

# **Comprehensive Annual Financial Report**



**City of Lake Forest, Illinois**

**For the Year Ended April 30, 2014**

# **CITY OF LAKE FOREST, ILLINOIS**

Comprehensive Annual Financial Report

Year Ended April 30, 2014

(With Independent Auditor's Report Thereon)

Prepared by:

Department of Finance

Elizabeth Holleb

Finance Director

and

Diane Hall

Assistant Finance Director

## **INTRODUCTORY SECTION**

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Comprehensive Annual Financial Report  
Year Ended April 30, 2014

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October 16, 2014

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

The Comprehensive Annual Financial Report of the City of Lake Forest (City) for the year ended April 30, 2014, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

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

The City's financial statements have been audited by McGladrey 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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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



## ***Profile of The City of Lake Forest***

The City of Lake Forest was incorporated as a city under a charter granted by the Illinois State Legislature in 1861 and amended in 1869. Lake Forest is a residential community of 19,375 people and has a land area of 17.18 square miles. It is situated on Lake Michigan, thirty miles north of downtown Chicago in Lake County. In its American Community Survey, 2008-2012 estimates, the U.S. Census Bureau reported the City had a median family income of \$136,583 and median home value of \$866,200, significantly higher than comparable figures for Lake County and the State of Illinois.

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

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

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

Each year the City of Lake Forest prepares an annual budget document. This plan contains the following sections: the budget message, summary table of anticipated revenues and expenditures for the fiscal year, operating budgets for each department, and the pay plan/personnel policies. The budget message highlights the significant expenditure events that will occur and the objectives to accomplish these events. It justifies the increases in capital expenditures and also lists the goals that are to be achieved during the budget year.

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

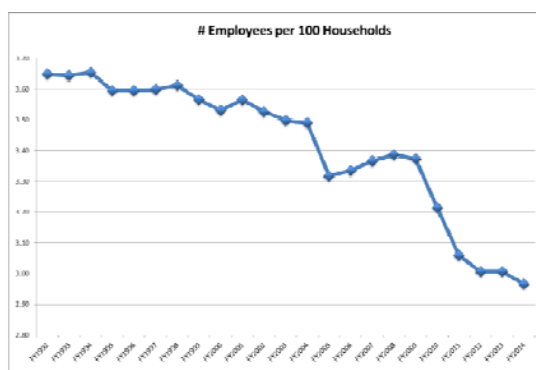
In addition, the Appropriation Ordinance provides for a 10% contingency in expenditures in an amount above those actually budgeted. Each separate fund includes an item labeled contingency, with an appropriate sum equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency line item, the City Council and City staff follow the adopted budget as its spending guideline and not the Appropriation Ordinance. This practice has been followed for more than thirty years and has worked very efficiently as a mechanism to address unanticipated items that may arise throughout the fiscal year.

Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Parks and Recreation Fund, this comparison is presented beginning on page 62 as required supplementary information as required by GASB Statement No. 34 for the General Fund and major special revenue funds. The Capital Improvements Fund, a major fund and for non-major governmental funds with appropriated annual budgets, this comparison is presented in the Other Supplementary Information section of this report, which starts on page 68.

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

**Local Economy.** The City of Lake Forest, like all communities, is continuing to face challenges brought on by the national economy but has developed mechanisms to mitigate the downturn. Statistically:

- Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2013, the City's annual average unemployment rate was estimated to be 7.1%, compared to 8.7% for Lake County and 9.2% for the State of Illinois.
- The consumer confidence index is closely monitored by economists because consumer spending accounts for 70% of the United States' economic activity. In August 2014, the index was 92.4, up from 90.3 in July, and up significantly compared to 81.5 in August of 2013. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.



As revenues declined in recent years due to national economic conditions, the City has proactively reduced operating expenses to ensure a balanced budget and compliance with the City's fiscal policies. Since personnel costs represent nearly 70% of the operating budget, it has been necessary to achieve costs savings through reduced personnel. In fiscal years (FY) 2009-2014, the City has reduced budgeted full time employees by 31 positions, returning the City's total employee count below FY1992 levels. FY2015 budgeted full-time positions remained the same as FY2014.

In February 2011, the City Council approved an organizational restructuring and Early Retirement Incentive (ERI) program which is offered and regulated by the Illinois Municipal Retirement Fund (IMRF). The State of Illinois passed a pension reform law effective January 1, 2011 which allows new hires without previous IMRF participation to join a Tier 2 pension plan which costs 38% less than the current plan. Twenty-six (26) employees participated in the ERI program, which is projected to generate net savings of \$4.5 million over the initial ten year period. The annual savings are being used to help balance the General Fund's annual budget through FY16 and to provide capital improvement funding. In December 2012, the City Council approved the use of excess fund balance reserves to pay off the ERI liability in its entirety, rather than amortizing over ten years as initially anticipated. This early payoff allowed the City to avoid \$1.8 million in interest costs over the amortization period.

Approximately half of the City's General Fund revenues come from property taxes, which continue to be a stable revenue source. The other major funding sources of sales tax, income tax, utility taxes and building permit revenues met or exceeded the FY2014 budget estimates. However, these revenues remain significantly lower than revenues received before the 2008 recession.

The financial condition of the State of Illinois continues to be a significant concern although the City has limited reliance on the State for direct funding. The State continues to be behind in making payments to the City for its share of the income tax, but legislation recently approved will minimize these delays in the future. The City is vigilant in monitoring any legislation that may be introduced that could have a negative impact on the City's budget and would vigorously oppose such legislation.

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

on the main page of the City's website under Economic Development. In September 2013, Lake Forest was proud to host the BMW Championship, which brought the top 70 professional golfers from around the world to the City as part of the PGA Tour playoffs for the FedEx Cup. The City actively embraced the event as a unique opportunity to market the community on an international stage. As testament to the success of the event, it was recently announced that the BMW Championship will return to Lake Forest in 2015. More than 130,000 spectators attended the 2013 event.

In an effort to proactively address budgetary issues that may arise throughout the year, City staff monitors revenues and expenses on a monthly basis. Monthly financial "flash" reports are provided to the City Council Finance Committee. 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 annually by the City Council. The Fiscal Policy is designed to establish guidelines for the fiscal stability of the City and to provide guidelines for the City's chief executive officer, the City Manager. Effective fiscal policy:

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

In Fiscal Year 2014 the City Council adopted revisions to the Fiscal Policy effective for FY2015 to establish fund balance targets for each City fund. Previously, a formal fund balance target had only been designated for the General Fund. This change will ensure greater emphasis on maintaining healthy reserves to address contingencies or unanticipated expenditures.

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

FY2014 real estate transfer tax revenue totaled \$1.7 million. Significant fluctuations occur in this revenue source due to changes in economic conditions, and more specifically the housing market. The City will remain conservative in projecting this revenue source and in spending monies on capital projects.

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

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

In FY2014, the City Council and staff conducted a special long-term financial planning work session focused on the General Fund, Capital Improvements Fund and Water Fund. These discussions resulted in further deliberation and adoption of a new sanitation fee as well as restructuring of the water rates to address long-term capital needs. Both of these revenue enhancements were effective May 1, 2014.

**Pension Benefits.** Escalating costs for employee pension benefits will continue to pose financial challenges to the City. Sworn police and fire personnel receive retirement and disability benefits from the Police Pension Fund and Firefighters' Pension Fund, respectively. Both of these plans are defined

benefit, single-employer plans administered by boards of trustees. The defined benefits and employee contribution levels are governed by Illinois Compiled Statutes and may only be amended by the Illinois General Assembly. Police participants are required to contribute 9.91% of their base salaries and fire participants are required to contribute 9.455% of their base salaries. The City is required to contribute the remaining amounts necessary to finance each plan as determined by an independent actuary. As of April 30, 2014, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 56.2% and for the Firefighters' Pension Plan is 76.3%.

All other employees of the City who work over 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. Benefit provisions and funding requirements are established by State statutes and may only be changed by the Illinois General Assembly.

Employees participating are required to contribute 4.5% of their annual wages and the City is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan. As of December 31, 2013, the funded ratio for IMRF is 73.9%, excluding the actuarial accrued liability for retirees which is 100% funded.

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

In anticipation of implementation of GASB Statement No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*, the City has made adjustments to the mortality table and interest rate assumptions for its police and fire pension fund actuarial valuations. These changes have reduced the funded ratio but are intended to put the City in an even stronger position when implementing the new standards in FY2015 and FY2016. These changes are in addition to historically overfunding the annual pension cost as determined by the independent actuary.

Additional information on the City's pension arrangements and other postemployment benefits may be found in Note 9 of the financial statements.

## **Major Initiatives**

The City is committed to maintaining the quality of life and the preservation of the character and heritage of Lake Forest. The City must continue to adhere to its prudent financial management practices and remain focused on sustaining long-term financial stability. For FY2014, the most significant initiatives were as follows:

- The City and Conway Farms Golf Club hosted the 2013 BMW Golf Tournament which was recognized as the top professional golf tournament in 2013 and providing the City international exposure.
- The City collaborated with three neighboring communities in exploring operational service enhancements and cost savings through central dispatching. Implementation of consolidated dispatch will occur in FY2015 with projected annual savings exceeding \$350,000 annually.
- City staff worked with the Property and Public Land Committee to begin the process of selecting a preferred developer to partner with the City in redeveloping the 10-acre Laurel Avenue site, the previous location of the City's municipal services facility. The preferred developer has recently been announced and it is anticipated that construction will begin 2<sup>nd</sup> quarter 2015.

- The City launched a new website designed to provide easier access to information about City programs.
- Plan reviews and approvals have been completed for the Northwestern Lake Forest Hospital expansion project, which will include construction of a brand new hospital facility.
- Capital expenditures in Fiscal Year 2014 included street improvements (\$1.9 million), Year 1 of the Emerald Ash Borer tree removal and replacement program (\$289,000), Phase 1 of the Forest Park improvement project (\$800,000), Route 60 beautification (\$221,520), and Water/Sanitary Sewer capital improvements (\$1.5 million).

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Lake Forest for its comprehensive annual financial report for the fiscal year ended April 30, 2013. This was the thirty-fifth (35<sup>th</sup>) consecutive year that The City of Lake Forest has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Robert R. Kiely, Jr.  
City Manager



Elizabeth A. Holleb  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lake Forest  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2013**

Executive Director/CEO

## **CITY OF LAKE FOREST, ILLINOIS**

### List of Principal Officials

Year Ended April 30, 2014

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#### LEGISLATIVE

##### City Council

Donald P. Schoenheider, Mayor

George A. Pandaleon

Stanford Tack

Kent E. Novit

John Reisenberg

Catherine A. Waldeck

Robert T. Palmer

David Moore

Michael R. Adelman

#### AUDIT COMMITTEE

Michelle Moreno, Chairman

Lucinda Baier

Andrew Marwede

Amy Krebs

Andrew Logan

George A. Pandaleon, Alderman (ex-officio)

Donald P. Schoenheider, Mayor (ex-officio)

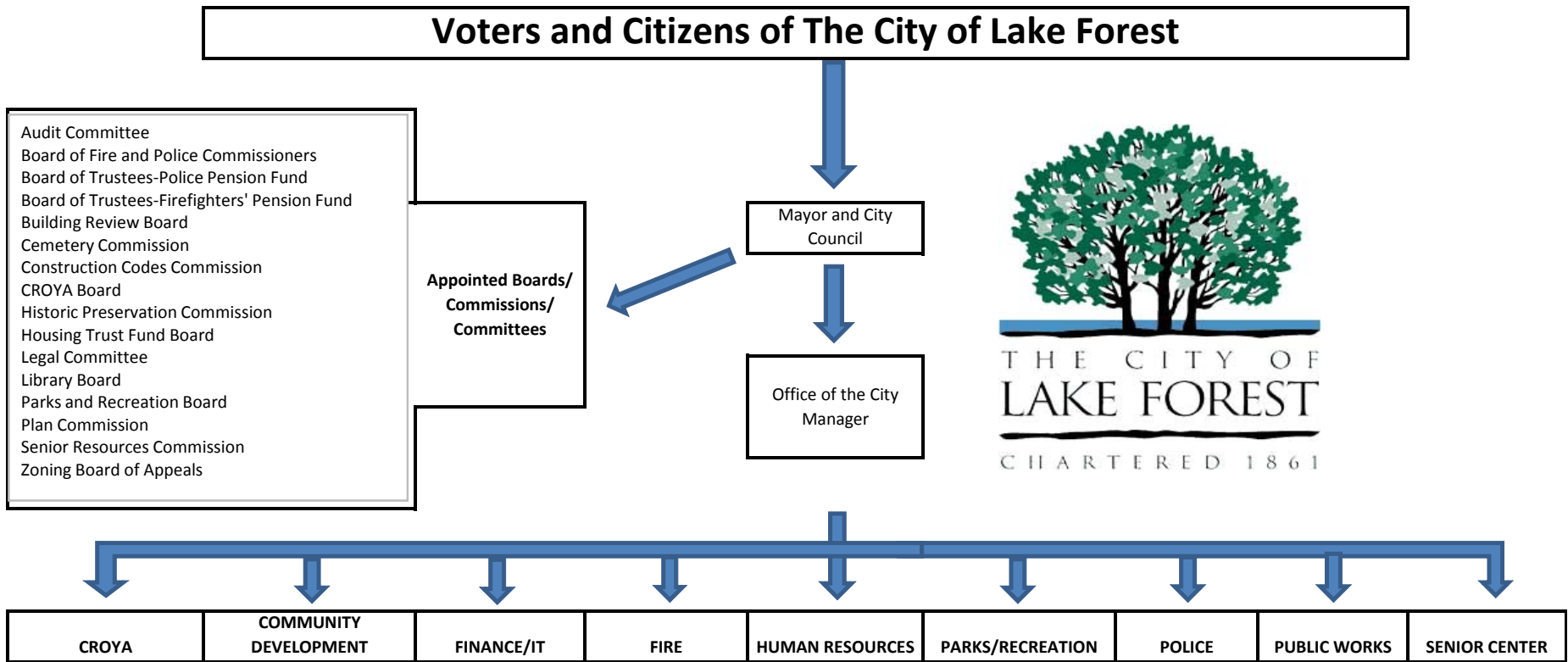
#### EXECUTIVE

Robert R. Kiely, Jr., City Manager

#### DEPARTMENT OF FINANCE

Elizabeth Holleb, Director of Finance

Diane Hall, Assistant Finance Director





## **FINANCIAL SECTION**

## **Independent Auditor's Report**



## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Forest, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 13 to the financial statements, during the year ended April 30, 2014 the City implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which required a restatement of opening net position of \$259,530. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 15), budgetary comparison information (pages 62 - 63), and pension and OPEB information (pages 64 - 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Other Supplementary Information (pages 68 – 121), the Introductory Section and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information, consisting of combining and individual fund statements and schedules, discretely presented component unit statements and debt service schedules, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Schaumburg, Illinois  
October 16, 2014

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

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

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

**Financial Highlights**

- The City's net position increased by \$.3 million during the fiscal year ending April 30, 2014 (FY14). The governmental net position increased by nearly \$309,000 and the business-type activities net position increased by \$23,000.
- The governmental activities revenue decreased by \$.4 million (< 1.0%) due primarily to the expiration of a Tax Increment Financing (TIF) district in FY13, resulting in reduced property tax revenue. The expenses decreased by \$2.9 million (5.6%) due to a \$2.6 million surplus distribution in FY13 related to the termination of the West Lake Forest TIF district and \$2.7 million paid from fund balance reserves in FY13 to pay off the Early Retirement Incentive (ERI) program liability and avoid interest costs in future years. The transfers were unchanged.
- The business-type activities revenue decreased by \$1.0 million and expenses decreased by \$.7 million due to weather conditions favorably impacting water sales and the ERI liability repayment in FY13. The transfers were unchanged.
- The total cost of all City programs decreased from \$61.4 million in FY13 to \$57.8 million in FY14 – largely attributable to \$5.3 million in one-time FY13 payments discussed above.

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

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

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 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 Position (the Unrestricted Net Position) is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

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

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

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**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) is essentially the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 19 and 21). The flow of current financial resources will reflect debt proceeds and inter-fund transfers as other financing sources as well as capital expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

**Infrastructure Assets**

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

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Position**

The City's combined net position increased by \$.3 million for FY14 – from \$270.4 million (restated) to \$270.7 million. The analysis following will look at net position and net expenses of governmental and business-type activities separately. The total net position for the governmental activities increased by \$.3 million from \$224.5 million (restated) to \$224.8 million. The business-type activities net position increased by \$23,000 from \$45.879 million (restated) to \$45.902 million. Table 1 reflects the condensed Statement of Net Position compared to FY13 (as restated). Table 2 will focus on the changes in net position of the governmental and business-type activities.

Table 1  
**Statement of Net Position**  
**As of April 30 2014 and 2013**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and Other Assets	\$73.5	\$68.8	\$10.8	\$10.8	\$84.3	\$79.6
Capital Assets	220.0	224.6	54.8	56.5	274.8	281.1
<b>Total Assets</b>	<b>293.5</b>	<b>293.4</b>	<b>65.6</b>	<b>67.3</b>	<b>359.1</b>	<b>360.7</b>
<b>Deferred Outflows</b>	<b>0.1</b>	<b>0.2</b>	<b>0.8</b>	<b>1.0</b>	<b>0.9</b>	<b>1.2</b>
Long- Term Liabilities	38.0	39.3	19.7	21.6	57.7	60.9
Other Liabilities	6.6	6.3	0.8	0.8	58.6	7.1
<b>Total Liabilities</b>	<b>44.6</b>	<b>45.6</b>	<b>20.5</b>	<b>22.4</b>	<b>65.1</b>	<b>68.0</b>
<b>Deferred Inflows</b>	<b>24.2</b>	<b>23.5</b>	<b>0.0</b>	<b>0.0</b>	<b>24.2</b>	<b>23.5</b>
<b>Net Position:</b>						
Net Investment in						
Capital Assets	184.3	187.5	36.2	36.1	220.5	223.6
Restricted	16.8	16.1	0.0	0.0	16.8	16.1
Unrestricted	23.7	20.9	9.7	9.8	33.4	30.7
<b>Total Net Position</b>	<b>\$224.8</b>	<b>\$224.5</b>	<b>\$45.9</b>	<b>\$45.9</b>	<b>\$270.7</b>	<b>\$270.4</b>

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

**Normal Impacts**

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

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

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

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

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

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

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

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

**Current Year Impacts**

The City's \$.3 million increase in combined net position (which is the City's bottom line) was the result of the governmental activities net position increasing by \$.3 million and the business-type activities net position increasing by \$23,000.

The governmental activities total assets increased by \$.1 million and the governmental activities total liabilities decreased by \$1.0 million (2.2%). With the implementation of GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities*, property taxes receivable previously reported as deferred revenue are now shown as deferred inflows of resources and increased \$.7 million. The change in total assets is small but reflects a reduction in capital assets that occurred primarily due to depreciation on capital assets significantly exceeding additions, offset by a similar increase in current and other assets due to an increase in cash and investments. The decrease in total liabilities reflects the scheduled retirement of general obligation bonds, net of the issuance of new debt to refund existing bonds. See additional information in the Debt Outstanding section of the MD&A.

Net investment in capital assets decreased due to depreciation exceeding additions and unrestricted net position increased by \$2.8 million.

The net position of business-type activities increased by \$23,000, from \$45.879 million to \$45.902 million. The primary change in assets of the business-type activities was a decrease in capital assets due to depreciation expense exceeding capital additions by \$1.7 million.

Long-term liabilities decreased by \$1.9 million due to scheduled maturities of debt obligations. The unrestricted net position decreased from \$9.8 million to \$9.7 million. The majority of the unrestricted net position can be used by the City to finance water and sewer operations. The City has a policy of maintaining 33% of revenue plus one year's debt service plus \$500,000 as a reserve in its water fund. The annual operating cost for this program is approximately \$6.9 million per year and interest expense on bonds is \$.6 million.

**Changes in Net Position**

The City's combined change in net position was an increase of \$.3 million from FY13. The City's total revenues decreased by \$1.4 million due in large part to a TIF district expiring in FY13 resulting in reduced property tax revenue. The City's cost of all programs decreased by \$3.6 million, largely attributable to one-time payments in FY13 due to the termination of the TIF district and the early payoff of the ERI liability from reserves.

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



**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Year Ended April 30, 2014 and 2013**  
**(in millions)**

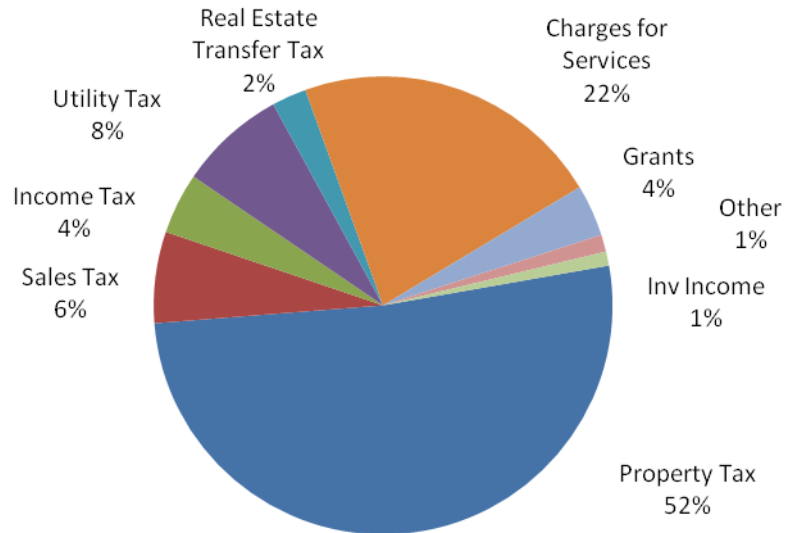
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>						
Program Revenue						
Charges for Services	\$10.8	\$10.9	\$8.9	\$9.9	\$19.7	\$20.8
Grants and Contributions						
Operating	1.1	1.8			1.1	1.8
Capital	0.8	0.0			0.8	0.0
General Revenue						
Property Taxes	23.7	25.1			23.7	25.1
Other Taxes	12.1	10.7			12.1	10.7
Other	0.7	1.1			0.7	1.1
<b>Total Revenue</b>	<b>49.2</b>	<b>49.6</b>	<b>8.9</b>	<b>9.9</b>	<b>58.1</b>	<b>59.5</b>
<b>EXPENSES</b>						
Governmental Activities						
General Government	12.3	16.2			12.3	16.2
Highways and Streets	7.8	7.5			7.8	7.5
Sanitation	2.6	2.5			2.6	2.5
Culture and Recreation	10.4	10.4			10.4	10.4
Public Safety	14.4	13.7			14.4	13.7
Interest	1.3	1.4			1.3	1.4
Business-Type Activities						
Water and Sewer			7.5	8.3	7.5	8.3
Golf			1.5	1.4	1.5	1.4
<b>Total Expenses</b>	<b>48.8</b>	<b>51.7</b>	<b>9.0</b>	<b>9.7</b>	<b>57.8</b>	<b>61.4</b>
<b>Excess before Transfers</b>	<b>0.4</b>	<b>(2.1)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.3</b>	<b>(1.9)</b>
Transfers In (out)	(0.1)	(0.1)	0.1	0.1	0.0	0.0
Change in Net Position	0.3	(2.2)	0.0	0.3	0.3	(1.9)
<b>Net Position - Beginning*</b>	<b>224.5</b>	<b>226.7</b>	<b>45.9</b>	<b>45.6</b>	<b>270.4</b>	<b>272.3</b>
<b>Net Position - Ending</b>	<b>\$224.8</b>	<b>\$224.5</b>	<b>\$45.9</b>	<b>\$45.9</b>	<b>\$270.7</b>	<b>\$270.4</b>

\* Restated

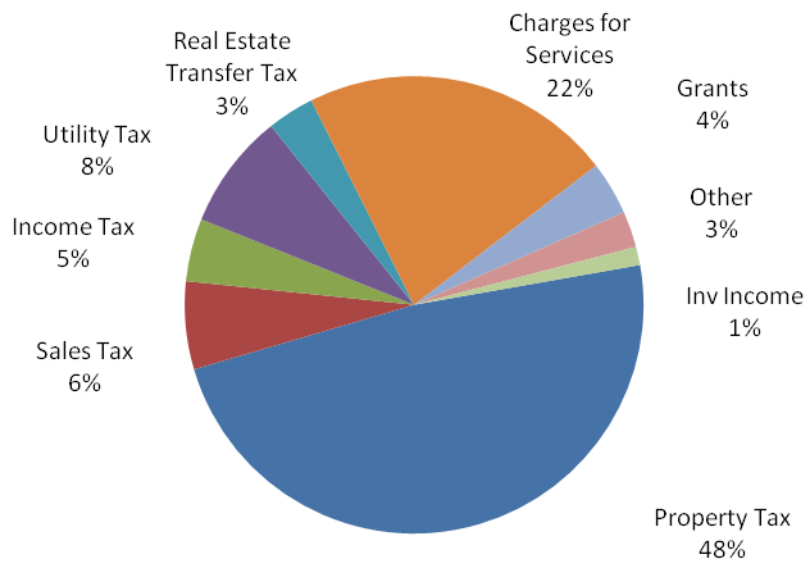
\* Net Position – Beginning is restated for implementation of GASB 65 (see Note 13 for detail).

