

Comprehensive Annual Financial Report



City of Lake Forest, Illinois

For the Year Ended April 30, 2015

CITY OF LAKE FOREST, ILLINOIS

Comprehensive Annual Financial Report

Year Ended April 30, 2015

(With Independent Auditor's Report Thereon)

Prepared by:

Department of Finance

Elizabeth Holleb

Finance Director

and

Diane Hall

Assistant Finance Director

INTRODUCTORY SECTION

CITY OF LAKE FOREST, ILLINOIS
Comprehensive Annual Financial Report
Year Ended April 30, 2015

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October 15, 2015

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, 2015, 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.

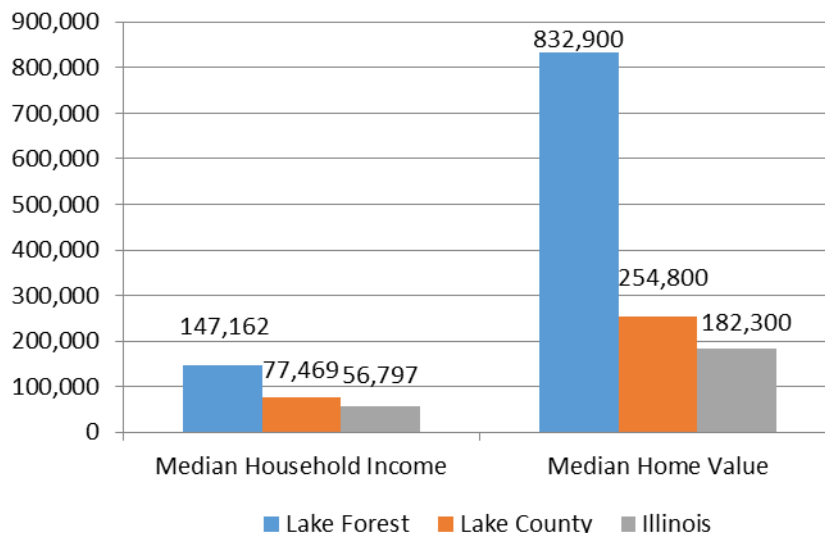
The City of Lake Forest utilizes an independent Audit Committee for reviewing the audit process and to report and make recommendations to the City Council. The Audit Committee members are Lake Forest residents having expertise in the area of financial administration and auditing.

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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2015, 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, 2009-2013 estimates, the U.S. Census Bureau reported the City had a median household income and median home value significantly higher than comparable figures for Lake County and the State of Illinois:



The City adopted the Council-Manager form of government in 1956. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and an eight-member Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for hiring the heads of the City's departments. The Council members are elected to two-year staggered terms with 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 and fiscal policy, 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 appropriated amount equivalent to 10% of the total funds budgeted. Even though there is a 10% contingency line item, the City Council and City staff follow the adopted budget as its spending guideline and not the Appropriation Ordinance. This practice has been followed for more than thirty years and has worked very efficiently as a mechanism to address unanticipated items that may arise throughout the fiscal year.

Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Parks and Recreation Fund, considered major funds, this comparison is presented beginning on page 70 as required supplementary information. For the Capital Improvements Fund (major fund) and 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 80.

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.

- Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2014, the City's annual average unemployment rate was estimated to be 5.4%, compared to 6.5% for Lake County and 7.1% 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 2015, the index was 101.5, up from 91 in July, and up significantly compared to 92.4 in August of 2014. The index remains above 90, the minimum level associated with a healthy economy. An index above 100 signals growth.



operations.

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 General Fund operating budget, it has been necessary to achieve cost savings through reduced personnel. In fiscal years (FY) 2009-2016, the City has reduced budgeted full time employees by 41 positions, returning the City's total employee count below FY1992 levels. FY2016 budgeted full-time positions were reduced by 10 positions alone primarily by outsourcing dispatch

In February 2011, the City Council approved an organizational restructuring and Early Retirement Incentive (ERI) program which is offered and regulated by the Illinois Municipal Retirement Fund (IMRF). Twenty-six (26) employees participated in the ERI program, which 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.

In September 2014, the City transitioned to a consolidated dispatch operation with the Villages of Glenview and Lake Bluff, as well as the City of Highland Park. The consolidation of dispatch operations is projected to save the City more than \$350,000 per year while improving the infrastructure providing this vital service to its residents.

Approximately half of the City's General Fund revenues come from property taxes, which continue to be a stable revenue source. The other major funding sources of sales tax, income tax, utility taxes and building permit revenues met or exceeded the FY2015 budget estimates. However, these revenues have yet to reach levels prior to the 2008 recession. Effective May 1, 2014, the City implemented a new sanitation fee that generates \$600,000 per year. This revenue is currently deposited to the Capital Improvements Fund.

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 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, the BMW Championship returned to Lake Forest in September 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.

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 2015, the City Council adopted revisions to the Fiscal Policy effective for FY2016 that included an increase in the fund balance target of the General Fund to address potential reductions in State funding, 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 voter 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.

FY2015 real estate transfer tax revenue totaled \$1.27 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.

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

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, 2015, the most recent actuarial valuation date, the funded ratio for the Police Pension Plan is 53.4% and for the Firefighters' Pension Plan is 73.4%.

All other employees of the City who work over 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. Benefit provisions and funding requirements are established by State statutes and may only be changed by the Illinois General Assembly. Employees participating are required to contribute 4.5% of their annual wages and the City is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan. As of December 31, 2014, the funded ratio for IMRF is 74.7%, 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. 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, including GASB 67 disclosures, and other postemployment benefits may be found in Notes 9 and 10 of the financial statements, as well as in the Required Supplementary Information.

Major Initiatives

The City is committed to maintaining the quality of life and 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 FY2015, the most significant initiatives were as follows:

- In January 2015, the City Council approved ordinances adopting a Tax Increment Financing (TIF) District on a 10-acre site at the north end of the Commercial Business District. This is the former

site of the City's municipal services center and has long been a focus of redevelopment for the City. The developer is progressing through the City's planning process and has proposed approximately 170 residential units with a mix of single family, luxury condominium and high quality rentals.

- Significant improvements are being made elsewhere in the City's Commercial Business District, including a \$5 million investment in Market Square by its new owner, extensive restoration of historic Deer Path Inn by its new owner, and grant funded restoration of the City's historic train station by the City.
- Construction of a new \$180 million replacement hospital on the campus of the existing Northwestern Lake Forest Hospital has begun. City and Hospital representatives have worked closely on the planning of this project. The new hospital is scheduled to open in September 2017.
- The Public Works Committee of the City Council are considering various options for a major improvement to the City's water treatment plant and financing of the proposed improvement.
- Capital expenditures in Fiscal Year 2015 included: street improvements (\$1.7 million), Emerald Ash Borer tree removal and replacement (\$520,000), E-911 equipment replacement and enhancements (\$402,255), and Water/Sanitary Sewer capital improvements (\$2.8 million).

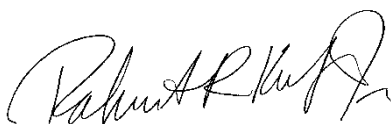
Awards and Acknowledgements

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, 2014. This was the thirty-sixth (36th) 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, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

CITY OF LAKE FOREST, ILLINOIS

List of Principal Officials

Year Ended April 30, 2015

LEGISLATIVE

City Council

Donald P. Schoenheider, Mayor

Prue Beidler

Catherine A. Waldeck

George A. Pandaleon

David Moore

Stanford Tack

Jack Reisenberg

Michael R. Adelman

Michelle Moreno

AUDIT COMMITTEE

Lucinda Baier, Chairman

Amy Krebs

Andrew Logan

Don O'Callaghan

Dean Stieber

Donald P. Schoenheider, Mayor (ex-officio)

George Pandaleon, Finance Committee Chairman (ex-officio)

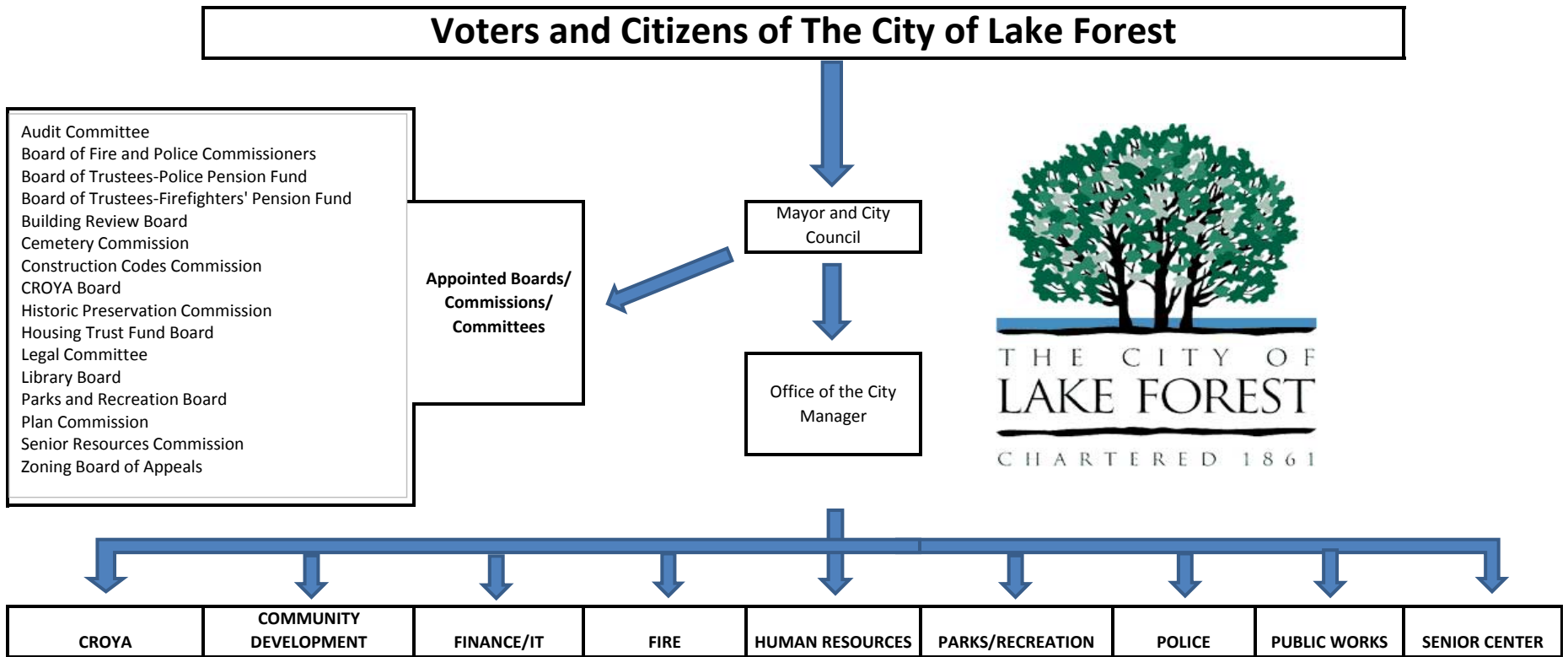
EXECUTIVE

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, 2015, 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, 2015, 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 9 to the financial statements, during the year ended April 30, 2015 the City's Police Pension Plan and Firefighters' Pension Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. 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 70 - 71), and pension and OPEB information (pages 72 - 74) 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 80 - 132), 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 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 15, 2015

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2015

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 decreased by \$1.62 million during the fiscal year ending April 30, 2015 (FY15). The governmental net position decreased by \$1.28 million and the business-type activities net position decreased by \$.34 million.
- The governmental activities revenue increased by \$.5 million (1.0%) due to a new sanitation fee, increased property tax revenue and declines in real estate transfer tax and one-time revenue. The expenses increased by \$2.0 million (4%) due primarily to increased capital expenses in streets and public safety. The transfers increased by \$.1 million.
- The business-type activities revenue increased by \$.5 million and expenses increased by \$.9 million due to a one-time contribution for a water main project and purchase of additional membranes for the water treatment plant. The transfers increased by \$.1 million.
- The total cost of all City programs increased from \$57.8 million in FY14 to \$60.7 million in FY15 – and increase of 5.0% - largely attributable to increased capital expenses not meeting the threshold for capitalization.

**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.

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Fund Financial Statements

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

The Governmental Major Funds (see pages 18 and 20) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow 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
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GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The City's combined net position decreased by \$1.62 million for FY15 – from \$270.72 million to \$269.1 million. The analysis following will look at net position and net expenses of governmental and business-type activities separately. The total net position for the governmental activities decreased by \$1.28 million – from \$224.82 million to \$223.54 million. The business-type activities net position decreased by \$.34 million – from \$45.9 million to \$45.56 million. Table 1 reflects the condensed Statement of Net Position compared to FY14. 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 2015 and 2014
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$76.2	\$73.5	\$10.2	\$10.8	\$86.4	\$84.3
Capital Assets	215.2	220.0	53.6	54.8	268.8	274.8
Total Assets	291.4	293.5	63.8	65.6	355.2	359.1
Deferred Outflows	0.1	0.1	0.6	0.8	0.7	0.9
Long-Term Liabilities	36.3	38.0	17.8	19.7	54.1	57.7
Other Liabilities	6.9	6.6	1.1	0.8	8.0	7.4
Total Liabilities	43.2	44.6	18.9	20.5	62.1	65.1
Deferred Inflows	24.7	24.2	0.0	0.0	24.7	24.2
Net Position:						
Net Investment in						
Capital Assets	181.1	184.3	36.6	36.2	217.7	220.5
Restricted	15.7	16.8	0.0	0.0	15.7	16.8
Unrestricted	26.7	23.7	9.0	9.7	35.7	33.4
Total Net Position	\$223.5	\$224.8	\$45.6	\$45.9	\$269.1	\$270.7

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
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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 \$1.62 million decrease in combined net position (which is the City's bottom line) was the result of the governmental activities net position decreasing by \$1.28 million and the business-type activities net position decreasing by \$.34 million.

