\$ 81,527	\$ 29,784	
Compensated absences	117,476	24,373	5,707	136,142	10,000	
Total component unit - Lake Forest Library	\$ 126,628	\$ 115,762	\$ 24,721	\$ 217,669	\$ 39,784	

**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, 2010

General obligation debt payable for the City as of April 30, 2010 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.	\$ 145,000
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.	660,000
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.	1,675,000
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.	200,000
2003 A Series General Obligation Bonds due in annual installments of \$150,000 to \$975,000 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.	975,000
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.	1,200,000
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.	795,000
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.	209,200
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.	1,602,871

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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.	\$ 4,675,000
2008 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.	9,640,000
2009 Series General Obligation Bonds due in annual installments of \$160,000 to \$280,000 through December 15, 2028; interest at 2% to 4.1%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	3,680,000
Total general obligation bonds payable	25,457,071
Promissory note - \$13,000,000 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.	13,000,000
Total installment contracts and promissory notes payable	13,000,000
Total governmental activities	\$ 38,457,071

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, 2010 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 2010 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2010 Pledged Revenue Collected	2010 Principal and Interest Retired
1997B	Sales Tax	\$ 2,632	\$ 152
1999	Sales Tax	2,632	154
2003D and 2004B	Sales Tax	2,632	561

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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.	\$ 22,375,000
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.	1,400,000
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.	1,150,000
Total Business-type Activities	\$ 24,925,000

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, 2010 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 2010 is as follows (amounts in thousands):

Debt Issue	Pledged Revenue Source	2010 Pledged Revenue Collected	2010 Principal and Interest Retired
2002A and 2003C	Water/Sewer revenues	\$ 7,049	\$ 2,394
2004A	Golf revenues and sales tax	3,966	93

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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

Years	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2011	\$ 2,659,313	\$ 1,025,161	\$ 1,400,000	\$ 1,079,944
2012	1,997,876	858,455	1,480,000	1,025,144
2013	1,826,734	782,935	1,540,000	967,309
2014	1,355,949	714,079	1,595,000	906,629
2015	1,410,436	667,865	1,655,000	843,669
2016-2020	6,935,826	2,626,765	9,370,000	3,134,155
2021-2025	6,480,937	1,285,685	7,885,000	897,854
2026-2030	2,790,000	244,996	-	-
Total	<u>\$ 25,457,071</u>	<u>\$ 8,205,941</u>	<u>\$ 24,925,000</u>	<u>\$ 8,854,704</u>

Annual debt service requirements to maturity for the promissory note are as follows:

Year	Governmental Activities	
	Promissory Note	
	Principal	Interest
2011	\$ 13,000,000	\$ 5,032
Total	<u>\$ 13,000,000</u>	<u>\$ 5,032</u>

(8) Capital Lease

The City of Lake Forest Public Library has entered into a lease agreement as lessee for financing technology equipment to the Library. The lease is due in installments through its maturity on December 11, 2012 at an annual interest rate of 1.0%. 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, 2010

The assets acquired through the capital lease are as follows:

	Lake Forest Library
Assets:	
Improvements other than buildings	\$ 91,389
Less: accumulated depreciation	(12,693)
	<hr/>
Total	\$ 78,696
	<hr/> <hr/>

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2010 were as follows:

Year Ending April 30	Lake Forest Library
2011	\$ 30,463
2012	30,463
2013	21,747
Less: Amount representing interest	(1,146)
	<hr/>
Present value of minimum lease payments	\$ 81,527
	<hr/> <hr/>

(9) Retirement Fund Commitments

 Illinois Municipal Retirement Fund

 (a) *Plan Description*

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit pension plan, 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, 2010

(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 2009 was 8.80 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 \$1,539,975 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
12/31/09	\$ 1,539,975	100 %	\$ -
12/31/08	1,479,304	100	-
12/31/07	1,494,212	100	-

The required contribution for 2009 was determined as part of the December 31, 2007 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 10% 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 15% 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 the December 31, 2007 valuation was 23 years.

(e) Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation, the regular plan was 78.65 percent funded. The actuarial liability for benefits was \$49,164,282 and the actuarial value of assets was \$38,670,158 resulting in an unfunded actuarial accrued liability (UAAL) of \$10,494,124. The covered payroll (annual payroll of active employees covered by the plan) was \$17,499,712 and the ratio of the UAAL to the covered payroll was 60 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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, 2010:

	Police Pension	Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	34	31
Terminated employees entitled to but not yet receiving benefits	3	-
Active plan members	40	32
Total	<u>77</u>	<u>63</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 \$1,745,013 invested in the Tennessee Valley Authority, which represents 7% of plan net assets at April 30, 2010.

(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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

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.

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 2010 were as follows:

	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,128,050	\$ 761,978
Interest on net pension obligation	(48,340)	(21,540)
Adjustment to annual required contribution	33,676	15,006
Annual pension cost	<u>1,113,386</u>	<u>755,444</u>
Contributions made	1,128,592	810,129
Increase in net pension asset	<u>15,206</u>	<u>54,685</u>
Net pension asset at April 30, 2009	644,536	287,204
Net pension asset at April 30, 2010	<u>\$ 659,742</u>	<u>\$ 341,889</u>

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	33.97%	30.64%
Contribution rates - plan members	9.91%	9.46%
Actuarial valuation date	4/30/10	4/30/10
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percentage of pay, closed	Level Percentage of pay, closed
Remaining amortization period	23 years	23 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, 2010

(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, 2010:

	Police Pension	Firefighters' Pension
	<u> </u>	<u> </u>
Statement of Fiduciary Net Assets		
Assets:		
Cash and cash equivalents	\$ 170,344	\$ 1,138,578
Investments	19,198,615	22,407,206
Other receivables	6,354	78,002
Prepaid expenses	7,887	500
Total assets	<u>19,383,200</u>	<u>23,624,286</u>
Liabilities		
Accounts payable	<u>4,086</u>	<u>12,033</u>
Net assets:		
Held in trust for pension benefits	<u>\$ 19,379,114</u>	<u>\$ 23,612,253</u>
Statement of Changes in Fiduciary Net Assets		
Additions:		
Employer contributions	\$ 1,128,592	\$ 810,129
Employee contributions	340,307	278,396
Interest income	140,465	558,288
Net appreciation in fair value of investments	2,647,989	1,805,486
Less Investment expenses	(95,682)	(86,673)
Total additions	<u>4,161,671</u>	<u>3,365,626</u>
Deductions:		
Pension benefits and refunds	1,576,340	1,332,958
Administrative expenses	-	355
Total deductions	<u>1,576,340</u>	<u>1,333,313</u>
Changes in net assets	2,585,331	2,032,313
Net assets held in trust at beginning of year	<u>16,793,783</u>	<u>21,579,940</u>
Net assets held in trust at end of year	<u>\$ 19,379,114</u>	<u>\$ 23,612,253</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

(e) *Three Year Trend Information*

	Year Ending	Annual Pension Cost (APC)	Percentage of APC contributed	Net Pension Asset
Police Pension:	4/30/10	\$ 1,113,386	101.4 %	\$ 659,742
	4/30/09	1,010,467	102.7	644,536
	4/30/08	902,084	103.0	616,882
Firefighters' Pension:	4/30/10	\$ 755,444	107.2 %	\$ 341,889
	4/30/09	656,515	106.9	287,204
	4/30/08	602,183	101.4	242,146

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

The funded status of the Police and Firefighters' Pension Plans as of April 30, 2010, the most recent actuarial valuation date, is as follows:

	(1) Actuarial Value of Assets	(2) Actuarial 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	\$ 19,379,114	\$ 36,428,208	\$ 17,049,094	53.2 %	\$ 3,322,493	513.1 %
Firefighters	23,612,253	30,523,996	6,911,743	77.4	2,644,320	261.4

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, 2010

(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 2010, the City contributed \$22,001, representing \$22,001 for current premiums (approximately 11% of total premiums). Plan members receiving benefits contributed \$181,234 (approximately 89% 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	22,001
	<hr/>
Increase in net OPEB obligation	65,985
Net OPEB obligation beginning of year	42,628
	<hr/>
Net OPEB obligation end of year	<u>\$ 108,613</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 2010 was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/2010	\$ 87,986	25.0%	\$ 108,613
04/30/2009	\$ 87,986	51.6%	\$ 42,628

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

As of April 30, 2009 (most recent actuarial valuation available), 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

The Agency is governed by a Board of Directors consisting of one official elected by each member. Each director has one vote. The Board of Directors determines the general policy of the Agency, makes all appropriations, approves contracts for solid waste disposal; adopts resolutions providing for the issuance of debt by the Agency; adopts by-laws, rules, and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency agreement or the by-laws. The Executive Committee of the Agency consists of nine members of the Board of Directors elected by the Board. Each member is entitled to one vote on the committee. The Executive Committee may take any action not specifically reserved on the Board of Directors by the Act, the Agency agreement, or the by-laws.

The City has no explicit and measurable equity interest in the Agency, although there does exist a residual interest in the Agency's assets upon dissolution of the joint venture. The City has an ongoing financial responsibility for its share of the Agency's liabilities. Each participant is liable for their share of any of the Agency's contracts entered into while bound by the intergovernmental agreement until those contracts are paid off. To obtain the Agency's financial statements, contact the Solid Waste Agency of Lake County, Illinois at 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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/ litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

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

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The 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
2008-2009	\$ 4,852	\$ 68,210	\$ 67,661	\$ 5,401
2009-2010	5,401	79,915	65,727	19,589

(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) and are reported in the Self Insurance Fund (internal service fund).

Changes in the balances of claims liabilities for the years ended April 30, 2010 and 2009 are as follows:

	Beginning of Fiscal-year Liability	Changes in Estimates	Claim Payments	End of Fiscal-year Liability
2008-2009	\$ 438,735	\$ 3,193,963	\$ 3,222,294	\$ 410,404
2009-2010	410,404	3,607,342	3,760,993	256,753

The City has not had significant reductions in insurance coverage during the year nor did settlements exceed insurance coverage in any of the last three years.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2010

(13) Commitments and Contingencies

As of April 30, 2010 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 \$1.8 million at April 30, 2010.

(14) Termination Benefits

In fiscal year 2010, the City eliminated 7 positions as part of a reduction in work force. All of the termination benefits will be paid in fiscal year 2011. The total cost for the termination benefits is \$201,000 and is recorded with accrued compensated absences payable in the government wide Statement of Net Assets.

(15) 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, 2010, the government had remitted \$24,251 to the company. On April 30, 2010, the Police Pension Board member's term ended and did not seek re-election.

(16) Subsequent Events

On May 12, 2010, the City issued \$18,425,000 of General Obligation Bonds, Series 2010A, 2010B and 2010C. The \$10,000,000 General Obligation Bonds, Series 2010A which matures in 2015 has a true interest rate of 2.3389%. The \$3,000,000 Taxable General Obligation Bonds, Series 2010B (Recovery Zone Economic Development Bonds- Direct Payment) which matures in 2032 has a taxable bid true interest rate of 5.7723%. The effective true interest rate after the rebate is 3.1805%. The Series 2010B Bonds are eligible for payments from the U.S. Treasury in the amount of 45% of interest costs. The \$5,425,000 Taxable General Obligation Bonds, Series 2010C (Build America Bonds – Direct Payment) which matures in 2029 has a taxable bid true interest rate of 5.0135%. The effective true interest rate after rebate is 3.2885%. The Series 2010C Bonds are eligible for payments from the U.S. Treasury in the amount of 35% of interest costs. On April 19, 2010, a good faith deposit was made to the City in the amount of \$368,500. This money was used to establish the 2010 Bond Construction Fund. Expenditures of \$65,445 for bond issuance costs and \$163,252 on capital improvements related to Western Avenue were spent out of this fund as of April 30, 2010.

On May 12, 2010, proceeds from Series 2010A and 2010C were used to pay for the \$13,000,000 line of credit the City used for partially funding the Municipal Services Building located at 800 North Field Drive.