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**FY2013 Governmental Activities Revenue**

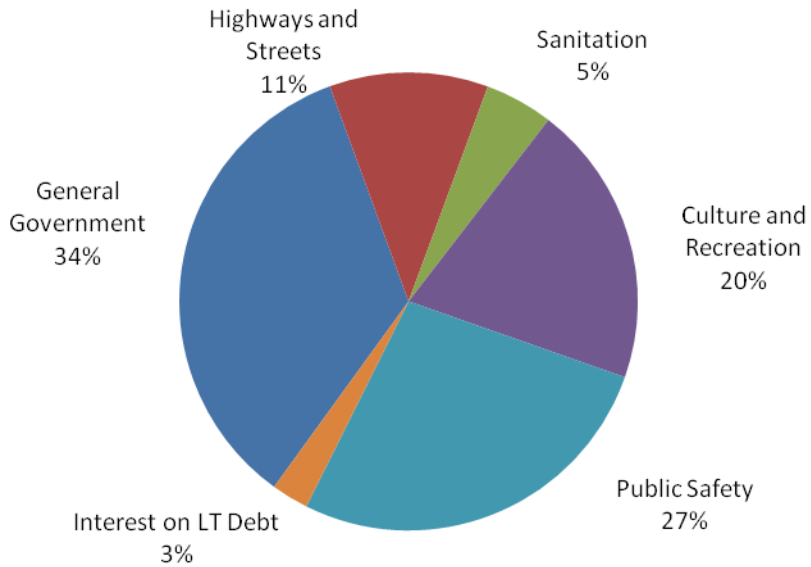


**FY2014 Governmental Activities Revenue**

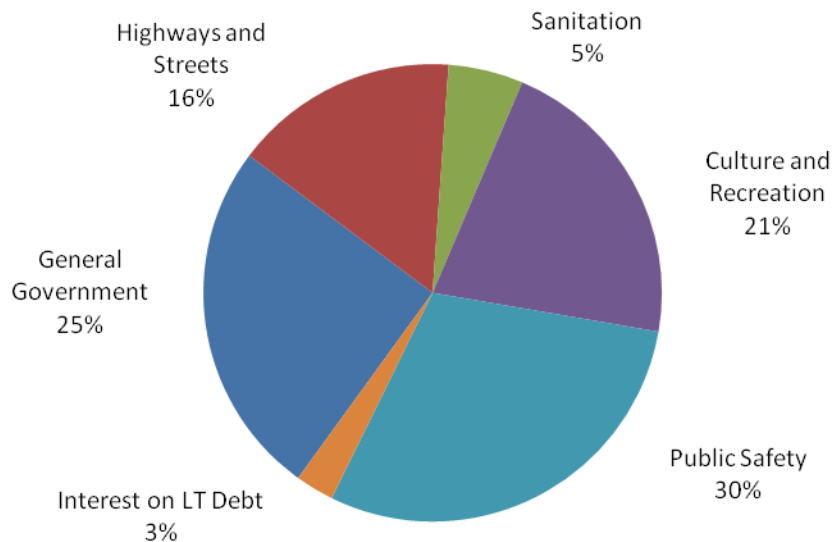


**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**FY2013 Governmental Activities Expenses**



**FY2014 Governmental Activities Expenses**



**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**Normal Impacts**

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

**Revenues**

*Economic Condition* can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

*Increase/Decrease in City approved rates* – while certain tax rates are set by statute, the City Council has authority to impose and periodically increase/decrease rates (water, sewer, building fees, etc.).

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

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

**Expenses**

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

*Increase/Decrease in Authorized Personnel* – changes in service demand may cause the City Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent nearly 70% of the City's general fund operating costs.

*Salary Increases (annual adjustments and merit)* – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

*Inflation* – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

**Current Year Impacts**

**Governmental Activities**

**Revenue**

For the fiscal year ended April 30, 2014, revenues from governmental activities totaled \$49.2 million, down from \$49.6 compared to FY13. The single greatest factor resulting in the change between FY13 and FY14 was a \$1.4 million decline in property tax revenues resulting from a Tax Increment Financing (TIF) district expiring in FY13. Property tax revenue continues to be the City's single largest revenue source, contributing \$23.7 million (48%) of governmental activities revenue.

Property tax revenues combined with sales tax, the local utility tax, shared state income tax and real estate transfer tax revenues total \$35.8 million and represent 70% of the total governmental activities revenue.

The real estate transfer tax became effective July 5, 2006 with a 58% voter approval via referendum. The tax is imposed upon buyers of any residential or commercial real estate at a rate of \$4.00 per \$1,000 of value. The revenue is used strictly to improve the City's infrastructure. The City's 2013 equalized assessed valuation decreased 5.2% to \$2,253,547,404. Although the City became a home rule

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

municipality in November 2004, the City still follows the Illinois Property Tax Extension Limitation Laws (PTELL), otherwise known as the tax cap.

Investment income increased by \$0.2 million (\$0.5 million to \$0.7 million). The City's strategy for investing did not change.

**Expenses**

For the fiscal year ended April 30, 2014, expenses for governmental activities totaled \$48.8 million, a decrease of \$2.9 million. This decrease is due to two one-time events occurring in FY13 reported as General Government expenses and resulting in the \$3.9 million decrease in this category. First, the City terminated the West Lake Forest TIF district resulting in a \$2.6 million surplus distribution to impacted taxing districts. Second, the City elected to use fund balance reserves to pay off its liability associated with the Early Retirement Incentive (ERI) program, thereby avoiding future interest costs. Overall, the City has experienced a reduction in personnel expenses as a result of reducing headcount. The ERI program has allowed for a reduction in the number of personnel, as well as the replacement of long-tenured personnel with new employees that have lower salaries and lower cost pensions due to the two-tier pension system.

The City's highways and streets expense category increased by \$.3 million (4%) while sanitation expenses increased \$.1 million (4%) and public safety expenses increased \$.7 million (5%). All of these increases were due to personnel cost increases.

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 FY14 expenses included funding for the City's performance based employee compensation package plus a 2.5% general salary adjustment.

***Business-type Activities***

**Revenue**

Total revenue for the business-type activities decreased by \$1.0 million due to weather conditions favorably impacting water sales in FY13.

**Expenses**

The City's business-type activity expenses decreased by \$.7 million or 7%. The decrease occurred in the water fund due to its portion of the ERI liability repayment in FY13.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

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

**Governmental Funds**

At April 30, 2014, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$35.2 million which is a 10% increase from the beginning of the year (\$32.0 million). Of the total fund balance of \$35.2 million, \$33.0 million is available for continuing City services and capital projects. The unassigned fund balance of the General Fund at April 30, 2014 is \$14.5 million, which is a \$3.5 million (31.8%) increase over the prior year.

**Major Governmental Funds**

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total Fund Balance of the General Fund increased by \$2.9 million or 19.4% from FY13 (\$14.7 million to \$17.6 million). The General Fund revenues increased by \$.9 million (2.9%) and the expenditures decreased by \$.8 million (2.8%) due to the early payoff of the ERI liability in FY13. Excluding this one-time payment, expenditures increased by \$1.1 million (4%) compared to the prior year, largely driven by personnel cost increases. The excess of revenues over expenditures (before transfers) for FY14 of \$5.2 million compared favorably to the \$3.4 million in FY13. The other financing sources (uses) decreased by \$0.1 million from \$(2.4) million to \$(2.3) million.

Primary revenue fluctuations between FY13 and FY14 were increases in property taxes and charges for services. 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 2012 levy extension (FY14 revenue) allowed for a 3.0% CPI factor as well as new equalized assessed valuation growth. Due to the expiration of the TIF district in FY13, the City received additional property tax revenue as those properties were returned to the tax rolls.

Excluding the impact of the ERI payoff in FY13, General Fund expenditures increased overall due to personnel cost increases. General government increased 3.3%, highways and streets increased 15% due to increased salt purchases due to winter conditions, sanitation was unchanged and public safety costs increased 3.7%.

**Table 3**  
**General Fund Budgetary Highlights**  
**(in millions)**

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$25.7	\$25.7	\$26.3
Other	6.2	6.2	6.7
Total	31.9	31.9	33.0
Expenditures and Transfers:			
Expenditures	32.2	32.2	27.8
Transfers (Net)	2.3	2.3	2.3
Total	34.5	34.5	30.1
<b>Change in Fund Balance</b>	<b>(\$2.6)</b>	<b>(\$2.6)</b>	<b>\$2.9</b>

Actual General Fund revenues were higher than the original budgeted revenues by \$1.1 million during FY14. This increase is mainly due to increased sales tax revenues and other taxes such as income and utility taxes. Actual General Fund expenditures were lower than the original and final budget by \$4.4 million as it is the City's policy to add 10%, which is \$3.1 million, of contingency funding to the budget appropriation. The contingency amount is only for emergency use and was not used in FY14.

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 62.

The Parks and Recreation Fund accounts for the parks and recreation programs. Services include forestry and parks maintenance operations, a fitness center, dance academy, and a variety of other indoor and outdoor programs. The Fund Balance of the Parks and Recreation Fund increased by \$0.3 million from \$2.5 million to \$2.8 million. The Parks and Recreation Fund revenues increased by \$.1 million (1.6%) while expenditures decreased by \$.7 million (7.7%). The decrease in expenditures was attributable to the Parks portion of the early payoff of the ERI liability in FY13. The excess of revenues over expenditures increased from \$(729,000) to \$88,000 attributable to the \$.8 million ERI payment.

The Capital Improvements Fund is reported as a Major Fund for FY14 and is used to account for revenues used to fund City building and infrastructure projects. Fund balance of this fund increased by \$.2 million to \$4.1 million, with revenue increasing by \$.3 million due to increased real estate transfer tax revenue and expenditures increasing \$1.3 million due to increased capital outlay.

**CAPITAL ASSETS**

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land and Improvements	\$45.3	\$45.5	\$0.5	\$0.5	\$45.8	\$46.0
Infrastructure - Land	66.7	66.7	0.0	0.0	66.7	66.7
Construction in Progress	0.0	0.0	0.9	0.0	0.9	0.0
Infrastructure	62.6	64.7	0.0	0.0	62.6	64.7
Buildings	21.6	22.3	15.4	16.4	37.0	38.7
Improvements	19.6	20.8	22.2	23.1	41.8	43.9
Machinery and Equipment	4.2	4.6	1.9	2.0	6.1	6.6
Sanitary Sewers	0.0	0.0	14.0	14.5	14.0	14.5
Total	\$220.0	\$224.6	\$54.9	\$56.5	\$274.9	\$281.1

At the end of FY14, the City had a combined total of \$274.9 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$6.2 million. The net decrease is attributable to a \$4.6 million decrease in governmental activities and a \$1.6 million decrease in the business-type activities.

The \$4.6 million decrease in the governmental activities was primarily due to \$6.2 million of depreciation offset by \$1.8 million of capital asset additions. The \$1.6 million decrease in business-type activities was primarily due to \$2.8 million of depreciation offset by \$1.2 million in asset additions (largely construction in progress).

**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 45-47 of the Notes.

**Table 5**  
**Change in Capital Assets**  
**(in millions)**

	Governmental Activities	Business-Type Activities	Total
<b>Beginning Balance</b>	\$224.6	\$56.5	\$281.1
Additions			
Depreciable	1.7	0.3	2.0
Non-Depreciable	0.0	0.0	0.0
Construction in Progress	0.1	0.9	1.0
Retirements			
Depreciable	(0.3)	(0.1)	(0.4)
Non-Depreciable	(0.2)	0.0	(0.2)
Construction in Progress			
Depreciation	(6.2)	(2.8)	(9.0)
Retirements	0.3	0.1	0.4
<b>Ending Balance</b>	<b>\$220.0</b>	<b>\$54.9</b>	<b>\$274.9</b>

**Debt Outstanding**

The City had \$55.1 million of general obligation bonds outstanding at April 30, 2014. Of this amount \$31.1 million were payable from property taxes and the remainder were self-supporting. The City abates the property tax levies for these debt issues annually.

The City's per capita debt ratio for all direct and overlapping debt with other governmental units was \$7,229 and \$5,990 if self-supporting debt is excluded.

The City operated as a home rule community for FY14. The City was granted home rule status via a referendum held on November 2, 2004. Under home rule authority, the City will not have a legal debt limit. For more detailed information on long-term debt activity, see pages 48-50.

In FY14, the City issued \$9.715 million of General Obligation Refunding Bonds in order to fully refund the \$9,665,000 Series 2010A issue. Details regarding the refunding issue may be found on page 50.



**CITY OF LAKE FOREST, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**APRIL 30, 2014**

**Economic Factors**

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2013, the City's annual average unemployment rate was estimated to be 7.1%, compared to 8.7% for Lake County and 9.2% for the State of Illinois.

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

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LAKE FOREST, ILLINOIS**  
Statement of Net Position  
April 30, 2014

**Exhibit A-1**

	Primary Government			Component unit
	Governmental Activities	Business-type Activities	Total	Lake Forest Library
<b>Assets</b>				
Cash and cash equivalents	\$ 36,993,159	\$ 9,057,923	\$ 46,051,082	\$ 1,530,394
Investments	4,074,228	-	4,074,228	-
Receivables (net):				
Property taxes	24,193,594	-	24,193,594	3,751,395
Other taxes	488,656	-	488,656	5,512
Accounts	778,016	1,018,720	1,796,736	-
Loans	1,504,421	-	1,504,421	-
Other	763,686	184	763,870	-
Due from other governments	1,861,326	-	1,861,326	-
Internal balances	(189,922)	189,922	-	-
Inventories	413,082	89,479	502,561	-
Prepays	585,715	359,710	945,425	5,190
Net pension asset	1,997,994	-	1,997,994	-
Capital assets:				
Not being depreciated	112,097,527	1,381,180	113,478,707	359,066
Being depreciated, net	107,933,860	53,483,328	161,417,188	3,318,922
Total assets	293,495,342	65,580,446	359,075,788	8,970,479
<b>Deferred Outflows of Resources</b>				
Deferred loss on refunding	131,510	800,660	932,170	-
<b>Liabilities</b>				
Accounts payable	1,370,610	223,433	1,594,043	81,459
Accrued liabilities	1,462,603	83,923	1,546,526	64,503
Accrued interest payable	554,756	176,999	731,755	-
Deposits	1,000,237	-	1,000,237	-
Unearned revenue - other	2,226,151	282,984	2,509,135	-
Long-term obligations:				
Due within one year	1,723,436	1,852,000	3,575,436	5,000
Due in more than one year	36,275,624	17,858,988	54,134,612	237,782
Total liabilities	44,613,417	20,478,327	65,091,744	388,744
<b>Deferred Inflows of Resources</b>				
Property tax levies intended to finance FY15	24,193,594	-	24,193,594	3,751,395
<b>Net Position</b>				
Net investment in capital assets	184,270,349	36,163,443	220,433,792	3,620,701
Restricted for:				
Culture and recreation	3,281,627	-	3,281,627	-
Highways and streets	1,365,820	-	1,365,820	-
Public safety	687,810	-	687,810	-
Cemetery purposes	4,445,734	-	4,445,734	-
Affordable housing	760,934	-	760,934	-
Capital projects	4,216,899	-	4,216,899	-
Debt service	1,144,118	-	1,144,118	-
Parking	957,420	-	957,420	-
Unrestricted	23,689,130	9,739,336	33,428,466	1,209,639
Total net position	\$ 224,819,841	\$ 45,902,779	\$ 270,722,620	\$ 4,830,340

See accompanying notes to financial statements.

## CITY OF LAKE FOREST, ILLINOIS

## Statement of Activities

For the Year Ended April 30, 2014

Exhibit A-2

For the Year Ended April 30, 2014					Net (Expense) Revenue and Changes in Net Position			
Functions/Program	Expenses	Program Revenues		Capital Grants and Contributions	Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total	Lake Forest Library
Primary government:								
Governmental activities:								
General government	\$ 12,311,198	\$ 4,756,948	\$ 172,712	\$ 401,798	\$ (6,979,740)	\$ -	\$ (6,979,740)	
Highways and streets	7,762,403	741,334	575,427	155,441	(6,290,201)	-	(6,290,201)	
Sanitation	2,586,125	77,147	-	-	(2,508,978)	-	(2,508,978)	
Culture and recreation	10,397,593	3,314,856	346,354	200,000	(6,536,383)	-	(6,536,383)	
Public safety	14,430,151	1,950,998	10,698	-	(12,468,455)	-	(12,468,455)	
Interest on long-term debt	1,333,267	-	-	-	(1,333,267)	-	(1,333,267)	
Total governmental activities	48,820,737	10,841,283	1,105,191	757,239	(36,117,024)	-	(36,117,024)	
Business-type activities:								
Waterworks and sewerage	7,476,752	7,521,323	-	-	-	44,571	44,571	
Golf	1,554,678	1,397,836	-	-	-	(156,842)	(156,842)	
Total business-type activities	9,031,430	8,919,159	-	-	-	(112,271)	(112,271)	
Total primary government	\$ 57,852,167	\$ 19,760,442	\$ 1,105,191	\$ 757,239	(36,117,024)	(112,271)	(36,229,295)	
Component Unit								
Lake Forest Library	\$ 3,569,259	\$ 60,529	\$ 104,304	\$ -				\$ (3,404,426)
General revenues and transfers:								
General revenues								
Property taxes					23,744,650	-	23,744,650	3,718,524
Replacement taxes					136,430	-	136,430	33,244
Sales tax					3,047,529	-	3,047,529	-
Income tax					2,182,325	-	2,182,325	-
Utility tax					4,026,972	-	4,026,972	-
Real estate transfer tax					1,633,580	-	1,633,580	-
Other taxes					445,013	-	445,013	-
Investment income					637,193	38,550	675,743	9,328
Other					669,145	-	669,145	-
Transfers					(97,000)	97,000	-	-
Total general revenues and transfers					36,425,837	135,550	36,561,387	3,761,096
Change in net position					308,813	23,279	332,092	356,670
Net position – beginning of year, as restated					224,511,028	45,879,500	270,390,528	4,473,670
Net position – end of year					\$ 224,819,841	\$ 45,902,779	\$ 270,722,620	\$ 4,830,340

See accompanying notes to financial statements.

## CITY OF LAKE FOREST, ILLINOIS

Exhibit A-3

Balance Sheet  
Governmental Funds  
April 30, 2014

<b>Assets</b>	<b>General Fund</b>	<b>Parks and Recreation Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 16,246,124	\$ 3,750,117	\$ 4,285,413	\$ 6,501,811	\$ 30,783,465
Investments	-	-	-	4,074,228	4,074,228
Receivables (net of allowance for uncollectibles):					
Property taxes	16,843,533	5,160,072	9,664	2,180,325	24,193,594
Other taxes	488,656	-	-	-	488,656
Accounts	545,308	62,141	170,567	-	778,016
Loans	1,504,421	-	-	-	1,504,421
Other	65,890	-	-	279,105	344,995
Due from other governments	1,818,641	6,966	-	35,719	1,861,326
Advances to other funds	500,461	-	-	-	500,461
Due from fiduciary funds	-	-	-	118,660	118,660
Inventory	113,408	-	-	-	113,408
Prepays	8,700	-	-	-	8,700
Total assets	<u>\$ 38,135,142</u>	<u>\$ 8,979,296</u>	<u>\$ 4,465,644</u>	<u>\$ 13,189,848</u>	<u>\$ 64,769,930</u>
<b>Liabilities</b>					
Accounts payable	\$ 570,766	\$ 194,665	\$ 198,457	\$ 37,285	\$ 1,001,173
Accrued liabilities	690,246	122,055	-	14,532	826,833
Deposits	944,587	1,650	32,000	22,000	1,000,237
Unearned revenue	1,471,050	746,477	8,624	-	2,226,151
Total liabilities	<u>3,676,649</u>	<u>1,064,847</u>	<u>239,081</u>	<u>73,817</u>	<u>5,054,394</u>
<b>Deferred Inflows of Resources</b>					
Property tax levies intended to finance FY15	16,843,533	5,160,072	9,664	2,180,325	24,193,594
Unavailable grants and contributions	-	-	131,943	198,498	330,441
Total deferred inflows of resources	<u>16,843,533</u>	<u>5,160,072</u>	<u>141,607</u>	<u>2,378,823</u>	<u>24,524,035</u>
<b>Fund Balances</b>					
Nonspendable	2,126,990	-	-	-	2,126,990
Restricted	957,420	2,754,377	4,084,956	9,287,924	17,084,677
Assigned	-	-	-	1,449,284	1,449,284
Unassigned	14,530,550	-	-	-	14,530,550
Total fund balances	<u>17,614,960</u>	<u>2,754,377</u>	<u>4,084,956</u>	<u>10,737,208</u>	<u>35,191,501</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,135,142</u>	<u>\$ 8,979,296</u>	<u>\$ 4,465,644</u>	<u>\$ 13,189,848</u>	<u>\$ 64,769,930</u>

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
April 30, 2014

Total fund balances – governmental funds	\$ 35,191,501
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Amounts reported for governmental activities in the statement of net position are different because:

Deferred losses on refundings of debt are not considered to represent current financial resources and, therefore, are not reported in the funds.	131,510
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Net pension assets recorded in governmental activities are not current financial resources and therefore are not reported in the funds.	1,997,994
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Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	330,441
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and land improvements	\$ 45,303,412	
Land-infrastructure	66,740,770	
Construction in progress	53,345	
Infrastructure, net of \$119,258,258 in accumulated depreciation	62,633,362	
Buildings, net of \$10,560,997 in accumulated depreciation	21,576,760	
Improvements, net of \$10,973,528 in accumulated depreciation	19,548,544	
Machinery and equipment, net of \$11,603,326 in accumulated depreciation	<u>4,147,062</u>	
Total capital assets, net		220,003,255

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 position. Balances at year-end are:

Accrued interest on bonds	(554,756)	
Net OPEB obligation	(201,037)	
General obligation bonds	(35,852,196)	
(Premium) discount on general obligation bonds	(40,352)	
Compensated absences	<u>(1,848,699)</u>	
Total long-term obligations		(38,497,040)

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 position.