The governmental activities total assets decreased by \$2.1 million (.7%) and the governmental activities total liabilities decreased by \$1.4 million (3.1%). 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 \$.5 million. The change in total assets is due primarily to a \$4.8 million reduction in capital assets that occurred as a result of depreciation on capital assets significantly exceeding additions. This was partially offset by an increase in current and other assets due in large part to an increase in cash and investments. The decrease in total liabilities reflects the scheduled retirement of general obligation 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 \$3 million.

The net position of business-type activities decreased by \$.34 million, from \$45.90 million to \$45.56 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 \$1.2 million.

Long-term liabilities decreased by \$1.9 million due to scheduled maturities of debt obligations. The unrestricted net position decreased from \$9.7 million to \$9.0 million. The majority of the unrestricted net position can be used by the City to finance water and sanitary sewer operations. The City has a policy of maintaining 33% of revenue plus one year's debt service plus \$500,000 as a reserve in its water fund. The annual operating cost for this program is approximately \$6.6 million per year and interest expense on bonds is \$.4 million.

Changes in Net Position

The City's combined change in net position was a decrease of \$1.62 million from FY14. The City's total revenues increased by \$1.0 million made up of increases and decreases in a number of categories. Tax revenues distributed through the State of Illinois have been reclassified to Intergovernmental Revenue for FY15. The City's cost of all programs increased by \$2.9 million, largely attributable to increased expenses in streets, public safety and water.

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

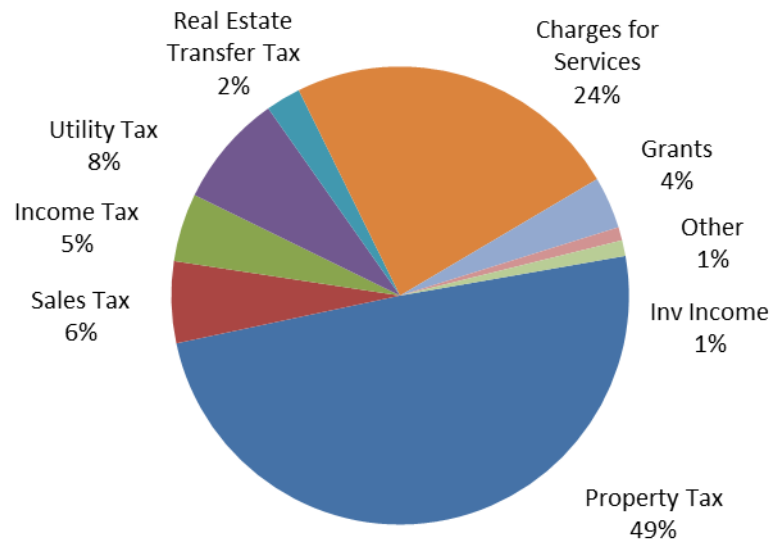
CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2015

Table 2
Changes in Net Position
For the Fiscal Years Ended April 30, 2015 and 2014
(in millions)

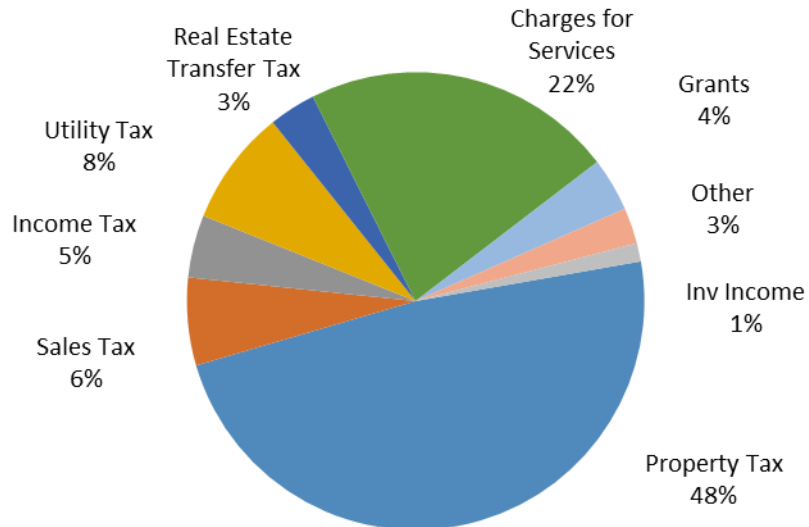
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
REVENUE						
Program Revenue						
Charges for Services	\$11.8	\$10.8	\$9.4	\$8.9	\$21.2	\$19.7
Grants and Contributions						
Operating	1.3	1.1			1.3	1.1
Capital	0.5	0.8			0.5	0.8
General Revenue						
Property Taxes	24.5	23.7			24.5	23.7
Other Taxes	4.6	12.1			4.6	12.1
Intergovernmental - Taxes	6.4				6.4	
Interest Revenue	0.5				0.5	
Other	0.1	0.7			0.1	0.7
Total Revenue	49.7	49.2	9.4	8.9	59.1	58.1
EXPENSES						
Governmental Activities						
General Government	12.6	12.3			12.6	12.3
Highways and Streets	8.8	7.8			8.8	7.8
Sanitation	2.5	2.6			2.5	2.6
Culture and Recreation	10.2	10.4			10.2	10.4
Public Safety	15.3	14.4			15.3	14.4
Interest	1.4	1.3			1.4	1.3
Business-Type Activities						
Water and Sewer			8.3	7.5	8.3	7.5
Golf			1.6	1.5	1.6	1.5
Total Expenses	50.8	48.8	9.9	9.0	60.7	57.8
Excess before Transfers	(1.1)	0.4	(0.5)	(0.1)	(1.6)	0.3
Transfers In (out)	(0.2)	(0.1)	0.2	0.1	0.0	0.0
Change in Net Position	(1.3)	0.3	(0.3)	0.0	(1.6)	0.3
Net Position - Beginning	224.8	224.5	45.9	45.9	270.7	270.4
Net Position - Ending	\$223.5	\$224.8	\$45.6	\$45.9	\$269.1	\$270.7

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FY2015 Governmental Activities Revenue

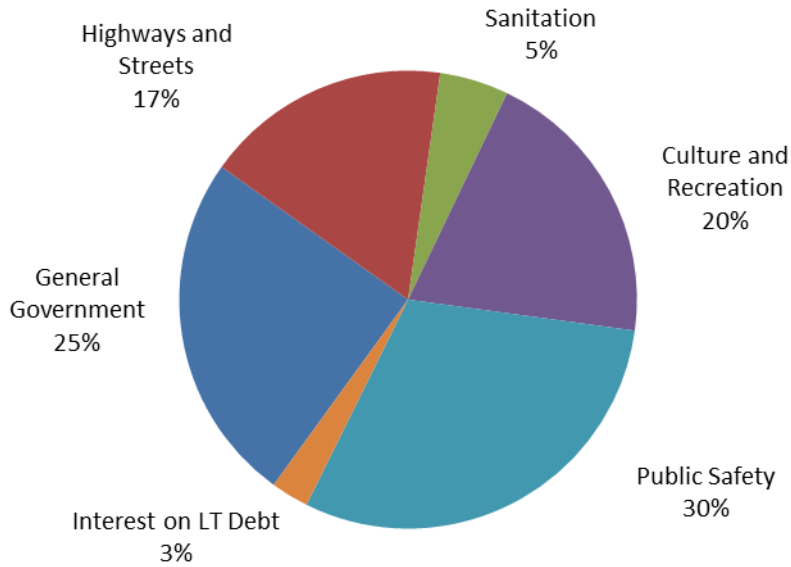


FY2014 Governmental Activities Revenue

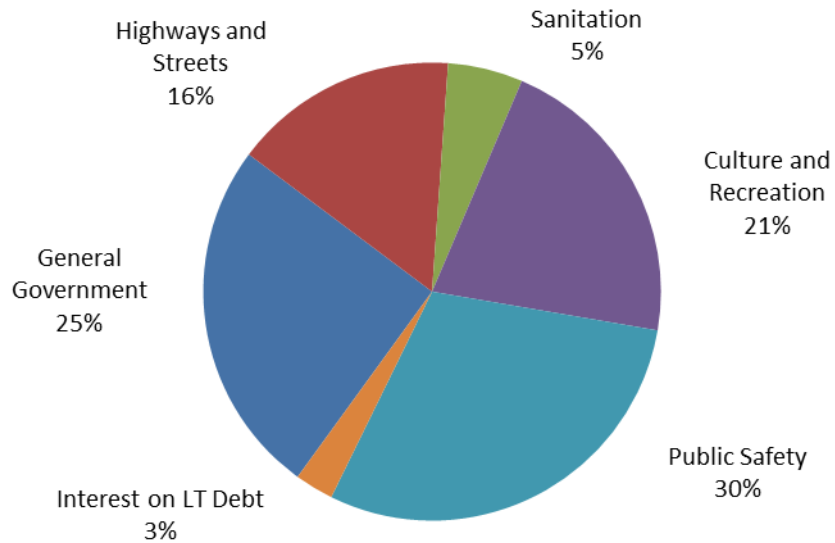


CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FY2015 Governmental Activities Expenses



FY2014 Governmental Activities Expenses



CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2015, revenues from governmental activities totaled \$49.7 million, increasing \$500,000 from \$49.2 million compared to FY14. The primary changes occurred in Charges for Services (up \$1m largely due to a new sanitation fee effective 5/1/14), Property Taxes (up \$.8m), Other/Intergovernmental Taxes (down \$.5m primarily in real estate transfer tax) and Other (down \$.6 million due to one-time revenue received in FY14 for sale of property). Property tax revenue continues to be the City's single largest revenue source, contributing \$24.5 million (49%) 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 \$35.5 million and represent 71% of the total governmental activities revenue.

CITY OF LAKE FOREST, ILLINOIS
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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 2014 equalized assessed valuation was nearly flat compared to the prior year and totaled \$2,250,468,636. Although the City became a home rule municipality in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Laws (PTELL), otherwise known as the tax cap. The increase of approximately 3.00% over FY14 in property taxes was generated as a result of the 1.70% tax cap, new construction and an increase in bond debt service obligations.

Investment income decreased by \$0.1 million (\$0.7 million to \$0.6 million). The City's strategy for investing did not change.

Expenses

For the fiscal year ended April 30, 2015, expenses for governmental activities totaled \$50.8 million, an increase of \$2.0 million (4.1%). This increase is due in part to increasing personnel costs, which represent 70% of the City's operating budget. 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 FY15 expenses included funding for the City's performance based employee compensation package plus a 2.5% general salary adjustment.

The City's highways and streets expense category increased by \$1.0 million (12.8%) and public safety costs increased by \$.9 million (6.25%) primarily due to increased capital expenses.

Business-type Activities

Revenue

Total revenue for the business-type activities increased by \$.5 million due to a one-time contribution by the Army for a water main extension.

Expenses

The City's business-type activity expenses increased by \$.9 million or 10% due primarily to a purchase of additional water membrane modules for the water treatment plant.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2015, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$36.1 million which is a 2.4% increase from the beginning of the year (\$35.2 million). Of the total fund balance of \$36.1 million, \$34.0 million is available for continuing City services and capital projects. The unassigned fund balance of the General Fund at April 30, 2015 is \$17.9 million, which is a \$2.4 million (16.6%) 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 16.5% from FY14 (\$17.6 million to \$20.5 million). The General Fund revenues increased by \$.5 million (1.5%) and the expenditures increased by \$.9 million (3.2%) due to personnel cost increases and capital outlay. The excess of revenues over expenditures (before transfers) for FY15 of \$4.8 million was comparable to the \$5.2 million in FY14. The other financing sources (uses) decreased by \$0.4 million from \$(2.3) million to \$(1.9) million.

Primary revenue fluctuations between FY14 and FY15 were increases in property taxes (\$.3m) and licenses and permits (\$.3m). Although the City became a home rule unit in November 2004, the City has historically self-imposed the Illinois Property Tax Extension Limitation Law (PTELL), otherwise known as the tax cap. The 2013 levy extension (FY15 revenue) allowed for a 1.7% CPI factor as well as new equalized assessed valuation growth.

General Fund expenditures increased overall due to personnel cost increases. General government increased 1.3%, highways and streets increased 3.4%, sanitation increased 1.0% and public safety costs increased 1.7%. In addition, General Fund capital outlay costs increased by nearly \$.5 million over FY14.