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 16,072,466	\$ 16,116,492	\$ 44,026
Other	9,847,845	8,463,984	(1,383,861)
Intergovernmental	-	108,491	108,491
Charges for services	2,963,382	2,621,493	(341,889)
Licenses and permits	2,127,060	2,135,888	8,828
Fines and forfeitures	384,302	372,924	(11,378)
Investment income	100,000	85,963	(14,037)
Miscellaneous revenue	619,389	766,622	147,233
Total revenues	<u>32,114,444</u>	<u>30,671,857</u>	<u>(1,442,587)</u>
Expenditures:			
Current:			
General government	10,784,199	9,809,117	975,082
Highways and streets	2,472,762	2,402,436	70,326
Sanitation	2,147,586	2,056,528	91,058
Culture and recreation	1,504,516	1,514,409	(9,893)
Public safety	12,950,957	12,708,152	242,805
Capital outlay	100,000	255,717	(155,717)
Debt service:			
Principal retirement	91,667	91,667	-
Interest	3,804	25,404	(21,600)
Contingency	3,190,024	-	3,190,024
Total expenditures	<u>33,245,515</u>	<u>28,863,430</u>	<u>4,382,085</u>
Excess (deficiency) of revenues over expenditures	(1,131,071)	1,808,427	2,939,498
Other financing sources (uses):			
Transfers out	(1,844,750)	(1,758,960)	85,790
Net change in fund balance	<u>\$ (2,975,821)</u>	49,467	<u>\$ 3,025,288</u>
Fund balance – beginning of year		<u>10,836,821</u>	
Fund balance – end of year		<u>\$ 10,886,288</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 3,271,734	\$ 3,290,247	\$ 18,513
Other	22,000	30,976	8,976
Charges for services	3,722,569	3,545,194	(177,375)
Investment income	31,200	26,624	(4,576)
Other	8,000	29,136	21,136
Total revenues	<u>7,055,503</u>	<u>6,922,177</u>	<u>(133,326)</u>
Expenditures:			
Current:			
Culture and recreation	7,099,709	6,607,701	492,008
Contingency	718,971	-	718,971
Capital outlay	90,000	37,730	52,270
Total expenditures	<u>7,908,680</u>	<u>6,645,431</u>	<u>1,263,249</u>
Excess (deficiency) of revenues over expenditures	<u>(853,177)</u>	<u>276,746</u>	<u>1,129,923</u>
Other financing sources (uses):			
Transfers in	313,100	311,100	(2,000)
Transfers out	-	(55,020)	(55,020)
Total other financing sources (uses)	<u>313,100</u>	<u>256,080</u>	<u>(57,020)</u>
Net change in fund balance	<u>\$ (540,077)</u>	<u>532,826</u>	<u>\$ 1,072,903</u>
Fund balance – beginning of year		<u>1,794,492</u>	
Fund balance – end of year		<u>\$ 2,327,318</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:						
12/31/2009	\$ 38,670,158	\$ 49,164,282	\$ 10,494,124	78.7 %	\$ 17,499,712	60.0 %
12/31/2008	35,762,935	46,155,124	10,392,189	77.5	17,062,328	60.9
12/31/2007	41,096,546	42,354,583	1,258,037	97.0	16,049,536	7.8
12/31/2006	38,420,853	39,364,751	943,898	97.6	15,070,275	6.3
12/31/2005	33,717,333	35,947,092	2,229,759	93.8	14,119,915	15.8
12/31/2004	29,850,845	34,172,963	4,322,118	87.4	14,188,146	30.5
Police Pension Plan:						
04/30/2010	\$ 19,379,115	\$ 36,428,208	\$ 17,049,093	53.2 %	\$ 3,322,493	513.1 %
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
Firefighters' Pension Plan:						
04/30/2010	\$ 23,612,253	\$ 30,523,996	\$ 6,911,743	77.4 %	\$ 2,644,320	261.4 %
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

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
4/30/10	\$ 1,128,592	\$ 1,128,050	100.0 %
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

Firefighters' Pension Plan

Actuarial valuation date	Employer Contributions	Annual required contribution	Percentage contributed
4/30/10	\$ 810,129	\$ 761,978	106.3 %
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

CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information
Other Post-Employment Benefits

Schedule 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)
04/30/2010	\$ -	\$ 1,552,739	\$ 1,552,739	- %	\$ 19,542,175	7.95 %
04/30/2009	-	1,552,739	1,552,739	-	19,542,175	7.95

Schedule of Employer Contributions

Actuarial Valuation Date	Employer Contributions	Required Contribution	Percentage Contributed
04/30/2010	\$ 22,001	\$ 87,986	25.0 %
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, and has had only one actuarial valuation.

CITY OF LAKE FOREST, ILLINOIS

Note to Required Supplementary Information

April 30, 2010

(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).

**Combining Financial Statements
and Other Schedules**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Asset Forfeiture Fund

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

Foreign Fire Insurance Tax Fund

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

Emergency Telephone Fund

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

Park and Public Land Fund

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

Motor Fuel Tax Fund

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

General Cemetery Fund

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

Senior Resources Commission Fund

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

Affordable Housing Fund

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

Elawa Farm Fund

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

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 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 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.

Municipal Services Building Construction Fund

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

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.

2010 Bond Construction Fund

The 2010 Bond Construction Fund accounts for the proceeds of the 2010 general obligation bonds to be used to fund certain capital improvements.

CITY OF LAKE FOREST, ILLINOIS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2010

Assets	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Park and Public Land Fund
Cash and cash equivalents	\$ 49,886	\$ 4,280	\$ 174,142	\$ -
Investments	-	80,695	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Other	-	-	52,956	-
Total receivables	-	-	52,956	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	43,306	-
Total assets	\$ 49,886	\$ 84,975	\$ 270,404	\$ -
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 56,839	\$ -
Accrued liabilities	-	-	2,238	-
Due to other funds	-	-	-	30,063
Retainage payable	-	-	-	-
Unearned revenue:				
Property taxes	-	-	-	-
Other	-	-	-	-
Total Liabilities	-	-	59,077	30,063
Fund balances:				
Reserved for:				
Prepays	-	-	43,306	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	49,886	84,975	168,021	(30,063)
Capital projects funds	-	-	-	-
Total fund balances	49,886	84,975	211,327	(30,063)
Total liabilities and fund balances	\$ 49,886	\$ 84,975	\$ 270,404	\$ -

Exhibit C-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
\$ 835,752	\$ 966,565	\$ 175,745	\$ 928,471	\$ 140,601	\$ 2,839,264
-	2,549,643	-	-	-	-
-	-	-	-	-	2,766,355
-	-	-	-	-	-
-	28,548	19,806	5,000	-	-
-	28,548	19,806	5,000	-	2,766,355
43,507	-	-	-	-	-
-	5,393	-	-	-	-
-	97,692	-	-	-	-
-	-	-	-	-	-
\$ 879,259	\$ 3,647,841	\$ 195,551	\$ 933,471	\$ 140,601	\$ 5,605,619
\$ -	\$ 7,484	\$ 10,394	\$ 15,000	\$ 3,415	\$ -
-	4,310	5,011	-	-	-
-	-	-	-	-	-
106,983	-	-	-	-	-
-	-	-	-	-	2,766,355
-	-	-	-	35,000	-
106,983	11,794	15,405	15,000	38,415	2,766,355
-	-	-	-	-	-
-	-	-	-	-	2,839,264
772,276	3,636,047	180,146	918,471	102,186	-
-	-	-	-	-	-
772,276	3,636,047	180,146	918,471	102,186	2,839,264
\$ 879,259	\$ 3,647,841	\$ 195,551	\$ 933,471	\$ 140,601	\$ 5,605,619

(Continued)

CITY OF LAKE FOREST, ILLINOIS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 April 30, 2010

Assets	Capital Projects Funds			
	West Lake Forest TIF District Construction Fund	Capital Improvements Fund	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund
Cash and cash equivalents	\$ 1,283	\$ 2,252,295	\$ 1,009,308	\$ 914,453
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	2,286,318	-	-	-
Accounts	-	137,111	-	-
Other	-	-	-	-
Total receivables	2,286,318	137,111	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 2,287,601	\$ 2,389,406	\$ 1,009,308	\$ 914,453
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,877	\$ 129,985	\$ -	\$ -
Accrued liabilities	-	1,126	-	-
Due to other funds	430,884	-	-	-
Retainage payable	128,469	221,229	-	-
Unearned revenue:				
Property taxes	2,286,318	-	-	-
Other	-	18,624	-	-
Total Liabilities	2,849,548	370,964	-	-
Fund balances:				
Reserved for:				
Prepays	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	(561,947)	2,018,442	1,009,308	914,453
Total fund balances	(561,947)	2,018,442	1,009,308	914,453
Total liabilities and fund balances	\$ 2,287,601	\$ 2,389,406	\$ 1,009,308	\$ 914,453

Exhibit C-1 (Cont.)

Capital Projects Funds

Route 60 Fitzmorris Improvements Fund	2009 Bond Construction Fund	2010 Bond Construction Fund	Total Nonmajor Governmental Funds
\$ 363,733	\$ 236,031	\$ 365,968	\$ 11,257,777
-	-	-	2,630,338
-	-	-	5,052,673
-	291	-	137,402
-	-	-	106,310
-	291	-	5,296,385
-	-	-	43,507
-	-	-	5,393
-	-	-	97,692
-	-	-	43,306
\$ 363,733	\$ 236,322	\$ 365,968	\$ 19,374,398
\$ 343,963	\$ 236,322	\$ 226,073	\$ 1,033,352
-	-	368,500	381,185
-	-	-	460,947
-	-	-	456,681
-	-	-	5,052,673
-	-	-	53,624
343,963	236,322	594,573	7,438,462
-	-	-	43,306
-	-	-	2,839,264
-	-	-	5,881,945
19,770	-	(228,605)	3,171,421
19,770	-	(228,605)	11,935,936
\$ 363,733	\$ 236,322	\$ 365,968	\$ 19,374,398

CITY OF LAKE FOREST, ILLINOIS

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

Nonmajor Governmental Funds

For the Year Ended April 30, 2010

	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	3,800	-	-	-
Grants	-	-	-	56,250
Charges for services	-	101,874	285,792	25,088
Investment income	351	1,266	1,960	856
Miscellaneous revenue	-	-	-	25,300
Total revenues	4,151	103,140	287,752	107,494
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	19,039
Public safety	-	141,586	212,715	-
Capital outlay	100	-	199,015	182,668
Debt service:				
Principal	-	-	-	375,000
Interest	-	-	-	4,971
Total expenditures	100	141,586	411,730	581,678
Excess (deficiency) of revenues over expenditures	4,051	(38,446)	(123,978)	(474,184)
Other financing sources (uses):				
Debt issuance - installment contracts	-	-	-	-
Debt issuance - bonds	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	-	-	-	55,020
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	55,020
Net change in fund balances	4,051	(38,446)	(123,978)	(419,164)
Fund balances (deficits) – beginning of year	45,835	123,421	335,305	389,101
Fund balances (deficits) – end of year	\$ 49,886	\$ 84,975	\$ 211,327	\$ (30,063)

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,658,472
-	-	-	30,000	-	-
516,959	-	-	-	-	-
-	-	-	-	-	-
-	810,062	307,479	-	91,996	-
3,929	598,216	1,474	6,724	627	24,971
56,111	24,245	3,119	-	140,876	-
576,999	1,432,523	312,072	36,724	233,499	2,683,443
-	477,518	-	19,109	-	4,001
-	-	-	-	-	-
-	-	547,790	-	128,023	-
-	-	-	-	-	-
2,565	50,406	17,723	-	7,358	-
-	115,000	-	-	-	2,282,061
-	39,250	-	-	-	1,028,854
2,565	682,174	565,513	19,109	135,381	3,314,916
574,434	750,349	(253,441)	17,615	98,118	(631,473)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	234,145	-	-	838,522
-	-	-	-	-	-
-	-	234,145	-	-	838,522
574,434	750,349	(19,296)	17,615	98,118	207,049
197,842	2,885,698	199,442	900,856	4,068	2,632,215
\$ 772,276	\$ 3,636,047	\$ 180,146	\$ 918,471	\$ 102,186	\$ 2,839,264

(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, 2010

	Capital Projects Funds			
	West Lake Forest TIF District Construction Fund	Special Service Area Saunders Road Construction Fund	Capital Improvements Fund	2004B Bond Construction Fund
Revenues:				
Taxes:				
Property	\$ 2,318,505	\$ -	\$ -	\$ -
Other	-	-	908,925	-
Intergovernmental revenues	-	-	6,000	-
Grants	-	-	650,000	-
Charges for services	-	-	45,905	-
Investment income	8,240	280	16,491	1,326
Miscellaneous revenue	-	-	324,750	-
Total revenues	2,326,745	280	1,952,071	1,326
Expenditures:				
Current:				
General government	1,581,910	-	78,148	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Capital outlay	1,735,817	-	2,308,246	740,954
Debt service:				
Principal	-	13,934	-	-
Interest	-	75,488	-	-
Total expenditures	3,317,727	89,422	2,386,394	740,954
Excess (deficiency) of revenues over expenditures	(990,982)	(89,142)	(434,323)	(739,628)
Other financing sources (uses):				
Debt issuance - installment contracts	-	-	-	-
Debt issuance - bonds	-	-	-	-
Premium on bonds	-	-	-	-
Transfers in	62,539	-	345,779	-
Transfers out	-	-	-	-
Total other financing sources and uses	62,539	-	345,779	-
Net change in fund balances	(928,443)	(89,142)	(88,544)	(739,628)
Fund balances (deficits) – beginning of year	366,496	89,142	2,106,986	739,628
Fund balances (deficits) – end of year	\$ (561,947)	\$ -	\$ 2,018,442	\$ -