	<u>5,662,180</u>
Net position of governmental activities	<u>\$ 224,819,841</u>

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS**
**Exhibit A-5**
**Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Governmental Funds**
**For the Year Ended April 30, 2014**

	<b>General Fund</b>	<b>Parks and Recreation Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes:					
Property	\$ 16,683,102	\$ 5,120,026	\$ 9,764	\$ 1,931,758	\$ 23,744,650
Other	9,663,772	42,497	1,699,580	66,000	11,471,849
Intergovernmental revenues	-	-	-	576,125	576,125
Grants and contributions	10,215	123,446	411,798	416,790	962,249
Charges for services	3,065,786	2,999,023	109,584	1,199,107	7,373,500
Licenses and permits	2,477,338	-	-	-	2,477,338
Fines and forfeitures	297,005	-	-	-	297,005
Investment income	57,559	18,809	12,408	521,825	610,601
Miscellaneous revenue	709,054	4,672	31,784	13,874	759,384
Total revenues	<u>32,963,831</u>	<u>8,308,473</u>	<u>2,274,918</u>	<u>4,725,479</u>	<u>48,272,701</u>
<b>Expenditures:</b>					
Current:					
General government	9,184,712	-	62,778	864,903	10,112,393
Highways and streets	2,293,840	-	-	-	2,293,840
Sanitation	2,212,166	-	-	-	2,212,166
Culture and recreation	-	7,811,843	-	874,455	8,686,298
Public safety	14,074,949	-	-	224,634	14,299,583
Capital outlay	11,490	408,056	4,839,501	268,725	5,527,772
Debt service:					
Principal retirement	-	-	-	1,400,950	1,400,950
Interest	-	-	-	1,319,276	1,319,276
Total expenditures	<u>27,777,157</u>	<u>8,219,899</u>	<u>4,902,279</u>	<u>4,952,943</u>	<u>45,852,278</u>
Excess (deficiency) of revenues over expenditures	<u>5,186,674</u>	<u>88,574</u>	<u>(2,627,361)</u>	<u>(227,464)</u>	<u>2,420,423</u>
<b>Other financing sources (uses):</b>					
Proceeds from capital asset sales	-	1,219	789,169	650	791,038
Issuance of refunding bonds	-	-	-	9,715,000	9,715,000
Premium on refunding bonds	-	-	-	26,093	26,093
Payment to refunded bonds escrow agent	-	-	-	(9,665,000)	(9,665,000)
Transfers in	-	289,116	2,045,000	890,190	3,224,306
Transfers out	(2,325,306)	(96,000)	-	(900,000)	(3,321,306)
Total other financing sources (uses)	<u>(2,325,306)</u>	<u>194,335</u>	<u>2,834,169</u>	<u>66,933</u>	<u>770,131</u>
Net change in fund balances	<u>2,861,368</u>	<u>282,909</u>	<u>206,808</u>	<u>(160,531)</u>	<u>3,190,554</u>
Fund balances – beginning of year	<u>14,753,592</u>	<u>2,471,468</u>	<u>3,878,148</u>	<u>10,897,739</u>	<u>32,000,947</u>
Fund balances – end of year	<u>\$ 17,614,960</u>	<u>\$ 2,754,377</u>	<u>\$ 4,084,956</u>	<u>\$ 10,737,208</u>	<u>\$ 35,191,501</u>

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS****Exhibit A-6**

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, 2014

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Net changes in fund balances—total governmental funds \$ 3,190,554

Amounts reported for governmental activities in the statement of activities are  
different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$6,194,817) exceeded capital outlay (\$1,796,563) in the current period. (4,398,254)

Proceeds from sales of capital assets are recorded as revenue in governmental funds, however the gain (loss) on sale is recorded in the statement of activities. (194,222)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  
Change in unavailable grants and contributions 330,441

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, 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 position.

Debt issuance	(9,715,000)	
Debt premiums on issuance	(26,093)	
Repayments:		
General obligation bonds	1,400,950	
Payments to escrow agent	9,665,000	
Net adjustment		1,324,857

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	399,083	
Decrease in OPEB obligation	443	
Increase in accrued interest payable	(56,232)	
Amortization of bond deferred amounts, premiums and discounts	42,241	
Increase in compensated absences	(124,119)	
		261,416

The net revenue of certain activities of internal service funds is reported with governmental activities. (205,979)

Change in net position of governmental activities – statement of activities \$ 308,813

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See accompanying notes to financial statements.



## CITY OF LAKE FOREST, ILLINOIS

Exhibit A-7

## Statement of Net Position

## Proprietary Funds

April 30, 2014

Assets	Business-type Activities – Enterprise Funds			Governmental Activities— Internal Service Funds
	Waterworks and Sewerage Fund	Nonmajor - Deerpath Golf Course Fund	Total Enterprise Funds	
Current assets:				
Cash and cash equivalents	\$ 8,495,505	\$ 562,418	\$ 9,057,923	\$ 6,209,694
Receivables:				
Accounts receivable	1,007,747	10,973	1,018,720	-
Other	184	-	184	300,031
Inventories	-	89,479	89,479	299,674
Prepaid expenses	359,710	-	359,710	577,015
Total current assets	9,863,146	662,870	10,526,016	7,386,414
Noncurrent assets:				
Capital assets:				
Not being depreciated	1,285,663	95,517	1,381,180	-
Being depreciated, net of accumulated depreciation	52,024,482	1,458,846	53,483,328	28,132
Total capital assets, net	53,310,145	1,554,363	54,864,508	28,132
Total noncurrent assets	53,310,145	1,554,363	54,864,508	28,132
Total assets	63,173,291	2,217,233	65,390,524	7,414,546
Deferred Outflows of Resources				
Deferred loss on refunding	762,668	37,992	800,660	-
Liabilities				
Current liabilities:				
Accounts payable	157,766	65,667	223,433	369,437
Accrued liabilities	69,068	14,855	83,923	635,770
Accrued interest payable	168,723	8,276	176,999	-
Unearned revenue	15,657	267,327	282,984	-
Current portion of long-term obligations:				
General obligation bonds	1,762,000	85,000	1,847,000	-
Accrued compensated absences	4,223	777	5,000	-
Total current liabilities	2,177,437	441,902	2,619,339	1,005,207
Noncurrent liabilities:				
Advances from other funds	500,461	-	500,461	-
General obligation bonds payable (net of unamortized discounts)	16,839,156	815,569	17,654,725	-
Accrued compensated absences	172,506	31,757	204,263	56,776
Total noncurrent liabilities	17,512,123	847,326	36,718,898	56,776
Total liabilities	19,689,560	1,289,228	20,978,788	1,061,983
Net Position				
Net investment in capital assets	35,471,657	691,786	36,163,443	28,132
Unrestricted	8,774,742	274,211	9,048,953	6,324,431
Total net position	\$ 44,246,399	\$ 965,997	45,212,396	\$ 6,352,563
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			690,383	
Net position of business-type activities reported in the government-wide statement of net position.			\$ 45,902,779	
See accompanying notes to financial statements.				

**CITY OF LAKE FOREST, ILLINOIS**
**Exhibit A-8**
**Statement of Revenues, Expenses, and Changes in Fund Net Position**
**Proprietary Funds**
**For the Year Ended April 30, 2014**

	<b>Business-type Activities – Enterprise Funds</b>			<b>Governmental Activities— Internal Service Funds</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Nonmajor - Deerpath Golf Course Fund</b>	<b>Total Enterprise Funds</b>	
Operating revenues:				
Charges for services	\$ 7,407,730	\$ 1,394,424	\$ 8,802,154	\$ 8,130,160
Connection fees	106,552	-	106,552	-
Miscellaneous	7,041	3,412	10,453	-
Total operating revenues	7,521,323	1,397,836	8,919,159	8,130,160
Operating expenses:				
General and administrative	2,042,519	590,975	2,633,494	8,387,866
Operations and maintenance	2,213,121	759,443	2,972,564	-
Depreciation and amortization	2,609,040	184,749	2,793,789	4,804
Total operating expenses	6,864,680	1,535,167	8,399,847	8,392,670
Operating income (loss)	656,643	(137,331)	519,312	(262,510)
Nonoperating revenues (expenses):				
Investment income	36,412	2,138	38,550	26,592
Gain (loss) on disposal of capital assets	(4,287)	-	(4,287)	-
Interest expense	(576,991)	(20,366)	(597,357)	-
Total nonoperating revenues (expenses)	(544,866)	(18,228)	(563,094)	26,592
Increase (decrease) in net position before transfers	111,777	(155,559)	(43,782)	(235,918)
Transfers in	1,000	96,000	97,000	-
Change in net position	112,777	(59,559)	53,218	(235,918)
Net position – beginning of year, as restated	44,133,622	1,025,556	45,159,178	6,588,481
Net position – end of year	\$ 44,246,399	\$ 965,997	45,212,396	\$ 6,352,563
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(29,939)	
Change in net position of business-type activities reported in the government-wide statement of activities			\$ 23,279	

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended April 30, 2014

**Exhibit A-9**

	<b>Business-type Activities – Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Nonmajor - Deerpath Golf Course Fund</b>	<b>Total Enterprise Funds</b>	
Cash flows from operating activities:				
Receipts from customers	\$ 7,625,926	\$ 1,372,179	\$ 8,998,105	\$ -
Receipts from miscellaneous revenue	7,099	3,412	10,511	-
Receipts from interfund services provided	-	-	-	7,844,825
Payments to suppliers	(2,761,982)	(735,854)	(3,497,836)	(7,622,623)
Payments to employees	(1,881,229)	(586,228)	(2,467,457)	(671,712)
Net cash flows from operating activities	2,989,814	53,509	3,043,323	(449,510)
Cash flows from noncapital financing activities:				
Transfer from other funds	1,000	96,000	97,000	-
Net cash flows from noncapital financing activities	1,000	96,000	97,000	-
Cash flows from capital and related financing activities:				
Purchases of capital assets	(1,136,446)	(47,097)	(1,183,543)	-
Sale of equipment	350	-	350	-
Principal paid on capital debt	(1,730,000)	(85,000)	(1,815,000)	-
Interest paid on capital debt	(481,220)	(15,425)	(496,645)	-
Net cash flows from capital and related financing activities	(3,347,316)	(147,522)	(3,494,838)	-
Cash flows from investing activities:				
Interest and dividends received	36,412	2,138	38,550	26,592
Net cash flows from investing activities	36,412	2,138	38,550	26,592
Net increase (decrease) in cash and cash equivalents	(320,090)	4,125	(315,965)	(422,918)
Cash and cash equivalents – beginning of year	8,815,595	558,293	9,373,888	6,632,612
Cash and cash equivalents – end of year	\$ 8,495,505	\$ 562,418	\$ 9,057,923	\$ 6,209,694

(Continued)

**CITY OF LAKE FOREST, ILLINOIS**  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended April 30, 2014

**Exhibit A-9, Continued**

	<b>Business-type Activities – Enterprise Funds</b>			<b>Governmental Activities -</b>
	<b>Waterworks and Sewerage Fund</b>	<b>Nonmajor - Deerpath Golf Course Fund</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 656,643	\$ (137,331)	\$ 519,312	\$ (262,510)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	2,609,040	184,749	2,793,789	4,804
Changes in assets and liabilities:				
Water sales receivable	103,237	-	103,237	-
Accounts receivable	93,961	(9,237)	84,724	(285,335)
Other receivables	58	-	58	-
Other assets	-	17,416	17,416	(48,996)
Due from other funds	8,408	-	8,408	-
Prepaid expenses	(287,405)	-	(287,405)	-
Accounts payable	26,462	8,779	35,241	44,436
Accrued liabilities	31,727	(239)	31,488	94,866
Unearned revenue	(93,962)	(13,008)	(106,970)	-
Compensated absences	8,466	2,380	10,846	3,225
Advances	(166,821)	-	(166,821)	-
Total adjustments	2,333,171	190,840	2,524,011	(187,000)
Net cash flows from operating activities	\$ 2,989,814	\$ 53,509	\$ 3,043,323	\$ (449,510)

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS**

## Statement of Fiduciary Net Position

## Fiduciary Funds

April 30, 2014

<b>Assets</b>	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>
Cash and cash equivalents	\$ 1,455,997	\$ 12,784	\$ 60,174
Investments:			
U.S. Treasury obligations	9,256,398	-	-
U.S. Government agencies	8,070,977	-	-
Municipal and corporate bonds	5,785,592	-	-
Common stock	2,201,465	616,531	-
Equity mutual funds	30,236,412	-	-
Other receivables	173,633	344	-
Prepaid expenses	12,290	-	-
Total assets	<u>57,192,764</u>	<u>629,659</u>	<u>60,174</u>
<b>Liabilities</b>			
Accounts payable	9,812	-	-
Due to other funds	-	118,660	-
Due to special assessment districts	-	-	60,174
Total liabilities	<u>9,812</u>	<u>118,660</u>	<u>60,174</u>
<b>Net Position</b>			
Held in trust for pension trust and other purposes	<u>\$ 57,182,952</u>	<u>\$ 510,999</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF LAKE FOREST, ILLINOIS**

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

For the Year Ended April 30, 2014

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>
Additions:		
Contributions:		
Employer	\$ 2,654,659	\$ -
Employee	636,982	-
Total contributions	<u>3,291,641</u>	<u>-</u>
Interest income	1,217,738	9,509
Net appreciation in fair value of investments	3,496,951	63,378
Less investment expenses	(204,549)	-
Net investment income	<u>4,510,140</u>	<u>72,887</u>
Total additions	<u>7,801,781</u>	<u>72,887</u>
Deductions:		
Pension benefits and refunds	3,706,785	-
Other administrative expenses	8,000	39,021
Total deductions	<u>3,714,785</u>	<u>39,021</u>
Change in net position	4,086,996	33,866
Net position held in trust at beginning of year	<u>53,095,956</u>	<u>477,133</u>
Net position held in trust at end of year	<u>\$ 57,182,952</u>	<u>\$ 510,999</u>

See accompanying notes to financial statements.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **Note 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 and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- (1) The primary government is legally entitled to or has access to the component unit's resources.
- (2) The primary government is legally required or has assumed the obligation to finance the deficits of, or provide support to, the component unit.
- (3) The primary government is obligated in some manner for the other component unit's debt.

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.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **(b) Basis of Presentation**

**Government-wide Financial Statements.** The government-wide statement of net position 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.

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. Principal revenue sources for this fund include a dedicated tax levy, grants, contributions and program fees.

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



## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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The City reports the following major proprietary fund:

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

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 2012 property tax levy is recognized as revenue for the year ended April 30, 2014. 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 and income taxes, to be available if they are collected within 90 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year. Revenues for income taxes are considered to be available if they are collected within 120 days of the end of the current fiscal year. Expenditures 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

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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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.

The Governmental Accounting Standard Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the City for the year ended April 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65 the City now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. In addition, the impact of implementing this statement resulted in a restatement of the beginning Net Position for Governmental Activities and Business Type Activities, Major Enterprise, and Non-major Enterprise Funds. See Note 13 for details of the impact of this restatement.

The City reports both deferred inflows of resources and unearned revenue on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period in the governmental funds. Deferred inflows of resources also arise when property tax receivables are recorded prior to the period the levy is intended to finance. Unearned revenues arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized.

#### **(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;

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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- 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;
- The Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act (15 ILCS 505/17) or in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company, or use the services of such an entity to hold and invest or advise regarding the investment of any public funds; and
- Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (15 U.S.C.A. § 780-5) subject to the provisions of that Act and the regulations issued there under, provided, however, that such government securities, unless registered or inscribed in the name of the City, shall be purchased through banks or trust companies authorized to do business in the State of Illinois; and such other repurchase agreements as are authorized in subsection (h) of Section 2 of the Public Funds Investment Act (30 ILCS 235/2). Repurchase agreements may be executed only with approved financial institutions or broker/dealers meeting the City's established standards, which shall include mutual execution of a Master Repurchase Agreement adopted by the City.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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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.

**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 position.

**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.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **(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, using the consumption method.

#### **(i) Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, traffic controls, drainage systems, and similar items), and intangible assets (software, easements, etc.) 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 during the construction period. 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.

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, equipment and software	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.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **(k) Bond Premiums, Discounts, and Issuance Costs**

In the government-wide and proprietary fund financial statements, bond premiums and discounts 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. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount.

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) Net Position**

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

**Net Investment in Capital Assets** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds (and related deferred outflows of resources), mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

See the policy below for the use of restricted resources in the governmental funds. Restricted net asset balances may differ from restricted fund balances reported in the governmental fund statements because the basis of accounting is different. For business-type activities and proprietary funds, the City considers restricted resources to have been spent first when an expense is incurred for which both restricted and unrestricted resources are available.

#### **(m) Fund Balances**

Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions* establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Within the governmental fund types, the City’s fund balances are reported in one of the following classifications:

**Nonspendable** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

**Restricted** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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**Committed** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City's highest level of decision-making authority rests with the City Council. The City passes formal resolutions to commit their fund balances.

**Assigned** – includes amounts that are constrained by the City's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the City Council itself; or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City Council has delegated this authority to the City's Finance Director. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the general fund, it is the City's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

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

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Fund Balance Classifications

At April 30, 2014, the City's fund balances were as follows:

	General Fund	Parks and Recreation Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 8,700	\$ -	\$ -	\$ -	\$ 8,700
Inventory	113,408	-	-	-	113,408
Interfund advances	500,461	-	-	-	500,461
Long-term notes	1,504,421	-	-	-	1,504,421
Total nonspendable	2,126,990	-	-	-	2,126,990
Restricted:					
Culture and recreation	-	2,754,377	-	352,250	3,106,627
Highways and streets	-	-	-	1,342,322	1,342,322
Public safety - fire	-	-	-	213,152	213,152
Public safety - police	-	-	-	474,658	474,658
Cemetery perpetual care	-	-	-	4,445,734	4,445,734
Affordable housing	-	-	-	760,934	760,934
Capital projects	-	-	4,084,956	-	4,084,956
Parking lots	957,420	-	-	-	957,420
Debt service	-	-	-	1,698,874	1,698,874
Total restricted	957,420	2,754,377	4,084,956	9,287,924	17,084,677
Assigned					
Capital projects	-	-	-	1,449,284	1,449,284
Unassigned	14,530,550	-	-	-	14,530,550
Total fund balances	\$ 17,614,960	\$ 2,754,377	\$ 4,084,956	\$ 10,737,208	\$ 35,191,501

### (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, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures 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

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the City beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.



## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the City beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* will be effective for the City beginning with its year ended April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the City with its year ended April 30, 2015. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68 (FY16).

Management has not fully determined what impact, if any, these Statements may have on its financial statements; however, GASB Statements 67 and 68 are expected to have a material impact when implemented.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **Note 2. Stewardship, Compliance and Accountability**

##### ***Budgetary Information***

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

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

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Note 3. Cash and Investments

Cash and investments are held separately and in pools by several of the City's funds. The City maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance. The deposits and investments of the Police and Fire Pension Funds (Pension Funds) are held separately. A summary of cash and investments as of April 30, 2014 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	\$ 9,975	\$ -	\$ 300	\$ -	\$ 350
Demand deposits	45,430,003	272,211	1,183,486	72,957	1,521,806
Certificate of deposit	206,616	-	-	-	-
Illinois Funds	611,104	-	-	-	8,238
Equity securities	3,867,612	15,606,517	16,831,360	616,532	-
U.S. Treasury obligations	-	6,307,782	2,948,616	-	-
U.S. Government agencies	-	3,230,257	4,840,720	-	-
Municipal/corporate bonds	-	985,094	4,800,498	-	-
Total	<u>\$ 50,125,310</u>	<u>\$ 26,401,861</u>	<u>\$ 30,604,980</u>	<u>\$ 689,489</u>	<u>\$ 1,530,394</u>

### Illinois Funds

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 Funds' 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.

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### 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, 2014, 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.

### 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, 2014, the maturities for debt securities subject to interest rate risk are as follows:

		Investment maturities (in years)			
	Fair Value	Less than 1	1-5	6-10	More than 10
Fiduciary activities:					
Police Pension Fund:					
U.S. Treasury obligations	\$ 6,307,782	\$ -	\$ 3,192,056	\$ 3,115,726	\$ -
U.S. Government agencies	3,230,257	196,312	3,033,945	-	-
Municipal/corporate bonds	985,094	169,880	753,522	61,692	-
Total Police Pension	10,523,133	366,192	6,979,523	3,177,418	-
Firefighters' Pension Fund:					
U.S. Treasury obligations	2,948,616	-	1,156,086	1,792,530	-
U.S. Government agencies	4,840,720	536,424	2,043,332	529,943	1,731,021
Municipal/corporate bonds	4,800,498	448,525	2,690,245	1,661,728	-
Total Firefighters' Pension	12,589,834	984,949	5,889,663	3,984,201	1,731,021
Total fiduciary activities	\$ 23,112,967	\$ 1,351,141	\$ 12,869,186	\$ 7,161,619	\$ 1,731,021

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Credit Risk

Credit risk is the risk that the City or Pension Funds will not recover their investments due to the inability 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 Funds' 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, 2014, the City, Cemetery Investment Fund, and Pension Funds had the following fixed income investments which are rated by Moody's and/or 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.

	Credit ratings					
	Fair Value	AAA	AA	A	BBB	Not Rated*
Governmental and business-type activities:						
Illinois Funds	\$ 611,104	\$ 611,104	\$ -	\$ -	\$ -	\$ -
Fiduciary activities:						
Police Pension Fund:						
U.S. Government agencies	\$ 3,230,257	\$ 196,312	\$ 3,033,945	\$ -	\$ -	\$ -
Municipal/corporate bonds	985,094	40,020	76,167	771,595	97,312	-
	4,215,351	236,332	3,110,112	771,595	97,312	-
Firefighters' Pension Fund:						
U.S. Government agencies	4,840,720	151,529	1,851,802	-	-	2,837,389
Municipal/corporate bonds	4,800,498	316,493	800,743	1,972,147	1,611,177	99,938
	9,641,218	468,022	2,652,545	1,972,147	1,611,177	2,937,327
Total fiduciary activities	\$ 13,856,569	\$ 704,354	\$ 5,762,657	\$ 2,743,742	\$ 1,708,489	\$ 2,937,327
Component unit:						
Lake Forest Library:						
Illinois Funds	\$ 8,238	\$ 8,238	\$ -	\$ -	\$ -	\$ -

\* These securities are not rated by either Moody's or Standard and Poor's.

### 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 5.0% of its portfolio in FNMA securities. The Police Pension Fund holds 6.8% of its portfolio in FNMA securities.

## **CITY OF LAKE FOREST, ILLINOIS**

### **Notes to Financial Statements**

April 30, 2014

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#### **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, 2014, 7.9% of the Firefighters' Pension Fund's assets were invested in the Vanguard Total International Stock Index. 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, 2014, 15.6% of the Police Pension Fund's assets were invested in the Dodge & Cox International Stock Fund, Vanguard Total International Stock Index Fund, as well as foreign stocks and bonds. The funds are subject to foreign currency risk; however, the funds are well diversified across international regions. The Cemetery Fund had 17.9% of its assets invested in William Blair International Growth Fund as of April 30, 2014.

#### **Note 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 levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

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

Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are intended to finance and the funds are available. The City considers property tax revenue to be available if it is collected during the current year or within 60 days after year-end. Property taxes levied for calendar year 2013 are intended to finance the fiscal year 2015 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2014 for collections from the calendar year 2012 levy if it was received by June 30, 2014. Property taxes levied for calendar year 2013 which will be collected in fiscal year 2015 are recorded as receivables and a deferred inflow of resources.

**CITY OF LAKE FOREST, ILLINOIS**

## Notes to Financial Statements

April 30, 2014

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**Note 5. Interfund Balances and Activity****Due to/from Other Funds**

The following balances at April 30, 2014 represent amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Nonmajor Governmental Fund	Fiduciary Fund	\$ 118,660

This balance resulted from operating transactions between funds and will be repaid during the next fiscal year within the normal course of business.

**Advances to/from Other Funds**

The following balances at April 30, 2014 represent advances between funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Waterworks and Sewerage Fund	\$ 500,461

This balance resulted from operating transactions between funds and will be repaid over the next four years.