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Final Budget	Actual
Revenues:			
Taxes	\$20.2	\$20.2	\$20.3
Intergovernmental - Taxes	\$6.5	\$6.5	\$6.3
Other	6.2	6.2	6.9
Total	32.9	32.9	33.5
Expenditures and Transfers:			
Expenditures	33.3	33.3	28.7
Transfers (Net)	1.9	1.9	1.9
Total	35.2	35.2	30.6
Change in Fund Balance	(\$2.3)	(\$2.3)	\$2.9

Actual General Fund revenues were higher than the original budgeted revenues by \$.6 million during FY15. This increase is mainly due to building permit activity, income tax distributions and cable franchise fees exceeding budget projections by \$.4, \$.1 and \$.1 million respectively. Actual General Fund expenditures were lower than the original and final budget by \$4.6 million as it is the City's policy to add 10%, which is \$3.2 million, of contingency funding to the budget appropriation. The contingency amount is only for emergency use and was not used in FY15. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 70.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 \$11,902, from \$2.75 million to \$2.76 million. The Parks and Recreation Fund revenues increased by \$50,000 (.6%), while expenditures increased by \$250,000 (3%). The increase in expenditures was primarily attributable to an increase in capital outlay. The excess of revenues over expenditures decreased from \$88,574 to \$(108,567) attributable to the capital outlay costs.

The Capital Improvements Fund is reported as a Major Fund for FY15 and is used to account for revenues used to fund City building and infrastructure projects. Fund balance of this fund decreased by \$.8 million to \$3.3 million. Compared to FY14, revenue decreased by \$.1 million due to declines in grant and real estate transfer tax revenue offsetting the new sanitation fee revenue. Total expenditures decreased by \$1.2 million in the capital outlay category. Transfers to this fund decreased by \$1.2 million compared to FY14 and a planned bond issuance for FY15 was deferred to FY16.

CAPITAL ASSETS

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land and Improvements	\$45.3	\$45.3	\$0.5	\$0.5	\$45.8	\$45.8
Infrastructure - Land	66.7	66.7		0.0	66.7	66.7
Construction in Progress	0.6	0.0	0.9	0.9	1.5	0.9
Infrastructure	59.7	62.6		0.0	59.7	62.6
Buildings	20.8	21.6	14.4	15.4	35.2	37.0
Improvements	18.4	19.6	22.7	22.2	41.1	41.8
Machinery and Equipment	3.7	4.2	1.7	1.9	5.4	6.1
Sanitary Sewers	0.0	0.0	13.4	14.0	13.4	14.0
Total	\$215.2	\$220.0	\$53.6	\$54.9	\$268.8	\$274.9

At the end of FY15, the City had a combined total of \$268.8 million invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$6.1 million. The net decrease is attributable to a \$4.8 million decrease in governmental activities and a \$1.3 million decrease in the business-type activities.

The \$4.8 million decrease in the governmental activities was primarily due to \$6.2 million of depreciation offset by \$1.4 million of capital asset additions. The \$1.3 million decrease in business-type activities was primarily due to \$2.7 million of depreciation offset by \$1.4 million in asset additions.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following reconciliation summarizes the changes in Capital Assets which are presented in detail on pages 44-46 of the Notes.

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$220.0	\$54.9	\$274.9
Additions			
Depreciable	0.8	1.4	2.2
Non-Depreciable			
Construction in Progress	0.6	0.9	1.5
Retirements			
Depreciable	(0.3)	(0.1)	(0.4)
Non-Depreciable			
Construction in Progress		(0.9)	(0.9)
Depreciation	(6.2)	(2.7)	(8.9)
Retirements	0.3	0.1	0.4
Ending Balance	\$215.2	\$53.6	\$268.8

Debt Outstanding

The City had \$51.6 million of general obligation bonds outstanding at April 30, 2015. Of this amount \$28.2 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 \$6,843 and \$5,947 if self-supporting debt is excluded.

The City operated as a home rule community for FY15. 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 47-49.

The City had no bond issues in FY15, but has issued \$9.78 million in general obligation bonds in FY16.

CITY OF LAKE FOREST, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2015

Economic Factors

Unemployment levels in Lake Forest are well below the levels for Lake County and the State of Illinois. For calendar year 2014, the City's annual average unemployment rate was estimated to be 5.4%, compared to 6.5% for Lake County and 7.1% 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, 2015

Exhibit A-1

	Primary Government			Component unit
	Governmental Activities	Business-type Activities	Total	Lake Forest Library
Assets				
Cash and cash equivalents	\$ 37,671,531	\$ 8,555,672	\$ 46,227,203	\$ 1,917,718
Investments	4,359,036	-	4,359,036	-
Property held for resale	380,000	-	380,000	-
Receivables (net):				
Property taxes	24,670,331	-	24,670,331	3,821,301
Other taxes	406,832	-	406,832	6,989
Accounts	1,015,835	1,196,105	2,211,940	-
Loans	1,208,044	-	1,208,044	-
Other	1,404,950	97	1,405,047	-
Due from other governments	1,933,837	-	1,933,837	-
Internal balances	(369,946)	369,946	-	-
Inventories	397,273	83,326	480,599	-
Prepays	643,472	10,988	654,460	28,654
Net pension asset	2,432,828	-	2,432,828	-
Capital assets:				
Not being depreciated	112,681,944	1,413,955	114,095,899	219,000
Being depreciated, net	102,535,256	52,163,360	154,698,616	3,360,247
Total assets	291,371,223	63,793,449	355,164,672	9,353,909
Deferred Outflows of Resources				
Deferred loss on refunding	98,303	642,901	741,204	-
Liabilities				
Accounts payable	1,866,976	396,400	2,263,376	60,961
Accrued liabilities	1,803,648	91,673	1,895,321	61,282
Accrued interest payable	488,702	163,309	652,011	-
Retainage payable	25,838	-	25,838	-
Deposits	770,528	-	770,528	-
Unearned revenue - other	2,009,528	428,432	2,437,960	-
Long-term obligations:				
Due within one year	1,718,218	1,882,000	3,600,218	30,538
Due in more than one year	34,574,042	15,915,238	50,489,280	217,915
Total liabilities	43,257,480	18,877,052	62,134,532	370,696
Deferred Inflows of Resources				
Property tax levies intended to finance FY16	24,670,331	-	24,670,331	3,821,301
Net Position				
Net investment in capital assets	181,056,601	36,617,378	217,673,979	3,553,709
Restricted for:				
Culture and recreation	3,173,000	-	3,173,000	-
Highways and streets	319,264	-	319,264	-
Public safety	524,673	-	524,673	-
Cemetery purposes	4,935,384	-	4,935,384	-
Affordable housing	726,659	-	726,659	-
Capital projects	3,784,497	-	3,784,497	-
Debt service	1,316,900	-	1,316,900	-
Parking	957,420	-	957,420	-
Unrestricted	26,747,317	8,941,920	35,689,237	1,608,203
Total net position	\$ 223,541,715	\$ 45,559,298	\$ 269,101,013	\$ 5,161,912

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Activities

For the Year Ended April 30, 2015

Exhibit A-2

Functions/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Unit
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	Lake Forest Library
Primary government:								
Governmental activities:								
General government	\$ 12,604,331	\$ 5,442,475	\$ 158,178	\$ 312,706	\$ (6,690,972)	\$ -	\$ (6,690,972)	
Highways and streets	8,839,231	710,795	698,789	230,549	(7,199,098)	-	(7,199,098)	
Sanitation	2,474,355	682,062	-	-	(1,792,293)	-	(1,792,293)	
Culture and recreation	10,172,391	3,156,699	474,247	(75,000)	(6,616,445)	-	(6,616,445)	
Public safety	15,303,399	1,795,521	14,456	-	(13,493,422)	-	(13,493,422)	
Interest on long-term debt	1,357,552	-	-	-	(1,357,552)	-	(1,357,552)	
Total governmental activities	50,751,259	11,787,552	1,345,670	468,255	(37,149,782)	-	(37,149,782)	
Business-type activities:								
Waterworks and sewerage	8,353,825	8,034,469	-	-	-	(319,356)	(319,356)	
Golf	1,642,121	1,414,217	-	-	-	(227,904)	(227,904)	
Total business-type activities	9,995,946	9,448,686	-	-	-	(547,260)	(547,260)	
Total primary government	\$ 60,747,205	\$ 21,236,238	\$ 1,345,670	\$ 468,255	(37,149,782)	(547,260)	(37,697,042)	
Component Unit								
Lake Forest Library	\$ 3,763,291	\$ 65,541	\$ 190,487	\$ -				\$ (3,507,263)
General revenues and transfers:								
General revenues								
Taxes								
Property					24,468,769	-	24,468,769	3,793,926
Home rule sales					653,984	-	653,984	-
Utility					2,589,941	-	2,589,941	-
Real estate transfer tax					1,224,610	-	1,224,610	-
Other					172,931	-	172,931	-
Intergovernmental revenues - unrestricted								
Taxes								
Sales					2,197,119	-	2,197,119	-
Income					2,386,567	-	2,386,567	-
Telecommunication					1,364,060	-	1,364,060	-
Replacement					142,763	-	142,763	34,833
Other taxes					218,931	-	218,931	-
Investment income					547,118	33,408	580,526	10,076
Other					73,613	1,621	75,234	-
Transfers					(168,750)	168,750	-	-
Total general revenues and transfers					35,871,656	203,779	36,075,435	3,838,835
Change in net position					(1,278,126)	(343,481)	(1,621,607)	331,572
Net position – beginning of year					224,819,841	45,902,779	270,722,620	4,830,340
Net position – end of year					\$ 223,541,715	\$ 45,559,298	\$ 269,101,013	\$ 5,161,912

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Exhibit A-3

Balance Sheet

Governmental Funds

April 30, 2015

Assets	General Fund	Parks and Recreation Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 19,453,778	\$ 3,639,109	\$ 3,025,893	\$ 5,459,998	\$ 31,578,778
Investments	-	-	-	4,359,036	4,359,036
Property held for resale	-	-	-	380,000	380,000
Receivables (net of allowance for uncollectibles):					
Property taxes	17,199,721	5,237,543	9,618	2,223,449	24,670,331
Other taxes	406,832	-	-	-	406,832
Accounts	455,125	58,205	502,505	-	1,015,835
Loans	1,208,044	-	-	-	1,208,044
Other	65,890	-	-	212,755	278,645
Due from other governments	1,879,980	8,795	-	45,062	1,933,837
Advances to other funds	333,640	-	-	-	333,640
Due from other funds	-	-	1,016,561	-	1,016,561
Due from fiduciary funds	-	-	-	155,185	155,185
Inventory	89,895	-	-	-	89,895
Prepays	17,253	1,487	-	1,173	19,913
Total assets	<u>\$ 41,110,158</u>	<u>\$ 8,945,139</u>	<u>\$ 4,554,577</u>	<u>\$ 12,836,658</u>	<u>\$ 67,446,532</u>
Liabilities					
Accounts payable	\$ 476,374	\$ 205,899	\$ 780,590	\$ 45,594	\$ 1,508,457
Accrued liabilities	696,960	142,210	-	12,978	852,148
Due to other funds	-	-	-	1,016,561	1,016,561
Retainage payable	-	-	25,838	-	25,838
Deposits	732,578	3,950	22,000	12,000	770,528
Unearned revenue	1,411,646	589,258	8,624	-	2,009,528
Total liabilities	<u>3,317,558</u>	<u>941,317</u>	<u>837,052</u>	<u>1,087,133</u>	<u>6,183,060</u>
Deferred Inflows of Resources					
Property tax levies intended to finance FY16	17,199,721	5,237,543	9,618	2,223,449	24,670,331
Unavailable grants and contributions	-	-	374,913	90,577	465,490
Other unavailable revenues	76,590	-	-	-	76,590
Total deferred inflows of resources	<u>17,276,311</u>	<u>5,237,543</u>	<u>384,531</u>	<u>2,314,026</u>	<u>25,212,411</u>
Fund Balances					
Nonspendable	1,648,832	-	-	381,173	2,030,005
Restricted	957,420	2,766,279	3,332,994	8,627,726	15,684,419
Assigned	-	-	-	1,448,736	1,448,736
Unassigned	17,910,037	-	-	(1,022,136)	16,887,901
Total fund balances	<u>20,516,289</u>	<u>2,766,279</u>	<u>3,332,994</u>	<u>9,435,499</u>	<u>36,051,061</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,110,158</u>	<u>\$ 8,945,139</u>	<u>\$ 4,554,577</u>	<u>\$ 12,836,658</u>	<u>\$ 67,446,532</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOISReconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

April 30, 2015

Total fund balances – governmental funds	\$ 36,051,061
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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.	98,303
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Net pension assets recorded in governmental activities are not current financial resources and therefore are not reported in the funds.	2,432,828
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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.	542,080
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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	637,762	
Infrastructure, net of \$122,156,483 in accumulated depreciation	59,735,137	
Buildings, net of \$11,312,988 in accumulated depreciation	20,824,769	
Improvements, net of \$12,373,844 in accumulated depreciation	18,259,375	
Machinery and equipment, net of \$12,406,555 in accumulated depreciation	<u>3,692,648</u>	
Total capital assets, net		215,193,873

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	(488,702)	
Net OPEB obligation	(229,476)	
General obligation bonds	(34,228,760)	
(Premium) discount on general obligation bonds	(30,142)	
Compensated absences	<u>(1,744,145)</u>	
Total long-term obligations		(36,721,225)

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>5,944,795</u>
Net position of governmental activities	<u>\$ 223,541,715</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, 2015