Capital Projects Funds							
Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Fitzmorris Improvements Fund	Municipal Services Building Construction Fund	2009 Bond Construction Fund	2010 Bond Construction Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,976,977	
-	-	-	-	-	-	938,925	
-	669,118	-	-	-	-	1,195,877	
-	-	-	-	-	-	706,250	
-	-	-	9,236	-	-	1,677,432	
7,375	2,661	5,551	6,520	14,023	92	702,933	
-	-	-	-	4,317	-	578,718	
7,375	671,779	5,551	15,756	18,340	92	10,777,112	
-	-	-	166,051	24,890	65,445	2,417,072	
-	20,910	1,474,412	-	-	-	1,495,322	
-	-	-	-	-	-	694,852	
-	-	-	-	-	-	354,301	
-	-	99,542	2,566,214	3,009,183	163,252	11,083,043	
-	-	-	-	-	-	2,785,995	
-	-	-	-	-	-	1,148,563	
-	20,910	1,573,954	2,732,265	3,034,073	228,697	19,979,148	
7,375	650,869	(1,568,403)	(2,716,509)	(3,015,733)	(228,605)	(9,202,036)	
-	-	-	2,300,000	-	-	2,300,000	
-	-	-	-	3,680,000	-	3,680,000	
-	-	-	-	19,051	-	19,051	
-	-	-	-	-	-	1,536,005	
-	-	-	-	(648,941)	-	(648,941)	
-	-	-	2,300,000	3,050,110	-	6,886,115	
7,375	650,869	(1,568,403)	(416,509)	34,377	(228,605)	(2,315,921)	
1,001,933	263,584	1,588,173	416,509	(34,377)	-	14,251,857	
\$ 1,009,308	\$ 914,453	\$ 19,770	\$ -	\$ -	\$ (228,605)	\$ 11,935,936	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 4,000	\$ 3,800	\$ (200)
Investment income	700	351	(349)
Total revenues	<u>4,700</u>	<u>4,151</u>	<u>(549)</u>
Expenditures:			
Current:			
Contingency	4,000	-	4,000
Capital outlay	40,000	100	39,900
Total expenditures	<u>44,000</u>	<u>100</u>	<u>43,900</u>
Net change in fund balance	<u>\$ (39,300)</u>	4,051	<u>\$ 43,351</u>
Fund balance – beginning of year		<u>45,835</u>	
Fund balance – end of year		<u>\$ 49,886</u>	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 105,000	\$ 101,874	\$ (3,126)
Investment income	-	1,266	1,266
Total revenues	105,000	103,140	(1,860)
Expenditures:			
Current:			
Public safety	105,000	141,586	(36,586)
Contingency	10,500	-	10,500
Total expenditures	115,500	141,586	(26,086)
Net change in fund balance	\$ (10,500)	(38,446)	\$ (27,946)
Fund balance – beginning of year		123,421	
Fund balance – end of year		\$ 84,975	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 285,000	\$ 285,792	\$ 792
Investment income	3,500	1,960	(1,540)
Total revenues	288,500	287,752	(748)
Expenditures:			
Current:			
Public safety	176,077	212,715	(36,638)
Contingency	37,514	-	37,514
Capital outlay	199,065	199,015	50
Total expenditures	412,656	411,730	926
Net change in fund balance	\$ (124,156)	(123,978)	\$ 178
Fund balance – beginning of year		335,305	
Fund balance – end of year		\$ 211,327	

CITY OF LAKE FOREST, ILLINOIS

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

Parks and Public Land Fund

For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants	\$ -	\$ 56,250	\$ 56,250
Charges for services	297,682	25,088	(272,594)
Investment income	1,150	856	(294)
Miscellaneous revenue	500,000	25,300	(474,700)
Total revenues	<u>798,832</u>	<u>107,494</u>	<u>(691,338)</u>
Expenditures:			
Current:			
Culture and recreation	25,000	19,039	5,961
Contingency	72,370	-	72,370
Capital outlay	318,889	182,668	136,221
Debt service:			
Principal	375,000	375,000	-
Interest	4,813	4,971	(158)
Total expenditures	<u>796,072</u>	<u>581,678</u>	<u>214,394</u>
Excess (deficiency) of revenues over expenditures	2,760	(474,184)	(476,944)
Other financing uses:			
Transfers in	-	55,020	55,020
Net change in fund balance	<u>\$ 2,760</u>	<u>(419,164)</u>	<u>\$ (421,924)</u>
Fund balance – beginning of year		<u>389,101</u>	
Fund balance – end of year		<u>\$ (30,063)</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental revenues	\$ 645,700	\$ 516,959	\$ (128,741)
Investment income	2,831	3,929	1,098
Miscellaneous revenue	-	56,111	56,111
Total revenues	648,531	576,999	(71,532)
Expenditures:			
Current:			
Contingency	15,149	-	15,149
Capital outlay	151,489	2,565	148,924
Total expenditures	166,638	2,565	164,073
Net change in fund balance	\$ 497,042	574,434	\$ 77,392
Fund balance – beginning of year		197,842	
Fund balance – end of year		\$ 772,276	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 674,529	\$ 810,062	\$ 135,533
Investment income	-	598,216	598,216
Miscellaneous revenue	30,507	24,245	(6,262)
Total revenues	705,036	1,432,523	727,487
Expenditures:			
Current:			
General government	481,546	477,518	4,028
Contingency	97,580	-	97,580
Capital outlay	340,000	50,406	289,594
Debt service:			
Principal retirement	115,000	115,000	-
Interest	39,250	39,250	-
Total expenditures	1,073,376	682,174	391,202
Net change in fund balance	\$ (368,340)	750,349	\$ 1,118,689
Fund balance – beginning of year		2,885,698	
Fund balance – end of year		\$ 3,636,047	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 319,929	\$ 307,479	\$ (12,450)
Investment income	5,000	1,474	(3,526)
Miscellaneous revenue	-	3,119	3,119
Total revenues	324,929	312,072	(12,857)
Expenditures:			
Current:			
Culture and recreation	564,596	547,790	16,806
Contingency	60,260	-	60,260
Capital outlay	-	17,723	(17,723)
Total expenditures	624,856	565,513	59,343
Excess (deficiency) of revenues over expenditures	(299,927)	(253,441)	46,486
Other financing sources:			
Transfers in	234,145	234,145	-
Net change in fund balance	\$ (65,782)	(19,296)	\$ 46,486
Fund balance – beginning of year		199,442	
Fund balance – end of year		\$ 180,146	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Other taxes	\$ 20,000	\$ 30,000	\$ 10,000
Investment income	6,500	6,724	224
Total revenues	<u>26,500</u>	<u>36,724</u>	<u>10,224</u>
Expenditures:			
Current:			
General government	961,052	19,109	941,943
Contingency	96,105	-	96,105
Total expenditures	<u>1,057,157</u>	<u>19,109</u>	<u>1,038,048</u>
Net change in fund balance	<u>\$ (1,030,657)</u>	17,615	<u>\$ 1,048,272</u>
Fund balance – beginning of year		<u>900,856</u>	
Fund balance – end of year		<u>\$ 918,471</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 106,900	\$ 91,996	\$ (14,904)
Investment income	-	627	627
Miscellaneous revenue	103,326	140,876	37,550
Total revenues	<u>210,226</u>	<u>233,499</u>	<u>23,273</u>
Expenditures:			
Current:			
Culture and recreation	171,737	128,023	43,714
Contingency	17,704	-	17,704
Capital outlay	5,000	7,358	(2,358)
Total expenditures	<u>194,441</u>	<u>135,381</u>	<u>59,060</u>
Net change in fund balance	<u>\$ 15,785</u>	98,118	<u>\$ 82,333</u>
Fund balance – beginning of year		<u>4,068</u>	
Fund balance – end of year		<u>\$ 102,186</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes			
Property	\$ 1,831,078	\$ 2,658,472	\$ 827,394
Investment income	28,300	24,971	(3,329)
Total revenues	<u>1,859,378</u>	<u>2,683,443</u>	<u>824,065</u>
Expenditures:			
Current:			
General government	4,000	4,001	(1)
Debt service:			
Principal	2,212,127	2,282,061	(69,934)
Interest	1,097,860	1,028,854	69,006
Total expenditures	<u>3,313,987</u>	<u>3,314,916</u>	<u>(929)</u>
Excess (deficiency) of revenues over expenditures	(1,454,609)	(631,473)	823,136
Other financing sources:			
Transfers in	925,855	838,522	(87,333)
Net change in fund balance	<u>\$ (528,754)</u>	207,049	<u>\$ 735,803</u>
Fund balance – beginning of year		<u>2,632,215</u>	
Fund balance – end of year		<u>\$ 2,839,264</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 1,994,369	\$ 2,318,505	\$ 324,136
Investment income	20,000	8,240	(11,760)
Total revenues	<u>2,014,369</u>	<u>2,326,745</u>	<u>312,376</u>
Expenditures:			
Current:			
General government	2,460,960	1,581,910	879,050
Contingency	493,096	-	493,096
Capital outlay	2,470,000	1,735,817	734,183
Total expenditures	<u>5,424,056</u>	<u>3,317,727</u>	<u>2,106,329</u>
Excess (deficiency) of revenues over expenditures	(3,409,687)	(990,982)	2,418,705
Other financing sources:			
Transfers in	1,920,000	62,539	(1,857,461)
Net change in fund balance	<u>\$ (1,489,687)</u>	<u>(928,443)</u>	<u>\$ 561,244</u>
Fund balance – beginning of year		<u>366,496</u>	
Fund balance (deficit) – end of year		<u>\$ (561,947)</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 280	\$ 280
Expenditures:			
Debt service:			
Principal	83,868	13,934	69,934
Interest	6,804	75,488	(68,684)
Contingency	9,067	-	9,067
Total expenditures	<u>99,739</u>	<u>89,422</u>	<u>10,317</u>
Net change in fund balance	<u>\$ (99,739)</u>	<u>(89,142)</u>	<u>\$ 10,597</u>
Fund balance – beginning of year		<u>89,142</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Other	\$ 910,000	\$ 908,925	\$ (1,075)
Intergovernmental revenues	221,774	6,000	(215,774)
Grants	650,000	650,000	-
Charges for services	-	45,905	45,905
Investment income	32,301	16,491	(15,810)
Miscellaneous revenue	-	324,750	324,750
Total revenues	<u>1,814,075</u>	<u>1,952,071</u>	<u>137,996</u>
Expenditures:			
General government	267,699	78,148	189,551
Capital outlay	3,413,598	2,308,246	1,105,352
Contingency	368,130	-	368,130
Total expenditures	<u>4,049,427</u>	<u>2,386,394</u>	<u>1,663,033</u>
Excess (deficiency) of revenues over expenditures	(2,235,352)	(434,323)	1,801,029
Other financing sources:			
Transfers in	<u>274,250</u>	<u>345,779</u>	<u>71,529</u>
Net change in fund balance	<u>\$ (1,961,102)</u>	<u>(88,544)</u>	<u>\$ 1,872,558</u>
Fund balance – beginning of year		<u>2,106,986</u>	
Fund balance – end of year		<u>\$ 2,018,442</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 7,500	\$ 1,326	\$ (6,174)
Expenditures:			
Current:			
General government	-	-	-
Capital outlay	975,000	740,954	234,046
Contingency	97,500	-	97,500
Total expenditures	<u>1,072,500</u>	<u>740,954</u>	<u>331,546</u>
Net change in fund balance	<u>\$ (1,065,000)</u>	<u>(739,628)</u>	<u>\$ 325,372</u>
Fund balance – beginning of year		<u>739,628</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 Bridge Improvements Fund
For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ 14,000	\$ 7,375	\$ (6,625)
Expenditures:			
Capital outlay	1,015,367	-	1,015,367
Contingency	101,537	-	101,537
Total expenditures	<u>1,116,904</u>	-	<u>1,116,904</u>
Net change in fund balance	<u>\$ (1,102,904)</u>	7,375	<u>\$ 1,110,279</u>
Fund balance – beginning of year		<u>1,001,933</u>	
Fund balance – end of year		<u>\$ 1,009,308</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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental revenues	\$ -	\$ 669,118	\$ 669,118
Investment income	5,000	2,661	(2,339)
Total revenues	5,000	671,779	666,779
Expenditures:			
Highways and streets	-	20,910	(20,910)
Capital outlay	281,325	-	281,325
Contingency	28,133	-	28,133
Total expenditures	309,458	20,910	309,458
Net change in fund balance	\$ (304,458)	650,869	\$ 976,237
Fund balance – beginning of year		263,584	
Fund balance – end of year		\$ 914,453	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Revenues:			
Investment income	\$ 10,000	\$ 5,551	\$ (4,449)
<hr/>			
Expenditures:			
Highways and streets	1,619,238	1,474,412	144,826
Capital outlay	-	99,542	(99,542)
Contingency	161,924	-	161,924
Total expenditures	<hr/> 1,781,162	<hr/> 1,573,954	<hr/> 207,208
Net change in fund balance	<hr/> <u>\$ (1,771,162)</u>	<hr/> <u>(1,568,403)</u>	<hr/> <u>\$ 202,759</u>
Fund balance – beginning of year		<hr/> 1,588,173	
Fund balance – end of year		<hr/> <u>\$ 19,770</u>	

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ -	\$ 9,236	\$ 9,236
Investment income	-	6,520	6,520
Total revenues	<u>-</u>	<u>15,756</u>	<u>15,756</u>
Expenditures:			
Current			
General government	-	166,051	(166,051)
Contingency	294,893	-	294,893
Capital outlay	2,948,930	2,566,214	382,716
Total expenditures	<u>3,243,823</u>	<u>2,732,265</u>	<u>511,558</u>
Excess (deficiency) of revenues over expenditures	<u>(3,243,823)</u>	<u>(2,716,509)</u>	<u>527,314</u>
Other financing sources:			
Proceeds from sales of capital assets	940,000	-	(940,000)
Debt issuance - installment contracts	361,480	2,300,000	1,938,520
Total other financing sources	<u>1,301,480</u>	<u>2,300,000</u>	<u>998,520</u>
Net change in fund balance	<u>\$ (1,942,343)</u>	<u>(416,509)</u>	<u>\$ 1,525,834</u>
Fund balance – beginning of year		<u>416,509</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