**Transfers to/from Other Funds**

Interfund transfers for the year ended April 30, 2014 were as follows:

<u>Transfer In Fund(s)</u>	<u>Purpose</u>	<u>Amount</u>
Parks and Recreation	Transfer for operations	\$ 289,116
Capital Improvement Fund	Transfer for capital outlay	1,145,000
Capital Improvement Fund	Transfer for capital outlay	900,000
Waterworks and Sewerage Fund	Transfer for operations	1,000
Nonmajor governmental	Transfer for debt service	665,436
Nonmajor governmental	Transfer for operations	224,754
Nonmajor business activity	Transfer for operations	96,000
		<u>\$ 3,321,306</u>
<u>Transfer Out Fund(s)</u>		
General Fund	Transfer for capital outlay	\$ 1,145,000
General Fund	Transfer for operations	289,116
General Fund	Transfer for debt service	665,436
General Fund	Transfer for operations	224,754
General Fund	Transfer for operations	1,000
Parks and Recreation	Transfer for operations	96,000
Nonmajor governmental	Transfer for capital outlay	900,000
		<u>\$ 3,321,306</u>

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Note 6. Capital Assets

A summary of capital asset activity for the year ended April 30, 2014 is as follows:

	Balance May 1, 2013	Additions or Transfers	Disposals	Balance April 30, 2014
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 45,497,634	\$ -	\$ 194,222	\$ 45,303,412
Infrastructure – land	66,740,770	-	-	66,740,770
Construction in progress	-	53,345	-	53,345
Total capital assets not being depreciated	112,238,404	53,345	194,222	112,097,527
Capital assets being depreciated:				
Infrastructure	181,074,301	883,640	66,321	181,891,620
Buildings	32,137,757	-	-	32,137,757
Improvements other than buildings	30,350,689	171,383	-	30,522,072
Machinery and equipment	15,374,987	688,195	242,043	15,821,139
Total capital assets being depreciated	258,937,734	1,743,218	308,364	260,372,588
Less accumulated depreciation:				
Infrastructure	116,355,292	2,969,287	66,321	119,258,258
Buildings	9,809,005	751,992	-	10,560,997
Improvements other than buildings	9,574,452	1,399,076	-	10,973,528
Machinery and equipment	10,808,722	1,079,266	242,043	11,645,945
Total accumulated depreciation	146,547,471	6,199,621	308,364	152,438,728
Governmental Activity capital assets – net	\$ 224,628,667	\$ (4,403,058)	\$ 194,222	\$ 220,031,387

Depreciation expense for governmental activities for the year ended April 30, 2014 was charged to functions as follows:

General government	\$ 1,856,695
Highways and streets	3,115,971
Sanitation	137,625
Culture and recreation	898,890
Public safety	190,440
	<u>\$ 6,199,621</u>



# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

	Balance May 1, 2013	Additions	Disposals or Transfers	Balance April 30, 2014
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 459,369	\$ -	\$ -	\$ 459,369
Construction in progress	-	921,811	-	921,811
Total capital assets not being depreciated	459,369	921,811	-	1,381,180
Capital assets being depreciated:				
Buildings	27,021,790	-	-	27,021,790
Improvements other than buildings	41,030,237	59,426	23,307	41,066,356
Machinery and equipment	4,559,962	202,306	14,427	4,747,841
Sanitary sewers and related property	29,461,745	-	-	29,461,745
Total capital assets being depreciated	102,073,734	261,732	37,734	102,297,732
Less accumulated depreciation:				
Buildings	10,586,117	1,003,570	-	11,589,687
Improvements other than buildings	17,857,381	981,311	18,670	18,820,022
Machinery and equipment	2,629,925	237,612	14,427	2,853,110
Sanitary sewers and related property	14,980,289	571,296	-	15,551,585
Total accumulated depreciation	46,053,712	2,793,789	33,097	48,814,404
Capital assets – net	\$ 56,479,391	\$ (1,610,246)	\$ 4,637	\$ 54,864,508

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

	Balance May 1, 2013	Additions	Disposals	Balance April 30, 2014
<b>Component Unit – Lake Forest Library</b>				
Capital assets not being depreciated:				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Art	149,000	-	-	149,000
Construction in progress	-	140,066	-	140,066
Total capital assets not being depreciated	219,000	140,066	-	359,066
Capital assets being depreciated:				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	1,915,724	181,636	-	2,097,360
Machinery and equipment	3,697,067	340,293	313,851	3,723,509
Total capital assets being depreciated	6,793,698	521,929	313,851	7,001,776
Less accumulated depreciation:				
Buildings	607,490	23,338	-	630,828
Improvements other than buildings	746,614	155,398	-	902,012
Machinery and equipment	2,117,110	346,755	313,851	2,150,014
Total accumulated depreciation	3,471,214	525,491	313,851	3,682,854
Capital assets – net	\$ 3,541,484	\$ 136,504	\$ -	\$ 3,677,988

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Note 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, 2014:

	Balance May 1, 2013	Additions	Deductions	Balance April 30, 2014	Amounts due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 37,203,146	\$ 9,715,000	\$ (11,065,950)	\$ 35,852,196	\$ 1,623,436
Premium on general obligation bonds	225,662	26,093	(152,340)	99,415	-
Discount on general obligation bonds	(66,322)	-	7,259	(59,063)	-
Total general obligation bonds	37,362,486	9,741,093	(11,211,031)	35,892,548	1,623,436
Net OPEB obligation*	201,480	-	(443)	201,037	-
Compensated absences**	1,778,131	2,321,977	(2,194,633)	1,905,475	100,000
Total governmental activities	\$ 39,342,097	\$ 12,063,070	\$ (13,406,107)	\$ 37,999,060	\$ 1,723,436
<b>Business-type activities:</b>					
General obligation bonds	\$ 21,060,000	\$ -	\$ (1,815,000)	\$ 19,245,000	\$ 1,847,000
Premium on general obligation bonds	314,754	-	(58,029)	256,725	-
Compensated absences	198,416	218,429	(207,582)	209,263	5,000
Total business-type activities	\$ 21,573,170	\$ 218,429	\$ (2,080,611)	\$ 19,710,988	\$ 1,852,000
<b>Component Unit - Lake Forest Library</b>					
Capital lease	\$ 88,720	\$ -	\$ (31,433)	\$ 57,287	\$ -
Net OPEB obligation*	8,370	3,842	-	12,212	-
Compensated absences	186,405	149,077	(162,199)	173,283	5,000
Total component unit - Lake Forest Library	\$ 283,495	\$ 152,919	\$ (193,632)	\$ 242,782	\$ 5,000

\* OPEB obligations will be liquidated by the General Fund.

\*\*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, 2014

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General obligation debt payable for the City as of April 30, 2014 consists of the following:

#### **Governmental Activities:**

##### General obligation bonds:

Special Service Area 25 Special Tax Bonds due in annual installments of \$25,000 to \$75,000 through December 15, 2022; interest at 1.95% to 2.95%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	\$ 585,000
Special Service Area 26 Special Tax Bonds due in annual installments of \$9,545 to \$20,700 through December 15, 2022; interest at 2.50% to 3.40%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	156,345
Special Service Area 29 Special Tax Bonds due in annual installments of \$76,192 to \$150,611 through December 15, 2023; interest at 2.55% to 3.65%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	1,235,851
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.	7,800,000
2009 Series General Obligation Bonds due in annual installments of \$160,000 to \$280,000 through December 15, 2029; interest at 2% to 4.1%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	3,195,000
2010 B Series General Obligation Bonds due in annual installments of \$540,000 to \$860,000 through December 15, 2032, commencing December 15, 2029; interest at 5.75%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	3,000,000
2010 C Series General Obligation Bonds due in annual installments of \$195,000 to \$490,000 through December 15, 2029; commencing December 15, 2015; interest at 3.00% to 5.50%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	5,425,000
2011 A Series General Obligation Bonds due in annual installments of \$195,000 to \$340,000 through December 15, 2015; interest at 1.5% to 2%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	535,000
2011 B Series General Obligation Bonds due in annual installments of \$208,000 to \$523,000 through December 15, 2023; interest at 1% to 3%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	4,205,000
2013 Series General Obligation Bonds due in annual installments of \$100,000 to \$1,125,000 through December 15, 2032; interest at 2% to 4%, due semiannually on June 15 and December 15. Funded by Debt Service Funds property tax levies.	9,715,000
Total governmental activities	<u>\$ 35,852,196</u>

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### Business-type Activities

General obligation and revenue bonds:

*Waterworks and Sewerage Fund:*

2011 A Series General Obligation Bonds due in annual installments of \$120,000 to \$140,000 through December 15, 2021; interest at 1.5% to 3%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues. \$ 915,000

2011 B Series General Obligation Bonds due in annual installments of \$1,254,000 to \$2,004,000 through December 15, 2024; interest at 2% to 3%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues. 17,441,500

*Nonmajor Enterprise Fund:*

2011 B Series General Obligation Bonds due in annual installments of \$78,000 to \$100,000 through December 15, 2024; interest at 4% to 4.38%, due semiannually on June 15 and December 15.

Funded by Gold Course Fund revenues 888,500

Total Business-type Activities \$ 19,245,000

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

Years	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,623,436	\$ 1,400,599	\$ 1,847,000	\$ 468,528
2016	1,618,218	1,293,624	1,877,000	432,288
2017	1,568,336	1,250,042	1,902,000	395,398
2018	1,723,796	1,206,165	1,952,000	357,358
2019	1,869,625	1,155,188	1,987,000	308,870
2020-2024	11,153,785	4,792,323	9,680,000	764,691
2025-2029	8,765,000	2,901,131	-	-
2030-2033	7,530,000	912,800	-	-
Total	\$35,852,196	\$ 14,911,872	\$ 19,245,000	\$ 2,727,133

### Refunding

On September 16, 2013 the City issued \$9,715,000 of General Obligation Refunding Bonds Series 2013 in order to fully refund \$9,665,000 Series 2010A. In connection with this refunding, net proceeds of \$9.741 million were deposited into an irrevocable trust with an escrow agent to provide for debt service payments on the refunded portion of the bonds. As a result, the refunded portion of the bonds are considered defeased and removed from the statement of net position (governmental activities) in 2014. As a result of the refunding, the City increased its total debt service by approximately \$4.4 million over the next 19 years. The economic loss (difference between the present values of the debt service payments on the old and new debt) is approximately \$58 thousand.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **Note 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 February 1, 2016 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.

The assets acquired through the capital lease are as follows:

	<b>Lake Forest Library</b>
Assets:	
Improvements other than buildings	\$ 96,529
Less: accumulated depreciation	<u>(40,220)</u>
Total	<u><u>\$ 56,309</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2014 were as follows:

<b>Year Ending April 30</b>	<b>Lake Forest Library</b>
2015	\$ 32,176
2016	25,651
Less: Amount representing interest	<u>(540)</u>
Present value of minimum lease payments	<u><u>\$ 57,287</u></u>

#### **Note 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.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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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](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

#### **(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 rates for calendar year 2014 and 2013 were 13.73 percent and 13.36 percent of annual covered payroll, respectively. 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 \$2,175,340 for the regular plan was equal to the City's required and actual contributions.

#### **(d) Trend Information**

<u>Fiscal Year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
2014	\$ 2,175,340	100 %	\$ -
2013	1,895,967	100	-
2012	1,893,946	100	-

The required contributions for 2014 and 2013 were determined as part of the December 31, 2012 and 2011 actuarial valuations 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 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

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

As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 73.92 percent funded. The actuarial liability for benefits was \$46,177,328 and the actuarial value of assets was \$34,134,843 resulting in an unfunded actuarial accrued liability (UAAL) of \$12,042,485. The covered payroll (annual payroll of active employees covered by the plan) was \$15,763,304 and the ratio of the UAAL to the covered payroll was 76 percent.

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

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### 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, 2014:

	Police Pension	Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	36	33
Terminated employees entitled to but not yet receiving benefits	3	3
Active plan members	39	32
Total	78	68

##### (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. Investments that do not have an established market are reported at estimated fair value.

Significant Investments – The Police Pension Fund has \$1,803,017 invested in FNMA securities, which represents 6.8% of plan net position at April 30, 2014. The Firefighters' Pension Fund has \$1,537,822 invested in FNMA securities, which represents 5.0% of plan net position at April 30, 2014.

##### (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.



# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually.

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 2014 were as follows:

	<b>Police Pension</b>	<b>Firefighters' Pension</b>
Annual required contribution	\$ 1,384,307	\$ 894,384
Interest on net pension obligation	(73,234)	(46,684)
Adjustment to annual required contribution	59,117	37,686
<b>Annual pension cost</b>	<b>1,370,190</b>	<b>885,386</b>
Contributions made	1,563,964	1,090,695
Increase in net pension asset	193,774	205,309
Net pension asset at April 30, 2013	976,452	622,459
<b>Net pension asset at April 30, 2014</b>	<b>\$ 1,170,226</b>	<b>\$ 827,768</b>

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

Other related information is as follows:

	<b>Police Pension</b>	<b>Firefighters' Pension</b>
Contribution rates - City	44.45%	36.30%
Contribution rates - plan members	9.91%	9.46%
Actuarial valuation date	4/30/14	4/30/14
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percentage of pay, closed	Level Percentage of pay, closed
Remaining amortization period	19 years	19 years
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
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, 2014

**(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, 2014:

	<b>Police Pension</b>	<b>Firefighters' Pension</b>
<b>Statement of Fiduciary Net Position</b>		
Assets:		
Cash and cash equivalents	\$ 272,211	\$ 1,183,786
Investments	26,129,650	29,421,194
Other receivables	81,760	91,873
Prepaid expenses	8,017	4,273
Total assets	26,491,638	30,701,126
Liabilities:		
Accounts payable	3,895	5,917
Net position:		
Held in trust for pension benefits	<u>\$ 26,487,743</u>	<u>\$ 30,695,209</u>
<b>Statement of Changes in Fiduciary Net Position</b>		
Additions:		
Employer contributions	\$ 1,563,964	\$ 1,090,695
Employee contributions	345,616	291,366
Interest income	539,835	677,903
Net appreciation in fair value of investments	1,943,913	1,553,038
Less investment expenses	(116,763)	(87,786)
Total additions	4,276,565	3,525,216
Deductions:		
Pension benefits and refunds	1,988,433	1,718,352
Administrative expenses	4,000	4,000
Total deductions	1,992,433	1,722,352
Changes in net position	2,284,132	1,802,864
Net position held in trust at beginning of year	24,203,611	28,892,345
Net position held in trust at end of year	<u>\$ 26,487,743</u>	<u>\$ 30,695,209</u>

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

### (e) Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Asset
Police Pension:	4/30/14	\$ 1,370,190	114.1	%	\$ 1,170,226
	4/30/13	1,361,832	110.3		976,452
	4/30/12	1,360,349	111.4		836,209
Firefighters' Pension:	4/30/14	\$ 885,386	123.2	%	\$ 827,768
	4/30/13	886,429	115.8		622,459
	4/30/12	855,082	115.0		482,543

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

The funded status of the Police and Firefighters' Pension Plans as of April 30, 2014, the most recent actuarial valuation date, is as follows:

	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
Police	\$ 26,487,743	\$ 47,103,353	\$ 20,615,610	56.2 %	\$ 3,518,797	585.9 %
Firefighters'	30,695,209	40,231,243	9,536,034	76.3	3,004,889	317.4

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.

## Note 10. Other Post Employment Benefits (OPEB)

### (a) Plan Description

In addition to providing the pension benefits described in Note 9, the City and Library (hereinafter City) provide post-employment health care benefits (OPEB) for retired employees. Hereinafter, the medical and dental plan benefits offered are referred to as the "Plan." The Plan offers several medical and dental insurance 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, 2014

#### (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 2014, the City contributed \$147,074, representing current premiums.

#### (c) Annual OPEB Cost and Net OPEB Obligation

The City's and Library'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 annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the Plan:

	City	Library
Annual required contribution (ARC)	\$ 145,288	\$ 3,786
Interest on net OPEB obligation	8,059	335
Adjustment to annual required contribution	(6,716)	(279)
<b>Annual OPEB cost</b>	<b>146,631</b>	<b>3,842</b>
Contribution made	(147,074)	-
Increase (decrease) in net OPEB obligation	(443)	3,842
Net OPEB obligation beginning of year	201,480	8,370
<b>Net OPEB obligation end of year</b>	<b>\$ 201,037</b>	<b>\$ 12,212</b>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
City:			
04/30/2014	\$ 146,631	100.3%	\$ 201,037
04/30/2013	96,080	66.1%	201,480
04/30/2012	98,050	64.8%	168,888
Library:			
04/30/2014	\$ 3,842	0.0%	\$ 12,212
04/30/2013	2,764	0.0%	8,370
04/30/2012	2,863	0.0%	5,606

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **(d) Funded Status and Funding Progress**

As of April 30, 2013 (latest actuarial valuation date), the City's plan was 100% unfunded. The actuarial accrued liability for benefits was \$2,363,491, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$2,363,491. The covered payroll (annual payroll of active employees covered by the plan) was \$16,930,261, and the ratio of the UAAL to the covered payroll was 13.96 percent. As of the same date, the Library's plan was 100% unfunded. The actuarial accrued liability for benefits was \$34,113, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$34,113. The covered payroll (annual payroll of active employees covered by the plan) was \$1,306,979, and the ratio of the UAAL to the covered payroll was 2.61 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.

#### **(e) 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, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 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 an open basis. The remaining amortization period at April 30, 2014 was 30 years.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **Note 11. Joint Ventures**

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

##### **(a) Solid Waste Agency of Lake County**

The City is a member of the Solid Waste Agency of Lake County, Illinois (the Agency), a municipal joint action agency composed of 41 municipalities, Great Lakes Naval Training Center and Lake County. The Agency was formed in 1991. The purpose of the Agency is to implement a regional approach to solid waste management which addresses the economic, political and environmental issues in Lake County.

The Agency is governed by a Board of Directors consisting of one official elected by each member. Each director has one vote. The Board of Directors determines the general policy of the Agency, makes all appropriations, approves contracts for solid waste disposal; adopts resolutions providing for the issuance of 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.

## CITY OF LAKE FOREST, ILLINOIS

### Notes to Financial Statements

April 30, 2014

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#### **Note 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 Liability Insurance Fund through payments to the Intergovernmental Risk Management Agency.

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

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

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

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The 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.

	<b>Beginning of Fiscal Year Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
2012-2013	\$ 63,786	\$ 376,262	\$ 232,401	\$ 207,647
2013-2014	207,647	287,443	346,109	148,981

##### **(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).

# CITY OF LAKE FOREST, ILLINOIS

## Notes to Financial Statements

April 30, 2014

Changes in the balances of claims liabilities for the years ended April 30, 2014 and 2013 are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2012-2013	\$ 471,785	\$ 3,878,466	\$ 3,989,592	\$ 360,659
2013-2014	360,659	4,440,345	4,272,355	528,649

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.

### Note 13. Restatement for Implementation of New Accounting Standard

As shown in the following table, the financial statements of the City have been restated for the implementation of GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65). The Statement of Net Position of the City included deferred charges within the Governmental Activities of the City in previous years. However, pursuant to GASB 65 applicable debt issuance costs should now be recognized in the period incurred as an expense. Therefore, the City restated the Net Position of the Governmental Activities, Business-Type Activities, and Enterprise Funds of the Primary Government's financial statements as follows.

	<u>Governmental Activities*</u>	<u>Business-Type Activities*</u>	<u>Major Enterprise Waterworks and Sewerage Fund</u>	<u>Nonmajor Enterprise Deerpath Golf Course Fund</u>
Net Position, April 30, 2013	\$ 224,691,448	\$ 45,958,608	\$ 44,209,237	\$ 1,029,049
Implementation of GASB 65	(180,420)	(79,108)	(75,615)	(3,493)
Net Position, April 30, 2013 as restated	<u>\$ 224,511,028</u>	<u>\$ 45,879,500</u>	<u>\$ 44,133,622</u>	<u>\$ 1,025,556</u>

\* The Net Position for Governmental Activities and Business-Type Activities includes the effect of allocating the net positions of the internal service funds.

### Note 14. Commitments and Contingencies

As of April 30, 2014 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 totaling \$290,364 at April 30, 2014.



## **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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 16,729,903	\$ 16,683,102	\$ (46,801)
Other	8,997,170	9,663,772	666,602
Grants and contributions	-	10,215	10,215
Charges for services	2,771,395	3,065,786	294,391
Licenses and permits	2,351,339	2,477,338	125,999
Fines and forfeitures	362,500	297,005	(65,495)
Investment income	66,256	57,559	(8,697)
Miscellaneous revenue	586,915	709,054	122,139
Total revenues	<u>31,865,478</u>	<u>32,963,831</u>	<u>1,098,353</u>
Expenditures:			
Current:			
General government	10,143,052	9,184,712	958,340
Highways and streets	2,301,315	2,293,840	7,475
Sanitation	2,237,607	2,212,166	25,441
Public safety	14,349,645	14,074,949	274,696
Capital outlay	-	11,490	(11,490)
Contingency	3,132,944	-	3,132,944
Total expenditures	<u>32,164,563</u>	<u>27,777,157</u>	<u>4,387,406</u>
Excess (deficiency) of revenues over expenditures	<u>(299,085)</u>	<u>5,186,674</u>	<u>5,485,759</u>
Other financing uses:			
Transfers out	(2,297,825)	(2,325,306)	(27,481)
Total other financing uses	<u>(2,297,825)</u>	<u>(2,325,306)</u>	<u>(27,481)</u>
Net change in fund balance	<u>\$ (2,596,910)</u>	<u>2,861,368</u>	<u>\$ 5,458,278</u>
Fund balance – beginning of year		<u>14,753,592</u>	
Fund balance – end of year		<u>\$ 17,614,960</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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 5,125,039	\$ 5,120,026	\$ (5,013)
Other	18,500	42,497	23,997
Grants and contributions	101,110	123,446	22,336
Charges for services	3,184,507	2,999,023	(185,484)
Investment income	26,460	18,809	(7,651)
Other	34,303	4,672	(29,631)
Total revenues	<u>8,489,919</u>	<u>8,308,473</u>	<u>(181,446)</u>
Expenditures:			
Current:			
Culture and recreation	8,204,160	7,811,843	392,317
Contingency	898,362	-	898,362
Capital outlay	587,462	408,056	179,406
Total expenditures	<u>9,689,984</u>	<u>8,219,899</u>	<u>1,470,085</u>
Excess (deficiency) of revenues over expenditures	<u>(1,200,065)</u>	<u>88,574</u>	<u>1,288,639</u>
Other financing sources (uses):			
Proceeds from sales of equipment	-	1,219	1,219
Transfers in	285,000	289,116	4,116
Transfers out	(31,000)	(96,000)	(65,000)
Total other financing sources (uses)	<u>254,000</u>	<u>194,335</u>	<u>(59,665)</u>
Net change in fund balance	<u>\$ (946,065)</u>	<u>282,909</u>	<u>\$ 1,228,974</u>
Fund balance – beginning of year		<u>2,471,468</u>	
Fund balance – end of year		<u>\$ 2,754,377</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 (1):						
12/31/2013	\$ 34,134,843	\$ 46,177,328	\$ 12,042,485	73.9 %	\$ 15,763,304	76.4 %
12/31/2012	27,530,649	42,513,765	14,983,116	64.8	15,490,621	96.7
12/31/2011	27,857,081	44,405,755	16,548,674	62.7	16,261,976	101.8
12/31/2010	39,595,430	50,163,288	10,567,858	78.9	16,762,932	63.0
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
Police Pension Plan:						
04/30/2014	26,487,743	47,103,353	20,615,610	56.2	3,518,797	585.9
04/30/2013	24,203,611	42,192,380	17,988,769	57.4	3,170,518	567.4
04/30/2012	22,131,376	39,409,677	17,278,301	56.2	3,359,679	514.3
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
Firefighters' Pension Plan:						
04/30/2014	30,695,209	40,231,243	9,536,034	76.3	3,004,889	317.4
04/30/2013	28,892,345	35,706,156	6,813,811	80.9	3,049,732	223.4
04/30/2012	26,899,022	33,789,869	6,890,847	79.6	2,941,767	234.2
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

- (1) Includes City and Library employees. On a market value basis, the actuarial value of assets as of December 31, 2013 is \$43,560,274. On a market basis, the funded ratio would be 94.33%. The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the City. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

## CITY OF LAKE FOREST, ILLINOIS

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

**Police Pension Plan**

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual required contribution</b>	<b>Percentage contributed</b>
4/30/14	\$ 1,563,964	\$ 1,384,307	113.0 %
4/30/13	1,502,075	1,375,906	109.2
4/30/12	1,515,074	1,372,431	110.4
4/30/11	1,412,730	1,405,652	100.5
4/30/10	1,128,592	1,128,050	100.0
4/30/09	1,038,121	1,025,521	101.2

**Firefighters' Pension Plan**

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual required contribution</b>	<b>Percentage contributed</b>
4/30/14	\$ 1,090,695	\$ 894,384	121.9 %
4/30/13	1,026,345	894,551	114.7
4/30/12	983,298	862,452	114.0
4/30/11	960,850	954,946	100.6
4/30/10	810,129	761,978	106.3
4/30/09	701,472	662,323	105.9

## CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information  
Other Post-Employment Benefits

**Schedule of Funding Progress - City**

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)
04/30/2013	\$ -	\$ 2,363,491	\$ 2,363,491	\$ - %	\$ 16,930,261	13.96 %
04/30/2011	-	1,495,528	1,495,528	-	19,037,921	7.86
04/30/2009	-	1,552,739	1,552,739	-	19,542,175	7.95

**Schedule of Funding Progress - Library**

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)
04/30/2013	\$ -	\$ 34,113	\$ 34,113	\$ - %	\$ 1,306,979	2.61 %
04/30/2011	-	22,590	22,590	-	1,246,633	1.81

**Schedule of Employer Contributions - City**

Actuarial Valuation Date	Employer Contributions	Required Contribution	Percentage Contributed
04/30/2014	\$ 147,074	\$ 145,288	101.2 %
04/30/2013	63,488	94,954	66.9
04/30/2012	63,488	94,954	66.9
04/30/2011	63,488	89,201	71.2
04/30/2010	22,001	87,986	25.0
04/30/2009	45,358	87,986	51.6

**Schedule of Employer Contributions - Library**

Actuarial Valuation Date	Employer Contributions	Required Contribution	Percentage Contributed
04/30/2014	\$ -	\$ 3,786	- %
04/30/2013	-	2,727	-
04/30/2012	-	2,727	-
04/30/2011	-	2,743	-

Information is presented for as many years as is available.

The City conducts a full actuarial valuation for odd fiscal years and a limited valuation update for even years.

The City implemented GASB Statement No. 45 in fiscal year 2009.