	General Fund	Parks and Recreation Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$ 17,035,476	\$ 5,219,476	\$ 9,764	\$ 2,204,053	\$ 24,468,769
Other	3,320,856	-	1,272,610	48,000	4,641,466
Intergovernmental revenues	6,265,533	43,907	-	663,483	6,972,923
Grants and contributions	2,002	212,218	231,616	504,987	950,823
Charges for services	2,917,441	2,844,560	660,556	1,513,416	7,935,973
Licenses and permits	2,821,066	-	-	-	2,821,066
Fines and forfeitures	287,333	-	-	-	287,333
Investment income	70,843	17,850	14,709	420,748	524,150
Miscellaneous revenue	771,515	18,829	-	-	790,344
Total revenues	33,492,065	8,356,840	2,189,255	5,354,687	49,392,847
Expenditures:					
Current:					
General government	9,304,354	-	52,398	892,078	10,248,830
Highways and streets	2,371,461	-	-	-	2,371,461
Sanitation	2,235,135	-	-	-	2,235,135
Culture and recreation	-	7,855,290	-	601,753	8,457,043
Public safety	14,311,143	-	-	158,265	14,469,408
Capital outlay	492,547	610,117	3,689,567	2,790,437	7,582,668
Debt service:					
Principal retirement	-	-	-	1,623,436	1,623,436
Interest	-	-	-	1,400,609	1,400,609
Total expenditures	28,714,640	8,465,407	3,741,965	7,466,578	48,388,590
Excess (deficiency) of revenues over expenditures	4,777,425	(108,567)	(1,552,710)	(2,111,891)	1,004,257
Other financing sources (uses):					
Proceeds from capital asset sales	-	719	18,333	5,001	24,053
Transfers in	57,162	285,750	782,415	894,758	2,020,085
Transfers out	(1,933,258)	(166,000)	-	(89,577)	(2,188,835)
Total other financing sources (uses)	(1,876,096)	120,469	800,748	810,182	(144,697)
Net change in fund balances	2,901,329	11,902	(751,962)	(1,301,709)	859,560
Fund balances – beginning of year	17,614,960	2,754,377	4,084,956	10,737,208	35,191,501
Fund balances – end of year	\$ 20,516,289	\$ 2,766,279	\$ 3,332,994	\$ 9,435,499	\$ 36,051,061

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, 2015

Net changes in fund balances—total governmental funds \$ 859,560

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 (\$6,174,147) exceeded capital outlay
(\$1,374,389) in the current period. (4,799,758)

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. (9,624)

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	135,049
Change in other unavailable revenues	76,590

Repayment of principal is an expenditure in the governmental funds but reduces
the liability in the statement of net position.

Repayments of general obligation bonds	1,623,436
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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	434,834	
Increase in net OPEB obligation	(28,439)	
Decrease in accrued interest payable	66,054	
Amortization of bond deferred amounts, premiums and discounts	(22,997)	
Decrease in compensated absences	104,554	
		554,006

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

282,615

Change in net position of governmental activities – statement of activities

\$ (1,278,126)

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Exhibit A-7

Statement of Net Position

Proprietary Funds

April 30, 2015

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	\$ 7,817,400	\$ 738,272	\$ 8,555,672	\$ 6,092,753
Receivables:				
Accounts receivable	1,190,028	6,077	1,196,105	-
Other	97	-	97	971,120
Inventories	-	83,326	83,326	307,378
Prepaid expenses	355	10,633	10,988	623,559
Total current assets	9,007,880	838,308	9,846,188	7,994,810
Noncurrent assets:				
Capital assets:				
Not being depreciated	1,318,438	95,517	1,413,955	-
Being depreciated, net of accumulated depreciation	50,823,215	1,340,145	52,163,360	23,327
Total capital assets, net	52,141,653	1,435,662	53,577,315	23,327
Total noncurrent assets	52,141,653	1,435,662	53,577,315	23,327
Total assets	61,149,533	2,273,970	63,423,503	8,018,137
Deferred Outflows of Resources				
Deferred loss on refunding	612,395	30,506	642,901	-
Liabilities				
Current liabilities:				
Accounts payable	233,486	162,914	396,400	358,519
Accrued liabilities	75,942	15,731	91,673	951,500
Accrued interest payable	155,675	7,634	163,309	-
Unearned revenue	16,983	411,449	428,432	-
Current portion of long-term obligations:				
General obligation bonds	1,795,000	82,000	1,877,000	-
Accrued compensated absences	4,981	19	5,000	-
Total current liabilities	2,282,067	679,747	2,961,814	1,310,019
Noncurrent liabilities:				
Advances from other funds	333,640	-	333,640	-
General obligation bonds payable (net of unamortized discounts)	14,994,647	731,191	15,725,838	-
Accrued compensated absences	188,680	720	189,400	59,737
Total noncurrent liabilities	15,516,967	731,911	16,248,878	59,737
Total liabilities	17,799,034	1,411,658	19,210,692	1,369,756
Net Position				
Net investment in capital assets	35,964,401	652,977	36,617,378	23,327
Unrestricted	7,998,493	239,841	8,238,334	6,625,054
Total net position	\$ 43,962,894	\$ 892,818	44,855,712	\$ 6,648,381
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			703,586	
Net position of business-type activities reported in the government-wide statement of net position.			\$ 45,559,298	
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, 2015

	Business-type Activities – Enterprise Funds			Governmental Activities—
	Waterworks and Sewerage Fund	Nonmajor - Deerpath Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Charges for services	\$ 7,366,874	\$ 1,414,092	\$ 8,780,966	\$ 8,884,433
Connection fees	113,965	-	113,965	-
Grants and contributions	486,101	-	486,101	-
Miscellaneous	67,529	125	67,654	-
Total operating revenues	8,034,469	1,414,217	9,448,686	8,884,433
Operating expenses:				
General and administrative	2,079,749	631,238	2,710,987	8,606,778
Operations and maintenance	3,128,728	867,856	3,996,584	-
Depreciation	2,611,074	137,280	2,748,354	4,805
Total operating expenses	7,819,551	1,636,374	9,455,925	8,611,583
Operating income (loss)	214,918	(222,157)	(7,239)	272,850
Nonoperating revenues (expenses):				
Investment income	31,542	1,866	33,408	22,968
Gain on disposal of capital assets	1,621	-	1,621	-
Interest expense	(534,336)	(18,888)	(553,224)	-
Total nonoperating revenues (expenses)	(501,173)	(17,022)	(518,195)	22,968
Increase (decrease) in net position before transfers	(286,255)	(239,179)	(525,434)	295,818
Transfers in	2,750	166,000	168,750	-
Change in net position	(283,505)	(73,179)	(356,684)	295,818
Net position – beginning of year	44,246,399	965,997	45,212,396	6,352,563
Net position – end of year	\$ 43,962,894	\$ 892,818	44,855,712	\$ 6,648,381
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			13,203	
Change in net position of business-type activities reported in the government-wide statement of activities			\$ (343,481)	

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2015

Exhibit A-9

	Business-type Activities – Enterprise Funds			Governmental Activities -
	Waterworks and Sewerage Fund	Nonmajor - Deerpath Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$ 7,785,985	\$ 1,563,110	\$ 9,349,095	\$ -
Receipts from miscellaneous revenue	67,616	125	67,741	-
Receipts from interfund services provided	-	-	-	8,213,344
Payments to suppliers	(2,999,215)	(841,860)	(3,841,075)	(7,662,244)
Payments to employees	(1,917,202)	(595,386)	(2,512,588)	(691,009)
Net cash flows from operating activities	<u>2,937,184</u>	<u>125,989</u>	<u>3,063,173</u>	<u>(139,909)</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	<u>2,750</u>	<u>166,000</u>	<u>168,750</u>	<u>-</u>
Net cash flows from noncapital financing activities	<u>2,750</u>	<u>166,000</u>	<u>168,750</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(1,442,582)	(18,579)	(1,461,161)	-
Sale of equipment	1,621	-	1,621	-
Principal paid on capital debt	(1,762,000)	(85,000)	(1,847,000)	-
Interest paid on capital debt	(446,620)	(14,422)	(461,042)	-
Net cash flows from capital and related financing activities	<u>(3,649,581)</u>	<u>(118,001)</u>	<u>(3,767,582)</u>	<u>-</u>
Cash flows from investing activities:				
Interest and dividends received	<u>31,542</u>	<u>1,866</u>	<u>33,408</u>	<u>22,968</u>
Net cash flows from investing activities	<u>31,542</u>	<u>1,866</u>	<u>33,408</u>	<u>22,968</u>
Net increase (decrease) in cash and cash equivalents	(678,105)	175,854	(502,251)	(116,941)
Cash and cash equivalents – beginning of year	<u>8,495,505</u>	<u>562,418</u>	<u>9,057,923</u>	<u>6,209,694</u>
Cash and cash equivalents – end of year	<u>\$ 7,817,400</u>	<u>\$ 738,272</u>	<u>\$ 8,555,672</u>	<u>\$ 6,092,753</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended April 30, 2015

Exhibit A-9, Continued

	Business-type Activities – Enterprise Funds			Governmental Activities -
	Waterworks and Sewerage Fund	Nonmajor - Deerpath Golf Course Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 214,918	\$ (222,157)	\$ (7,239)	\$ 272,850
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	2,611,074	137,280	2,748,354	4,805
Changes in assets and liabilities:				
Water sales receivable	(180,956)	-	(180,956)	-
Accounts receivable	(1,325)	4,896	3,571	(671,089)
Other receivables	87	-	87	-
Other assets	-	6,153	6,153	(54,248)
Due from other funds	-	-	-	-
Prepaid expenses	359,355	(10,633)	348,722	-
Accounts payable	75,720	97,247	172,967	(10,918)
Accrued liabilities	6,874	876	7,750	315,730
Unearned revenue	1,326	144,122	145,448	-
Compensated absences	16,932	(31,795)	(14,863)	2,961
Advances	(166,821)	-	(166,821)	-
Total adjustments	2,722,266	348,146	3,070,412	(412,759)
Net cash flows from operating activities	\$ 2,937,184	\$ 125,989	\$ 3,063,173	\$ (139,909)

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Statement of Fiduciary Net Position

Fiduciary Funds

April 30, 2015

Assets	Pension Trust Funds	Private Purpose Trust Fund	Agency Fund
Cash and cash equivalents	\$ 861,873	\$ 18,913	\$ 60,174
Investments:			
U.S. Treasury obligations	13,697,710	-	-
U.S. Government agencies	4,871,909	-	-
Municipal and corporate bonds	6,344,339	-	-
Common stock	2,155,670	658,570	-
Equity mutual funds	30,922,739	-	-
Real Estate Investment Fund	1,274,614	-	-
Interest receivable	157,153	344	-
Prepaid expenses	18,411	-	-
Total assets	<u>60,304,418</u>	<u>677,827</u>	<u>60,174</u>
Liabilities			
Accounts payable	20,673	1,079	-
Due to other funds	-	155,185	-
Due to special assessment districts	-	-	60,174
Total liabilities	<u>20,673</u>	<u>156,264</u>	<u>60,174</u>
Net Position			
Restricted for pensions and other purposes	<u>\$ 60,283,745</u>	<u>\$ 521,563</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, 2015

	Pension Trust Funds	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 2,874,490	\$ -
Employee	656,832	-
Total contributions	<u>3,531,322</u>	<u>-</u>
Interest income	1,261,190	10,548
Net appreciation in fair value of investments	2,489,921	43,356
Less investment expenses	(209,786)	-
Net investment income	<u>3,541,325</u>	<u>53,904</u>
Total additions	<u>7,072,647</u>	<u>53,904</u>
Deductions:		
Pension benefits and refunds	3,963,554	-
Other administrative expenses	8,300	43,340
Total deductions	<u>3,971,854</u>	<u>43,340</u>
Change in net position	3,100,793	10,564
Restricted net position - beginning of year	<u>57,182,952</u>	<u>510,999</u>
Restricted net position - end of year	<u>\$ 60,283,745</u>	<u>\$ 521,563</u>

See accompanying notes to financial statements.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2015

(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, 2015

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 2013 property tax levy is recognized as revenue for the year ended April 30, 2015. 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, 2015

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.

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

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of U.S. Government or its agencies;
- Interest bearing bonds of any county, township, city, incorporated town, municipal corporation, or school district, and the bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank, provided the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1 et seq.), provided, however, that such investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation;
- Commercial Paper – issuer must be a United States corporation with more than \$500 million in assets, rating must be within the highest tier (e.g., A-1, P-1, F-1, D-1, or higher) by two standard rating services, must mature within 180 days of purchase, such purchases cannot exceed 10% of the corporation's outstanding obligations, and such purchases cannot exceed one-third of funds;
- Money Market Mutual Funds – registered under the Investment Company Act of 1940 (15 U.S.C.A. § 80a-1 et seq.), provided the portfolio is limited to bonds, notes, certificates, treasury bills, or other securities which are guaranteed by the full faith and credit of the federal government as to principal and interest;

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

- 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 certificate 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.

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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(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.

(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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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.

(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) *Deferred Inflows of Resources and Unearned Revenue*

In accordance with Governmental Accounting Standard Board (GASB) Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(m) **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 position 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.

(n) **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.

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. Annually, the City Council approves the fiscal policy which delegates this authority to the City's Finance Director. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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.