2009 Bond Construction Fund

For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 14,023	\$ 14,023
Miscelaaneous revenue		4,317	4,317
Total revenues	<u>-</u>	<u>18,340</u>	<u>18,340</u>
Expenditures:			
General government	66,999	24,890	42,109
Contingency	368,000	-	368,000
Capital outlay	3,613,001	3,009,183	603,818
Total expenditures	<u>4,048,000</u>	<u>3,034,073</u>	<u>1,013,927</u>
Excess (deficiency) of revenues over expenditures	<u>(4,048,000)</u>	<u>(3,015,733)</u>	<u>1,032,267</u>
Other financing sources (uses):			
Debt issuance - bonds	3,680,000	3,680,000	-
Premium on bonds	-	19,051	19,051
Transfers out	-	(648,941)	(648,941)
	<u>3,680,000</u>	<u>3,050,110</u>	<u>(629,890)</u>
Net change in fund balance	<u>\$ (368,000)</u>	<u>34,377</u>	<u>\$ 402,377</u>
Fund balance (deficit) – beginning of year		<u>(34,377)</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

2010 Bond Construction Fund

For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<u>Revenues:</u>			
Investment income	\$ -	\$ 92	\$ 92
<u>Expenditures:</u>			
General government	-	65,445	(65,445)
Capital outlay	18,369,130	163,252	18,205,878
Total expenditures	<u>18,369,130</u>	<u>228,697</u>	<u>18,140,433</u>
Net change in fund balance	<u>\$ (18,369,130)</u>	<u>(228,605)</u>	<u>\$ 18,140,525</u>
Fund balance – beginning of year		<u>-</u>	
Fund balance (deficit) – end of year		<u>\$ (228,605)</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 D-1

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

Budget and Actual (Budgetary Basis)

Waterworks and Sewerage Fund

For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 7,159,402	\$ 6,982,686	\$ (176,716)
Connection fees	111,000	61,971	(49,029)
Miscellaneous	2,000	4,197	2,197
Total operating revenues	<u>7,272,402</u>	<u>7,048,854</u>	<u>(223,548)</u>
Operating expenses:			
General and administrative	1,909,086	1,704,370	204,716
Operations and maintenance	2,275,613	2,688,848	(413,235)
Contingency	984,775	-	984,775
Total operating expenses	<u>5,169,474</u>	<u>4,393,218</u>	<u>776,256</u>
Nonoperating revenues (expenses):			
Investment income	118,867	60,042	(58,825)
Principal retirement	(1,310,000)	(1,310,000)	-
Interest expense	(1,086,094)	(1,086,565)	(471)
Total nonoperating revenues (expenses)	<u>(2,277,227)</u>	<u>(2,336,523)</u>	<u>(59,296)</u>

NONMAJOR ENTERPRISE FUND

Deerpath Golf Course Fund

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

CITY OF LAKE FOREST, ILLINOIS
Statement of Net Assets
Nonmajor Enterprise Fund
April 30, 2010

Assets	Deerpath Golf Course Fund
Current assets:	
Cash and cash equivalents	\$ 635,073
Due from other funds	18,504
Inventories	28,088
Total current assets	<u>681,665</u>
Noncurrent assets:	
Deferred charges - bond issuance costs	<u>8,103</u>
Capital assets:	
Not being depreciated	95,517
Being depreciated, net of accumulated depreciation	<u>1,987,279</u>
Total capital assets, net	<u>2,082,796</u>
Total noncurrent assets	<u>2,090,899</u>
Total assets	<u>2,772,564</u>
Liabilities	
Current liabilities:	
Accounts payable	44,171
Accrued liabilities	11,916
Accrued interest payable	17,661
Unearned revenue	298,206
Current portion of long-term obligations:	
General obligation bonds	50,000
Accrued compensated absences	781
Total current liabilities	<u>422,735</u>
Noncurrent liabilities:	
General obligation bonds payable (net of unamortized discounts)	1,095,007
Accrued compensated absences	38,246
Total noncurrent liabilities	<u>1,133,253</u>
Total liabilities	<u>1,555,988</u>
Net Assets	
Invested in capital assets, net of related debt	937,789
Unrestricted	278,787
Total net assets	<u>\$ 1,216,576</u>

CITY OF LAKE FOREST, ILLINOIS
Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Nonmajor Enterprise Fund
For the Year Ended April 30, 2010

	Deerpath Golf Course Fund
<hr/>	
Operating revenues:	
Charges for services	\$ 1,327,252
Miscellaneous	6,627
Total operating revenues	<u>1,333,879</u>
Operating expenses:	
General and administrative	682,200
Operations and maintenance	492,052
Depreciation and amortization	139,960
Total operating expenses	<u>1,314,212</u>
Operating income	<u>19,667</u>
Nonoperating revenues (expenses):	
Investment income	3,959
Interest expense	(48,430)
Total nonoperating revenues (expenses)	<u>(44,471)</u>
Change in net assets	(24,804)
Net assets – beginning of year	<u>1,241,380</u>
Net assets – end of year	<u>\$ 1,216,576</u>

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,402,775	\$ 1,327,252	\$ (75,523)
Miscellaneous	6,000	6,627	627
Total operating revenues	1,408,775	1,333,879	(74,896)
Operating expenses:			
General and administrative	495,410	485,790	9,620
Operations and maintenance	723,520	688,462	35,058
Contingency	131,226	-	131,226
Total operating expenses	1,350,156	1,174,252	175,904
Nonoperating revenues (expenses):			
Investment income	10,000	3,959	(6,041)
Principal retirement	(45,000)	(45,000)	-
Interest expense	(48,325)	(48,430)	(105)
Total nonoperating revenues (expenses)	(83,325)	(89,471)	(6,146)

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows
Nonmajor Enterprise Fund
For the Year Ended April 30, 2010

	Deerpath Golf Course Fund
<hr/>	
Cash flows from operating activities:	
Receipts from customers	\$ 1,297,186
Receipts from miscellaneous revenue	6,627
Payments to suppliers	(584,989)
Payments to employees	(678,779)
Net cash provided by operating activities	<u>40,045</u>
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(45,000)
Interest paid on capital debt	(47,189)
Net cash used in capital and related financing activities	<u>(92,189)</u>
Cash flows from investing activities:	
Interest and dividends received	<u>3,959</u>
Decrease in cash and cash equivalents	(48,185)
Cash and cash equivalents – beginning of year	<u>683,258</u>
Cash and cash equivalents – end of year	<u><u>\$ 635,073</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 19,667
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	139,960
Changes in assets and liabilities:	
Accounts receivable	(18,210)
Other assets	59,004
Accounts payable	(138,006)
Accrued liabilities	(16,972)
Unearned revenue	(11,856)
Compensated absences	6,458
Total adjustments	<u>20,378</u>
Net cash provided by operating activities	<u><u>\$ 40,045</u></u>

INTERNAL SERVICE FUNDS

Fleet Fund

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

Self Insurance Fund

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

Liability Insurance Fund

The Liability Insurance Fund accounts for the costs of liability insurance.

CITY OF LAKE FOREST, ILLINOIS
Combining Statement of Net Assets
Internal Service Funds
April 30, 2010

Assets	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Current assets:				
Cash and cash equivalents	\$ 142,044	\$ 5,088,478	\$ -	\$ 5,230,522
Other receivables	3,556	2,259	-	5,815
Inventories	189,818	-	-	189,818
Prepaid items	-	-	772,084	772,084
Total current assets	335,418	5,090,737	772,084	6,198,239
Noncurrent assets:				
Capital assets:				
Being depreciated, net of accumulated depreciation	47,349	-	-	47,349
Total capital assets, net	47,349	-	-	47,349
Total noncurrent assets	47,349	-	-	47,349
Total assets	382,767	5,090,737	772,084	6,245,588
Liabilities				
Current liabilities:				
Accounts payable	26,636	200,809	19,589	247,034
Accrued liabilities	8,435	256,753	-	265,188
Due to other funds	-	-	699,488	699,488
Current portion of long-term obligations:				
Accrued compensated absences	2,018	-	-	2,018
Total current liabilities	37,089	457,562	719,077	1,213,728
Noncurrent liabilities:				
Accrued compensated absences	46,886	-	-	46,886
Total liabilities	83,975	457,562	719,077	1,260,614
Net Assets				
Total net assets – unrestricted	\$ 298,792	\$ 4,633,175	\$ 53,007	\$ 4,984,974

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, 2010

	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 1,766,566	\$ 4,475,284	\$ 480,424	\$ 6,722,274
Operating expenses:				
General and administrative	1,577,813	3,883,312	427,417	5,888,542
Depreciation and amortization	697	-	-	697
Total operating expenses	1,578,510	3,883,312	427,417	5,889,239
Operating income	188,056	591,972	53,007	833,035
Nonoperating revenues:				
Investment income	2,294	34,431	-	36,725
Change in net assets	190,350	626,403	53,007	869,760
Net assets – beginning of year	108,442	4,006,772	-	4,115,214
Net assets – end of year	\$ 298,792	\$ 4,633,175	\$ 53,007	\$ 4,984,974

CITY OF LAKE FOREST, ILLINOIS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended April 30, 2010

	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 1,765,952	\$ 4,473,025	\$ 480,424	\$ 6,719,401
Payments to suppliers	(1,015,160)	(4,050,018)	(480,424)	(5,545,602)
Payments to employees	(615,803)	-	-	(615,803)
Net cash provided by operating activities	134,989	423,007	-	557,996
Cash flows from capital and related financing activities:				
Purchase of capital assets	(48,046)	-	-	(48,046)
Cash flows from investing activities:				
Interest and dividends received	2,294	34,431	-	36,725
Increase in cash and cash equivalents	89,237	457,438	-	546,675
Cash and cash equivalents – beginning of year	52,807	4,631,040	-	4,683,847
Cash and cash equivalents – end of year	\$ 142,044	\$ 5,088,478	\$ -	\$ 5,230,522
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 188,056	\$ 591,972	\$ 53,007	\$ 833,035
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	697	-	-	697
Changes in assets and liabilities:				
Accounts receivable	(614)	(2,259)	-	(2,873)
Other assets	(56,683)	-	(772,084)	(828,767)
Accounts payable	13,138	(13,055)	19,589	19,672
Accrued liabilities	(13,716)	(153,651)	-	(167,367)
Compensated absences	4,111	-	-	4,111
Other liabilities	-	-	699,488	699,488
Total adjustments	(53,067)	(168,965)	(53,007)	(275,039)
Net cash provided by operating activities	\$ 134,989	\$ 423,007	\$ -	\$ 557,996

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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Operating revenues:			
Charges for services	\$ 1,770,046	\$ 1,766,566	\$ 3,480
<hr/>			
Operating expenses:			
General and administrative	1,845,270	1,577,813	267,457
Contingency	184,527	-	184,527
Total operating expenses	<hr/> 2,029,797	<hr/> 1,577,813	<hr/> 451,984
<hr/>			
Nonoperating revenues:			
Investment income	1,000	2,294	1,294
Transfers in	100,000	-	(100,000)
	<hr/> 101,000	<hr/> 2,294	<hr/> (98,706)
<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, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Operating revenues:			
Charges for services	\$ 4,540,000	\$ 4,475,284	\$ (64,716)
<hr/>			
Operating expenses:			
General and administrative	3,832,000	3,883,312	(51,312)
Contingency	373,200	-	373,200
	<hr/> 4,205,200	3,883,312	321,888
<hr/>			
Nonoperating revenues:			
Investment income	32,400	34,431	2,031
<hr/>			

CITY OF LAKE FOREST, ILLINOIS
 Schedule of Revenues, Expenses, Nonoperating Revenues and Transfers
 Budget and Actual (Budgetary Basis)
 Liability Insurance Fund
 For the Year Ended April 30, 2010

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
<hr/>			
Operating revenues:			
Charges for services	\$ -	\$ 480,424	\$ 480,424
<hr/>			
Operating expenses:			
General and administrative	436,000	427,417	8,583
Total operating expenses	<u>436,000</u>	<u>427,417</u>	<u>8,583</u>

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 an independent actuary 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 an independent actuary 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, 2010

Assets	Police Pension Fund	Firefighters' Pension Fund	Total
Cash and cash equivalents	\$ 170,344	\$ 1,138,578	\$ 1,308,922
Investments:			
U.S. Treasury obligations	8,246,230	4,223,642	12,469,872
U.S. Government agencies	2,398,767	9,730,832	12,129,599
Common stock	6,766,018	-	6,766,018
Equity mutual funds	1,787,600	8,452,732	10,240,332
Other receivables	6,354	78,002	84,356
Prepaid items	7,887	500	8,387
Total assets	19,383,200	23,624,286	43,007,486
Liabilities			
Accounts payable	4,086	12,033	16,119
Net Assets			
Held in trust for pension benefits	\$ 19,379,114	\$ 23,612,253	\$ 42,991,367

CITY OF LAKE FOREST, ILLINOIS
 Combining Statement of Changes in Fiduciary Net Assets
 Pension Trust Funds
 For the Year Ended April 30, 2010