**CITY OF LAKE FOREST, ILLINOIS**

Note to Required Supplementary Information

April 30, 2014

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**Note 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**



## **OTHER GOVERNMENTAL FUNDS**

### **Nonmajor 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.

#### **Parks and Public Land Fund**

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

#### **Motor Fuel Tax Fund**

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, activity fees and investments used to finance senior citizens' programs and activities.

#### **Housing Trust Fund**

The Housing Trust 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 grants and activity fees used for the operating expenses of this historic farm complex.

## **Nonmajor Debt Service Fund**

### **Debt Service Fund**

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

## **Major Capital Projects Funds**

### **Capital Improvements Fund**

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

## **Nonmajor Capital Projects Funds**

### **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.

**CITY OF LAKE FOREST, ILLINOIS**

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2014

<b>Special Revenue Funds</b>				
<b>Assets</b>	<b>Asset Forfeiture Fund</b>	<b>Foreign Fire Insurance Tax Fund</b>	<b>Emergency Telephone Fund</b>	<b>Parks and Public Land Fund</b>
Cash and cash equivalents	\$ 100,541	\$ 6,536	\$ 327,616	\$ 265,829
Investments	-	206,616	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Other	-	-	56,523	175,000
Total receivables	-	-	56,523	175,000
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Total assets	<u>\$ 100,541</u>	<u>\$ 213,152</u>	<u>\$ 384,139</u>	<u>\$ 440,829</u>
<b>Liabilities</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,312	\$ -
Accrued liabilities	-	-	1,710	-
Deposits	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,022</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property tax levies intended to finance FY15	-	-	-	-
Unavailable grants and contributions	-	-	-	175,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
<b>Fund Balances:</b>				
Fund balances:				
Restricted:				
Culture and recreation	-	-	-	265,829
Highways and streets	-	-	-	-
Public safety	100,541	213,152	374,117	-
Cemetery purposes	-	-	-	-
Affordable housing	-	-	-	-
Debt service	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Total fund balances	<u>100,541</u>	<u>213,152</u>	<u>374,117</u>	<u>265,829</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 100,541</u>	<u>\$ 213,152</u>	<u>\$ 384,139</u>	<u>\$ 440,829</u>

Exhibit C-1

Special Revenue Funds				Debt Service Funds
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Housing Trust Fund	Debt Service Fund
\$ 1,310,866	\$ 469,966	\$ 89,365	\$ 782,934	\$ 1,698,874
-	3,867,612	-	-	-
-	-	-	-	2,180,325
23,498	1,993	22,091	-	-
23,498	1,993	22,091	-	2,180,325
35,719	-	-	-	-
-	118,660	-	-	-
\$ 1,370,083	\$ 4,458,231	\$ 111,456	\$ 782,934	\$ 3,879,199
\$ 4,263	\$ 7,527	\$ 17,183	\$ -	\$ -
-	4,970	7,852	-	-
-	-	-	22,000	-
4,263	12,497	25,035	22,000	-
-	-	-	-	2,180,325
23,498	-	-	-	-
23,498	-	-	-	2,180,325
-	-	86,421	-	-
1,342,322	-	-	-	-
-	-	-	-	-
-	4,445,734	-	-	-
-	-	-	760,934	-
-	-	-	-	1,698,874
-	-	-	-	-
1,342,322	4,445,734	86,421	760,934	1,698,874
\$ 1,370,083	\$ 4,458,231	\$ 111,456	\$ 782,934	\$ 3,879,199

(Continued)

## CITY OF LAKE FOREST, ILLINOIS

## Exhibit C-1 (Cont.)

Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2014

<b>Capital Projects Funds</b>			
<b>Assets</b>	<b>Route 60 Bridge Improvements Fund</b>	<b>Route 60 Intersection Improvements Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and cash equivalents	\$ 1,032,220	\$ 417,064	\$ 6,501,811
Investments	-	-	4,074,228
Receivables (net of allowance for uncollectibles):			
Property taxes	-	-	2,180,325
Other	-	-	279,105
Total receivables	-	-	2,459,430
Due from other governments	-	-	35,719
Due from fiduciary funds	-	-	118,660
Total assets	<u>\$ 1,032,220</u>	<u>\$ 417,064</u>	<u>\$ 13,189,848</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 37,285
Accrued liabilities	-	-	14,532
Deposits	-	-	22,000
Total liabilities	-	-	73,817
<b>Deferred Inflows of Resources</b>			
Property tax levies intended to finance FY15	-	-	2,180,325
Unavailable grants and contributions	-	-	198,498
Total deferred inflows of resources	-	-	2,378,823
Fund balances:			
Restricted:			
Culture and recreation	-	-	352,250
Highways and streets	-	-	1,342,322
Public safety	-	-	687,810
Cemetery purposes	-	-	4,445,734
Affordable housing	-	-	760,934
Debt service	-	-	1,698,874
Assigned			
Capital projects	1,032,220	417,064	1,449,284
Total fund balances	<u>1,032,220</u>	<u>417,064</u>	<u>10,737,208</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,032,220</u>	<u>\$ 417,064</u>	<u>\$ 13,189,848</u>

**CITY OF LAKE FOREST, ILLINOIS**

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

Nonmajor Governmental Funds

For the Year Ended April 30, 2014

	<b>Special Revenue Funds</b>			
	<b>Asset Forfeiture Fund</b>	<b>Foreign Fire Insurance Tax Fund</b>	<b>Emergency Telephone Fund</b>	<b>Parks and Public Land Fund</b>
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental revenues	10,698	-	-	-
Grants and contributions	-	-	-	50,000
Charges for services	-	102,611	270,626	31,335
Investment income	406	103	1,027	1,307
Miscellaneous revenue	-	-	-	-
Total revenues	11,104	102,714	271,653	82,642
Expenditures:				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	61,808	162,826	-
Capital outlay	9,544	-	-	229,808
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	9,544	61,808	162,826	229,808
Excess (deficiency) of revenues over expenditures	1,560	40,906	108,827	(147,166)
Other financing sources (uses):				
Proceeds from sales of capital assets	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	1,560	40,906	108,827	(147,166)
Fund balances – beginning of year	98,981	172,246	265,290	412,995
Fund balances – end of year	\$ 100,541	\$ 213,152	\$ 374,117	\$ 265,829

Exhibit C-2

Special Revenue Funds					Debt Service Funds
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Housing Trust Fund	Elawa Farm Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,931,758
-	-	-	66,000	-	-
565,427	-	-	-	-	-
-	13,885	173,907	-	24,001	154,997
-	529,723	177,944	-	86,868	-
3,322	493,268	398	3,075	682	12,036
-	-	309	13,565	-	-
568,749	1,036,876	352,558	82,640	111,551	2,098,791
-	548,273	-	87,500	-	73,394
-	-	593,842	-	280,613	-
-	-	-	-	-	-
29,373	-	-	-	-	-
-	140,000	-	-	-	1,260,950
-	4,900	-	-	-	1,314,376
29,373	693,173	593,842	87,500	280,613	2,648,720
539,376	343,703	(241,284)	(4,860)	(169,062)	(549,929)
-	650	-	-	-	-
-	-	-	-	-	9,715,000
-	-	-	-	-	26,093
-	-	-	-	-	(9,665,000)
-	-	224,754	-	-	665,436
-	-	-	-	-	(900,000)
-	650	224,754	-	-	(158,471)
539,376	344,353	(16,530)	(4,860)	(169,062)	(708,400)
802,946	4,101,381	102,951	765,794	169,062	2,407,274
\$ 1,342,322	\$ 4,445,734	\$ 86,421	\$ 760,934	\$ -	\$ 1,698,874

(Continued)

**CITY OF LAKE FOREST, ILLINOIS**
**Exhibit C-2**

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

Nonmajor Governmental Funds

For the Year Ended April 30, 2014

	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Route 60 Fitzmorris Improvements Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 1,931,758
Other	-	-	-	66,000
Intergovernmental revenues	-	-	-	576,125
Grants and contributions	-	-	-	416,790
Charges for services	-	-	-	1,199,107
Investment income	4,116	2,023	62	521,825
Miscellaneous revenue	-	-	-	13,874
Total revenues	4,116	2,023	62	4,725,479
Expenditures:				
Current:				
General government	-	135,313	20,423	864,903
Culture and recreation	-	-	-	874,455
Public safety	-	-	-	224,634
Capital outlay	-	-	-	268,725
Debt service:				
Principal	-	-	-	1,400,950
Interest	-	-	-	1,319,276
Total expenditures	-	135,313	20,423	4,952,943
Excess (deficiency) of revenues over expenditures	4,116	(133,290)	(20,361)	(227,464)
Other financing sources (uses):				
Proceeds from sales of capital assets	-	-	-	650
Issuance of refunding bonds	-	-	-	9,715,000
Premium on refunding bonds	-	-	-	26,093
Payment to refunded bonds escrow agent	-	-	-	(9,665,000)
Transfers in	-	-	-	890,190
Transfers out	-	-	-	(900,000)
Total other financing sources and uses	-	-	-	66,933
Net change in fund balances	4,116	(133,290)	(20,361)	(160,531)
Fund balances – beginning of year	1,028,104	550,354	20,361	10,897,739
Fund balances – end of year	\$ 1,032,220	\$ 417,064	\$ -	\$ 10,737,208



**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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 9,000	\$ 10,698	\$ 1,698
Investment income	380	406	26
Total revenues	<u>9,380</u>	<u>11,104</u>	<u>1,724</u>
Expenditures:			
Current:			
Contingency	3,900	-	3,900
Capital outlay	<u>39,000</u>	<u>9,544</u>	<u>29,456</u>
Total expenditures	<u>42,900</u>	<u>9,544</u>	<u>33,356</u>
Net change in fund balance	<u>\$ (33,520)</u>	1,560	<u>\$ 35,080</u>
Fund balance – beginning of year		<u>98,981</u>	
Fund balance – end of year		<u>\$ 100,541</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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 96,000	\$ 102,611	\$ 6,611
Investment income	300	103	(197)
Total revenues	<u>96,300</u>	<u>102,714</u>	<u>6,414</u>
Expenditures:			
Current:			
Public safety	105,000	61,808	43,192
Contingency	10,500	-	10,500
Total expenditures	<u>115,500</u>	<u>61,808</u>	<u>53,692</u>
Net change in fund balance	<u>\$ (19,200)</u>	40,906	<u>\$ 60,106</u>
Fund balance – beginning of year		<u>172,246</u>	
Fund balance – end of year		<u>\$ 213,152</u>	

**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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 277,000	\$ 270,626	\$ (6,374)
Investment income	600	1,027	427
Total revenues	<u>277,600</u>	<u>271,653</u>	<u>(5,947)</u>
Expenditures:			
Current:			
Public safety	273,020	162,826	110,194
Contingency	<u>27,302</u>	-	<u>27,302</u>
Total expenditures	<u>300,322</u>	<u>162,826</u>	<u>137,496</u>
Net change in fund balance	<u>\$ (22,722)</u>	108,827	<u>\$ 131,549</u>
Fund balance – beginning of year		<u>265,290</u>	
Fund balance – end of year		<u>\$ 374,117</u>	

**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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 50,000	\$ 50,000	\$ -
Charges for services	31,336	31,335	(1)
Investment income	1,790	1,307	(483)
Total revenues	<u>83,126</u>	<u>82,642</u>	<u>(484)</u>
Expenditures:			
Current:			
Contingency	32,481	-	32,481
Capital outlay	<u>324,805</u>	<u>229,808</u>	<u>94,997</u>
Total expenditures	<u>357,286</u>	<u>229,808</u>	<u>127,478</u>
Net change in fund balance	<u>\$ (274,160)</u>	<u>(147,166)</u>	<u>\$ 126,994</u>
Fund balance – beginning of year		<u>412,995</u>	
Fund balance – end of year		<u>\$ 265,829</u>	

**Exhibit C-7****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, 2014

	<b>Original and Final Appropriations</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Revenues:			
Intergovernmental revenues	\$ 552,000	\$ 565,427	\$ 13,427
Investment income	3,577	3,322	(255)
Total revenues	<u>555,577</u>	<u>568,749</u>	<u>13,172</u>
Expenditures:			
Current:			
Contingency	10,000	-	10,000
Capital outlay	100,000	29,373	70,627
Total expenditures	<u>110,000</u>	<u>29,373</u>	<u>80,627</u>
Net change in fund balance	<u>\$ 445,577</u>	539,376	<u>\$ 93,799</u>
Fund balance – beginning of year		<u>802,946</u>	
Fund balance – end of year		<u>\$ 1,342,322</u>	

**CITY OF LAKE FOREST, ILLINOIS**

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

## General Cemetery Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 15,546	\$ 13,885	\$ (1,661)
Charges for services	625,934	529,723	(96,211)
Investment income	188,066	493,268	305,202
Total revenues	<u>829,546</u>	<u>1,036,876</u>	<u>207,330</u>
Expenditures:			
Current:			
General government	780,836	548,273	232,563
Contingency	92,574	-	92,574
Debt service:			
Principal retirement	140,000	140,000	-
Interest	4,900	4,900	-
Total expenditures	<u>1,018,310</u>	<u>693,173</u>	<u>325,137</u>
Excess (deficiency) of revenues over expenditures	(188,764)	343,703	532,467
Other financing sources:			
Proceeds from sales of capital assets	<u>-</u>	<u>650</u>	<u>650</u>
Net change in fund balance	<u>\$ (188,764)</u>	<u>344,353</u>	<u>\$ 533,117</u>
Fund balance – beginning of year		<u>4,101,381</u>	
Fund balance – end of year		<u>\$ 4,445,734</u>	

**CITY OF LAKE FOREST, ILLINOIS**

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

## Senior Resources Commission Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 183,263	\$ 173,907	\$ (5,319)
Charges for services	173,200	177,944	4,744
Investment income	600	398	(202)
Miscellaneous revenue	-	309	309
Total revenues	357,063	352,558	(4,505)
Expenditures:			
Current:			
Culture and recreation	575,512	593,842	(18,330)
Contingency	57,551	-	57,551
Total expenditures	633,063	593,842	39,221
Excess (deficiency) of revenues over expenditures	(276,000)	(241,284)	34,716
Other financing sources:			
Transfers in	234,754	224,754	(10,000)
Net change in fund balance	<u>\$ (41,246)</u>	<u>(16,530)</u>	<u>\$ 24,716</u>
Fund balance – beginning of year		<u>102,951</u>	
Fund balance – end of year		<u>\$ 86,421</u>	

**CITY OF LAKE FOREST, ILLINOIS**

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

## Housing Trust Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Other taxes - demolition tax	\$ 36,000	\$ 66,000	\$ 30,000
Investment income	3,800	3,075	(725)
Miscellaneous revenue	-	13,565	13,565
Total revenues	<u>39,800</u>	<u>82,640</u>	<u>42,840</u>
Expenditures:			
Current:			
General government	275,000	87,500	187,500
Contingency	27,500	-	27,500
Total expenditures	<u>302,500</u>	<u>87,500</u>	<u>215,000</u>
Net change in fund balance	<u>\$ (262,700)</u>	(4,860)	<u>\$ 257,840</u>
Fund balance – beginning of year		<u>765,794</u>	
Fund balance – end of year		<u>\$ 760,934</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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 24,408	\$ 24,001	\$ (407)
Charges for services	77,641	86,868	9,227
Investment income	450	682	232
Total revenues	<u>102,499</u>	<u>111,551</u>	<u>9,052</u>
Expenditures:			
Current:			
Culture and recreation	273,457	280,613	(7,156)
Contingency	6,846	-	6,846
Total expenditures	<u>280,303</u>	<u>280,613</u>	<u>(310)</u>
Net change in fund balance	<u>\$ (177,804)</u>	(169,062)	<u>\$ 8,742</u>
Fund balance – beginning of year		<u>169,062</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

## Debt Service Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes			
Property	\$ 1,911,773	\$ 1,931,758	\$ 19,985
Grants and contributions	168,384	154,997	(13,387)
Investment income	10,705	12,036	1,331
Total revenues	<u>2,090,862</u>	<u>2,098,791</u>	<u>7,929</u>
Expenditures:			
Current:			
General government	3,500	73,394	(69,894)
Debt service:			
Principal	1,260,949	1,260,950	(1)
Interest	1,314,543	1,314,376	167
Total expenditures	<u>2,578,992</u>	<u>2,648,720</u>	<u>(69,728)</u>
Deficiency of revenues over expenditures	<u>(488,130)</u>	<u>(549,929)</u>	<u>(61,799)</u>
Other financing sources (uses):			
Issuance of refunding bonds	-	9,715,000	9,715,000
Premium on refunding bonds	-	26,093	26,093
Payment to refunded bonds escrow agent	-	(9,665,000)	(9,665,000)
Transfers in	632,955	665,436	32,481
Transfers out	(1,307,304)	(900,000)	407,304
Total other financing sources (uses)	<u>(674,349)</u>	<u>(158,471)</u>	<u>515,878</u>
Net change in fund balance	<u>\$ (1,162,479)</u>	<u>(708,400)</u>	<u>\$ 454,079</u>
Fund balance – beginning of year		<u>2,407,274</u>	
Fund balance – end of year		<u>\$ 1,698,874</u>	

**CITY OF LAKE FOREST, ILLINOIS**

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

## Capital Improvements Fund (Major Fund)

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 9,764	\$ 9,764	\$ -
Other	1,169,000	1,699,580	530,580
Grants and contributions	6,353,485	411,798	(5,941,687)
Charges for services	100,236	109,584	9,348
Investment income	14,365	12,408	(1,957)
Miscellaneous revenue	-	31,784	31,784
Total revenues	<u>7,646,850</u>	<u>2,274,918</u>	<u>(5,371,932)</u>
Expenditures:			
Current:			
General government	79,478	62,778	16,700
Contingency	1,194,924	-	1,194,924
Capital outlay	<u>11,869,757</u>	<u>4,839,501</u>	<u>7,030,256</u>
Total expenditures	<u>13,144,159</u>	<u>4,902,279</u>	<u>8,241,880</u>
Excess (deficiency) of revenues over expenditures	<u>(5,497,309)</u>	<u>(2,627,361)</u>	<u>2,869,948</u>
Other financing sources:			
Proceeds from sales of capital assets:			
Sale of property	-	778,058	778,058
Sale of equipment	-	11,111	11,111
Transfers in	<u>2,452,304</u>	<u>2,045,000</u>	<u>(407,304)</u>
Total other financing sources	<u>2,452,304</u>	<u>2,834,169</u>	<u>381,865</u>
Net change in fund balance	<u>\$ (3,045,005)</u>	206,808	<u>\$ 3,251,813</u>
Fund balance – beginning of year		<u>3,878,148</u>	
Fund balance – end of year		<u>\$ 4,084,956</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, 2014

	<b>Original and Final Appropriations</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Revenues:			
Investment income	\$ -	\$ 4,116	\$ 4,116
Expenditures:			
Current:			
Contingency	102,805	-	102,805
Capital outlay	1,028,049	-	1,028,049
Total expenditures	<u>1,130,854</u>	<u>-</u>	<u>1,130,854</u>
Net change in fund balance	<u>\$ (1,130,854)</u>	4,116	<u>\$ 1,134,970</u>
Fund balance – beginning of year		<u>1,028,104</u>	
Fund balance – end of year		<u>\$ 1,032,220</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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 2,023	\$ 2,023
Expenditures:			
Current:			
Contingency	55,032	-	55,032
General government	550,322	135,313	415,009
Total expenditures	605,354	135,313	470,041
Net change in fund balance	\$ (605,354)	(133,290)	\$ 472,064
Fund balance – beginning of year		550,354	
Fund balance – end of year		\$ 417,064	

**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, 2014

	<b>Original and Final Appropriations</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Revenues:			
Investment income	\$ -	\$ 62	\$ 62
Expenditures:			
Current:			
General government	-	20,423	(20,423)
Contingency	2,036	-	2,036
Capital outlay	20,359	-	20,359
Total expenditures	22,395	20,423	1,972
Net change in fund balance	<u>\$ (22,395)</u>	<u>(20,361)</u>	<u>\$ 2,034</u>
Fund balance – beginning of year		<u>20,361</u>	
Fund balance – end of year		<u>\$ -</u>	

## **MAJOR ENTERPRISE FUND**

### **Waterworks and Sewerage Fund**

The Waterworks and Sewerage Fund accounts for the provision of water and sewer service to the residents of the City.

**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, 2014

	<b>Original and Final Appropriations</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Operating revenues:			
Charges for services	\$ 7,815,774	\$ 7,407,730	\$ (408,044)
Connection fees	93,000	106,552	13,552
Miscellaneous	8,427	7,041	(1,386)
Total operating revenues	7,917,201	7,521,323	(395,878)
Operating expenses:			
General and administrative	2,190,813	2,042,519	148,294
Operations and maintenance	3,846,970	3,349,567	497,403
Contingency	985,080	-	985,080
Total operating expenses	7,022,863	5,392,086	1,630,777
Nonoperating revenues (expenses):			
Investment income	46,748	36,412	(10,336)
Principal retirement	(1,730,000)	(1,730,000)	-
Interest expense	(483,020)	(576,991)	(93,971)
Total nonoperating revenues (expenses)	(2,166,272)	(2,270,579)	(104,307)



## **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**

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

Budget and Actual (Budgetary Basis)

Deerpath Golf Course Fund

For the Year Ended April 30, 2014

	<b>Original and Final Appropriations</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Operating revenues:			
Charges for services	\$ 1,428,889	\$ 1,394,424	\$ (34,465)
Miscellaneous	-	3,412	3,412
Total operating revenues	1,428,889	1,397,836	(31,053)
Operating expenses:			
General and administrative	618,502	590,975	27,527
Operations and maintenance	745,926	806,540	(60,614)
Contingency	147,303	-	147,303
Total operating expenses	1,511,731	1,397,515	114,216
Nonoperating revenues (expenses):			
Investment income	1,439	2,138	699
Principal retirement	(85,000)	(85,000)	-
Interest expense	(23,605)	(20,366)	3,239
Total nonoperating revenues (expenses)	(107,166)	(103,228)	3,938

## **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 Position  
Internal Service Funds  
April 30, 2014

<b>Assets</b>	<b>Fleet Fund</b>	<b>Self Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Total Internal Service Funds</b>
Current assets:				
Cash and cash equivalents	\$ 218,359	\$ 5,381,310	\$ 610,025	\$ 6,209,694
Other receivables	5,375	294,656	-	300,031
Inventories	299,674	-	-	299,674
Prepaid items	-	-	577,015	577,015
Total current assets	<u>523,408</u>	<u>5,675,966</u>	<u>1,187,040</u>	<u>7,386,414</u>
Noncurrent assets:				
Capital assets:				
Being depreciated, net of accumulated depreciation	28,132	-	-	28,132
Total capital assets, net	<u>28,132</u>	<u>-</u>	<u>-</u>	<u>28,132</u>
Total noncurrent assets	<u>28,132</u>	<u>-</u>	<u>-</u>	<u>28,132</u>
Total assets	<u>551,540</u>	<u>5,675,966</u>	<u>1,187,040</u>	<u>7,414,546</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	16,484	297,398	55,555	369,437
Accrued liabilities	13,695	528,649	93,426	635,770
Total current liabilities	<u>30,179</u>	<u>826,047</u>	<u>148,981</u>	<u>1,005,207</u>
Noncurrent liabilities:				
Accrued compensated absences	56,776	-	-	56,776
Total liabilities	<u>86,955</u>	<u>826,047</u>	<u>148,981</u>	<u>1,061,983</u>
<b>Net Position</b>				
Net investment in capital assets	28,132	-	-	28,132
Unrestricted	436,453	4,849,919	1,038,059	6,324,431
Total net position	<u>\$ 464,585</u>	<u>\$ 4,849,919</u>	<u>\$ 1,038,059</u>	<u>\$ 6,352,563</u>

**CITY OF LAKE FOREST, ILLINOIS**

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

Internal Service Funds

For the Year Ended April 30, 2014

	<b>Fleet Fund</b>	<b>Self Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Total Internal Service Funds</b>
Operating revenues:				
Charges for services	\$ 1,901,090	\$ 4,901,714	\$ 1,327,356	\$ 8,130,160
Operating expenses:				
General and administrative	1,830,834	5,446,817	1,110,215	8,387,866
Depreciation and amortization	4,804	-	-	4,804
Total operating expenses	1,835,638	5,446,817	1,110,215	8,392,670
Operating income (loss)	65,452	(545,103)	217,141	(262,510)
Nonoperating revenues:				
Investment income	1,000	22,605	2,987	26,592
Change in net position	66,452	(522,498)	220,128	(235,918)
Net position – beginning of year	398,133	5,372,417	817,931	6,588,481
Net position – end of year	\$ 464,585	\$ 4,849,919	\$ 1,038,059	\$ 6,352,563