Fund Balance Classifications

At April 30, 2015, 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	\$ 17,253	\$ -	\$ -	\$ 1,173	\$ 18,426
Inventory	89,895	-	-	-	89,895
Interfund advances	333,640	-	-	-	333,640
Long-term notes	1,208,044	-	-	-	1,208,044
Property held for resale	-	-	-	380,000	380,000
Total nonspendable	1,648,832	-	-	381,173	2,030,005
Restricted:					
Culture and recreation	-	2,766,279	-	331,721	3,098,000
Highways and streets	-	-	-	308,187	308,187
Public safety - fire	-	-	-	237,901	237,901
Public safety - police	-	-	-	286,772	286,772
Cemetery perpetual care	-	-	-	4,930,884	4,930,884
Affordable housing	-	-	-	726,659	726,659
Capital projects	-	-	3,332,994	-	3,332,994
Parking lots	957,420	-	-	-	957,420
Debt service	-	-	-	1,805,602	1,805,602
Total restricted	957,420	2,766,279	3,332,994	8,627,726	15,684,419
Assigned					
Capital projects	-	-	-	1,448,736	1,448,736
Unassigned	17,910,037	-	-	(1,022,136)	16,887,901
Total fund balances	\$ 20,516,289	\$ 2,766,279	\$ 3,332,994	\$ 9,435,499	\$ 36,051,061

(o) 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.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(p) New Accounting Pronouncements

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. 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).

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the City with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Nos. 67 and 68*, will be effective for the City beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the City beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the City beginning with its year ended April 30, 2018. This statement will establish rules on reporting OPEB plans that administer benefits on behalf of governmental entities.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the City beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the City beginning with its year ended April 30, 2017. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the City beginning with its year ended April 30, 2017. This statement outlines the newly required disclosures relating to the nature and magnitude of tax abatements.

Management has not fully determined what impact, if any, these Statements may have on its financial statements; however, GASB Statements 68, 71, and 75 are expected to have a material impact when implemented.

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, 2015

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, 2015 is as follows:

		Fiduciary activities			Component Unit
	Governmental and Business-type Activities	Police Pension Fund	Firefighters' Pension Fund	Other Fiduciary Activities	Lake Forest Library
Petty cash	\$ 9,975	\$ -	\$ 300	\$ -	\$ 350
Demand deposits	42,714,977	318,200	543,373	79,087	1,901,180
Certificate of deposit	211,007	-	-	-	-
Illinois Funds	3,502,251	-	-	-	16,188
Equity securities	4,148,029	15,596,005	18,757,018	658,570	-
U.S. Treasury obligations	-	10,276,937	3,420,773	-	-
U.S. Government agencies	-	677,096	4,194,813	-	-
Municipal/corporate bonds	-	1,103,874	5,240,465	-	-
Total	<u>\$ 50,586,239</u>	<u>\$ 27,972,112</u>	<u>\$ 32,156,742</u>	<u>\$ 737,657</u>	<u>\$ 1,917,718</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, 2015

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, 2015, 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, 2015, the maturities for debt securities subject to interest rate risk are as follows:

	Fair Value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Fiduciary activities:					
Police Pension Fund:					
U.S. Treasury obligations	\$ 10,276,937	\$ -	\$ 6,939,812	\$ 3,337,125	\$ -
U.S. Government agencies	677,096	-	637,010	40,086	-
Municipal/corporate bonds	1,103,874	236,691	768,245	98,938	-
Total Police Pension	12,057,907	236,691	8,345,067	3,476,149	-
Firefighters' Pension Fund:					
U.S. Treasury obligations	3,420,773	563,903	1,411,707	1,445,163	-
U.S. Government agencies	4,194,813	682,427	1,077,625	579,505	1,855,256
Municipal/corporate bonds	5,240,465	481,149	2,355,757	2,210,459	193,100
Total Firefighters' Pension	12,856,051	1,727,479	4,845,089	4,235,127	2,048,356
Total fiduciary activities	\$ 24,913,958	\$ 1,964,170	\$ 13,190,156	\$ 7,711,276	\$ 2,048,356

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2015, the City, Cemetery Investment Fund, and Pension Funds had the following fixed income investments which are rated by Moody's and/or Standard & 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	\$ 3,502,251	\$ 3,502,251	\$ -	\$ -	\$ -	\$ -
Fiduciary activities:						
Police Pension Fund:						
U.S. Government agencies	\$ 677,096	\$ -	\$ 677,096	\$ -	\$ -	\$ -
Municipal/corporate bonds	1,103,874	40,205	130,584	775,371	157,714	-
	1,780,970	40,205	807,680	775,371	157,714	-
Firefighters' Pension Fund:						
U.S. Government agencies	4,194,813	-	1,188,996	-	-	3,005,817
Municipal/corporate bonds	5,240,465	281,574	569,661	2,077,701	2,231,538	79,991
	9,435,278	281,574	1,758,657	2,077,701	2,231,538	3,085,808
Total fiduciary activities	\$ 11,216,248	\$ 321,779	\$ 2,566,337	\$ 2,853,072	\$ 2,389,252	\$ 3,085,808
Component unit:						
Lake Forest Library:						
Illinois Funds	\$ 16,188	\$ 16,188	\$ -	\$ -	\$ -	\$ -

* These securities are not rated by either Moody's or Standard & 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. Neither the Firefighters' Pension Fund nor the Police Pension Fund hold any investment with any single issuer over 5% of the total portfolio.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2015, 8.75% of the Firefighters' Pension Fund's assets were invested in the Vanguard Star Fund, as well as the Franklin Mutual European Z Fund. The funds are subject to foreign currency risk. To diversify risk, the Firefighters' Pension Fund utilizes an equity asset allocation that incorporates a variety of management styles. The allocations are reviewed quarterly and rebalanced if necessary. As of April 30, 2015, 15.19% 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. The funds are subject to foreign currency risk; however, the funds are well diversified across international regions. The Cemetery Fund had 17.34% of its assets invested in William Blair International Growth Fund as of April 30, 2015.

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 2014 are intended to finance the fiscal year 2016 expenditures. Accordingly, the City recognized revenue during the year ended April 30, 2015 for collections from the calendar year 2013 levy if it was received by June 30, 2015. Property taxes levied for calendar year 2014 which will be collected in fiscal year 2016 are recorded as receivables and a deferred inflow of resources.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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

The following balances at April 30, 2015 represent amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Capital Improvement Fund	Nonmajor Governmental	\$ 1,016,561
Nonmajor Governmental	Fiduciary Fund	155,185
Total		<u>\$ 1,171,746</u>

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, 2015 represent advances between funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Waterworks and Sewerage Fund	<u>\$ 333,640</u>

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

Transfers to/from Other Funds

Interfund transfers for the year ended April 30, 2015 were as follows:

<u>Transfer In Fund(s)</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Reimbursement for TIF expenses	\$ 57,162
Parks and Recreation Fund	Transfer for operations	285,750
Capital Improvement Fund	Transfer for capital outlay	750,000
Capital Improvement Fund	Transfer for capital outlay	32,415
Waterworks and Sewerage Fund	Transfer for operations	2,750
Nonmajor governmental	Transfer for operations	239,239
Nonmajor governmental	Transfer for debt service	655,519
Nonmajor business activity	Transfer for operations	166,000
		<u>\$ 2,188,835</u>
<u>Transfer Out Fund(s)</u>		
General Fund	Transfer for capital outlay	\$ 750,000
General Fund	Transfer for debt service	655,519
General Fund	Transfer for operations	285,750
General Fund	Transfer for operations	239,239
General Fund	Transfer for operations	2,750
Parks and Recreation Fund	Transfer for operations	166,000
Nonmajor governmental	Reimbursement for TIF expenses	57,162
Nonmajor governmental	Transfer for capital outlay	32,415
		<u>\$ 2,188,835</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Note 6. Capital Assets

A summary of capital asset activity for the year ended April 30, 2015 is as follows:

	Balance May 1, 2014	Additions or Transfers	Disposals	Balance April 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 45,303,412	\$ -	\$ -	\$ 45,303,412
Infrastructure – land	66,740,770	-	-	66,740,770
Construction in progress	53,345	637,762	53,345	637,762
Total capital assets not being depreciated	112,097,527	637,762	53,345	112,681,944
Capital assets being depreciated:				
Infrastructure	181,891,620	-	-	181,891,620
Buildings	32,137,757	-	-	32,137,757
Improvements other than buildings	30,522,072	111,147	-	30,633,219
Machinery and equipment	15,821,139	678,825	347,006	16,152,958
Total capital assets being depreciated	260,372,588	789,972	347,006	260,815,554
Less accumulated depreciation:				
Infrastructure	119,258,258	2,898,225	-	122,156,483
Buildings	10,560,997	751,991	-	11,312,988
Improvements other than buildings	10,973,528	1,400,316	-	12,373,844
Machinery and equipment	11,645,945	1,128,420	337,382	12,436,983
Total accumulated depreciation	152,438,728	6,178,952	337,382	158,280,298
Governmental Activity capital assets – net	\$ 220,031,387	\$ (4,751,218)	\$ 62,969	\$ 215,217,200

Depreciation expense for governmental activities for the year ended April 30, 2015 was charged to functions as follows:

General government	\$ 1,865,911
Highways and streets	3,071,999
Sanitation	130,532
Culture and recreation	916,419
Public safety	194,091
	<u>\$ 6,178,952</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Balance May 1, 2014	Additions	Disposals or Transfers	Balance April 30, 2015
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 459,369	\$ -	\$ -	\$ 459,369
Construction in progress	921,811	954,586	921,811	954,586
Total capital assets not being depreciated	1,381,180	954,586	921,811	1,413,955
Capital assets being depreciated:				
Buildings	27,021,790	-	-	27,021,790
Improvements other than buildings	41,066,356	1,409,807	-	42,476,163
Machinery and equipment	4,747,841	18,579	15,625	4,750,795
Sanitary sewers and related property	29,461,745	-	-	29,461,745
Total capital assets being depreciated	102,297,732	1,428,386	15,625	103,710,493
Less accumulated depreciation:				
Buildings	11,589,687	1,003,570	-	12,593,257
Improvements other than buildings	18,820,022	963,766	-	19,783,788
Machinery and equipment	2,853,110	212,660	15,625	3,050,145
Sanitary sewers and related property	15,551,585	568,358	-	16,119,943
Total accumulated depreciation	48,814,404	2,748,354	15,625	51,547,133
Capital assets – net	\$ 54,864,508	\$ (365,382)	\$ 921,811	\$ 53,577,315

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

	Balance May 1, 2014	Additions	Disposals	Balance April 30, 2015
Component Unit – Lake Forest Library				
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	359,066	-	140,066	219,000
Capital assets being depreciated:				
Buildings	1,180,907	-	-	1,180,907
Improvements other than buildings	2,097,360	234,145	-	2,331,505
Machinery and equipment	3,723,509	352,050	220,677	3,854,882
Total capital assets being depreciated	7,001,776	586,195	220,677	7,367,294
Less accumulated depreciation:				
Buildings	630,828	23,338	-	654,166
Improvements other than buildings	902,012	172,444	-	1,074,456
Machinery and equipment	2,150,014	349,088	220,677	2,278,425
Total accumulated depreciation	3,682,854	544,870	220,677	4,007,047
Capital assets – net	\$ 3,677,988	\$ 41,325	\$ 140,066	\$ 3,579,247

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2015:

	Balance May 1, 2014	Additions	Deductions	Balance April 30, 2015	Amounts due within one year
Governmental activities:					
General obligation bonds	\$ 35,852,196	\$ -	\$ (1,623,436)	\$ 34,228,760	\$ 1,618,218
Premium on general obligation bonds	99,415	-	(17,220)	82,195	-
Discount on general obligation bonds	(59,063)	-	7,010	(52,053)	-
Total general obligation bonds	35,892,548	-	(1,633,646)	34,258,902	1,618,218
Net OPEB obligation*	201,037	28,439	-	229,476	-
Compensated absences**	1,905,475	2,309,076	(2,410,669)	1,803,882	100,000
Total governmental activities	\$ 37,999,060	\$ 2,337,515	\$ (4,044,315)	\$ 36,292,260	\$ 1,718,218
Business-type activities:					
General obligation bonds	\$ 19,245,000	\$ -	\$ (1,847,000)	\$ 17,398,000	\$ 1,877,000
Premium on general obligation bonds	256,725	-	(51,887)	204,838	-
Compensated absences	209,263	234,662	(249,525)	194,400	5,000
Total business-type activities	\$ 19,710,988	\$ 234,662	\$ (2,148,412)	\$ 17,797,238	\$ 1,882,000
Component Unit - Lake Forest Library					
Capital lease	\$ 57,287	\$ -	\$ (31,749)	\$ 25,538	\$ 25,538
Net OPEB obligation*	12,212	18,902	-	31,114	-
Compensated absences	173,283	256,532	(238,014)	191,801	5,000
Total component unit - Lake Forest Library	\$ 242,782	\$ 275,434	\$ (269,763)	\$ 248,453	\$ 30,538

* 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, 2015

General obligation debt payable for the City as of April 30, 2015 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.	\$ 530,000
Special Service Area 26 Special Tax Bonds due in annual installments of \$9,545 to \$20,701 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.	141,823
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.	1,134,937
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.	7,250,000
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.	3,025,000
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.	195,000
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.	3,992,000
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.	9,535,000
Total governmental activities	<u>\$ 34,228,760</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2020; interest at 1.5% to 3%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues. \$ 775,000

2011 B Series General Obligation Bonds due in annual installments of \$1,254,000 to \$2,004,000 through December 15, 2023; interest at 2% to 3%, due semiannually on June 15 and December 15. Funded by Water and Sewer Fund revenues. 15,819,500

Nonmajor Enterprise Fund:

2011 B Series General Obligation Bonds due in annual installments of \$78,000 to \$100,000 through December 15, 2023; interest at 4% to 4.38%, due semiannually on June 15 and December 15. Funded by Golf Course Fund revenues 803,500

Total Business-type Activities \$ 17,398,000

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

Years	Governmental activities		Business-type activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 1,618,218	\$ 1,293,624	\$ 1,877,000	\$ 432,288	\$ 5,221,130
2017	1,568,336	1,250,042	1,902,000	395,398	5,115,776
2018	1,723,796	1,206,165	1,952,000	357,358	5,239,319
2019	1,869,625	1,155,188	1,987,000	308,870	5,320,683
2020	2,060,850	1,098,270	2,067,000	259,520	5,485,640
2021-2025	10,772,935	4,414,772	7,613,000	505,171	23,305,878
2026-2030	8,825,000	2,537,712	-	-	11,362,712
2031-2033	5,790,000	555,500	-	-	6,345,500
Total	<u>\$34,228,760</u>	<u>\$ 13,511,273</u>	<u>\$ 17,398,000</u>	<u>\$ 2,258,605</u>	<u>\$ 67,396,638</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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 percent. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease are as follows:

	Lake Forest Library
Assets:	
Improvements other than buildings	\$ 96,529
Less: accumulated depreciation	<u>(72,396)</u>
Total	<u><u>\$ 24,133</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of April 30, 2015 were as follows:

Year Ending April 30	Lake Forest Library
2016	\$ 25,651
Less: Amount representing interest	<u>(113)</u>
Present value of minimum lease payments	<u><u>\$ 25,538</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, 2015

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

(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 2015 and 2014 were 12.29 percent and 13.73 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 \$2,120,603 for the regular plan was equal to the City's required and actual contributions.