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 1,128,592	\$ 810,129	\$ 1,938,721
Employee	340,307	278,396	618,703
Total contributions	1,468,899	1,088,525	2,557,424
Interest income	140,465	558,288	698,753
Net appreciation in fair value of investments	2,647,989	1,805,486	4,453,475
Less investment expenses	(95,682)	(86,673)	(182,355)
Net investment income	2,692,772	2,277,101	4,969,873
Total additions	4,161,671	3,365,626	7,527,297
Deductions:			
Pension benefits and refunds	1,576,340	1,332,958	2,909,298
Other administrative expenses	-	355	355
	1,576,340	1,333,313	2,909,653
Change in net assets	2,585,331	2,032,313	4,617,644
Net assets held in trust at beginning of year	16,793,783	21,579,940	38,373,723
Net assets held in trust at end of year	\$ 19,379,114	\$ 23,612,253	\$ 42,991,367

CITY OF LAKE FOREST, ILLINOIS
 Statement of Changes in Assets and Liabilities
 Agency Fund - Special Assessment Fund
 For the Year Ended April 30, 2010

	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, 2010

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 1,128,050	\$ 1,128,592	\$ 542
Employee	335,000	340,307	5,307
Total contributions	<u>1,463,050</u>	<u>1,468,899</u>	<u>5,849</u>
Interest income	175,000	140,465	(34,535)
Net appreciation in fair value of investments	-	2,647,989	2,647,989
Less investment expense	(103,000)	(95,682)	7,318
Net investment income	<u>72,000</u>	<u>2,692,772</u>	<u>2,620,772</u>
Total additions	<u>1,535,050</u>	<u>4,161,671</u>	<u>2,626,621</u>
Deductions:			
Pension benefits and refunds	1,560,000	1,576,340	(16,340)
Other administrative expenses	6,400	-	6,400
Contingency	166,940	-	166,940
Total deductions	<u>1,733,340</u>	<u>1,576,340</u>	<u>157,000</u>
Change in net assets	<u>\$ (198,290)</u>	2,585,331	<u>\$ 2,783,621</u>
Net assets held in trust at beginning of year		<u>16,793,783</u>	
Net assets held in trust at end of year		<u>\$ 19,379,114</u>	

Firefighters' Pension Fund
 Schedule of Changes in Fiduciary Net Assets - Budget and Actual
 For the Year Ended April 30, 2010

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 761,978	\$ 810,129	\$ 48,151
Employee	284,000	278,396	(5,604)
Total contributions	<u>1,045,978</u>	<u>1,088,525</u>	<u>42,547</u>
Interest income	725,000	558,288	(166,712)
Net appreciation in fair value of investments	-	1,805,486	1,805,486
Less investment expense	(70,000)	(86,673)	(16,673)
Net investment income	<u>655,000</u>	<u>2,277,101</u>	<u>1,622,101</u>
Total additions	<u>1,700,978</u>	<u>3,365,626</u>	<u>1,664,648</u>
Deductions:			
Pension benefits and refunds	1,400,000	1,332,958	67,042
Other administrative expenses	5,400	355	5,045
Contingency	147,540	-	147,540
Total deductions	<u>1,552,940</u>	<u>1,333,313</u>	<u>219,627</u>
Change in net assets	<u>\$ 148,038</u>	<u>2,032,313</u>	<u>\$ 1,884,275</u>
Net assets held in trust at beginning of year		<u>21,579,940</u>	
Net assets held in trust at end of year		<u>\$ 23,612,253</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, 2010

Assets	General Fund	Adjustments	Statement of Net Assets
Cash and cash equivalents	\$ 983,537	\$ -	\$ 983,537
Receivables (net of allowance for uncollectibles):			
Property taxes	3,289,338	-	3,289,338
Other taxes	3,708	-	3,708
Total receivables	<u>3,293,046</u>	<u>-</u>	<u>3,293,046</u>
Capital assets (net):			
Capital assets not depreciated	-	219,000	219,000
Capital assets depreciated (net)	-	3,249,351	3,249,351
Total assets	<u>\$ 4,276,583</u>	<u>\$ 3,468,351</u>	<u>\$ 7,744,934</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 25,423	\$ -	\$ 25,423
Accrued liabilities	31,113	-	31,113
Unearned revenue – property taxes	3,289,338	-	3,289,338
Long-term obligations:			
Due within one year	-	39,784	39,784
Due in more than one year	-	177,885	177,885
Total Liabilities	<u>3,345,874</u>	<u>217,669</u>	<u>3,563,543</u>
Fund Balance/Net Assets:			
Fund balance:			
Designated for capital additions	930,709	(930,709)	-
Net assets:			
Invested in capital assets	-	3,386,824	3,386,824
Unrestricted	-	794,567	794,567
Total fund balance/net assets	<u>930,709</u>	<u>3,250,682</u>	<u>4,181,391</u>
Total liabilities and fund balance/net assets	<u>\$ 4,276,583</u>	<u>\$ 3,468,351</u>	<u>\$ 7,744,934</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, 2010

Revenues	General Fund	Adjustments	Statement of Activities
Taxes:			
Property	\$ 3,299,541	\$ -	\$ 3,299,541
Other	26,116	-	26,116
Charges for services	9,190	-	9,190
Intergovernmental – per capita grant	20,482	-	20,482
Fines	51,361	-	51,361
Net investment income	12,066	-	12,066
Other	14,419	-	14,419
Total revenues	<u>3,433,175</u>	<u>-</u>	<u>3,433,175</u>
Expenditures/Expenses			
Current:			
Library Services:			
Personnel services	2,008,248	-	2,008,248
Other	820,153	116,478	936,631
Library Building:			
Personnel services	130,561	-	130,561
Other	143,459	23,338	166,797
Capital outlay:			
Capital equipment	119,199	(119,199)	-
Capital improvements	112,901	(112,901)	-
Debt service:			
Principal retirement	19,014	(19,014)	-
Interest	310	-	310
Total expenditures/expenses	<u>3,353,845</u>	<u>(111,298)</u>	<u>3,242,547</u>
Excess of Revenues over expenditures	79,330	111,298	190,628
Other Financing Sources			
Capital lease issuance	91,389	(91,389)	-
Net change in fund balance/net assets	170,719	19,909	190,628
Fund balance/net assets – beginning of year	759,990	3,230,773	3,990,763
Fund balance/net assets – end of year	<u>\$ 930,709</u>	<u>\$ 3,250,682</u>	<u>\$ 4,181,391</u>

CITY OF LAKE FOREST, ILLINOIS

Summary of Debt Service Requirements to Maturity

April 30, 2010

Fiscal year	General Obligation Bonds
2011	\$ 6,164,418
2012	5,361,475
2013	5,116,978
2014	4,571,657
2015	4,576,970
2016	4,407,180
2017	4,412,544
2018	4,421,035
2019	4,396,861
2020	4,429,126
2021	4,253,666
2022	4,093,867
2023	4,100,440
2024	3,187,589
2025	913,914
2026	914,264
2027	913,464
2028	915,788
2029	291,480
	\$ 67,442,716

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity – General Obligation Bonds

April 30, 2010

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
	2011	\$ 145,000	\$ 6,235	\$ 120,000	\$ 33,558	\$ 575,000	\$ 79,562	\$ 100,000
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	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
	<u>\$ 145,000</u>	<u>\$ 6,235</u>	<u>\$ 660,000</u>	<u>\$ 104,568</u>	<u>\$ 1,675,000</u>	<u>\$ 155,562</u>	<u>\$ 200,000</u>	<u>\$ 10,500</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2010

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
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	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
	<u>\$ 22,375,000</u>	<u>\$ 8,132,355</u>	<u>\$ 975,000</u>	<u>\$ 24,862</u>	<u>\$ 1,400,000</u>	<u>\$ 332,224</u>	<u>\$ 1,200,000</u>	<u>\$ 135,600</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2010

Fiscal Year	Special Service Area 25		Special Service Area 26		Special Service Area 29		2004 Series A	
	Tax Bonds		Tax Bonds		Tax Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 50,000	\$ 30,342	\$ 12,509	\$ 9,206	\$ 86,804	\$ 72,511	\$ 50,000	\$ 46,750
2012	50,000	28,818	12,947	8,768	89,929	68,947	75,000	45,000
2013	55,000	27,217	13,433	8,282	93,301	65,528	75,000	42,375
2014	55,000	25,375	13,963	7,752	96,986	61,791	75,000	39,375
2015	55,000	23,478	14,522	7,193	100,914	58,251	75,000	36,375
2016	60,000	21,525	15,117	6,598	105,102	54,005	75,000	33,375
2017	60,000	19,335	15,767	5,948	109,569	49,476	75,000	30,375
2018	60,000	17,085	16,461	5,253	114,335	44,644	75,000	27,375
2019	65,000	14,775	17,202	4,513	119,423	39,485	75,000	24,375
2020	65,000	12,207	17,993	3,721	124,857	33,976	100,000	21,375
2021	70,000	9,575	18,839	2,876	130,663	28,090	100,000	17,250
2022	75,000	6,600	19,747	1,971	136,869	21,797	100,000	13,000
2023	75,000	3,338	20,700	1,014	143,508	15,066	100,000	8,750
2024	-	-	-	-	150,611	7,864	100,000	4,375
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
	<u>\$ 795,000</u>	<u>\$ 239,670</u>	<u>\$ 209,200</u>	<u>\$ 73,095</u>	<u>\$ 1,602,871</u>	<u>\$ 621,431</u>	<u>\$ 1,150,000</u>	<u>\$ 390,125</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2010

Fiscal Year	2004 Series B Obligation Bonds		Series 2008 Obligation Bonds		Series 2009 Obligation Bonds		Total Requirements		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 125,000	\$ 189,150	\$ 270,000	\$ 341,306	\$ -	\$ 193,929	\$ 4,059,313	\$ 2,105,105	\$ 6,164,418
2012	150,000	184,775	510,000	332,194	160,000	119,545	3,477,876	1,883,599	5,361,475
2013	150,000	179,525	525,000	314,981	160,000	116,345	3,366,734	1,750,244	5,116,978
2014	150,000	174,275	535,000	297,263	165,000	113,145	2,950,949	1,620,708	4,571,657
2015	175,000	169,025	550,000	279,206	170,000	109,845	3,065,436	1,511,534	4,576,970
2016	175,000	162,725	565,000	260,644	170,000	106,445	3,010,219	1,396,961	4,407,180
2017	400,000	156,250	580,000	241,575	175,000	102,620	3,130,336	1,282,208	4,412,544
2018	425,000	141,050	600,000	222,000	180,000	98,245	3,260,796	1,160,239	4,421,035
2019	425,000	124,475	615,000	201,750	185,000	93,745	3,366,625	1,030,236	4,396,861
2020	450,000	107,475	635,000	180,225	190,000	88,195	3,537,850	891,276	4,429,126
2021	475,000	89,025	465,000	158,000	200,000	82,495	3,509,502	744,164	4,253,666
2022	500,000	69,075	485,000	141,725	205,000	76,495	3,501,616	592,251	4,093,867
2023	525,000	47,575	500,000	124,144	215,000	68,807	3,664,208	436,232	4,100,440
2024	550,000	24,475	520,000	106,019	225,000	60,745	2,915,611	271,978	3,187,589
2025	-	-	540,000	87,169	235,000	51,745	775,000	138,914	913,914
2026	-	-	560,000	66,919	245,000	42,345	805,000	109,264	914,264
2027	-	-	580,000	45,919	255,000	32,545	835,000	78,464	913,464
2028	-	-	605,000	23,443	265,000	22,345	870,000	45,788	915,788
2029	-	-	-	-	280,000	11,480	280,000	11,480	291,480
	<u>\$ 4,675,000</u>	<u>\$ 1,818,875</u>	<u>\$ 9,640,000</u>	<u>\$ 3,424,482</u>	<u>\$ 3,680,000</u>	<u>\$ 1,591,061</u>	<u>\$ 50,382,071</u>	<u>\$ 17,060,645</u>	<u>\$ 67,442,716</u>

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1997 Series B

April 30, 2010

Date of issue: October 16, 1997
 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
\$ 145,000
\$ 145,000

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2009	\$ 145,000	\$ 6,235	\$ 151,235	2010	\$ 3,118	2010	\$ 3,117

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 1999 Series

April 30, 2010

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
2010	\$ 120,000
2011	125,000
2012	130,000
2013	140,000
2014	145,000
	<u>\$ 660,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 660,000</u>	<u>\$ 104,568</u>	<u>\$ 764,568</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2000 Series

April 30, 2010

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
2010		\$ 575,000
2011		600,000
2012		500,000
		<u>\$ 1,675,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 1,675,000</u>	<u>\$ 155,562</u>	<u>\$ 1,830,562</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2001 Series B

April 30, 2010

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>
2010	\$ 100,000
2011	100,000
	<u>\$ 200,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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>\$ 200,000</u>	<u>\$ 10,500</u>	<u>\$ 210,500</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2002 Series A

April 30, 2010

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>
2010	\$ 1,250,000
2011	1,295,000
2012	1,350,000
2013	1,400,000
Thereafter	17,080,000
	<u>\$ 22,375,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2013	1,455,000	771,536	2,226,536	2014	385,768	2014	385,768
Thereafter	15,625,000	3,735,075	19,360,075	Thereafter	1,867,538	Thereafter	1,867,538
	<u>\$ 22,375,000</u>	<u>\$ 8,132,355</u>	<u>\$ 30,507,355</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2003 Series A
 April 30, 2010