**CITY OF LAKE FOREST, ILLINOIS**

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended April 30, 2014

	<b>Fleet Fund</b>	<b>Self Insurance Fund</b>	<b>Liability Insurance Fund</b>	<b>Total Internal Service Funds</b>
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 1,901,832	\$ 4,615,637	\$ 1,327,356	\$ 7,844,825
Payments to suppliers	(1,200,334)	(5,206,661)	(1,215,628)	(7,622,623)
Payments to employees	(671,712)	-	-	(671,712)
Net cash flows from operating activities	29,786	(591,024)	111,728	(449,510)
Cash flows from investing activities:				
Interest and dividends received	1,000	22,605	2,987	26,592
Increase (decrease) in cash and cash equivalents	30,786	(568,419)	114,715	(422,918)
Cash and cash equivalents – beginning of year	187,573	5,949,729	495,310	6,632,612
Cash and cash equivalents – end of year	\$ 218,359	\$ 5,381,310	\$ 610,025	\$ 6,209,694
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 65,452	\$ (545,103)	\$ 217,141	\$ (262,510)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	4,804	-	-	4,804
Changes in assets and liabilities:				
Accounts receivable	742	(286,077)	-	(285,335)
Other assets	(2,248)	-	(46,748)	(48,996)
Accounts payable	(42,419)	72,166	14,689	44,436
Accrued liabilities	230	167,990	(73,354)	94,866
Compensated absences	3,225	-	-	3,225
Total adjustments	(35,666)	(45,921)	(105,413)	(187,000)
Net cash flows from operating activities	\$ 29,786	\$ (591,024)	\$ 111,728	\$ (449,510)

**CITY OF LAKE FOREST, ILLINOIS**

## Schedule of Revenues, Expenses and Nonoperating Revenues

Budget and Actual (Budgetary Basis)

Fleet Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,899,752	\$ 1,901,090	\$ 1,338
Operating expenses:			
General and administrative	1,879,570	1,830,834	48,736
Contingency	187,957	-	187,957
Total operating expenses	2,067,527	1,830,834	236,693
Nonoperating revenues:			
Investment income	700	1,000	300

**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, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 4,905,180	\$ 4,901,714	\$ (3,466)
Operating expenses:			
General and administrative	5,065,500	5,446,817	(381,317)
Contingency	481,550	-	481,550
Total operating expenses	5,547,050	5,446,817	100,233
Nonoperating revenues:			
Investment income	27,000	22,605	(4,395)



**CITY OF LAKE FOREST, ILLINOIS**

## Schedule of Revenues, Expenses and Nonoperating Revenues

Budget and Actual (Budgetary Basis)

Liability Insurance Fund

For the Year Ended April 30, 2014

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,327,356	\$ 1,327,356	\$ -
Operating expenses:			
General and administrative	1,089,305	1,110,215	(20,910)
Contingency	108,931	-	108,931
Total operating expenses	1,198,236	1,110,215	88,021
Nonoperating revenues:			
Investment income	2,600	2,987	387

## **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 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 Position

Pension Trust Funds

April 30, 2014

<b>Assets</b>	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
Cash and cash equivalents	\$ 272,211	\$ 1,183,786	\$ 1,455,997
Investments:			
U.S. Treasury obligations	6,307,782	2,948,616	9,256,398
U.S. Government agencies	3,230,257	4,840,720	8,070,977
Municipal/corporate bonds	985,094	4,800,498	5,785,592
Common stock	2,201,465	-	2,201,465
Equity mutual funds	13,405,052	16,831,360	30,236,412
Other receivables	81,760	91,873	173,633
Prepaid expenses	8,017	4,273	12,290
Total assets	26,491,638	30,701,126	57,192,764
<b>Liabilities</b>			
Accounts payable	3,895	5,917	9,812
<b>Net Position</b>			
Held in trust for pension benefits	\$ 26,487,743	\$ 30,695,209	\$ 57,182,952

**CITY OF LAKE FOREST, ILLINOIS**

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Year Ended April 30, 2014

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 1,563,964	\$ 1,090,695	\$ 2,654,659
Employee	345,616	291,366	636,982
Total contributions	1,909,580	1,382,061	3,291,641
Interest income	539,835	677,903	1,217,738
Net appreciation in fair value of investments	1,943,913	1,553,038	3,496,951
Less investment expenses	(116,763)	(87,786)	(204,549)
Net investment income	2,366,985	2,143,155	4,510,140
Total additions	4,276,565	3,525,216	7,801,781
Deductions:			
Pension benefits and refunds	1,988,433	1,718,352	3,706,785
Other administrative expenses	4,000	4,000	8,000
	1,992,433	1,722,352	3,714,785
Change in net position	2,284,132	1,802,864	4,086,996
Net position held in trust at beginning of year	24,203,611	28,892,345	53,095,956
Net position held in trust at end of year	\$ 26,487,743	\$ 30,695,209	\$ 57,182,952

**CITY OF LAKE FOREST, ILLINOIS**

Statement of Changes in Assets and Liabilities  
 Agency Fund - Special Assessment Fund  
 For the Year Ended April 30, 2014

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

## CITY OF LAKE FOREST, ILLINOIS

## Exhibit G-4

## Police Pension Fund

## Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Year Ended April 30, 2014

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 1,568,299	\$ 1,563,964	\$ (4,335)
Employee	350,000	345,616	(4,384)
Total contributions	1,918,299	1,909,580	(8,719)
Interest income	150,000	539,835	389,835
Net appreciation in fair value of investments	-	1,943,913	1,943,913
Less investment expense	(115,000)	(116,763)	(1,763)
Net investment income	35,000	2,366,985	2,331,985
Total additions	1,953,299	4,276,565	2,323,266
Deductions:			
Pension benefits and refunds	1,956,000	1,988,433	(32,433)
Other administrative expenses	4,000	4,000	-
Contingency	207,500	-	207,500
Total deductions	2,167,500	1,992,433	175,067
Change in net position	<u>\$ (214,201)</u>	2,284,132	<u>\$ 2,498,333</u>
Net position held in trust at beginning of year		<u>24,203,611</u>	
Net position held in trust at end of year		<u>\$ 26,487,743</u>	

Firefighters' Pension Fund  
Schedule of Changes in Fiduciary Net Position - Budget and Actual  
For the Year Ended April 30, 2014

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 1,084,880	\$ 1,090,695	\$ 5,815
Employee	285,000	291,366	6,366
Total contributions	<u>1,369,880</u>	<u>1,382,061</u>	<u>12,181</u>
Interest income	500,000	677,903	177,903
Net appreciation in fair value of investments	-	1,553,038	1,553,038
Less investment expense	<u>(81,000)</u>	<u>(87,786)</u>	<u>(6,786)</u>
Net investment income	<u>419,000</u>	<u>2,143,155</u>	<u>1,724,155</u>
Total additions	<u>1,788,880</u>	<u>3,525,216</u>	<u>1,736,336</u>
Deductions:			
Pension benefits and refunds	1,565,000	1,718,352	(153,352)
Other administrative expenses	4,000	4,000	-
Contingency	<u>164,000</u>	<u>-</u>	<u>164,000</u>
Total deductions	<u>1,733,000</u>	<u>1,722,352</u>	<u>10,648</u>
Change in net position	<u>\$ 55,880</u>	1,802,864	<u>\$ 1,746,984</u>
Net position held in trust at beginning of year		<u>28,892,345</u>	
Net position held in trust at end of year		<u>\$ 30,695,209</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 Position and General Fund Balance Sheet

April 30, 2014

<b>Assets</b>	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
Cash and cash equivalents	\$ 1,530,394	\$ -	\$ 1,530,394
Receivables (net of allowance for uncollectibles):			
Property taxes	3,751,395	-	3,751,395
Other taxes	5,512	-	5,512
Prepays	5,190	-	5,190
Capital assets (net):			
Capital assets not depreciated	-	359,066	359,066
Capital assets depreciated (net)	-	3,318,922	3,318,922
Total assets	<u>\$ 5,292,491</u>	<u>\$ 3,677,988</u>	<u>\$ 8,970,479</u>
<b>Liabilities</b>			
Accounts payable	\$ 81,459	\$ -	\$ 81,459
Accrued liabilities	64,503	-	64,503
Long-term obligations:			
Due within one year	-	5,000	5,000
Due in more than one year	-	237,782	237,782
Total Liabilities	<u>145,962</u>	<u>242,782</u>	<u>388,744</u>
<b>Deferred Inflows of Resources</b>			
Property tax levies intended to finance FY15	<u>3,751,395</u>	<u>-</u>	<u>3,751,395</u>
<b>Fund Balance/Net Position:</b>			
Fund balance:			
Unassigned	1,395,134	(1,395,134)	-
Net position:			
Net investment in capital assets	-	3,620,701	3,620,701
Unrestricted	-	1,209,639	1,209,639
Total fund balance/net position	<u>1,395,134</u>	<u>3,435,206</u>	<u>4,830,340</u>
Total liabilities, deferred inflows of resources and fund balance/net position	<u>\$ 5,292,491</u>	<u>\$ 3,677,988</u>	<u>\$ 8,970,479</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, 2014

	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Taxes:			
Property	\$ 3,718,524	\$ -	\$ 3,718,524
Other	33,244	-	33,244
Intergovernmental – per capita grant	44,129	-	44,129
Grants and contributions	60,175	-	60,175
Charges for services	13,501	-	13,501
Fines	47,028	-	47,028
Investment income	9,328	-	9,328
Total revenues	<u>3,925,929</u>	<u>-</u>	<u>3,925,929</u>
<b>Expenditures/expenses</b>			
Current:			
Library services:			
Personnel services	2,215,585	(8,992)	2,206,593
Other	852,321	(19,776)	832,545
Library building:			
Personnel services	148,736	(288)	148,448
Other	160,617	220,313	380,930
Capital outlay:			
Building and office	43,650	(43,650)	-
Capital improvements	293,391	(293,391)	-
Debt service:			
Principal retirement	31,433	(31,433)	-
Interest	743	-	743
Total expenditures/expenses	<u>3,746,476</u>	<u>(177,217)</u>	<u>3,569,259</u>
Net change in fund balance/net position	179,453	177,217	356,670
Fund balance/net position – beginning of year	<u>1,215,681</u>	<u>3,257,989</u>	<u>4,473,670</u>
Fund balance/net position – end of year	<u>\$ 1,395,134</u>	<u>\$ 3,435,206</u>	<u>\$ 4,830,340</u>

**Exhibit I-1****CITY OF LAKE FOREST, ILLINOIS**

## Summary of Debt Service Requirements to Maturity

April 30, 2014

<b>Fiscal year</b>	<b>General Obligation Bonds</b>
2015	\$ 5,339,563
2016	5,221,130
2017	5,115,776
2018	5,239,319
2019	5,320,683
2020	5,485,640
2021	5,572,626
2022	5,421,288
2023	5,415,218
2024	4,496,027
2025	2,400,719
2026	2,395,018
2027	2,374,363
2028	2,365,426
2029	2,130,605
2030	2,097,300
2031	2,139,650
2032	2,126,400
2033	2,079,450
	<hr/>
	\$ 72,736,201
	<hr/>

## CITY OF LAKE FOREST, ILLINOIS

## Debt Service Requirements to Maturity – General Obligation Bonds

April 30, 2014

Fiscal Year	Special Service Area 25		Special Service Area 26		Special Service Area 29	
	Tax Bonds		Tax Bonds		Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 55,000	\$ 14,703	\$ 14,522	\$ 4,848	\$ 100,914	\$ 38,916
2016	60,000	13,575	15,117	4,470	105,101	36,241
2017	60,000	12,285	15,767	4,047	109,569	33,351
2018	60,000	10,935	16,461	3,590	114,335	30,228
2019	65,000	9,525	17,202	3,096	119,423	26,855
2020	65,000	7,932	17,993	2,563	124,857	23,213
2021	70,000	6,275	18,839	1,987	130,663	19,280
2022	75,000	4,350	19,743	1,365	136,870	15,034
2023	75,000	2,213	20,701	704	143,508	10,448
2024	-	-	-	-	150,611	5,497
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
	<u>\$ 585,000</u>	<u>\$ 81,793</u>	<u>\$ 156,345</u>	<u>\$ 26,670</u>	<u>\$ 1,235,851</u>	<u>\$ 239,063</u>

(Continued)

## CITY OF LAKE FOREST, ILLINOIS

## Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2014

Fiscal Year	Series 2008 Obligation Bonds		Series 2009 Obligation Bonds		2010 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 550,000	\$ 279,206	\$ 170,000	\$ 109,845	\$ -	\$ 172,500
2016	565,000	260,644	170,000	106,445	-	172,500
2017	580,000	241,575	175,000	102,620	-	172,500
2018	600,000	222,000	180,000	98,245	-	172,500
2019	615,000	201,750	185,000	93,745	-	172,500
2020	635,000	180,225	190,000	88,195	-	172,500
2021	465,000	158,000	200,000	82,495	-	172,500
2022	485,000	141,725	205,000	76,495	-	172,500
2023	500,000	124,144	215,000	68,808	-	172,500
2024	520,000	106,019	225,000	60,745	-	172,500
2025	540,000	87,169	235,000	51,745	-	172,500
2026	560,000	66,919	245,000	42,345	-	172,500
2027	580,000	45,919	255,000	32,545	-	172,500
2028	605,000	23,444	265,000	22,345	-	172,500
2029	-	-	280,000	11,480	-	172,500
2030	-	-	-	-	540,000	172,500
2031	-	-	-	-	780,000	141,450
2032	-	-	-	-	820,000	96,600
2033	-	-	-	-	860,000	49,450
	<u>\$ 7,800,000</u>	<u>\$ 2,138,739</u>	<u>\$ 3,195,000</u>	<u>\$ 1,048,098</u>	<u>\$ 3,000,000</u>	<u>\$ 3,047,500</u>

(Continued)

## CITY OF LAKE FOREST, ILLINOIS

## Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2014

Fiscal Year	2010 Series C Obligation Bonds		2011 Series A Obligation Bonds		2011 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ 259,311	\$ 480,000	\$ 27,263	\$ 1,920,000	\$ 555,300
2016	300,000	259,311	325,000	20,063	1,955,000	516,900
2017	195,000	250,311	120,000	15,188	2,215,000	477,800
2018	210,000	243,974	125,000	12,788	2,270,000	433,500
2019	225,000	236,099	130,000	9,975	2,300,000	376,750
2020	215,000	227,099	130,000	7,050	2,400,000	319,250
2021	405,000	217,424	140,000	3,150	2,470,000	259,250
2022	415,000	198,693	-	-	2,530,000	197,500
2023	425,000	178,980	-	-	2,605,000	134,250
2024	435,000	158,793	-	-	1,870,000	56,100
2025	445,000	137,043	-	-	-	-
2026	460,000	114,792	-	-	-	-
2027	475,000	91,562	-	-	-	-
2028	490,000	67,100	-	-	-	-
2029	490,000	40,150	-	-	-	-
2030	240,000	13,200	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
	<u>\$ 5,425,000</u>	<u>\$ 2,693,842</u>	<u>\$ 1,450,000</u>	<u>\$ 95,477</u>	<u>\$ 22,535,000</u>	<u>\$ 3,326,600</u>

(Continued)

## CITY OF LAKE FOREST, ILLINOIS

## Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2014

Fiscal Year	Series 2013		Total		Total
	Obligation Bonds		Requirements		
	Principal	Interest	Principal	Interest	
2015	\$ 180,000	\$ 407,235	\$ 3,470,436	\$ 1,869,127	\$ 5,339,563
2016	-	335,763	3,495,218	1,725,912	5,221,130
2017	-	335,763	3,470,336	1,645,440	5,115,776
2018	100,000	335,763	3,675,796	1,563,523	5,239,319
2019	200,000	333,763	3,856,625	1,464,058	5,320,683
2020	350,000	329,763	4,127,850	1,357,790	5,485,640
2021	430,000	322,763	4,329,502	1,243,124	5,572,626
2022	435,000	312,013	4,301,613	1,119,675	5,421,288
2023	440,000	298,962	4,424,209	991,009	5,415,218
2024	450,000	285,762	3,650,611	845,416	4,496,027
2025	460,000	272,262	1,680,000	720,719	2,400,719
2026	475,000	258,462	1,740,000	655,018	2,395,018
2027	480,000	241,837	1,790,000	584,363	2,374,363
2028	495,000	225,037	1,855,000	510,426	2,365,426
2029	930,000	206,475	1,700,000	430,605	2,130,605
2030	960,000	171,600	1,740,000	357,300	2,097,300
2031	1,085,000	133,200	1,865,000	274,650	2,139,650
2032	1,120,000	89,800	1,940,000	186,400	2,126,400
2033	1,125,000	45,000	1,985,000	94,450	2,079,450
	<u>\$ 9,715,000</u>	<u>\$ 4,941,223</u>	<u>\$ 55,097,196</u>	<u>\$ 17,639,005</u>	<u>\$ 72,736,201</u>

(Concluded)



**CITY OF LAKE FOREST, ILLINOIS**

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2014

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

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2014	\$ 55,000
2015	60,000
2016	60,000
2017	60,000
2018	65,000
Thereafter	285,000
	<u>\$ 585,000</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
2013	\$ 55,000	\$ 14,703	\$ 69,703	2014	\$ 7,351	2014	\$ 7,352
2014	60,000	13,575	73,575	2015	6,787	2015	6,788
2015	60,000	12,285	72,285	2016	6,143	2016	6,142
2016	60,000	10,935	70,935	2017	5,467	2017	5,468
2017	65,000	9,525	74,525	2018	4,762	2018	4,763
Thereafter	285,000	20,770	305,770	Thereafter	10,385	Thereafter	10,385
	<u>\$ 585,000</u>	<u>\$ 81,793</u>	<u>\$ 666,793</u>				

**CITY OF LAKE FOREST, ILLINOIS**

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2014

Date of issue: October 7, 2003  
 Date of maturity: December 15, 2022  
 Authorized issue: \$ 276,500  
 Denomination of bonds: One bond per maturity  
 Interest rate: 2.50-3.40%

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

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2014	\$ 14,522
2015	15,117
2016	15,767
2017	16,461
2018	17,202
Thereafter	77,276
	<u>\$ 156,345</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2013	\$ 14,522	\$ 4,848	\$ 19,370	2014	\$ 2,424	2014	\$ 2,424
2014	15,117	4,470	19,587	2015	2,235	2015	2,235
2015	15,767	4,047	19,814	2016	2,023	2016	2,024
2016	16,461	3,590	20,051	2017	1,795	2017	1,795
2017	17,202	3,096	20,298	2018	1,548	2018	1,548
Thereafter	77,276	6,619	83,895	Thereafter	3,309	Thereafter	3,310
	<u>\$ 156,345</u>	<u>\$ 26,670</u>	<u>\$ 183,015</u>				

**CITY OF LAKE FOREST, ILLINOIS**

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2014

Date of issue: December 20, 2004  
 Date of maturity: December 15, 2023  
 Authorized issue: \$ 2,000,000  
 Denomination of bonds: One bond per maturity  
 Interest rate: 2.55-3.65%

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

**Redeemable annually  
on December 15**

	<b>Amount</b>
2014	\$ 100,914
2015	105,101
2016	109,569
2017	114,335
2018	119,423
Thereafter	686,509
	<u>\$ 1,235,851</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2013	\$ 100,914	\$ 38,916	\$ 139,830	2014	\$ 19,458	2014	\$19,458
2014	105,101	36,241	141,342	2015	18,121	2015	18,120
2015	109,569	33,351	142,920	2016	16,675	2016	16,676
2016	114,335	30,228	144,563	2017	15,114	2017	15,114
2017	119,423	26,855	146,278	2018	13,427	2018	13,428
Thereafter	686,509	73,472	759,981	Thereafter	36,736	Thereafter	36,736
	<u>\$1,235,851</u>	<u>\$239,063</u>	<u>\$ 1,474,914</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2008 Series

April 30, 2014

Date of issue: April 15, 2008  
 Date of maturity: December 15, 2027  
 Authorized issue: \$ 9,750,000  
 Denomination of bonds: \$ 5,000  
 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**

2014	\$ 550,000
2015	565,000
2016	580,000
2017	600,000
2018	615,000
Thereafter	4,890,000
	<u>\$ 7,800,000</u>

**Bond Principal and Interest Requirements**

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2013	\$ 550,000	\$ 279,206	\$ 829,206	2014	\$ 139,603	2014	\$ 139,603
2014	565,000	260,644	825,644	2015	130,322	2015	130,322
2015	580,000	241,575	821,575	2016	120,787	2016	120,788
2016	600,000	222,000	822,000	2017	111,000	2017	111,000
2017	615,000	201,750	816,750	2018	100,875	2018	100,875
Thereafter	4,890,000	933,564	5,823,564	Thereafter	466,782	Thereafter	466,782
	<u>\$ 7,800,000</u>	<u>\$ 2,138,739</u>	<u>\$ 9,938,739</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2009 Series

April 30, 2014

Date of issue: May 14, 2009  
 Date of maturity: December 15, 2029  
 Authorized issue: \$ 3,680,000  
 Denomination of bonds: \$ 5,000  
 Interest rate: 2.00 - 4.10 %  
  
 Interest dates: June 15 and December 15  
 Payable at: Wells Fargo Bank  
 Chicago, Illinois

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2014	\$ 170,000
2015	170,000
2016	175,000
2017	180,000
2018	185,000
Thereafter	2,315,000
	<u>\$ 3,195,000</u>

**Bond Principal and Interest Requirements**

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2013	\$ 170,000	\$ 109,845	\$ 279,845	2014	\$ 54,922	2014	\$ 54,923
2014	170,000	106,445	276,445	2015	53,222	2015	53,223
2015	175,000	102,620	277,620	2016	51,310	2016	51,310
2016	180,000	98,245	278,245	2017	49,123	2017	49,122
2017	185,000	93,745	278,745	2018	46,873	2018	46,872
Thereafter	2,315,000	537,198	2,852,198	Thereafter	268,599	Thereafter	268,599
	<u>\$ 3,195,000</u>	<u>\$ 1,048,098</u>	<u>\$ 4,243,098</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2010 Series B

April 30, 2014

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

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2029	\$ 540,000
2030	780,000
2031	820,000
2032	860,000
	<u>\$ 3,000,000</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2013	\$ -	\$ 172,500	\$ 172,500	2014	\$ 86,250	2014	\$ 86,250
2014	-	172,500	172,500	2015	86,250	2015	86,250
2015	-	172,500	172,500	2016	86,250	2016	86,250
2016	-	172,500	172,500	2017	86,250	2017	86,250
2017	-	172,500	172,500	2018	86,250	2018	86,250
Thereafter	3,000,000	2,185,000	5,185,000	Thereafter	1,092,500	Thereafter	1,092,500
	<u>\$ 3,000,000</u>	<u>\$ 3,047,500</u>	<u>\$ 6,047,500</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2010 Series C

April 30, 2014

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

**Redeemable annually****on December 15****Amount**

2015	\$ 300,000
2016	195,000
2017	210,000
2018	225,000
2019	215,000
Thereafter	4,280,000
	<u>\$ 5,425,000</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2013	\$ -	\$ 259,311	\$ 259,311	2014	\$ 129,656	2014	\$ 129,655
2014	300,000	259,311	559,311	2015	129,656	2015	129,655
2015	195,000	250,311	445,311	2016	125,156	2016	125,155
2016	210,000	243,974	453,974	2017	121,987	2017	121,987
2017	225,000	236,099	461,099	2018	118,050	2018	118,049
Thereafter	4,495,000	1,444,836	5,939,836	Thereafter	722,418	Thereafter	722,418
	<u>\$ 5,425,000</u>	<u>\$ 2,693,842</u>	<u>\$ 8,118,842</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2011 Series A

April 30, 2014

Date of issue: September 6, 2011  
 Date of maturity: December 15, 2021  
 Authorized issue: \$ 2,415,000  
 Denomination of bonds: \$ 5,000  
 Interest rate: 1.50 - 3.00%  
  
 Interest dates: June 15 and December 15  
 Payable at: Wells Fargo Bank  
 Chicago, Illinois

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2014	\$ 480,000
2015	325,000
2016	120,000
2017	125,000
2018	130,000
Thereafter	270,000
	<u>\$ 1,450,000</u>