(d) Trend Information

Fiscal Year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2015	\$ 2,120,603	100 %	\$ -
2014	2,175,340	100	-
2013	1,895,967	100	-

The required contributions for 2015 and 2014 were determined as part of the December 31, 2013 and 2012 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 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement 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 29 year basis.

(e) Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the regular plan was 74.67 percent funded. The actuarial liability for benefits was \$50,319,970 and the actuarial value of assets was \$37,573,995 resulting in an unfunded actuarial accrued liability (UAAL) of \$12,745,975. The covered payroll (annual payroll of active employees covered by the plan) was \$16,265,473 and the ratio of the UAAL to the covered payroll was 78 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, 2015

Police Pension Fund – GASB Statement No. 67 Disclosures

(a) Summary of Significant Accounting Policies

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

Due to the fact that the Police Pension Plan does not issue stand-alone statements, the City is required to report all required disclosures pursuant to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

(b) Plan Description

Plan Administration – Sworn police personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the City of Lake Forest. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code (40 ILCS/Art. 3) and may be amended only by the Illinois legislature. The City accounts for the Plan as a Pension Trust Fund. The City does not however, separately issue a financial report for the Plan. An actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the beneficiaries and two are appointed by the Mayor with the approval of the City Council. There have been no changes in the makeup of the Board during fiscal year 2015.

Plan Membership - Membership of each plan consisted of the following at April 30, 2015:

	<u>Police Pension</u>
Inactive plan members, or their beneficiaries, currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>39</u>
Total	<u><u>79</u></u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Benefits Provided –The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of credible service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of credible service are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3 percent or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions – Covered employees are required to contribute 9.91 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the City. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by the year 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the City was required to contribute was \$1,413,085 or 39.35 percent of member payroll, to the Police Pension Fund.

(c) *Investments*

Investment Policy – The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 1 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Asset Class	Target Asset Allocation
Cash and Cash Equivalents	1%
Fixed Income	45%
U.S. Equity	35%
International Equity	14%
Real Estate	5%
	<u>100%</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Target Asset Allocation in Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0% - 5%	2.50%	2.20%	0.30%
Fixed Income	35% - 55%	3.70%	2.20%	1.50%
U.S. Equity	25% - 45%	8.20%	2.20%	6.00%
International Equity	8% - 20%	8.50%	2.20%	6.30%
Real Estate	0% - 10%	8.10%	2.20%	5.90%

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 or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

Significant Investments – Information on significant investments is presented in Note 3 under “Concentration of Credit Risk.”

Rate of Return – For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.79 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(d) *Net Pension Liability of the City*

The components of net pension liability of the City at April 30, 2015, are as follows:

Total pension liability	\$ 52,530,895
Plan fiduciary net position	<u>28,025,755</u>
City's net pension liability	<u>\$ 24,505,140</u>
Plan fiduciary net position as a percentage of the total pension liability	53.35%

The total pension liability was determined by an actuarial valuation as of April 30, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
Projected Individual Salary Increases	5.50%
Inflation Rate Included	3.00%
Mortality Table	RP 2000 CHBCA

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate – The discount rate used to measure the total pension liability is 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments for the entire projected period. Therefore, the long-term expected rate of return on pension plan assets was applied to all years.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's net pension liability	\$ 31,246,977	\$ 24,505,140	\$ 18,900,848

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Fire Pension Fund – GASB Statement No. 67 Disclosures

(a) *Summary of Significant Accounting Policies*

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

Due to the fact that the Fire Pension Plan does not issue stand-alone statements, the City is required to report all required disclosures pursuant to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

(b) *Plan Description*

Plan Administration – Sworn firefighter personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan administered by the City of Lake Forest. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 4 of the Illinois Pension Code (40 ILCS 5/Art. 4) and may be amended only by the Illinois legislature. The City accounts for the Plan as a Pension Trust Fund. The City does not, however, separately issue a financial report for the plan.

(b) *Plan Description (Continued)*

An actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented.

Management of the Firefighters' Pension Plan is vested in the Firefighters' Pension Board which consists of five members, two members are elected from and by the active firefighters, one is elected from and by the beneficiaries and two are appointed by the Mayor with the approval of the City Council. There have been no changes in the makeup of the Board during fiscal year 2015.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Plan Membership - Membership of each plan consisted of the following at April 30, 2015:

	<u>Firefighters' Pension</u>
Inactive plan members, or their beneficiaries, currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>33</u>
Total	<u><u>71</u></u>

Benefits Provided –The Firefighters’ Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of credible service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of credible service are entitled to receive an annual retirement benefit of 2.5 percent of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3 percent or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions – Covered employees are required to contribute 9.455 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 4) establishes the contribution requirements of the City. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90 percent of the actuarial liabilities of the pension fund by the year 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the City was required to contribute was \$1,082,349, or 34.79 percent of member payroll, to the Firefighters’ Pension Fund.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(c) **Investments**

Investment Policy – The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Firefighters' Pension Board by a majority vote of its members. It is the policy of the Firefighters' Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 1 for more details on the Firefighters' Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

Asset Class	Target Asset Allocation
Cash and Cash Equivalents	0%
Fixed Income	45%
Equities	53%
Alternatives	2%
	<u>100%</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

Asset Class	Target Asset Allocation in Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0%	3.00%	2.10%	0.90%
Fixed Income	45%	5.73%	2.10%	3.63%
Equities	53%	10.75%	2.10%	8.65%
Alternatives	2%	8.98%	2.10%	6.88%

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 or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments – Information on significant investments is presented in Note 3 under "Concentration of Credit Risk."

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Rate of Return – For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.48 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(d) Net Pension Liability of the City

The components of net pension liability of the City at April 30, 2015, are as follows:

Total pension liability	\$ 43,938,314
Plan fiduciary net position	<u>32,257,990</u>
City's net pension liability	<u><u>\$ 11,680,324</u></u>

Plan fiduciary net position as a percentage of the total pension liability	73.42%
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The total pension liability was determined by an actuarial valuation as of April 30, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll
Discount Rate used for the Total Pension Liability	7.00%
Long-Term Expected Rate of Return on Plan Assets	7.00%
Projected Individual Salary Increases	5.50%
Inflation Rate Included	3.00%
Mortality Table	RP 2000 CHBCA

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Discount Rate – The discount rate used to measure the total pension liability is 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments for the entire projected period. Therefore, the long-term expected rate of return on pension plan assets was applied to all years.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's net pension liability	\$ 17,146,694	\$ 11,680,324	\$ 7,101,976

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

Police and Fire Pension Funds – GASB Statement No. 27 Disclosures

The following discussions are specific to the City's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Pension Plan level. Effective for fiscal years ending on or after April 30, 2015, the following disclosures will no longer apply to the City's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 1(p).

The information included in this section pertaining to the City's Police Pension Fund and Firefighters' Pension Fund are based on the actuarial valuations performed on April 30, 2015. The actuarial valuations were performed to determine the City's required contribution and annual pension costs for the respective plans for the fiscal year ended April 30, 2015.

(a) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset for the Police and Firefighters' Pension Plans for fiscal year 2015 were as follows:

	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,508,450	\$ 950,325
Interest on net pension obligation	(81,916)	(57,944)
Adjustment to annual required contribution	70,718	50,023
Annual pension cost	1,497,252	942,404
Contributions made	1,706,203	1,168,287
Increase in net pension asset	208,951	225,883
Net pension asset at April 30, 2014	1,170,226	827,768
Net pension asset at April 30, 2015	\$ 1,379,177	\$ 1,053,651

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

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(b) Methods and Assumptions

Other related information is as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Contribution rates - City	47.51%	37.55%
Contribution rates - plan members	9.91%	9.46%
Actuarial valuation date	4/30/15	4/30/15
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Percentage of pay, closed	Level Percentage of pay, closed
Remaining amortization period	26 years	26 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:		
Tier 1	3.00% per year	3.00% per year
Tier 2	2.00% per year	2.00% per year

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(c) Plan Financial Statements

Following are condensed financial statements for the Police and Firefighters' Pension Plans as of and for the year ended April 30, 2015:

	Police Pension	Firefighters' Pension
Statement of Fiduciary Net Position		
Assets:		
Cash and cash equivalents	\$ 318,200	\$ 543,673
Investments	27,653,912	31,613,069
Other receivables	57,648	99,505
Prepaid expenses	7,945	10,466
Total assets	<u>28,037,705</u>	<u>32,266,713</u>
Liabilities:		
Accounts payable	<u>11,950</u>	<u>8,723</u>
Net position:		
Restricted for pensions	<u>\$ 28,025,755</u>	<u>\$ 32,257,990</u>
Statement of Changes in Fiduciary Net Position		
Additions:		
Employer contributions	\$ 1,706,203	\$ 1,168,287
Employee contributions	360,156	296,676
Interest income	556,547	704,643
Net appreciation in fair value of investments	1,232,546	1,257,375
Less investment expenses	(119,585)	(90,201)
Total additions	<u>3,735,867</u>	<u>3,336,780</u>
Deductions:		
Pension benefits and refunds	2,193,705	1,769,849
Administrative expenses	4,150	4,150
Total deductions	<u>2,197,855</u>	<u>1,773,999</u>
Changes in net position	1,538,012	1,562,781
Restricted net position - beginning of year	<u>26,487,743</u>	<u>30,695,209</u>
Restricted net position - end of year	<u>\$ 28,025,755</u>	<u>\$ 32,257,990</u>

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(d) Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
Police Pension:	4/30/15	\$ 1,497,252	114.0 %	\$ 1,379,177
	4/30/14	1,370,190	114.1	1,170,226
	4/30/13	1,361,832	110.3	976,452
Firefighters' Pension:	4/30/15	\$ 942,404	124.0 %	\$ 1,053,651
	4/30/14	885,386	123.2	827,768
	4/30/13	886,429	115.8	622,459

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

The funded status of the Police and Firefighters' Pension Plans as of April 30, 2015, 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	\$ 28,025,755	\$ 52,530,895	\$ 24,505,140	53.4 %	\$ 3,590,934	682.4 %
Firefighters'	32,257,990	43,938,314	11,680,324	73.4	3,111,216	375.4

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, 2015

(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 2015, the City contributed \$200,394, 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)	\$ 223,399	\$ 22,915
Interest on net OPEB obligation	8,041	488
Adjustment to annual required contribution	(6,701)	(407)
Annual OPEB cost	224,739	22,996
Contribution made	(196,300)	(4,094)
Increase (decrease) in net OPEB obligation	28,439	18,902
Net OPEB obligation beginning of year	201,037	12,212
Net OPEB obligation end of year	\$ 229,476	\$ 31,114

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014 and 2013 were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
City:			
04/30/2015	\$ 224,739	87.3%	\$ 229,476
04/30/2014	146,631	100.3%	201,037
04/30/2013	96,080	66.1%	201,480
Library:			
04/30/2015	\$ 22,996	17.8%	\$ 31,114
04/30/2014	3,842	0.0%	12,212
04/30/2013	2,764	0.0%	8,370

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

(d) Funded Status and Funding Progress

As of April 30, 2015 (latest actuarial valuation date), the City's plan was 100 percent unfunded. The actuarial accrued liability for benefits was \$3,786,380, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$3,786,380. The covered payroll (annual payroll of active employees covered by the plan) was \$18,087,734, and the ratio of the UAAL to the covered payroll was 20.93 percent. As of the same date, the Library's plan was 100% unfunded. The actuarial accrued liability for benefits was \$272,766, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$272,766. The covered payroll (annual payroll of active employees covered by the plan) was \$1,288,196, and the ratio of the UAAL to the covered payroll was 21.17 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, 2015 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 10 percent initially, reduced by decrements to an ultimate rate of 5.5 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, 2015 was 30 years.