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	Amount
on December 15	
2010	<u>\$ 975,000</u>
	<u>\$ 975,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2009	\$ 975,000	\$ 24,862	\$ 999,862	2010	\$ 12,431	2010	\$ 12,431

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2003 Series C
 April 30, 2010

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
2010	\$ 100,000
2011	110,000
2012	115,000
2013	120,000
2014	125,000
Thereafter	830,000
	<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
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
2013	125,000	35,758	160,758	2014	17,879	2014	17,879
Thereafter	830,000	116,684	946,684	Thereafter	58,342	Thereafter	58,342
	<u>\$ 1,400,000</u>	<u>\$ 332,224</u>	<u>\$ 1,732,224</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2003 Series D
 April 30, 2010

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
2010	\$ 200,000
2011	200,000
2012	200,000
2013	200,000
2014	200,000
Thereafter	200,000
	<u>\$ 1,200,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2013	200,000	13,400	213,400	2014	6,700	2014	6,700
Thereafter	200,000	6,800	206,800	Thereafter	3,400	Thereafter	3,400
	<u>\$ 1,200,000</u>	<u>\$ 135,600</u>	<u>\$ 1,335,600</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2010

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	
2010	\$ 50,000
2011	50,000
2012	55,000
2013	55,000
2014	55,000
Thereafter	530,000
	<u>\$ 795,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2009	\$ 50,000	\$ 30,342	\$ 80,342	2010	\$ 15,171	2010	\$ 15,171
2010	50,000	28,818	78,818	2011	14,409	2011	14,409
2011	55,000	27,217	82,217	2012	13,609	2012	13,609
2012	55,000	25,375	80,375	2013	12,688	2013	12,688
2013	55,000	23,478	78,478	2014	11,739	2014	11,739
Thereafter	530,000	104,440	634,440	Thereafter	52,220	Thereafter	52,220
	<u>\$ 795,000</u>	<u>\$ 239,670</u>	<u>\$ 1,034,670</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2010

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
2010	\$	12,509
2011		12,947
2012		13,433
2013		13,963
2014		14,522
Thereafter		141,826
		\$ 209,200

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on				
	Principal	Interest	Total	June 15	Amount	December 15	Amount	
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	
2013	14,522	7,193	21,715	2014	3,597	2014	3,597	
Thereafter	141,826	31,894	173,720	Thereafter	15,947	Thereafter	15,947	
		\$ 209,200	\$ 73,095			\$ 282,295		

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2004 Series A
 April 30, 2010

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
2010	\$ 50,000
2011	75,000
2012	75,000
2013	75,000
2014	75,000
Thereafter	800,000
	<u>\$ 1,150,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2013	75,000	36,375	111,375	2014	18,188	2014	18,188
Thereafter	800,000	180,250	980,250	Thereafter	90,125	Thereafter	90,125
	<u>\$ 1,150,000</u>	<u>\$ 390,125</u>	<u>\$ 1,540,125</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2004 Series B
 April 30, 2010

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		Amount
2010	\$	125,000
2011		150,000
2012		150,000
2013		150,000
2014		175,000
Thereafter		3,925,000
		<u>\$ 4,675,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2013	175,000	169,025	344,025	2014	84,513	2014	84,512
Thereafter	3,925,000	922,125	4,847,125	Thereafter	461,063	Thereafter	461,062
	<u>\$ 4,675,000</u>	<u>\$ 1,818,875</u>	<u>\$ 6,493,875</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2010

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	
2010	\$ 86,804
2011	89,929
2012	93,301
2013	96,986
2014	100,914
Thereafter	1,134,937
	<u>\$ 1,602,871</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2009	\$ 86,804	\$ 72,511	\$ 159,315	2010	\$ 35,782	2010	\$ 35,782
2010	89,929	68,947	158,876	2011	34,474	2011	34,219
2011	93,301	65,528	158,829	2012	32,534	2012	32,533
2012	96,986	61,791	158,777	2013	30,690	2013	30,690
2013	100,914	58,251	159,165	2014	28,727	2014	28,727
Thereafter	1,134,937	294,403	1,429,340	Thereafter	145,184	Thereafter	145,184
	<u>\$ 1,602,871</u>	<u>\$ 621,431</u>	<u>\$ 2,224,302</u>				

CITY OF LAKE FOREST, ILLINOIS
 General Obligation Bonds – 2008 Series
 April 30, 2010

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: Wells Fargo Bank
 Chicago, Illinois

Redeemable annually on December 15		Amount
2010		\$ 270,000
2011		510,000
2012		525,000
2013		535,000
2014		550,000
Thereafter		7,250,000
		<u>\$ 9,640,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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	157,490
2012	535,000	297,263	832,263	2013	148,632	2013	148,631
2013	550,000	279,206	829,206	2014	139,603	2014	139,603
Thereafter	7,250,000	1,859,532	9,109,532	Thereafter	929,766	Thereafter	929,765
	<u>\$ 9,640,000</u>	<u>\$ 3,424,482</u>	<u>\$ 13,064,482</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2009 Series

April 30, 2010

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

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

**Redeemable annually
 on December 15**

	Amount
2009	\$ 160,000
2010	160,000
2011	165,000
2012	170,000
2013	170,000
Thereafter	2,855,000
	<u>\$ 3,680,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2009	\$ -	\$ 193,929	\$ 193,929	2010	\$ 134,156	2010	\$ 59,773
2010	160,000	119,545	279,545	2011	59,773	2011	59,772
2011	160,000	116,345	276,345	2012	58,173	2012	58,172
2012	165,000	113,145	278,145	2013	56,573	2013	56,572
2013	170,000	109,845	279,845	2014	54,923	2014	54,922
Thereafter	3,025,000	938,252	3,963,252	Thereafter	469,126	Thereafter	469,126
	<u>\$ 3,680,000</u>	<u>\$ 1,591,061</u>	<u>\$ 5,271,061</u>				

CITY OF LAKE FOREST, ILLINOIS
Debt Service Fund
Combining Schedule of Assets, Liabilities, and Fund Balance
April 30, 2010

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	\$ 386	\$ 460,945	\$ 98,984	\$ 137,781	\$ 982,098
Receivables (net of allowance for uncollectibles):					
Property taxes	-	653,072	106,791	997,663	-
Total assets	<u>\$ 386</u>	<u>\$ 1,114,017</u>	<u>\$ 205,775</u>	<u>\$ 1,135,444</u>	<u>\$ 982,098</u>
Liabilities and Fund Balance					
Liabilities:					
Deferred revenue – property taxes	\$ -	\$ 653,072	\$ 106,791	\$ 997,663	\$ -
Fund balance – reserved for debt service	<u>386</u>	<u>460,945</u>	<u>98,984</u>	<u>137,781</u>	<u>982,098</u>
Total liabilities and fund balance	<u>\$ 386</u>	<u>\$ 1,114,017</u>	<u>\$ 205,775</u>	<u>\$ 1,135,444</u>	<u>\$ 982,098</u>

Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B General Obligation Bonds	2008 General Obligation Bonds	2009 General Obligation Bonds	Total
\$ 8,120	\$ 5,067	\$ 222	\$ 1,081,391	\$ 11,931	\$ 52,339	\$ 2,839,264
79,643	21,915	155,968	-	609,954	141,349	2,766,355
<u>\$ 87,763</u>	<u>\$ 26,982</u>	<u>\$ 156,190</u>	<u>\$ 1,081,391</u>	<u>\$ 621,885</u>	<u>\$ 193,688</u>	<u>\$ 5,605,619</u>
\$ 79,643	\$ 21,915	\$ 155,968	\$ -	\$ 609,954	\$ 141,349	\$ 2,766,355
8,120	5,067	222	1,081,391	11,931	52,339	2,839,264
<u>\$ 87,763</u>	<u>\$ 26,982</u>	<u>\$ 156,190</u>	<u>\$ 1,081,391</u>	<u>\$ 621,885</u>	<u>\$ 193,688</u>	<u>\$ 5,605,619</u>

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

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

Year ended April 30, 2010

	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
Revenues:					
Taxes:					
Property taxes	\$ -	\$ 673,850	\$ 113,857	\$ 999,157	\$ -
Investment income	374	4,716	965	3,212	8,086
Total revenues	<u>374</u>	<u>678,566</u>	<u>114,822</u>	<u>1,002,369</u>	<u>8,086</u>
Expenditures:					
General government	600	600	600	601	600
Debt service:					
Principal	140,000	550,000	100,000	925,000	200,000
Interest	12,255	105,413	10,500	48,450	42,300
Total expenditures	<u>152,855</u>	<u>656,013</u>	<u>111,100</u>	<u>974,051</u>	<u>242,900</u>
Excess (deficiency) of revenues over expenditures	(152,481)	22,553	3,722	28,318	(234,814)
Other financing sources:					
Transfers in	<u>152,255</u>	-	-	-	<u>31,697</u>
Net change in fund balance	(226)	22,553	3,722	28,318	(203,117)
Fund balance – beginning of year	<u>612</u>	<u>438,392</u>	<u>95,262</u>	<u>109,463</u>	<u>1,185,215</u>
Fund balance – end of year	<u>\$ 386</u>	<u>\$ 460,945</u>	<u>\$ 98,984</u>	<u>\$ 137,781</u>	<u>\$ 982,098</u>

Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds	Special Service Area 29 General Obligation Bonds	2004 Series B General Obligation Bonds	2008 General Obligation Bonds	2009 General Obligation Bonds	Total
\$ 82,299	\$ 22,217	\$ 70,006	\$ -	\$ 697,086	\$ -	\$ 2,658,472
207	73	150	6,794	376	18	24,971
82,506	22,290	70,156	6,794	697,462	18	2,683,443
-	-	-	500	500	-	4,001
50,000	12,127	69,934	125,000	110,000	-	2,282,061
31,792	9,588	-	193,525	575,031	-	1,028,854
81,792	21,715	69,934	319,025	685,531	-	3,314,916
714	575	222	(312,231)	11,931	18	(631,473)
-	-	-	602,249	-	52,321	838,522
714	575	222	290,018	11,931	52,339	207,049
7,406	4,492	-	791,373	-	-	2,632,215
\$ 8,120	\$ 5,067	\$ 222	\$ 1,081,391	\$ 11,931	\$ 52,339	\$ 2,839,264

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.	138-144
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.	145-151
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.	152-156
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	157-159
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.	160-162

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 Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
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	\$ 193,225,047
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855	3,319,974	3,001,515
Unrestricted	13,987,875	18,310,053	16,476,341	26,409,165	28,748,888	25,867,536	25,090,240
Total Governmental Activities	\$ 175,876,635	\$ 178,797,865	\$ 186,196,636	\$ 194,282,921	\$ 205,053,418	\$ 222,956,502	\$ 221,316,802
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	\$ 38,075,853
Restricted	-	-	-	-	-	-	-
Unrestricted	16,127,338	11,917,654	11,105,554	11,824,329	12,087,202	9,577,076	8,617,858
Total Business-type Activities	\$ 51,870,224	\$ 53,319,622	\$ 54,288,681	\$ 56,328,997	\$ 57,019,668	\$ 46,761,778	\$ 46,693,711
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	\$ 231,300,900
Restricted	2,450,438	2,997,174	3,568,910	4,010,519	3,978,855	3,319,974	3,001,515
Unrestricted	30,115,213	30,227,707	27,581,895	38,233,494	40,836,090	35,444,612	33,708,098
Total Primary Government	\$ 227,746,859	\$ 232,117,487	\$ 240,485,317	\$ 250,611,918	\$ 262,073,086	\$ 269,718,280	\$ 268,010,513

Data Source

Audited Financial Statements

Changes in Net Assets
Last Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities							
General Government	\$ 8,814,921	\$ 10,248,966	\$ 10,621,820	\$ 10,026,323	\$ 11,035,000	\$ 14,928,550	\$ 13,974,412
Highways and Streets	5,384,798	9,702,235	6,195,805	7,102,425	8,821,953	7,911,604	9,469,570
Sanitation	1,926,662	1,949,856	2,053,718	2,225,808	2,310,966	2,169,302	2,183,373
Culture and recreation	8,228,552	7,884,543	8,450,431	9,403,755	8,812,293	9,430,847	9,589,857
Public safety	10,014,765	10,224,612	11,081,841	11,557,020	12,348,729	12,623,300	13,116,738
Public improvements and other	2,519,628	-	-	-	-	-	-
Interest	1,152,352	1,245,364	1,218,802	968,963	808,253	978,029	1,097,805
Total Governmental Activities Expenses	38,041,678	41,255,576	39,622,417	41,284,294	44,137,194	48,041,632	49,431,755
Business-type Activities							
Waterworks and sewerage	6,287,674	6,226,893	7,347,680	7,891,031	8,228,975	7,659,138	7,882,904
Golf	1,453,481	1,320,941	1,411,572	1,545,070	1,562,520	1,490,115	1,345,437
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	9,228,341
Total Primary Government Expenses	\$ 46,523,755	\$ 49,510,729	\$ 49,066,524	\$ 51,487,808	\$ 54,685,889	\$ 57,190,885	\$ 58,660,096
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	\$ 4,822,344
Highways and Streets	-	1,502,928	145,245	1,576,654	929,199	1,239,586	809,661
Sanitation	152,317	134,242	189,943	293,410	295,658	192,848	104,158
Culture and recreation	3,706,758	4,508,488	4,273,157	5,458,842	3,831,855	4,197,023	4,121,592
Public safety	1,156,868	1,368,304	1,357,067	1,387,792	1,567,944	1,589,647	1,540,927
Operating Grants and Contributions	615,152	956,752	1,407,815	1,284,897	790,979	684,872	1,413,819
Capital Grants and Contributions	4,339,612	524,811	1,657,563	-	5,301,494	9,033,429	925,524
Total Governmental Activities Program Revenues	15,467,987	13,962,139	15,053,252	15,096,183	17,966,895	21,917,549	13,738,025
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	7,048,854
Golf	1,445,152	1,382,190	1,373,637	1,702,287	1,430,875	1,413,732	1,333,879
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	97,724
Total Business-type Activities Program Revenues	10,018,564	9,425,153	9,978,788	10,725,407	10,709,602	8,832,959	8,480,457
Total Primary Government Program Revenues	\$ 25,486,551	\$ 23,387,292	\$ 25,032,040	\$ 25,821,590	\$ 28,676,497	\$ 30,750,508	\$ 22,218,482
Net (Expense) Revenue							
Governmental Activities	\$ (22,573,691)	\$ (27,293,437)	\$ (24,569,165)	\$ (26,188,111)	\$ (26,170,299)	\$ (26,124,083)	\$ (35,693,730)
Business-type Activities	1,536,487	1,170,000	534,681	521,893	160,907	(316,294)	(747,884)
Total Primary Government Net (Expense) Revenue	\$ (21,037,204)	\$ (26,123,437)	\$ (24,034,484)	\$ (25,666,218)	\$ (26,009,392)	\$ (26,440,377)	\$ (36,441,614)