**Bond Principal and Interest Requirements**

<b>Tax levy year</b>	<b>Tax levy</b>			<b>Coupons due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2013	\$ 480,000	\$ 27,263	\$ 507,263	2014	\$ 13,632	2014	\$ 13,631
2014	325,000	20,063	345,063	2015	10,032	2015	10,031
2015	120,000	15,188	135,188	2016	7,594	2016	7,594
2016	125,000	12,788	137,788	2017	6,394	2017	6,394
2017	130,000	9,975	139,975	2018	4,988	2018	4,987
Thereafter	270,000	10,200	280,200	Thereafter	5,100	Thereafter	5,100
	<u>\$ 1,450,000</u>	<u>\$ 95,477</u>	<u>\$ 1,545,477</u>				



**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – 2011 Series B

April 30, 2014

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

**Redeemable annually**

<u>on December 15</u>	<u>Amount</u>
2014	\$ 1,920,000
2015	1,955,000
2016	2,215,000
2017	2,270,000
2018	2,300,000
Thereafter	11,875,000
	<u>\$ 22,535,000</u>

**Bond Principal and Interest Requirements**

<u>Tax levy year</u>	<u>Tax levy</u>			<u>Coupons due on</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 15</u>	<u>Amount</u>	<u>December 15</u>	<u>Amount</u>
2013	\$ 1,920,000	\$ 555,300	\$ 2,475,300	2014	\$ 277,650	2014	\$ 277,650
2014	1,955,000	516,900	2,471,900	2015	258,450	2015	258,450
2015	2,215,000	477,800	2,692,800	2016	238,900	2016	238,900
2016	2,270,000	433,500	2,703,500	2017	216,750	2017	216,750
2017	2,300,000	376,750	2,676,750	2018	188,375	2018	188,375
Thereafter	11,875,000	966,350	12,841,350	Thereafter	483,175	Thereafter	483,175
	<u>\$ 22,535,000</u>	<u>\$ 3,326,600</u>	<u>\$ 25,861,600</u>				

**CITY OF LAKE FOREST, ILLINOIS**

General Obligation Bonds – Series 2013

April 30, 2014

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

**Redeemable annually****on December 15****Amount**

2014	\$ 180,000
2015	-
2016	-
2017	100,000
2018	200,000
Thereafter	9,235,000
	<u>\$ 9,715,000</u>

**Bond Principal and Interest Requirements**

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2013	\$ 180,000	\$ 407,235	\$ 587,235	2014	\$ 203,618	2014	\$ 203,617
2014	-	335,763	335,763	2015	167,882	2015	167,881
2015	-	335,763	335,763	2016	167,882	2016	167,881
2016	100,000	335,763	435,763	2017	167,882	2017	167,881
2017	200,000	333,763	533,763	2018	167,882	2018	166,881
Thereafter	9,235,000	3,192,936	12,427,936	Thereafter	1,596,468	Thereafter	1,596,468
	<u>\$ 9,715,000</u>	<u>\$ 4,941,223</u>	<u>\$ 14,656,223</u>				

**CITY OF LAKE FOREST, ILLINOIS**

Debt Service Fund

Combining Balance Sheet

April 30, 2014

<b>Assets</b>	<b>2003 Series D General Obligation Bonds</b>	<b>Special Service Area 25 General Obligation Bonds</b>	<b>Special Service Area 26 General Obligation Bonds</b>
Cash and cash equivalents	\$ 571,149	\$ 11,358	\$ 1,744
Receivables (net of allowance for uncollectibles):			
Property taxes	-	69,103	19,570
Total assets	<u>\$ 571,149</u>	<u>\$ 80,461</u>	<u>\$ 21,314</u>
<b>Deferred Inflows of Resources</b>			
Property tax levies intended to finance FY15	<u>\$ -</u>	<u>\$ 69,103</u>	<u>\$ 19,570</u>
<b>Fund Balance</b>			
Fund balance – restricted for debt service	<u>571,149</u>	<u>11,358</u>	<u>1,744</u>
Total deferred inflows of resources and fund balance	<u>\$ 571,149</u>	<u>\$ 80,461</u>	<u>\$ 21,314</u>

<b>Special Service Area 29 General Obligation Bonds</b>	<b>2004 Series B General Obligation Bonds</b>	<b>2008 General Obligation Bonds</b>	<b>2009 General Obligation Bonds</b>	<b>2010 General Obligation Bonds</b>	<b>2013 General Obligation Bonds</b>	<b>Total</b>
\$ 1,073	\$ 932,088	\$ 149,915	\$ 15,639	\$ 9,888	\$ 6,020	\$ 1,698,874
138,230	-	826,511	278,988	262,574	585,349	2,180,325
<u>\$ 139,303</u>	<u>\$ 932,088</u>	<u>\$ 976,426</u>	<u>\$ 294,627</u>	<u>\$ 272,462</u>	<u>\$ 591,369</u>	<u>\$ 3,879,199</u>
\$ 138,230	\$ -	\$ 826,511	\$ 278,988	\$ 262,574	\$ 585,349	\$ 2,180,325
1,073	932,088	149,915	15,639	9,888	6,020	1,698,874
<u>\$ 139,303</u>	<u>\$ 932,088</u>	<u>\$ 976,426</u>	<u>\$ 294,627</u>	<u>\$ 272,462</u>	<u>\$ 591,369</u>	<u>\$ 3,879,199</u>

**CITY OF LAKE FOREST, ILLINOIS**

Debt Service Fund

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

Year ended April 30, 2014

	<b>2003 Series D General Obligation Bonds</b>	<b>Special Service Area 25 General Obligation Bonds</b>	<b>Special Service Area 26 General Obligation Bonds</b>
Revenues:			
Taxes:			
Property taxes	\$ -	\$ 79,329	\$ 21,675
Grants and contributions - IRS rebate	-	-	-
Investment income	3,426	126	29
Total revenues	<u>3,426</u>	<u>79,455</u>	<u>21,704</u>
Expenditures:			
General government	500	-	-
Debt service:			
Principal	205,000	55,000	13,964
Interest	10,025	15,695	5,177
Total expenditures	<u>215,525</u>	<u>70,695</u>	<u>19,141</u>
Excess (deficiency) of revenues over expenditures	<u>(212,099)</u>	<u>8,760</u>	<u>2,563</u>
Other financing sources:			
Issuance of refunding bonds	-	-	-
Premium on refunding bonds	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Transfers in	279,483	-	-
Transfers out	(300,000)	-	-
Total other financing sources (uses)	<u>(20,517)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(232,616)	8,760	2,563
Fund balance – beginning of year	<u>803,765</u>	<u>2,598</u>	<u>(819)</u>
Fund balance – end of year	<u>\$ 571,149</u>	<u>\$ 11,358</u>	<u>\$ 1,744</u>

Special Service Area 29 General Obligation Bonds	2004 Series B General Obligation Bonds	2008 General Obligation Bonds	2009 General Obligation Bonds	2010 General Obligation Bonds	2013 General Obligation Bonds	Total
\$ 146,987	\$ -	\$ 841,884	\$ 282,264	\$ 559,619	\$ -	\$ 1,931,758
-	-	-	-	154,997	-	154,997
161	5,957	1,547	451	268	71	12,036
147,148	5,957	843,431	282,715	714,884	71	2,098,791
-	500	500	500	1,250	70,144	73,394
96,986	190,000	535,000	165,000	-	-	1,260,950
41,500	109,810	297,263	113,145	721,761	-	1,314,376
138,486	300,310	832,763	278,645	723,011	70,144	2,648,720
8,662	(294,353)	10,668	4,070	(8,127)	(70,073)	(549,929)
-	-	-	-	-	9,715,000	9,715,000
-	-	-	-	-	26,093	26,093
-	-	-	-	-	(9,665,000)	(9,665,000)
-	385,953	-	-	-	-	665,436
-	(600,000)	-	-	-	-	(900,000)
-	(214,047)	-	-	-	76,093	(158,471)
8,662	(508,400)	10,668	4,070	(8,127)	6,020	(708,400)
(7,589)	1,440,488	139,247	11,569	18,015	-	2,407,274
\$ 1,073	\$ 932,088	\$ 149,915	\$ 15,639	\$ 9,888	\$ 6,020	\$ 1,698,874

**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>
<b>Financial Trends</b>	<b>122-130</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>131-138</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>139-143</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>144-146</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>147-150</b>
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



# CITY OF LAKE FOREST, ILLINOIS

## Net Position by Component Last Ten Fiscal Years

	Fiscal Year			
	2005	2006	2007	2008
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 157,490,638	\$ 166,151,385	\$ 163,863,237	\$ 172,325,675
Restricted	2,997,174	3,568,910	4,010,519	3,978,855
Unrestricted	18,310,053	16,476,341	26,409,165	28,748,888
<b>Total Governmental Activities</b>	<b>\$ 178,797,865</b>	<b>\$ 186,196,636</b>	<b>\$ 194,282,921</b>	<b>\$ 205,053,418</b>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 41,401,968	\$ 43,183,127	\$ 44,504,668	\$ 44,932,466
Restricted	-	-	-	-
Unrestricted	11,917,654	11,105,554	11,824,329	12,087,202
<b>Total Business-type Activities</b>	<b>\$ 53,319,622</b>	<b>\$ 54,288,681</b>	<b>\$ 56,328,997</b>	<b>\$ 57,019,668</b>
<b>Total</b>				
Net investment in capital assets	\$ 198,892,606	\$ 209,334,512	\$ 208,367,905	\$ 217,258,141
Restricted	2,997,174	3,568,910	4,010,519	3,978,855
Unrestricted	30,227,707	27,581,895	38,233,494	40,836,090
<b>Total Primary Government</b>	<b>\$ 232,117,487</b>	<b>\$ 240,485,317</b>	<b>\$ 250,611,918</b>	<b>\$ 262,073,086</b>

### Data Source

Audited Financial Statements

Table 1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 193,768,992	\$ 193,225,047	\$ 192,568,460	\$ 190,779,593	\$ 187,500,531	\$ 184,270,349
3,319,974	3,001,515	3,645,693	16,599,487	16,064,099	16,860,362
25,867,536	25,090,240	29,683,545	19,550,532	21,126,818	23,689,130
<u>\$ 222,956,502</u>	<u>\$ 221,316,802</u>	<u>\$ 225,897,698</u>	<u>\$ 226,929,612</u>	<u>\$ 224,691,448</u>	<u>\$ 224,819,841</u>
\$ 37,184,702	\$ 38,075,853	\$ 37,709,887	\$ 36,753,670	\$ 36,077,752	\$ 36,163,443
-	-	-	-	-	-
9,577,076	8,617,858	8,513,924	8,918,142	9,880,856	9,739,336
<u>\$ 46,761,778</u>	<u>\$ 46,693,711</u>	<u>\$ 46,223,811</u>	<u>\$ 45,671,812</u>	<u>\$ 45,958,608</u>	<u>\$ 45,902,779</u>
\$ 230,953,694	\$ 231,300,900	\$ 230,278,347	\$ 227,533,263	\$ 223,578,283	\$ 220,433,792
3,319,974	3,001,515	3,645,693	16,599,487	16,064,099	16,860,362
35,444,612	33,708,098	38,197,469	28,468,674	31,007,674	33,428,466
<u>\$ 269,718,280</u>	<u>\$ 268,010,513</u>	<u>\$ 272,121,509</u>	<u>\$ 272,601,424</u>	<u>\$ 270,650,056</u>	<u>\$ 270,722,620</u>

**CITY OF LAKE FOREST, ILLINOIS**

Changes in Net Position  
Last Ten Fiscal Years

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

Table 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 14,928,550	\$ 13,974,412	\$ 13,321,852	\$ 12,080,189	\$ 16,176,326	\$ 12,311,198
7,911,604	9,469,570	8,687,404	8,304,860	7,536,444	7,762,403
2,169,302	2,183,373	2,349,916	2,568,820	2,512,559	2,586,125
9,430,847	9,589,857	9,402,752	9,469,832	10,352,252	10,397,593
12,623,300	13,116,738	13,398,718	13,583,116	13,748,855	14,430,151
-	-	-	-	-	-
978,029	1,097,805	1,424,317	1,420,087	1,362,715	1,333,267
48,041,632	49,431,755	48,584,959	47,426,904	51,689,151	48,820,737
7,659,138	7,882,904	8,008,372	7,985,394	8,287,297	7,476,752
1,490,115	1,345,437	1,393,869	1,371,380	1,459,394	1,554,678
-	-	-	-	-	-
9,149,253	9,228,341	9,402,241	9,356,774	9,746,691	9,031,430
\$ 57,190,885	\$ 58,660,096	\$ 57,987,200	\$ 56,783,678	\$ 61,435,842	\$ 57,852,167
\$ 4,980,144	\$ 4,822,344	\$ 4,455,844	\$ 4,771,863	\$ 4,838,151	\$ 4,756,948
1,239,586	809,661	693,029	846,366	753,487	741,334
192,848	104,158	171,030	81,577	58,564	77,147
4,197,023	4,121,592	3,650,467	3,392,303	3,342,913	3,314,856
1,589,647	1,540,927	1,930,715	1,678,032	1,861,619	1,950,998
684,872	1,413,819	846,781	1,433,791	1,777,734	1,105,191
9,033,429	925,524	5,982,721	360,407	25,000	757,239
21,917,549	13,738,025	17,730,587	12,564,339	12,657,468	12,703,713
6,589,780	7,048,854	7,344,740	7,477,637	8,598,079	7,521,323
1,413,732	1,333,879	1,264,624	1,238,016	1,320,455	1,397,836
-	-	-	-	-	-
-	-	-	-	-	-
829,447	97,724	162,051	-	-	-
8,832,959	8,480,457	8,771,415	8,715,653	9,918,534	8,919,159
\$ 30,750,508	\$ 22,218,482	\$ 26,502,002	\$ 21,279,992	\$ 22,576,002	\$ 21,622,872
\$ (26,124,083)	\$ (35,693,730)	\$ (30,854,372)	\$ (34,862,565)	\$ (39,031,683)	\$ (36,117,024)
(316,294)	(747,884)	(630,826)	(641,121)	171,843	(112,271)
\$ (26,440,377)	\$ (36,441,614)	\$ (31,485,198)	\$ (35,503,686)	\$ (38,859,840)	\$ (36,229,295)

# CITY OF LAKE FOREST, ILLINOIS

Changes in Net Position (Continued)  
Last Ten Fiscal Years

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

Data Source

Audited Financial Statements

Table 2

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 23,067,216	\$ 24,383,716	\$ 24,739,956	\$ 25,428,378	\$ 25,051,411	\$ 23,744,650
3,010,457	2,392,497	2,554,772	2,577,304	3,183,479	3,047,529
2,018,177	1,762,425	1,849,046	1,938,686	2,131,711	2,182,325
4,407,235	3,967,398	3,968,072	3,981,548	3,736,586	4,026,972
962,840	878,925	1,279,935	1,215,407	1,209,113	1,633,580
391,347	372,640	422,080	492,746	493,418	581,443
35,853	852,245	573,508	264,432	491,196	637,193
-	-	-	-	-	-
22,729	60,000	150,049	33,724	573,705	669,145
10,111,313	(615,816)	(102,150)	(37,746)	(77,100)	(97,000)
44,027,167	34,054,030	35,435,268	35,894,479	36,793,519	36,425,837
169,717	64,001	58,776	51,376	37,853	38,550
(10,111,313)	615,816	102,150	37,746	77,100	97,000
(9,941,596)	679,817	160,926	89,122	114,953	135,550
\$ 34,085,571	\$ 34,733,847	\$ 35,596,194	\$ 35,983,601	\$ 36,908,472	\$ 36,561,387
\$ 17,903,084	\$ (1,639,700)	\$ 4,580,896	\$ 1,031,914	\$ (2,238,164)	\$ 308,813
(10,257,890)	(68,067)	(469,900)	(551,999)	286,796	23,279
\$ 7,645,194	\$ (1,707,767)	\$ 4,110,996	\$ 479,915	\$ (1,951,368)	\$ 332,092

## CITY OF LAKE FOREST, ILLINOIS

Table 3

Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
General Fund										
Nonspendable								\$ 2,159,403	\$ 2,775,449	\$ 2,126,990
Restricted								957,420	957,420	957,420
Unassigned								10,601,190	11,020,723	14,530,550
Reserved	\$ 585,232	\$ 510,960	\$ 470,008	\$ 1,041,187	\$ 2,218,570	\$ 1,071,068	\$ 2,988,884			
Unreserved	11,178,843	6,506,164	8,534,147	9,585,445	8,618,251	9,815,220	9,239,135			
Total General Fund	\$ 11,764,075	\$ 7,017,124	\$ 9,004,155	\$ 10,626,632	\$ 10,836,821	\$ 10,886,288	\$ 12,228,019	\$ 13,718,013	\$ 14,753,592	\$ 17,614,960
All Other Governmental Funds										
Nonspendable								\$ 43,333	\$ 43,333	\$ -
Restricted								16,171,794	15,605,203	16,127,257
Assigned								1,591,600	1,598,819	1,449,284
Reserved										
Special Revenue Funds	\$ 407,587	\$ 121,299	\$ 89,809	\$ 130,173	\$ 128,516	\$ 43,306	\$ 4,333			
Capital Project Funds	69,058	-	-	-	-	-	-			
Debt Service Funds	1,915,242	2,381,564	2,849,336	2,708,268	2,632,215	2,839,264	2,808,826			
Unreserved, reported in										
Special Revenue Funds	3,885,249	5,531,312	8,006,257	8,063,766	6,747,544	8,209,263	9,869,178			
Capital Project Funds	10,123,851	8,048,381	8,898,968	17,815,488	6,538,074	3,171,421	6,189,372			
Debt Service Funds	-	-	-	-	-	-	-			
Total All Other Governmental Funds	\$ 16,400,987	\$ 16,082,556	\$ 19,844,370	\$ 28,717,695	\$ 16,046,349	\$ 14,263,254	\$ 18,871,709	\$ 17,806,727	\$ 17,247,355	\$ 17,576,541
Total All Governmental	\$ 28,165,062	\$ 23,099,680	\$ 28,848,525	\$ 39,344,327	\$ 26,883,170	\$ 25,149,542	\$ 31,099,728	\$ 31,524,740	\$ 32,000,947	\$ 35,191,501

Data Source

## Audited Financial Statements

\* The City implemented GASB Statement #54 in FY 2012.

## CITY OF LAKE FOREST, ILLINOIS

Table 4

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Property taxes	\$ 19,846,632	\$ 20,858,317	\$ 21,287,422	\$ 22,324,863	\$ 23,067,216	\$ 24,383,716	\$ 24,739,956	\$ 25,428,378	\$ 25,051,411	\$ 23,744,650
Other taxes	9,103,267	9,675,119	11,182,063	12,221,047	10,790,056	9,433,885	10,073,905	10,205,691	10,754,307	11,471,849
Intergovernmental revenues	1,254,231	1,407,815	948,449	790,979	684,872	1,304,368	523,185	589,960	612,357	576,125
Grants and contributions	-	-	-	-	-	706,250	1,306,195	1,039,737	1,190,377	962,249
Charges for services	6,946,174	7,422,055	8,416,183	7,193,242	8,295,760	7,844,119	7,427,784	7,028,800	7,319,673	7,373,500
Licenses and permits	2,933,400	2,488,811	2,483,638	2,345,931	2,117,774	2,135,888	2,246,336	2,475,739	2,450,194	2,477,338
Fines and forfeitures	387,178	461,909	357,556	469,208	387,629	372,924	409,539	372,607	368,941	297,005
Investment income	832,709	1,358,266	1,866,217	1,673,038	(11,695)	815,520	531,666	225,225	462,579	610,601
Miscellaneous revenue	2,114,370	1,419,807	2,890,358	1,870,927	1,420,815	1,374,476	1,074,576	730,813	1,225,082	759,384
<b>Total Revenues</b>	<b>43,417,961</b>	<b>45,092,099</b>	<b>49,431,886</b>	<b>48,889,235</b>	<b>46,752,427</b>	<b>48,371,146</b>	<b>48,333,142</b>	<b>48,096,950</b>	<b>49,434,921</b>	<b>48,272,701</b>
<b>Expenditures</b>										
General government	9,739,170	9,158,599	9,533,418	10,569,268	12,778,200	12,226,189	11,929,446	10,313,031	14,242,768	10,112,393
Highways and streets	1,682,996	1,770,853	1,979,122	2,332,972	2,567,220	3,897,758	2,449,911	2,139,656	2,044,225	2,293,840
Sanitation	1,845,302	1,943,042	2,023,726	2,125,284	2,096,044	2,056,528	2,194,511	2,228,844	2,193,091	2,212,166
Culture and recreation	7,253,560	7,662,467	8,174,644	7,925,598	8,511,075	8,816,962	8,559,331	8,463,547	9,282,695	8,686,298
Public safety	10,099,843	10,895,658	11,341,849	12,169,723	12,820,200	13,062,453	13,291,727	13,723,801	13,826,732	14,299,583
Capital outlay	6,253,592	12,940,175	5,466,571	8,324,272	28,537,234	11,376,490	6,348,572	6,641,923	4,586,574	5,527,772
Debt Service										
Principal	4,376,212	5,013,943	4,774,827	4,797,104	2,954,681	2,877,662	15,659,313	2,531,876	1,377,736	1,400,950
Interest	827,160	982,744	881,087	781,529	694,355	1,173,967	1,284,755	1,667,372	1,392,342	1,319,276
Bond issuance costs	64,640	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>42,142,475</b>	<b>50,367,481</b>	<b>44,175,244</b>	<b>49,025,750</b>	<b>70,959,009</b>	<b>55,488,009</b>	<b>61,717,566</b>	<b>47,710,050</b>	<b>48,946,163</b>	<b>45,852,278</b>
<b>Excess of Revenues over (under)</b>										
Expenditures	1,275,486	(5,275,382)	5,256,642	(136,515)	(24,206,582)	(7,116,863)	(13,384,424)	386,900	488,758	2,420,423

(Continued)



## CITY OF LAKE FOREST, ILLINOIS

Table 4

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other financing Sources (Uses)</b>										
Transfers in	\$ 3,350,766	\$ 9,713,436	\$ 2,893,460	\$ 3,201,175	\$ 5,425,090	\$ 1,847,105	\$ 1,844,410	\$ 2,296,270	\$ 2,829,243	\$ 3,224,306
Transfers out	(3,418,396)	(9,713,436)	(3,885,979)	(3,041,224)	(4,454,665)	(2,462,921)	(1,946,560)	(2,334,016)	(2,906,343)	(3,321,306)
Bonds issued	7,200,000	-	-	9,750,000	-	3,680,000	18,090,000	-	-	-
Installment note proceeds	-	-	-	-	10,700,000	2,300,000	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-	-	-
Premium (discount) on bonds issued	(16,631)	-	-	(50,668)	-	19,051	279,130	120,828	-	26,093
Proceeds from refunding G.O. bonds	-	-	-	-	-	-	-	5,690,000	-	9,715,000
Payments for refunding G.O. bonds	-	-	-	-	-	-	-	(5,769,025)	-	(9,665,000)
Sale of capital assets	768,543	210,000	1,484,722	773,034	75,000	-	1,067,630	34,055	64,549	791,038
Total Other Financing Sources (Uses)	7,884,282	210,000	492,203	10,632,317	11,745,425	5,383,235	19,334,610	38,112	(12,551)	770,131
<b>Net Change in Fund Balances</b>	<b>\$ 9,159,768</b>	<b>\$ (5,065,382)</b>	<b>\$ 5,748,845</b>	<b>\$ 10,495,802</b>	<b>\$ (12,461,157)</b>	<b>\$ (1,733,628)</b>	<b>\$ 5,950,186</b>	<b>\$ 425,012</b>	<b>\$ 476,207</b>	<b>\$ 3,190,554</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>14.50%</b>	<b>16.02%</b>	<b>14.61%</b>	<b>12.60%</b>	<b>8.08%</b>	<b>8.62%</b>	<b>8.62%</b>	<b>8.31%</b>	<b>5.85%</b>	<b>6.17%</b>

Data Source

Audited Financial Statements

**CITY OF LAKE FOREST, ILLINOIS**

**Table 5**

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax Increment Financing	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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%
2010	2,452,291,451	203,193,623	66,933	5,871,505	56,123,585	2,717,547,097	0.9900	8,152,641,291	33.333%
2011	2,302,061,004	203,074,638	70,382	5,409,080	54,464,919	2,565,080,023	1.0350	7,695,240,069	33.333%
2012	2,166,702,992	207,360,589	65,556	3,918,002	-	2,378,047,139	1.1480	7,134,141,417	33.333%
2013	2,047,760,158	200,625,492	62,064	5,099,690	-	2,253,547,404	1.2480	6,760,642,212	33.333%