CITY OF LAKE FOREST, ILLINOIS

Notes to Financial Statements

April 30, 2015

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, 2015

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

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2013-2014	\$ 207,647	\$ 287,443	\$ 346,109	\$ 148,981
2014-2015	148,981	379,331	383,487	144,825

(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, 2015

Changes in the balances of claims liabilities for the years ended April 30, 2015 and 2014 are as follows:

	Beginning of Fiscal Year Liability	Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2013-2014	\$ 360,659	\$ 4,440,345	\$ 4,272,355	\$ 528,649
2014-2015	528,649	5,176,240	4,888,995	815,894

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. Commitments and Contingencies

As of April 30, 2015, 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 \$186,402 at April 30, 2015.

The Police Pension Fund has an outstanding unfunded commitment of \$300,000 to Principal Real Estate Investment Fund at April 30, 2015.

Note 14. Subsequent Events

On August 3, 2015, the City Council approved an ordinance authorizing the issuance of General Obligation Bonds, Series 2015 for \$9,780,000. The City's Aaa Moody's rating was affirmed. The proceeds of the Bonds will be used for the purpose of financing certain capital improvements within the City, including but not limited to infrastructure improvements in the City's Laurel Avenue Tax Increment Financing District.

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 17,081,233	\$ 17,035,476	\$ (45,757)
Other	3,158,511	3,320,856	162,345
Intergovernmental revenues	6,485,466	6,265,533	(219,933)
Grants and contributions	-	2,002	2,002
Charges for services	2,759,437	2,917,441	158,004
Licenses and permits	2,479,564	2,821,066	341,502
Fines and forfeitures	317,500	287,333	(30,167)
Investment income	55,550	70,843	15,293
Miscellaneous revenue	584,128	771,515	187,387
Total revenues	<u>32,921,389</u>	<u>33,492,065</u>	<u>570,676</u>
Expenditures:			
Current:			
General government	10,502,697	9,304,354	1,198,343
Highways and streets	2,400,408	2,371,461	28,947
Sanitation	2,260,266	2,235,135	25,131
Public safety	14,949,728	14,311,143	638,585
Capital outlay	-	492,547	(492,547)
Contingency	3,199,585	-	3,199,585
Total expenditures	<u>33,312,684</u>	<u>28,714,640</u>	<u>4,598,044</u>
Excess (deficiency) of revenues over expenditures	<u>(391,295)</u>	<u>4,777,425</u>	<u>5,168,720</u>
Other financing sources (uses):			
Transfers in	-	57,162	57,162
Transfers out	(1,942,750)	(1,933,258)	9,492
Total other financing uses	<u>(1,942,750)</u>	<u>(1,876,096)</u>	<u>66,654</u>
Net change in fund balance	<u>\$ (2,334,045)</u>	<u>2,901,329</u>	<u>\$ 5,235,374</u>
Fund balance – beginning of year		<u>17,614,960</u>	
Fund balance – end of year		<u>\$ 20,516,289</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	\$ 5,228,622	\$ 5,219,476	\$ (9,146)
Intergovernmental	18,500	43,907	25,407
Grants and contributions	108,200	212,218	104,018
Charges for services	3,323,265	2,844,560	(478,705)
Investment income	28,159	17,850	(10,309)
Other	9,050	18,829	9,779
Total revenues	<u>8,715,796</u>	<u>8,356,840</u>	<u>(358,956)</u>
Expenditures:			
Current:			
Culture and recreation	8,285,764	7,855,290	430,474
Contingency	958,236	-	958,236
Capital outlay	1,055,597	610,117	445,480
Total expenditures	<u>10,299,597</u>	<u>8,465,407</u>	<u>1,834,190</u>
Excess (deficiency) of revenues over expenditures	<u>(1,583,801)</u>	<u>(108,567)</u>	<u>1,475,234</u>
Other financing sources (uses):			
Proceeds from sales of equipment	-	719	719
Transfers in	285,000	285,750	750
Transfers out	(91,000)	(166,000)	(75,000)
Total other financing sources (uses)	<u>194,000</u>	<u>120,469</u>	<u>(73,531)</u>
Net change in fund balance	<u>\$ (1,389,801)</u>	<u>11,902</u>	<u>\$ 1,401,703</u>
Fund balance – beginning of year		<u>2,754,377</u>	
Fund balance – end of year		<u>\$ 2,766,279</u>	

CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information – GASB Statement No. 27

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):						
12/31/2014	\$ 37,573,995	\$ 50,319,970	\$ 12,745,975	74.7 %	\$ 16,265,473	78.4 %
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
Police Pension Plan:						
04/30/2015	28,025,755	52,530,895	24,505,140	53.4	3,590,934	682.4
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
Firefighters' Pension Plan:						
04/30/2015	32,257,990	43,938,314	11,680,324	73.4	3,111,216	375.4
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

- (1) Includes City and Library employees. On a market value basis, the actuarial value of assets as of December 31, 2014 is \$46,897,077. On a market basis, the funded ratio would be 93.20%. 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 – GASB Statement No. 27
 Schedules of Employer Contributions
 Last Six Fiscal Years

Illinois Municipal Retirement Fund

Fiscal Year	Employer Contributions	Annual required contribution	Percentage contributed
4/30/15	\$ 2,120,603	\$ 2,120,603	100.0 %
4/30/14	2,175,340	2,175,340	100.0
4/30/13	1,895,967	1,895,967	100.0
4/30/12	1,893,946	1,893,946	100.0
4/30/11	1,944,067	1,944,067	100.0
4/30/10	667,231	667,231	100.0

Police Pension Plan

Fiscal Year	Employer Contributions	Annual required contribution	Percentage contributed
4/30/15	\$ 1,706,203	\$ 1,508,450	113.1 %
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

Firefighters' Pension Plan

Fiscal Year	Employer Contributions	Annual required contribution	Percentage contributed
4/30/15	\$ 1,168,287	\$ 950,325	122.9 %
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

CITY OF LAKE FOREST, ILLINOIS

Required Supplementary Information - GASB Statement No. 45
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)
04/30/2015	\$ -	\$ 3,786,380	\$ 3,786,380	\$ - %	\$ 18,087,734	20.93 %
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)
04/30/2015	\$ -	\$ 272,766	\$ 272,766	\$ - %	\$ 1,288,196	21.17 %
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
04/30/2015	\$ 196,300	\$ 223,399	87.9 %
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

Schedule of Employer Contributions - Library

Actuarial Valuation Date	Employer Contributions	Required Contribution	Percentage Contributed
04/30/2015	\$ 4,094	\$ 22,915	17.9 %
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.

Required Supplementary Information - Police Pension Plan - GASB Statement No. 67
 Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
 Ratios and Investment Returns

Fiscal year ending April 30,	2015
Total pension liability	
Service cost	\$ 845,979
Interest on the total pension liability	3,219,893
Changes in benefit terms	-
Differences between expected and actual experience	2,713
Changes in assumptions	3,568,719
Benefit payments	(2,209,762)
Net change in total pension liability	5,427,542
Total pension liability—beginning	47,103,353
Total pension liability—ending (a)	<u>\$ 52,530,895</u>
Plan fiduciary net position	
Contributions - Employer	\$ 1,706,203
Contributions - Member	360,156
Pension plan net investment income	1,669,508
Benefit payments	(2,193,705)
Pension plan administrative expense	(4,150)
Net change in plan fiduciary net position	1,538,012
Plan fiduciary net position—beginning	26,487,743
Plan fiduciary net position—ending (b)	<u>\$ 28,025,755</u>
Net pension liability - ending (a) - (b)	\$ 24,505,140
Plan fiduciary net position as a percentage of the total pension liability	53.35%
Covered-Employee Payroll	\$ 3,590,934
Employer net pension liability as a percentage of covered-employee payroll	682.42%
Annual money-weighted rate of return, net of investment expense	6.79%

The City implemented GASB 67 in FY 2015.

Required Supplementary Information - Firefighters' Pension Plan - GASB Statement No. 67
 Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
 Ratios and Investment Returns

Fiscal year ending April 30,	2015
Total pension liability	
Service cost	\$ 912,154
Interest on the total pension liability	2,754,242
Changes in benefit terms	-
Differences between expected and actual experience	(213,530)
Changes in assumptions	2,024,054
Benefit payments	(1,769,849)
Net change in total pension liability	3,707,071
Total pension liability—beginning	40,231,243
Total pension liability—ending (a)	<u>\$ 43,938,314</u>
Plan fiduciary net position	
Contributions - Employer	\$ 1,168,287
Contributions - Member	296,676
Pension plan net investment income	1,871,817
Benefit payments	(1,769,849)
Pension plan administrative expense	(4,150)
Net change in plan fiduciary net position	1,562,781
Plan fiduciary net position—beginning	30,695,209
Plan fiduciary net position—ending (b)	<u>\$ 32,257,990</u>
Net pension liability - ending (a) - (b)	\$ 11,680,324
Plan fiduciary net position as a percentage of the total pension liability	73.42%
Covered-Employee Payroll	\$ 3,111,216
Employer net pension liability as a percentage of covered-employee payroll	375.43%
Annual money-weighted rate of return, net of investment expense	6.48%

The City implemented GASB 67 in FY 2015.

City of Lake Forest, IllinoisRequired Supplementary Information - GASB Statement No. 67
Schedule of Contributions**Police Pension Plan**

	2015	2014	2013	2012
Actuarially Determined Contribution	\$ 1,508,450	\$ 1,384,307	\$ 1,375,906	\$ 1,372,431
Contributions in Relation to the Actuarial Determined Contribution	1,706,203	1,563,964	1,502,075	1,515,074
Contribution Deficiency (excess)	<u>\$ (197,753)</u>	<u>\$ (179,657)</u>	<u>\$ (126,169)</u>	<u>\$ (142,643)</u>
Covered-Employee Payroll	\$ 3,590,934	\$ 3,518,797	\$ 3,170,518	\$ 3,359,679
Contributions as a Percentage of Covered-Employee Payroll	47.51%	44.45%	47.38%	45.10%

Firefighters' Pension Plan

	2015	2014	2013	2012
Actuarially Determined Contribution	\$ 950,325	\$ 894,384	\$ 894,551	\$ 862,452
Contributions in Relation to the Actuarial Determined Contribution	1,168,287	1,090,695	1,026,345	983,298
Contribution Deficiency (excess)	<u>\$ (217,962)</u>	<u>\$ (196,311)</u>	<u>\$ (131,794)</u>	<u>\$ (120,846)</u>
Covered-Employee Payroll	\$ 3,111,216	\$ 3,004,889	\$ 3,049,732	\$ 2,941,767
Contributions as a Percentage of Covered-Employee Payroll	37.55%	36.30%	33.65%	33.43%

Exhibit B-8

2011	2010	2009	2008	2007	2006
\$ 1,405,652	\$ 1,128,050	\$ 1,025,521	\$ 917,388	\$ 861,380	\$ 747,004
1,412,730	1,128,592	1,038,121	928,718	868,271	757,462
\$ (7,078)	\$ (542)	\$ (12,600)	\$ (11,330)	\$ (6,891)	\$ (10,458)
\$ 3,322,493	\$ 3,283,760	\$ 3,162,441	\$ 3,162,441	\$ 3,041,336	\$ 3,084,360
42.52%	34.37%	32.83%	29.37%	28.55%	24.56%

2011	2010	2009	2008	2007	2006
\$ 954,946	\$ 761,978	\$ 662,323	\$ 608,241	\$ 536,870	\$ 484,776
960,850	810,129	701,472	610,671	554,050	512,408
\$ (5,904)	\$ (48,151)	\$ (39,149)	\$ (2,430)	\$ (17,180)	\$ (27,632)
\$ 2,644,320	\$ 2,926,591	\$ 2,855,889	\$ 2,855,889	\$ 2,626,922	\$ 2,454,181
36.34%	27.68%	24.56%	21.38%	21.09%	20.88%

CITY OF LAKE FOREST, ILLINOIS

Notes to Required Supplementary Information

April 30, 2015

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).

Note 2. Pension Contributions

The Schedule of Contributions shows the difference between the actual contributions and the actuarially determined contributions (ADC). The actuarial valuation and assumptions utilized to measure the ADC differ from those disclosed within Note 9 of the Financial Statements and reflects the City's informal funding policy, which results in a contribution greater than the State's statutory minimum contribution. The following methods and assumptions were utilized to measure the ADC for each applicable pension plan.

Police

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial value of assets	5-year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	26 years
Investment rate of return	7%
Projected Salary Increases	5.50%
Inflation Rate Included	3.00%
Mortality Table	RP 2000 (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.

Fire

Methods and Assumptions

Valuation date	May 1, 2015
Actuarial cost method	Entry Age Normal
Actuarial value of assets	5-year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	26 years
Investment rate of return	7%
Projected Salary Increases	5.50%
Inflation Rate Included	3.00%
Mortality Table	RP 2000 (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.

**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 administrated by the Lake Forest Police Department.

Foreign Fire Insurance Tax Fund

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

Emergency Telephone Fund

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

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.

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.