Changes in Net Assets (Continued)
Last Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
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	\$ 24,383,716
Sales	2,900,860	2,900,860	3,058,396	3,271,452	3,118,339	3,010,457	2,392,497
Income and Use	1,747,505	1,747,505	1,826,030	1,989,187	2,175,196	2,018,177	1,762,425
Telecommunications and Utility	4,066,843	4,066,843	4,434,227	4,198,439	4,454,442	4,407,235	3,967,398
Real Estate Transfer Tax	-	-	-	1,259,295	1,984,052	962,840	878,925
Other	388,059	388,059	356,466	463,689	489,018	391,347	372,640
Investment Earnings	861,935	861,935	1,434,500	1,991,995	1,771,629	35,853	852,245
Gain on sale of capital assets	470,463	470,463	-	-	-	-	-
Miscellaneous	-	-	-	805,436	627,188	22,729	60,000
Transfers	(67,630)	(67,630)	-	(992,519)	(3,931)	10,111,313	(615,816)
Total Governmental Activities	30,214,667	30,214,667	31,967,936	34,274,396	36,940,796	44,027,167	34,054,030
Business-type Activities							
Investment Earnings	211,768	211,768	434,378	525,904	525,833	169,717	64,001
Miscellaneous	-	-	-	-	-	-	-
Transfers	67,630	67,630	-	992,519	3,931	(10,111,313)	615,816
Total Business-type Activities	279,398	279,398	434,378	1,518,423	529,764	(9,941,596)	679,817
Total Primary Government	\$ 30,494,065	\$ 30,494,065	\$ 32,402,314	\$ 35,792,819	\$ 37,470,560	\$ 34,085,571	\$ 34,733,847
Change in Net Assets							
Governmental Activities	\$ 2,921,230	\$ 2,921,230	\$ 7,398,771	\$ 8,086,285	\$ 10,770,497	\$ 17,903,084	\$ (1,639,700)
Business-type Activities	1,449,398	1,449,398	969,059	2,040,316	690,671	(10,257,890)	(68,067)
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	\$ (1,707,767)

Data Source

Audited Financial Statements

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 1,265,475	\$ 585,232	\$ 510,960	\$ 470,008	\$ 1,041,187	\$ 2,218,570	\$ 1,071,068
Unreserved	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	9,815,220
Total General Fund	\$ 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	\$ 10,886,288
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ 635,625	\$ 407,587	\$ 121,299	\$ 89,809	\$ 130,173	\$ 128,516	\$ 43,306
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	2,839,264
Unreserved, reported in										
Special Revenue Funds	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	8,209,263
Capital Project Funds	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	3,171,421
Debt Service Funds	586,727	652,656	731,785	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 14,263,254
Total All Governmental	\$ 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	\$ 25,149,542

Data Source

Audited Financial Statements

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 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	\$ 24,383,716
Other taxes	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	9,433,885
Intergovernmental revenues	542,175	553,725	585,578	615,152	1,254,231	1,407,815	948,449	790,979	684,872	1,304,368
Grants	-	-	-	-	-	-	-	-	-	706,250
Charges for services	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	7,844,119
Licenses and permits	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	2,135,888
Fines and forfeitures	291,789	291,026	353,664	350,989	387,178	461,909	357,556	469,208	387,629	372,924
Investment income	1,198,274	723,418	471,228	505,696	832,709	1,358,266	1,866,217	1,673,038	(11,695)	815,520
Miscellaneous revenue	617,742	545,297	621,854	1,324,563	2,114,370	1,419,807	2,890,358	1,870,927	1,420,815	1,374,476
Total Revenues	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	48,371,146
Expenditures										
General government	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	12,226,189
Highways and streets	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	3,897,758
Sanitation	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	2,056,528
Culture and recreation	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	8,816,962
Public safety	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	13,062,453
Pension fund contributions	1,749,058	1,879,656	1,042,745	-	-	-	-	-	-	-
Public improvements and other	2,068,428	2,255,264	2,015,690	2,519,580	-	-	-	-	-	-
Capital outlay	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	11,376,490
Debt Service										
Principal	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	2,877,662
Interest	919,670	1,008,545	923,742	800,699	827,160	982,744	881,087	781,529	694,355	1,173,967
Bond issuance costs	6,200	6,350	55,546	62,370	64,640	-	-	-	-	-
Total Expenditures	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	55,488,009
Excess of Revenues over (under)										
Expenditures	(382,006)	(9,276,903)	(4,031,140)	(675,131)	1,275,486	(5,275,382)	5,256,642	(136,515)	(24,206,582)	(7,116,863)

(Continued)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other financing Sources (Uses)										
Transfers in	\$ 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	\$ 1,847,105
Transfers out	(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)	(2,462,921)
Bonds issued	4,966,960	1,000,000	4,219,810	3,676,500	7,200,000	-	-	9,750,000	-	3,680,000
Installment note proceeds	-	-	-	-	-	-	-	-	10,700,000	2,300,000
Loan proceeds	-	-	-	880,000	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	(7,818)	(16,631)	-	-	(50,668)	-	19,051
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)	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	5,383,235
Net Change in Fund Balances	\$ 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)	\$ (1,733,628)
Debt Service as a Percentage of Noncapital Expenditures	14.09%	13.45%	13.13%	13.10%	14.50%	16.02%	14.61%	12.60%	8.08%	8.62%

Data Source

Audited Financial Statements

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
2000	\$ 1,436,176,919	\$ 110,869,903	\$ 1,458,942	\$ 3,888,482	\$ 39,025,206	\$ 1,591,419,452	1.1350	\$ 4,774,258,356	33.333%
2001	1,576,778,908	130,660,576	1,540,590	4,077,894	42,697,718	1,755,755,686	1.0870	5,267,267,058	33.333%
2002	1,733,400,716	142,343,209	900,582	3,538,829	47,209,649	1,927,392,985	1.0390	5,782,178,955	33.333%
2003	1,866,407,716	167,903,070	971,387	3,935,325	50,388,361	2,089,605,859	0.9940	6,268,817,577	33.333%
2004	2,030,461,408	167,553,300	1,016,864	4,424,771	49,762,611	2,253,218,954	0.9630	6,759,656,862	33.333%
2005	2,229,037,071	171,210,021	62,957	4,476,207	52,512,948	2,457,299,204	0.9110	7,371,897,612	33.333%
2006	2,453,626,272	187,607,513	64,953	5,407,000	58,493,629	2,705,199,367	0.8690	8,115,598,101	33.333%
2007	2,610,727,055	191,390,427	65,007	5,765,126	59,284,794	2,867,232,409	0.8510	8,601,697,227	33.333%
2008	2,674,566,048	217,608,832	79,283	5,817,809	60,603,515	2,958,675,487	0.8700	8,876,026,461	33.333%
2009	2,609,955,147	214,117,162	71,603	5,887,945	60,662,651	2,890,694,508	0.9020	8,672,083,524	33.333%

Data Source

Office of the County Clerk

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

CITY OF LAKE FOREST, ILLINOIS

Table 6

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Direct Rates *	1.135	1.087	1.039	0.994	0.963	0.911	0.869	0.851	0.870	0.902
Overlapping Rates										
College of Lake County	0.235	0.211	0.208	0.201	0.200	0.197	0.195	0.192	0.196	0.200
County of Lake	0.521	0.516	0.502	0.490	0.465	0.454	0.450	0.444	0.453	0.464
Lake County Forest Preserve	0.231	0.221	0.232	0.225	0.219	0.210	0.204	0.201	0.199	0.200
North Shore Sanitary District	0.167	0.160	0.152	0.144	0.139	0.132	0.125	0.120	0.121	0.124
School District 67, Elem.	1.270	1.224	1.152	1.101	1.051	1.013	0.964	0.944	0.965	0.998
School District 115, High School	1.201	1.157	1.092	1.045	1.003	0.965	0.961	0.959	1.001	1.069
Township	0.059	0.058	0.055	0.053	0.052	0.051	0.050	0.050	0.050	0.048
Township Road and Bridge	0.025	0.025	0.043	0.030	0.018	0.018	0.020	0.016	0.019	0.020
Total tax rate	4.844	4.659	4.475	4.283	4.110	3.951	3.838	3.777	3.874	4.025
City's share of total tax rate	23%	23%	23%	23%	23%	23%	23%	23%	22%	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	2010			2001		
	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	0.80%			
The Presbyterian Home	18,981,566	2	0.66%			
Lake Products, Inc.	13,258,521	3	0.46%			
CBIZ Property Tax Solutions	10,857,731	4	0.38%			
Trustmark Insurance Co.	8,068,615	5	0.28%	\$ 8,386,504	3	0.50%
Lake Forest Hospital	7,917,041	6	0.27%	8,438,353	2	0.50%
Lake Forest Landmark Co. LLC	7,565,154	7	0.26%	5,622,705	5	0.40%
James Campbell Company, LLC	6,894,806	8	0.24%			
Shawgate Lake Forest, LLC	5,869,658	9	0.20%			
Opus North Corporation	5,279,279	10	0.18%			
Tenneco Packaging				10,988,806	1	0.70%
Moore Business Forms				6,523,218	4	0.40%
Chicago Bears Football Club, Inc.				5,350,676	6	0.30%
Brunswick Corporation				4,492,432	7	0.30%
Duke Realty Ltd. Partnership				4,264,870	8	0.30%
Shawgate- Broadacre				4,163,519	9	0.30%
James Altounian				4,159,329	10	0.30%
	<u>\$ 107,845,049</u>		<u>3.73%</u>	<u>\$ 62,390,412</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.

2010 Column is 2009 Assessed Valuation

2001 Column is 2000 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
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	25,174,923	99.85%
2009	25,526,887	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.