Data Source

Office of the County Clerk

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

The City's Tax Increment Financing district expired for 2012

## CITY OF LAKE FOREST, ILLINOIS

Table 6

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Bonds	0.118	0.095	0.088	0.083	0.086	0.090	0.096	0.068	0.071	0.088
Corporate	0.481	0.461	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580
Firemens' Pension	0.023	0.023	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052
IMRF	0.058	0.055	0.052	0.051	0.052	0.054	0.059	0.032	0.035	0.037
Library	0.108	0.105	0.102	0.101	0.101	0.105	0.116	0.126	0.141	0.152
Library Sites & Building	0.014	0.013	0.012	0.011	0.013	0.013	0.014	0.015	0.016	0.017
Parks/Park Maintenance	0.000	0.000	0.000	0.052	0.050	0.097	0.106	0.114	0.123	0.191
Playground & Recreation**	0.116	0.112	0.098	0.038	0.042	0.043	0.046	0.050	0.055	0.000
Police Pension	0.034	0.036	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076
Recreation for Handicapped Rec.	0.011	0.011	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018
Social Security								0.032	0.035	0.037
City Direct Rates *	<b>0.963</b>	<b>0.911</b>	<b>0.869</b>	<b>0.851</b>	<b>0.870</b>	<b>0.902</b>	<b>0.990</b>	<b>1.035</b>	<b>1.148</b>	<b>1.248</b>
Overlapping Rates										
College of Lake County	0.200	0.197	0.195	0.192	0.196	0.200	0.218	0.240	0.272	0.296
County of Lake	0.465	0.454	0.450	0.444	0.453	0.464	0.505	0.554	0.608	0.663
Lake County Forest Preserve	0.219	0.210	0.204	0.201	0.199	0.200	0.198	0.201	0.212	0.218
North Shore Sanitary District	0.139	0.132	0.125	0.120	0.121	0.124	0.136	0.150	0.150	0.164
School District 67, Elem.	1.051	1.013	0.964	0.944	0.965	0.998	1.095	1.186	1.322	1.424
School District 115, High School	1.003	0.965	0.961	0.959	1.001	1.069	1.101	1.191	1.322	1.420
Township	0.052	0.051	0.050	0.050	0.050	0.048	0.039	0.043	0.036	0.037
Township Road and Bridge	0.018	0.018	0.020	0.016	0.019	0.020	0.023	0.026	0.029	0.032
Total tax rate	<b>4.110</b>	<b>3.951</b>	<b>3.838</b>	<b>3.777</b>	<b>3.874</b>	<b>4.025</b>	<b>4.305</b>	<b>4.626</b>	<b>5.099</b>	<b>5.502</b>
City's share of total tax rate	23%	23%	23%	23%	22%	22%	23%	22%	23%	23%

Data Source

Office of the County Clerk - Shields Township

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

\* Excludes rates for the Special Service Areas

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

\*\* Parks and Playgrounds combined in 2013

## CITY OF LAKE FOREST, ILLINOIS

Table 7

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 18,429,766	1	0.82%	\$ 8,007,473	6	0.40%
Lake Products Inc.	13,924,734	2	0.62%			
The Presbyterian Home	13,000,708	3	0.58%	24,349,807	1	1.10%
CBIZ Property Tax Solutions	9,053,796	4	0.40%	12,001,886	2	0.50%
Trustmark Insurance Co	7,609,239	5	0.34%	8,243,679	5	0.40%
Northwestern Lake Forest Hospital	7,324,881	6	0.33%	7,427,522	7	0.30%
Lake Forest Landmark Co. LLC	6,721,223	7	0.30%	8,980,183	4	0.40%
Lake Forest Landmark II	5,723,477	8	0.25%			
Chicago Bears Football Club, Inc	5,400,570	9	0.24%			
Riggs & Co	5,262,931	10	0.23%			
Tap Holdings Inc.				10,234,229	3	0.50%
James Altounian				5,388,808	8	0.20%
Brunswick Corporation				4,906,600	10	0.20%
Shawgate- Broadacre				5,202,449	9	0.20%
	<u>\$ 92,451,325</u>		<u>4.10%</u>	<u>\$94,742,636</u>		<u>4.20%</u>

Data Source

Office of the County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

2014 Column is 2013 Assessed Valuation

2005 Column is 2004 Assessed Valuation

## CITY OF LAKE FOREST, ILLINOIS

Table 8

Property Tax Levies and Collections  
Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy		Subsequent Year Collections	Total Collections Per Levy	
		Amount	Percentage of Levy		Taxes Received	Percentage of Levy
2004	\$ 21,219,092	\$ 21,193,218	99.88%	\$ 4,226	\$ 21,197,444	99.90%
2005	21,907,603	21,766,069	99.35%	7,159	21,773,228	99.39%
2006	22,999,873	22,979,499	99.91%	204	22,979,703	99.91%
2007	23,895,634	23,851,132	99.81%	12,038	23,863,170	99.86%
2008	25,213,226	25,166,378	99.81%	8,545	25,174,923	99.85%
2009	25,526,887	25,468,324	99.77%	18,421	25,486,745	99.84%
2010	26,348,093	26,304,316	99.83%	8,193	26,312,509	99.86%
2011	25,984,866	25,911,115	99.72%	135	25,911,250	99.72%
2012	27,299,981	27,198,985	99.63%	384	27,199,369	99.63%
2013	28,124,272	N/A	N/A	N/A	N/A	N/A

Data Source

Lake County Treasurer and City

Note: Property is assessed at 33 1/3 % of actual value.

## CITY OF LAKE FOREST, ILLINOIS

Table 9

Tax Extensions for City Funds  
Last Ten Levy Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General	0.481	0.461	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580
IMRF/Social Security	0.058	0.055	0.052	0.051	0.052	0.054	0.059	0.064	0.070	0.074
Firefighter Pension	0.023	0.023	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052
Police Pension	0.034	0.036	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076
Parks and Recreation	0.116	0.112	0.098	0.090	0.092	0.140	0.152	0.164	0.178	0.191
Special Recreation	0.011	0.011	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018
General Obligation Bond 1998 B	0.028	0.026	0.024	0.023	-	-	-	-	-	-
General Obligation Bond 2000	0.020	0.020	0.025	0.023	0.023	0.023	0.025	-	-	-
General Obligation Bond 2001 B	0.006	0.005	0.005	0.004	0.004	0.004	0.004	-	-	-
General Obligation Bond 2002 B	0.051	0.031	-	-	-	-	-	-	-	-
General Obligation Bond 2003 A	0.013	0.013	0.034	0.033	0.035	0.036	-	-	-	-
General Obligation Bond 2008	-	-	-	-	0.024	0.022	0.032	0.034	0.036	0.037
General Obligation Bond 2009	-	-	-	-	-	0.005	0.011	0.011	0.012	0.013
General Obligation Bond 2010	-	-	-	-	-	0.000	0.020	0.023	0.023	0.012
General Obligation Bond 2013	-	-	-	-	-	0.000	0.000	0.000	0.000	0.026
Total tax rate	0.841	0.793	0.755	0.739	0.756	0.784	0.856	0.894	0.991	1.079

Data Source

Office of the County Clerk

The tax rate for the City's component unit, Lake Forest Library is excluded from this table.  
This table excludes the tax rates for the Special Service Areas.

## CITY OF LAKE FOREST, ILLINOIS

Table 10

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 28,705	\$ 22,694	\$ 33,206	\$ 26,184	\$ 2,194	\$ 8,492	\$ 8,460	\$ 36,478	\$ 12,219	\$ 9,722
Food	86,898	88,675	89,536	89,969	97,870	83,567	89,338	90,613	91,999	93,952
Drinking and Eating Places	113,425	124,221	129,149	139,291	147,973	127,679	133,028	140,639	155,188	165,386
Apparel	70,485	68,594	63,083	60,423	54,674	55,300	51,968	53,727	64,317	68,135
Furniture & H.H. & Radio	44,588	57,206	57,996	58,530	51,881	42,526	38,958	10,187	37,536	38,821
Lumber, Building, Hardware	42,130	46,974	38,373	30,834	5,765	20,405	19,010	(6,528)	6,867	9,862
Automobile and Filling Stations	39,402	45,494	48,129	44,478	37,349	27,399	35,443	38,209	38,900	37,025
Drugs and Miscellaneous Retail	126,277	123,674	113,558	116,910	117,787	178,470	91,397	105,512	81,022	110,554
Agriculture and All Others	92,361	102,164	91,488	96,048	100,902	88,052	94,649	97,776	110,446	121,651
Manufacturers	43,902	64,286	88,889	102,914	109,291	21,860	14,322	(4,963)	-	-
Censored categories	-	-	-	-	29,005	-	-	-	-	-
Total	<u>\$ 688,173</u>	<u>\$ 743,982</u>	<u>\$ 753,407</u>	<u>\$ 765,581</u>	<u>\$ 754,691</u>	<u>\$ 653,750</u>	<u>\$ 576,573</u>	<u>\$ 561,650</u>	<u>\$ 598,494</u>	<u>\$ 655,108</u>
Total Number of Payers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City direct sales tax rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Data Source

Illinois Department of Revenue

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

Effectively July 2003, an additional .5% non home rule sales tax was collected.

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

## CITY OF LAKE FOREST, ILLINOIS

Table 11

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 58,491	\$ 45,778	\$ 67,042	\$ 52,664	\$ 4,392	\$ 16,984	\$ 17,248	\$ 72,955	\$ 24,726	\$ 19,656
Food	607,508	621,140	621,566	635,560	629,087	562,455	570,803	579,914	585,517	593,446
Drinking and Eating Places	229,158	252,171	261,151	285,968	302,523	260,953	271,753	286,472	317,291	338,382
Apparel	142,328	137,422	126,196	124,644	109,349	110,600	103,935	107,453	128,633	136,270
Furniture & H.H. & Radio	89,219	114,945	115,995	117,060	103,763	85,052	77,915	20,373	75,071	77,642
Lumber, Building, Hardware	86,497	94,007	76,746	61,668	11,529	40,810	38,019	(13,037)	13,742	19,724
Automobile and Filling Stations	153,273	165,396	167,847	165,896	130,459	109,080	150,101	138,744	146,865	241,339
Drugs and Miscellaneous Retail	456,475	434,170	425,144	441,773	438,917	546,202	322,376	371,420	400,096	433,159
Agriculture and All Others	199,683	219,086	200,515	208,076	219,358	198,803	267,227	254,225	274,807	285,401
Manufacturers	88,094	129,053	347,340	205,978	218,715	43,909	28,947	(9,729)	-	-
Censored categories	-	-	-	-	58,028	-	-	-	-	-
Total	<u>\$2,110,726</u>	<u>\$2,213,168</u>	<u>\$2,409,543</u>	<u>\$2,299,287</u>	<u>\$ 2,226,120</u>	<u>\$ 1,974,848</u>	<u>\$ 1,848,324</u>	<u>\$ 1,808,790</u>	<u>\$ 1,966,748</u>	<u>\$ 2,145,019</u>
Total Number of Payers	743	737	837	849	843	663	647	637	637	673
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

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

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

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



**CITY OF LAKE FOREST, ILLINOIS****Table 12****Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	State Rate	Metra Rate	Special County Rate	Total
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%
2011	1.50%	5.00%	0.50%	0.50%	7.50%
2012	1.50%	5.00%	0.50%	0.50%	7.50%
2013	1.50%	5.00%	0.50%	0.50%	7.50%
2014	1.50%	5.00%	0.50%	0.50%	7.50%

**Data Source**

City records

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

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

**CITY OF LAKE FOREST, ILLINOIS**
**Table 13**

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				
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
2011	40,887,758	-	23,525,000	-	64,412,758	2.37%	4.31%	3,324.53
2012	38,580,882	-	22,804,000	-	61,384,882	2.39%	4.11%	3,168.25
2013	37,203,146	-	21,060,000	-	58,263,146	2.45%	3.90%	3,007.13
2014**	35,892,548	-	19,501,725	-	55,394,273	2.46%	3.71%	2,859.06

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.

\*\* Starting in fiscal year 2014, these amounts are reported net of premiums and discounts.

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
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
2011	64,412,758	2,808,827	61,603,931	0.76%	3,179.56
2012	61,384,882	2,316,219	59,068,663	0.77%	3,048.71
2013	58,263,146	2,407,274	55,855,872	0.78%	2,882.88
2014**	55,394,273	1,698,874	53,695,399	0.79%	2,771.38

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.

\*\* Starting in fiscal year 2014, these amounts are reported net of premiums and discounts.

## CITY OF LAKE FOREST, ILLINOIS

Table 15

Direct and Overlapping Governmental Activities Debt  
As of April 30, 2014

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 111,055,000	9.81%	\$ 10,894,496
Lake County Community College #532	77,990,000	10.35%	8,071,965
Lake County Forest Preserve District	288,495,000	9.81%	28,301,360
School District #67	878,573	98.20%	862,759
School District #103	2,715,000	0.01%	272
High School District #115	44,100,000	82.35%	36,316,350
High School District #128	17,340,000	3.00%	520,200
Subtotal, overlapping debt	542,573,573		84,967,400
City of Lake Forest direct debt	35,852,197	100.00%	\$ 35,852,197
Total direct and overlapping debt	<u>\$ 578,425,770</u>		<u>\$ 120,819,597</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. The Percentage of debt is calculated by the percentage of the City's EAV in relation to the overlapping government's EAV. The gross debt is found on the Lake County website.

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

**CITY OF LAKE FOREST, ILLINOIS**

**Table 16**

Legal Debt Margin Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Legal debt margin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to the limit as a percentage of debt limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

## CITY OF LAKE FOREST, ILLINOIS

Table 17

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	
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
2011	8,690,738	5,609,379	3,081,359	1,400,000	1,071,748	1.25
2012	8,767,029	6,358,960	2,408,069	1,651,000	661,906	1.04
2013	9,956,387	6,938,272	3,018,115	1,744,000	482,866	1.36
2014	9,043,227	5,406,022	3,637,205	1,815,000	432,725	1.62

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
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)	2,890,654,508	133,827	1,665,187,200	77,092	5.8%
2011*	19,375	(A)	2,717,547,097	140,260	1,493,657,500	77,092	7.8%
2012*	19,375	(A)	2,565,080,023	132,391	1,493,657,500	77,092	7.0%
2013*	19,375	(A)	2,378,047,139	122,738	1,493,657,500	77,092	7.2%
2014*	19,375	(A)	2,253,547,404	116,312	1,493,657,500	77,092	7.1%

(A) Actual

(E) Estimate by City of Lake Forest

Data Source

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

2010 Census information for Per Capita Personal Income was not available.

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

## CITY OF LAKE FOREST, ILLINOIS

Table 19

## Principal Employers

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
Northwest Lake Forest Hospital	1,600	1	8.26%	1,667	1	8.31%
Hospira Inc.	1,350	2	6.97%	1,000	3	4.99%
Trustmark Insurance Company	800	3	4.13%	1,000	2	4.99%
TAP Pharmaceutical Products			0.00%	850	4	4.24%
Solo Cup Co.	600	4	3.10%			
Lake Forest College excludes student employees	500	5	2.58%	375	6	1.87%
Lake Forest H.S. District 115 teacher, support staff	350	6	1.81%	364	7	1.81%
Pactiv Corporation	300	7	1.55%	439	5	2.19%
City of Lake Forest	275	8	1.42%	263	10	1.31%
Brunswick Corporation	200	9	1.03%	280	9	1.40%
Packaging Corporation of America	200	10	1.03%			
Lake Forest Elem. S.D. No. 67				304	8	1.52%

Data Source

City staff contacted companies via mail.



## CITY OF LAKE FOREST, ILLINOIS

Table 20

Full-Time Equivalent Employees  
Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Budgeted Employees as of April 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	29.0	27.0	29.0	30.0	30.0	29.0	26.0	25.0	25.0	25.0
Community Development	14.0	16.0	16.0	18.0	18.0	15.0	12.5	12.5	13.0	13.0
Public Safety										
Fire Protection										
Firefighters	38.0	37.0	37.0	37.0	37.0	36.0	34.0	33.0	33.0	33
Administrative	1.0	1.0	1.0	1.5	1.5	2.5	2.5	2.5	2.0	2.0
Police										
Officers	45.0	45.0	43.0	43.0	43.0	41.5	40.0	40.0	40.0	40
Civilians	19.0	17.0	19.0	18.5	18.5	18.5	17.5	18.0	18.0	18.0
Public Works										
Public Works Administration	4.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4
Building Maintenance	3.0	3.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0	7
Engineering	6.0	6.0	7.0	7.0	7.0	7.0	6.0	5.0	5.0	5
Streets	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.5	7.5
Sanitation	12.0	12.0	14.0	14.0	12.0	12.0	12.0	12.0	11.5	10.5
Forestry	8.0	9.0	6.0	9.0	9.0	9.0	0.0	0.0	0.0	0
Fleet (vehicle) Maintenance	6.0	6.0	5.0	5.0	5.0	7.0	6.0	6.0	6.0	6
Water										
Water Plant	9.0	9.0	9.0	9.0	9.0	9.0	8.0	7.0	7.0	6.5
Water and Sewer	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.5
Parks	16.0	16.0	11.0	7.3	7.3	7.3	16.4	15.4	15.4	15.4
Recreation	14.0	14.0	19.0	17.5	17.5	17.5	17.4	15.4	15.4	15.4
Golf Course	3.0	4.0	4.0	4.3	4.3	3.3	3.2	3.2	2.2	2.2
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2
Senior Resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3
Sub - total City	250.0	250.0	252.0	255.0	253.0	248.5	235.5	227.0	226.0	224
Library	29.6	29.6	29.6	30.0	29.0	27.2	29.6	27.9	27.8	28.2
Total all	279.6	279.6	281.6	285.0	282.0	275.7	265.1	254.9	253.8	252.2

Data Source

City Departments and employee totals as of April 30th

## CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators  
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Clerk										
Real Estate Transfer Tax (1)										
Number of Transactions	-	-	249	283	183	261	293	297	382	440
Rebates Issued	-	-	24	35	23	30	37	37	40	67
Birth Certificates Issued	2,419	2,198	2,930	2,790	2,690	2,751	1,940	2,821	2,675	2,250
Passports Issued (2)	252	193	314	132	89	108	48	29	-	-
Community Development										
Building permits issued	4,740	4,055	3,501	3,491	3,142	2,610	3,072	3,451	3,197	3418
Residential construction	128	44	22	33	23	4	7	11	7	13
Commercial construction	5	1	3	1	3	1	-	1	2	1
Building inspections conducted	13,021	11,945	10,880	11,343	9,284	8,060	8,392	8,645	8,925	8651
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	1,465	1,446	1,477	1,624	1,558	1,041	1,211	1,607	1,726	1,574
Fire	1,523	1,558	1,647	1,576	1,759	1,233	1,177	1,734	1,403	1,497
Police (calendar year)										
Non traffic arrests	537	506	526	450	449	424	385	335	237	191
Parking violations	9,655	11,189	11,898	9,530	9,626	8,472	8,757	7,114	7,013	5,979
Traffic violations	4,721	4,821	4,512	3,287	5,320	3,190	2,997	2,028	2,220	1,877
Public Works										
Streets										
Street resurfacing (miles) (calendar year)	3.90	4.41	1.90	10.36	3.08	5.76	6.57	7.09	5.92	5.00
Potholes repaired (4)	2,957	2,484	1,575	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of snow events										
Salting	14	5	10	20	8	14	15	14	23	27
Plowing	10	9	16	36	25	15	20	12	12	21
Inches of snow	46	47	33	83	72	56	60	21	36	48
Sanitation										
Refuse collection customers	5,896	6,217	6,316	6,356	6,361	6,361	6,471	6,471	6,472	6,462

## CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators (Continued)  
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Parks and Recreation (3)										
Fitness										
Number of programs	565	533	478	370	348	349	334	322	264	336
Units of participation	2,616	2,657	2,228	1,796	1,648	1,355	1,393	1,196	1,060	1,587
Athletics										
Number of programs	200	199	210	220	213	278	157	309	283	270
Units of Participation	3,369	3,279	3,189	3,232	3,253	3,148	2,416	2,932	2,704	2,524
Lakefront, Early Childhood Education and Lifetime Activities										
Number of programs	324	323	337	343	307	306	420	395	319	294
Units of participation	2,169	1,932	1,874	1,873	1,541	1,402	1,344	1,424	1,576	1,380
Cultural Arts/Special Events										
Number of programs	356	436	417	326	338	292	320	270	306	286
Units of participation	2,894	3,831	3,618	2,454	2,536	2,274	2,262	2,008	1,972	1,999
Wildlife Discovery Center, Ridge Teams Course and Adventure										
Number of programs	227	231	224	221	176	146	124	104	37	47
Units of participation	1,273	1,335	1,274	1,157	969	772	627	582	301	360
Developed parks and recreation areas	10	10	10	10	10	10	10	10	10	10
Developed park acreage	370.5	370.5	395.5	395.5	395.5	395.5	415.0	404.0	403.7	404
Sites with playgrounds	8	8	8	8	8	8	8	8	9	9
Sites with baseball diamonds	7	7	7	7	7	7	7	8	8	8
Sites with soccer fields	7	7	7	7	7	7	7	7	7	7
Sites with basketball courts	4	4	4	4	4	4	5	5	5	5
Sites with tennis courts	6	6	6	6	6	6	6	6	6	6
Deer Path Golf Course										
Size	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes	18 holes
Rounds of Play	34,500	38,700	36,500	39,900	35,494	35,079	32,664	31,949	30,321	29,435
Daily fee	18,000	18,600	17,000	18,000	15,500	15,839	15,102	14,466	13,646	17,449
Seasonal	16,500	20,100	19,500	21,900	19,994	19,240	17,564	17,483	16,675	11,986

## CITY OF LAKE FOREST, ILLINOIS

Table 21

Operating Indicators (Continued)  
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water										
New Connections (tap-ons)	140	99	52	34	39	16	19	22	20	28
Meters in operation	6,566	6,633	6,695	6,681	6,771	6,774	6,761	6,755	6,754	6,751
Meters connected to sewerage system	6,137	6,501	6,482	6,520	6,550	6,570	6,570	6,583	6,584	6,587
Average daily consumption (MGD)	3.942	4.913	3.931	4.182	3.737	3.611	3.669	3.759	4.202	3,652
Peak daily consumption (MGD)	9.394	12.407	10.773	9.477	9.883	9.389	8.982	11.805	10.298	8.611
Rated daily pumping capacity (MGD)	14	14	14	14	14	14	14	14	14	14
Total gallons pumped during fiscal year (in millions)	1,421.8	1,777.6	1,441.6	1,525.1	1,441.7	1,321.1	1,336.5	1,372.0	1,534.0	1,332.8
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	128,817	133,893	137,343	140,171	143,518	142,654	145,496	145,539	147,330	148,318
Registered borrowers	13,634	13,820	14,002	14,233	14,490	15,145	15,645	16,200	15,160	15,403
Fiscal yearbooks, items or materials circulation	399,844	398,504	407,399	415,547	406,998	488,056	465,927	485,450	45,632	450,876

Data Source

## City departments

- (1) Collection of real estate transfer tax began in July 2006 (FY2007).
- (2) The City began to issue passports in FY2003 and stopped in FY2012.
- (3) a. Fitness data does not include Fitness Center memberships  
b. Units of participation may include an individual more than once
- (4) Department stopped tracking after FY2007.

N/A = data not available

## CITY OF LAKE FOREST, ILLINOIS

Table 22

## Capital Asset Statistics

## Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	23	23	23	23	25	23
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	14	14	14	14	17
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	7	7	7	7	7	7	7	7	7
Streets										
Streets (centerline miles)	118.40	118.66	118.66	118.66	119.00	119.00	119.00	119.00	119.00	119.24
Streetlights										
Gas	438	438	438	438	438	438	438	438	438	438
Electric	1,438	1,452	1,460	1,460	1,460	1,473	1,526	1,526	1,526	1,536
Storm sewer (miles)	216.14	217.56	218.26	218.26	218.29	219.17	219.35	219.41	219.41	219.41
Parks and Recreation										
Acreage	370.5	370.5	395.5	395.5	395.5	395.5	415.0	404.0	404	404
Water										
Water mains (miles)	160.03	160.51	163.33	164.27	165.25	165.25	165.25	165.25	165.25	165.79
Fire hydrants	1,350	1,350	1,353	1,331	1,362	1,362	1,362	1,362	1,362	1,362
Wastewater										
Sanitary sewers (miles)	136.06	136.12	137.60	138.39	138.71	138.90	138.90	138.95	138.95	138.95

Data Source

City departments

N/A equals data not available