Tax Extensions for City Funds
Last Ten Levy Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General	0.648	0.622	0.512	0.493	0.481	0.461	0.449	0.443	0.449	0.405
IMRF/Social Security	0.078	0.077	0.072	0.061	0.058	0.055	0.052	0.051	0.052	0.054
Fire Pension	0.028	0.027	0.025	0.023	0.023	0.023	0.023	0.025	0.028	0.034
Police Pension	0.033	0.034	0.035	0.036	0.034	0.036	0.035	0.037	0.039	0.050
Parks and Recreation	0.062	0.060	0.133	0.128	0.127	0.112	0.098	0.090	0.092	0.140
Special Recreation	-	-	-	-	-	0.011	0.010	0.010	0.010	0.011
General Obligation Bond 1992 C	-	-	-	-	-	-	-	-	-	-
General Obligation Bond 1995	0.068	0.063	-	-	-	-	-	-	-	-
General Obligation Bond 1998 B	0.039	0.035	0.032	0.031	0.028	0.026	0.024	0.023	-	0.023
General Obligation Bond 2000	0.046	0.035	0.020	0.022	0.020	0.020	0.025	0.023	0.023	0.004
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	-	-	-	0.036
General Obligation Bond 2003 A	-	-	0.017	0.014	0.013	0.013	0.034	0.033	0.035	0.022
General Obligation Bond 2008	-	-	-	-	-	-	-	-	0.024	0.005
Total tax rate	1.002	0.958	0.916	0.868	0.841	0.793	0.755	0.739	0.756	0.784

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.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ -	\$ -	\$ -	\$ 14,374	\$ 28,705	\$ 22,694	\$ 33,206	\$ 26,184	\$ 2,194	\$ 8,492
Food	-	-	-	43,407	86,898	88,675	89,536	89,969	97,870	83,567
Drinking and Eating Places	-	-	-	57,236	113,425	124,221	129,149	139,291	147,973	127,679
Apparel	-	-	-	36,595	70,485	68,594	63,083	60,423	54,674	55,300
Furniture & H.H. & Radio	-	-	-	18,509	44,588	57,206	57,996	58,530	51,881	42,526
Lumber, Building, Hardware	-	-	-	21,118	42,130	46,974	38,373	30,834	5,765	20,405
Automobile and Filling Stations	-	-	-	20,450	39,402	45,494	48,129	44,478	37,349	27,399
Drugs and Miscellaneous Retail	-	-	-	67,576	126,277	123,674	113,558	116,910	117,787	178,470
Agriculture and All Others	-	-	-	45,369	92,361	102,164	91,488	96,048	100,902	88,052
Manufacturers	-	-	-	1,967	43,902	64,286	88,889	102,914	109,291	21,860
Censored categories	-	-	-	-	-	-	-	-	29,005	-
Total	\$ -	\$ -	\$ -	\$ 326,601	\$ 688,173	\$ 743,982	\$ 753,407	\$ 765,581	\$ 754,691	\$ 653,750
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	-	-	-	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ -	\$ -	\$ 49,597	\$ 54,103	\$ 58,491	\$ 45,778	\$ 67,042	\$ 52,664	\$ 4,392	\$ 16,984
Food	562,974	569,063	567,937	600,443	607,508	621,140	621,566	635,560	629,087	562,455
Drinking and Eating Places	215,624	205,565	223,844	221,068	229,158	252,171	261,151	285,968	302,523	260,953
Apparel	148,261	129,616	130,567	134,835	142,328	137,422	126,196	124,644	109,349	110,600
Furniture & H.H. & Radio	102,080	99,158	109,444	73,506	89,219	114,945	115,995	117,060	103,763	85,052
Lumber, Building, Hardware	110,323	134,587	108,135	91,831	86,497	94,007	76,746	61,668	11,529	40,810
Automobile and Filling Stations	342,332	314,756	219,807	243,898	153,273	165,396	167,847	165,896	130,459	109,080
Drugs and Miscellaneous Retail	416,275	435,025	427,166	420,878	456,475	434,170	425,144	441,773	438,917	546,202
Agriculture and All Others	202,451	208,183	185,280	187,102	199,683	219,086	200,515	208,076	219,358	198,803
Manufacturers	-	-	(4,347)	6,845	88,094	129,053	347,340	205,978	218,715	43,909
Censored categories	103,769	71,018	-	-	-	-	-	-	58,028	-
Total	\$ 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	\$ 1,974,848
Total Number of Payers	700	686	693	743	737	837	849	843	663	647
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
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%
2010	1.50%	5.00%	0.50%	0.50%	7.50%

Data Source

City records

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

** The sales tax rate remained the same as 2007 until April 1, 2008. On April 1, 2008, the sales tax rates increased to the 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				
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
2010	25,457,071	13,000,000	24,925,000	-	63,382,071	2.19%	3.81%	2,934.36

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
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
2010	50,382,071	2,839,265	47,542,806	0.55%	2,201.06

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, 2010

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 37,150,000	9.50%	\$ 3,529,250
Lake County Community College #532	7,545,560	10.00%	754,556
Lake County Forest Preserve District	266,575,000	9.50%	25,324,625
North Shore Sanitary District	3,674,237	27.78%	1,020,703
Central Lake County Joint Action Water Agency	22,545,000	0.0003%	68
Lake Bluff Park District	325,000	0.0036%	12
School District #65	24,455,000	0.0035%	856
School District #67	1,784,788	100.00%	1,784,788
School District #103	4,180,000	0.22%	9,196
High School District #115	55,555,000	78.71%	43,727,341
High School District #128	33,385,000	2.86%	954,811
Subtotal, overlapping debt	<u>457,174,585</u>		<u>77,106,205</u>
City of Lake Forest direct debt	<u>\$ 50,382,071</u>	100.00%	<u>\$ 50,382,071</u>
Total direct and overlapping debt	<u><u>\$ 507,556,656</u></u>		<u><u>\$ 127,488,276</u></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.

Legal Debt Margin Information
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 137,259,928	\$ 151,433,929	\$ 166,237,645	\$ 180,228,505	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	30,617,464	32,168,777	58,238,289	59,911,500	N/A	N/A	N/A	N/A	N/A	N/A
Legal debt margin	\$ 106,642,464	\$ 119,265,152	\$ 107,999,356	\$ 120,317,005	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to the limit as a percentage of debt limit	22.31%	21.24%	35.03%	33.24%	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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	
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
2010	8,446,734	5,397,283	3,049,451	1,358,325	1,126,001	1.23

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 Assessed Value (EAV)	Per Capita EAV	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2010	21,600	(E)	2,890,694,508	133,828	1,665,187,200	77,092	5.8%

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

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

For FY2001 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	2010			2001		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Lake Forest Hospital	1,760	1	8.15%	1,500	1	8.41%
Hospira Inc.	1,400	2	6.48%	1,000	3	5.61%
TAP Pharmaceutical Products	804	3	3.72%	800	4	4.49%
Trustmark Insurance Company	721	4	3.34%	1,400	2	7.85%
Lake Forest College excludes student employees	514	5	2.38%	358	6	2.01%
Pactiv Corporation	464	6	2.15%	800	5	4.49%
Lake Forest Elem. S.D. No. 67 teachers, support staff	357	7	1.65%			0.00%
Lake Forest H.S. District 115 teacher, support staff	354	8	1.64%			0.00%
Brunswick Corporation	308	9	1.43%	200	10	1.12%
Lake Forest H.S. District 115				260	8	1.46%
City of Lake Forest	249	10	1.15%	249	9	1.40%
Lake Forest Elem. S.D. No. 67				296	7	1.66%
Tenneco Packaging/Tenneco Automotive				200	10	1.12%

Data Source

City staff contacted companies via mail.

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

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Budgeted Employees as of April 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Administration	29.5	36.5	30	36	29	27	29	30	30	29
Community Development	11	11	12	12	14	16	16	18	18	15
Public Safety										
Fire Protection										
Firefighters	37	37	38	38	38	37	37	37	37	36
Administrative	1	1	1	1	1	1	1	1.5	1.5	2.5
Police										
Officers	44	45	45	45	45	45	43	43	43	41.5
Civilians	18	17	18	18	19	17	19	18.5	18.5	18.5
Public Works										
Public Works Administration	4	4	4	4	4	5	5	5	5	5
Building Maintenance	3	3	3	3	3	3	4	6	6	6
Engineering	6	6	6	6	6	6	7	7	7	7
Streets	9	9	9	8	8	8	8	8	8	8
Sanitation	15	15	15	12	12	12	14	14	12	12
Forestry	8	8	8	8	8	9	6	9	9	9
Fleet (vehicle) Maintenance	6	6	6	6	6	6	5	5	5	7
Water										
Water Plant	9	9	9	9	9	9	9	9	9	9
Water and Sewer	11	11	11	11	10	10	10	10	10	10
Parks	16	16	18	19	16	16	11	7.25	7.25	7.25
Recreation	16	14	13	13	14	14	19	17.5	17.5	17.5
Golf Course	3	3	3	3	3	4	4	4.25	4.25	3.25
Cemetery	2	2	2	2	2	2	2	2	2	2
Senior Resources	2	2	3	3	3	3	3	3	3	3
Sub - total City	250.5	255.5	254	257	250	250	252	255	253	248.5
Library	29.6	29.6	29.6	29.6	29.6	29.6	29.6	30	29	27.24
Total all	280.1	285.1	283.6	286.6	279.6	279.6	281.6	285	282	275.74

Data Source

City Departments

Operating Indicators
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	-	-	-	-	-	-	249	283	183	261
Rebates Issued	-	-	-	-	-	-	24	35	23	30
Birth Certificates Issued	2,777	3,191	2,164	1,957	2,419	2,198	2,930	2,790	2,690	2,751
Passports Issued (2)	-	-	172	314	252	193	314	132	89	108
Community Development										
Building permits issued	4,931	4,331	3,767	4,308	4,740	4,055	3,501	3,491	3,142	2,610
Residential construction	78	64	63	83	128	44	22	33	23	4
Commercial construction	5	3	1	3	5	1	3	1	3	1
Building inspections conducted	N/A	N/A	N/A	10,706	13,021	11,945	10,880	11,343	9,284	8,060
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	1,423	1,443	1,403	1,465	1,446	1,477	1,624	1,558	1,041
Fire	N/A	1,545	1,459	1,581	1,523	1,558	1,647	1,576	1,759	1,233
Police (calendar year)										
Non traffic arrests	688	626	599	556	537	506	526	450	449	424
Parking violations	6,464	8,530	8,939	10,360	9,655	11,189	11,898	9,530	9,626	8,472
Traffic violations	4,510	4,202	5,210	4,948	4,721	4,821	4,512	3,287	5,320	3,190
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	9.33	6.31	6.95	2.41	3.90	4.41	1.90	10.36	3	576
Potholes repaired (4)	3,701	3,512	1,846	2,102	2,957	2,484	1,575	N/A	N/A	N/A
Number of snow events										
Salting	12	14	21	8	14	5	10	20	8	14
Plowing	16	3	10	15	10	9	16	36	25	15
Inches of snow	52	23	33	30	46	47	33	83	72	56
Sanitation										
Refuse collection customers	5,870	5,896	5,896	5,896	5,896	6,217	6,316	6,356	6,361	6,361
Parks and Recreation (3)										
Fitness										
Number of programs	435	436	414	564	565	533	478	370	348	349
Units of participation	1,922	1,861	2,070	2,682	2,616	2,657	2,228	1,796	1,648	1,355
Athletics										
Number of programs	206	228	209	229	200	199	210	220	213	278
Units of Participation	4,217	4,063	3,770	3,608	3,369	3,279	3,189	3,232	3,253	3,148
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	257	279	299	327	324	323	337	343	307	306
Units of participation	1,886	1,990	2,053	2,016	2,169	1,932	1,874	1,873	1,541	1,402
Cultural Arts/Special Events										
Number of programs	264	334	335	362	356	436	417	326	338	292
Units of participation	2,467	2,652	3,052	3,062	2,894	3,831	3,618	2,454	2,536	2,274

Operating Indicators (Continued)
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	245	220	263	214	227	231	224	221	176	146
Units of participation	1,366	1,421	1,562	1,149	1,273	1,335	1,274	1,157	969	772
Developed parks and recreation areas	10	10	10	10	10	10	10	10	10	10
Developed park acreage	354.5	354.5	370.0	370.5	370.5	370.5	395.5	395.5	395.5	395.5
Sites with playgrounds	7	7	8	8	8	8	8	8	8	8
Sites with baseball diamonds	5	5	7	7	7	7	7	7	7	7
Sites with soccer fields	6	6	7	7	7	7	7	7	7	7
Sites with basketball courts	3	3	4	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	33,780	35,032	31,980	33,500	34,500	38,700	36,500	39,900	35,494	35,079
Daily fee	15,783	17,404	15,994	17,500	18,000	18,600	17,000	18,000	15,500	15,839
Seasonal	17,997	17,628	15,986	16,000	16,500	20,100	19,500	21,900	19,994	19,240
Water										
New Connections (tap-ons)	139	110	95	120	140	99	52	34	39	16
Meters in operation	6,302	6,380	6,194	6,534	6,566	6,633	6,695	6,681	6,771	6,774
Meters connected to sewerage system	5,950	5,950	6,105	6,105	6,137	6,501	6,482	6,520	6,606	6,651
Average daily consumption (MGD)	3.847	3.598	4.155	3.977	3.942	4.913	3.931	4.182	3.737	3.611
Peak daily consumption (MGD)	10.437	10.139	12.092	11.073	9.394	12.407	10.773	9.477	9.883	9.389
Rated daily pumping capacity (MGD)	12	12	12	14	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	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	1,321.1
Municipal paid parking facilities										
Long-term parking spaces										
Miscellaneous lots	813	813	813	813	813	813	813	813	813	813
Union Pacific (CBD district)	98	98	98	98	98	98	98	98	98	98
Metra (Telegraph Road)	502	502	502	502	502	502	502	502	502	502
Short-term parking spaces	341	341	341	341	341	341	341	341	341	341
Component Unit										
Library services										
Books and non print materials	120,892	124,258	127,790	126,930	128,817	133,893	137,343	140,171	143,518	142,654
Registered borrowers	19,097	13,855	14,825	13,593	13,634	13,820	14,002	14,233	14,490	15,145
Fiscal yearbooks, items or materials circulation	400,069	388,787	425,427	387,894	399,844	398,504	407,399	415,547	406,998	488,056

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. Fitness data does not include Fitness Center memberships
b. Units of participation may include an individual more than once
 - (4) Department stopped tracking after FY2007
- 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	2010
Public Safety											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	23	23	23	23	23	23	23
Fire protection											
Stations	2	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	14	14	14	14	14	14
Public Works											
Bridges											
Vehicle	14	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	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	119.00
Streetlights											
Gas	440	440	440	438	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	1,473
Storm sewer (miles)	205.72	208.06	213.32	213.32	213.36	216.14	217.56	218.26	218.26	218.29	219.17
Parks and Recreation											
Acreage	354.5	354.5	354.5	370.0	370.5	370.5	370.5	395.5	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	165.25
Fire hydrants	1,300	1,300	1,300	1,300	1,328	1,350	1,350	1,353	1,331	1,362	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	138.90

Data Source

City departments

N/A equals data not available