Laurel / Western Redevelopment TIF Fund

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

CITY OF LAKE FOREST, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2015

	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Parks and Public Land Fund
Assets				
Cash and cash equivalents	\$ 121,658	\$ 26,894	\$ 103,320	\$ 243,745
Investments	-	211,007	-	-
Property held for resale	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	-
Other	1,651	-	61,512	75,000
Total receivables	1,651	-	61,512	75,000
Due from other governments	-	-	-	-
Due from fiduciary funds	-	-	-	-
Prepays	-	-	-	-
Total assets	\$ 123,309	\$ 237,901	\$ 164,832	\$ 318,745
Liabilities				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,369	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	1,369	-
Deferred Inflows of Resources				
Property tax levies intended to finance FY16	-	-	-	-
Unavailable grants and contributions	-	-	-	75,000
Total deferred inflows of resources	-	-	-	75,000
Fund Balances:				
Fund balances:				
Nonspendable	-	-	-	-
Restricted:				
Culture and recreation	-	-	-	243,745
Highways and streets	-	-	-	-
Public safety	123,309	237,901	163,463	-
Cemetery purposes	-	-	-	-
Affordable housing	-	-	-	-
Debt service	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	123,309	237,901	163,463	243,745
Total liabilities, deferred inflows of resources, and fund balances	\$ 123,309	\$ 237,901	\$ 164,832	\$ 318,745

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
\$ 270,402	\$ 618,243	\$ 82,739	\$ 738,659	\$ 1,805,602
-	4,148,029	-	-	-
-	-	-	-	-
-	-	-	-	2,223,449
11,077	39,468	24,047	-	-
11,077	39,468	24,047	-	2,223,449
45,062	-	-	-	-
-	155,185	-	-	-
-	355	818	-	-
<u>\$ 326,541</u>	<u>\$ 4,961,280</u>	<u>\$ 107,604</u>	<u>\$ 738,659</u>	<u>\$ 4,029,051</u>
\$ 7,277	\$ 18,276	\$ 13,097	\$ -	\$ -
-	7,265	5,713	-	-
-	-	-	-	-
-	-	-	12,000	-
7,277	25,541	18,810	12,000	-
-	-	-	-	2,223,449
11,077	4,500	-	-	-
11,077	4,500	-	-	2,223,449
-	355	818	-	-
-	-	87,976	-	-
308,187	-	-	-	-
-	-	-	-	-
-	4,930,884	-	-	-
-	-	-	726,659	-
-	-	-	-	1,805,602
-	-	-	-	-
-	-	-	-	-
308,187	4,931,239	88,794	726,659	1,805,602
<u>\$ 326,541</u>	<u>\$ 4,961,280</u>	<u>\$ 107,604</u>	<u>\$ 738,659</u>	<u>\$ 4,029,051</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Exhibit C-1 (Cont.)

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2015

Capital Projects Funds				
Assets	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Laurel / Western Redevelopment TIF Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 1,036,105	\$ 412,631	\$ -	\$ 5,459,998
Investments	-	-	-	4,359,036
Property held for resale	-	-	380,000	380,000
Receivables (net of allowance for uncollectibles):				
Property taxes	-	-	-	2,223,449
Other	-	-	-	212,755
Total receivables	-	-	-	2,436,204
Due from other governments	-	-	-	45,062
Due from fiduciary funds	-	-	-	155,185
Prepays	-	-	-	1,173
Total assets	<u>\$ 1,036,105</u>	<u>\$ 412,631</u>	<u>\$ 380,000</u>	<u>\$ 12,836,658</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5,575	\$ 45,594
Accrued liabilities	-	-	-	12,978
Due to other funds	-	-	1,016,561	1,016,561
Deposits	-	-	-	12,000
Total liabilities	-	-	1,022,136	1,087,133
Deferred Inflows of Resources				
Property tax levies intended to finance FY16	-	-	-	2,223,449
Unavailable grants and contributions	-	-	-	90,577
Total deferred inflows of resources	-	-	-	2,314,026
Fund balances:				
Nonspendable	-	-	380,000	381,173
Restricted:				
Culture and recreation	-	-	-	331,721
Highways and streets	-	-	-	308,187
Public safety	-	-	-	524,673
Cemetery purposes	-	-	-	4,930,884
Affordable housing	-	-	-	726,659
Debt service	-	-	-	1,805,602
Assigned				
Capital projects	1,036,105	412,631	-	1,448,736
Unassigned	-	-	(1,022,136)	(1,022,136)
Total fund balances	<u>1,036,105</u>	<u>412,631</u>	<u>(642,136)</u>	<u>9,435,499</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,036,105</u>	<u>\$ 412,631</u>	<u>\$ 380,000</u>	<u>\$ 12,836,658</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, 2015

	Special Revenue Funds			
	Asset Forfeiture Fund	Foreign Fire Insurance Tax Fund	Emergency Telephone Fund	Parks and Public Land Fund
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental revenues	14,456	-	-	-
Grants and contributions	-	-	-	100,000
Charges for services	14,500	104,337	269,943	98,872
Investment income	427	72	263	904
Total revenues	29,383	104,409	270,206	199,776
Expenditures:				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Public safety	-	79,660	78,605	-
Capital outlay	11,616	-	402,255	221,860
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	11,616	79,660	480,860	221,860
Excess (deficiency) of revenues over expenditures	17,767	24,749	(210,654)	(22,084)
Other financing sources (uses):				
Proceeds from sales of capital assets	5,001	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	5,001	-	-	-
Net change in fund balances	22,768	24,749	(210,654)	(22,084)
Fund balances – beginning of year	100,541	213,152	374,117	265,829
Fund balances – end of year	\$ 123,309	\$ 237,901	\$ 163,463	\$ 243,745

Exhibit C-2

Special Revenue Funds				Debt Service Funds
Motor Fuel Tax Fund	General Cemetery Fund	Senior Resources Commission Fund	Housing Trust Fund	Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ 2,204,053
-	-	-	48,000	-
649,027	-	-	-	-
49,762	12,020	187,029	-	156,176
-	848,236	177,528	-	-
1,384	400,099	330	2,725	9,090
700,173	1,260,355	364,887	50,725	2,369,319
-	632,750	-	85,000	3,750
-	-	601,753	-	-
-	-	-	-	-
1,734,308	-	-	-	-
-	140,000	-	-	1,483,436
-	2,100	-	-	1,398,509
1,734,308	774,850	601,753	85,000	2,885,695
(1,034,135)	485,505	(236,866)	(34,275)	(516,376)
-	-	-	-	-
-	-	239,239	-	655,519
-	-	-	-	(32,415)
-	-	239,239	-	623,104
(1,034,135)	485,505	2,373	(34,275)	106,728
1,342,322	4,445,734	86,421	760,934	1,698,874
\$ 308,187	\$ 4,931,239	\$ 88,794	\$ 726,659	\$ 1,805,602

(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, 2015

	Capital Projects Funds			
	Route 60 Bridge Improvements Fund	Route 60 Intersection Improvements Fund	Laurel / Western Redevelopment TIF Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 2,204,053
Other	-	-	-	48,000
Intergovernmental revenues	-	-	-	663,483
Grants and contributions	-	-	-	504,987
Charges for services	-	-	-	1,513,416
Investment income	3,885	1,569	-	420,748
Total revenues	3,885	1,569	-	5,354,687
Expenditures:				
Current:				
General government	-	6,002	164,576	892,078
Culture and recreation	-	-	-	601,753
Public safety	-	-	-	158,265
Capital outlay	-	-	420,398	2,790,437
Debt service:				
Principal	-	-	-	1,623,436
Interest	-	-	-	1,400,609
Total expenditures	-	6,002	584,974	7,466,578
Excess (deficiency) of revenues over expenditures	3,885	(4,433)	(584,974)	(2,111,891)
Other financing sources (uses):				
Proceeds from sales of capital assets	-	-	-	5,001
Transfers in	-	-	-	894,758
Transfers out	-	-	(57,162)	(89,577)
Total other financing sources and uses	-	-	(57,162)	810,182
Net change in fund balances	3,885	(4,433)	(642,136)	(1,301,709)
Fund balances – beginning of year	1,032,220	417,064	-	10,737,208
Fund balances – end of year	\$ 1,036,105	\$ 412,631	\$ (642,136)	\$ 9,435,499

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 10,000	\$ 14,456	\$ 4,456
Charges for services	-	14,500	14,500
Investment income	380	427	47
Total revenues	10,380	29,383	19,003
Expenditures:			
Current:			
Contingency	9,500	-	9,500
Capital outlay	95,000	11,616	83,384
Total expenditures	104,500	11,616	92,884
Excess (deficiency) of revenues over expenditures	(94,120)	17,767	111,887
Other financing sources:			
Proceeds from sales of capital assets	-	5,001	5,001
Net change in fund balance	\$ (94,120)	22,768	\$ 116,888
Fund balance – beginning of year		100,541	
Fund balance – end of year		\$ 123,309	

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 96,000	\$ 104,337	\$ 8,337
Investment income	300	72	(228)
Total revenues	96,300	104,409	8,109
Expenditures:			
Current:			
Public safety	200,000	79,660	120,340
Contingency	20,000	-	20,000
Total expenditures	220,000	79,660	140,340
Net change in fund balance	\$ (123,700)	24,749	\$ 148,449
Fund balance – beginning of year		213,152	
Fund balance – end of year		\$ 237,901	

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 287,000	\$ 269,943	\$ (17,057)
Investment income	600	263	(337)
Total revenues	<u>287,600</u>	<u>270,206</u>	<u>(17,394)</u>
Expenditures:			
Current:			
Public safety	282,581	78,605	203,976
Contingency	28,258	-	28,258
Capital outlay	180,000	402,255	(222,255)
Total expenditures	<u>490,839</u>	<u>480,860</u>	<u>9,979</u>
Net change in fund balance	<u>\$ (203,239)</u>	(210,654)	<u>\$ (7,415)</u>
Fund balance – beginning of year		<u>374,117</u>	
Fund balance – end of year		<u>\$ 163,463</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 25,000	\$ 100,000	\$ 75,000
Charges for services	62,672	98,872	36,200
Investment income	1,043	904	(139)
Total revenues	<u>88,715</u>	<u>199,776</u>	<u>111,061</u>
Expenditures:			
Current:			
Contingency	23,585	-	23,585
Capital outlay	<u>235,845</u>	<u>221,860</u>	<u>13,985</u>
Total expenditures	<u>259,430</u>	<u>221,860</u>	<u>37,570</u>
Net change in fund balance	<u>\$ (170,715)</u>	<u>(22,084)</u>	<u>\$ 148,631</u>
Fund balance – beginning of year		<u>265,829</u>	
Fund balance – end of year		<u>\$ 243,745</u>	

CITY OF LAKE FOREST, ILLINOIS

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

Motor Fuel Tax Fund

For the Year Ended April 30, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 80,000	\$ 49,762	\$ (30,238)
Intergovernmental revenues	557,914	649,027	91,113
Investment income	5,978	1,384	(4,594)
Total revenues	<u>643,892</u>	<u>700,173</u>	<u>56,281</u>
Expenditures:			
Current:			
Contingency	187,537	-	187,537
Capital outlay	<u>1,875,366</u>	<u>1,734,308</u>	<u>141,058</u>
Total expenditures	<u>2,062,903</u>	<u>1,734,308</u>	<u>328,595</u>
Net change in fund balance	<u>\$ (1,419,011)</u>	(1,034,135)	<u>\$ 384,876</u>
Fund balance – beginning of year		<u>1,342,322</u>	
Fund balance – end of year		<u>\$ 308,187</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 459,444	\$ 12,020	\$ (447,424)
Charges for services	634,945	848,236	213,291
Investment income	256,526	400,099	143,573
Total revenues	<u>1,350,915</u>	<u>1,260,355</u>	<u>(90,560)</u>
Expenditures:			
Current:			
General government	866,285	632,750	233,535
Contingency	100,839	-	100,839
Debt service:			
Principal retirement	140,000	140,000	-
Interest	2,100	2,100	-
Total expenditures	<u>1,109,224</u>	<u>774,850</u>	<u>334,374</u>
Net change in fund balance	<u>\$ 241,691</u>	485,505	<u>\$ 243,814</u>
Fund balance – beginning of year		<u>4,445,734</u>	
Fund balance – end of year		<u>\$ 4,931,239</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Grants and contributions	\$ 178,500	\$ 187,029	\$ (972)
Charges for services	179,500	177,528	(1,972)
Investment income	600	330	(270)
Total revenues	<u>358,600</u>	<u>364,887</u>	<u>6,287</u>
Expenditures:			
Current:			
Culture and recreation	599,196	601,753	(2,557)
Contingency	59,920	-	59,920
Total expenditures	<u>659,116</u>	<u>601,753</u>	<u>57,363</u>
Excess (deficiency) of revenues over expenditures	(300,516)	(236,866)	63,650
Other financing sources:			
Transfers in	<u>249,239</u>	<u>239,239</u>	<u>(10,000)</u>
Net change in fund balance	<u>\$ (51,277)</u>	<u>2,373</u>	<u>\$ 53,650</u>
Fund balance – beginning of year		<u>86,421</u>	
Fund balance – end of year		<u>\$ 88,794</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Other taxes - demolition tax	\$ 48,000	\$ 48,000	\$ -
Investment income	3,000	2,725	(275)
Total revenues	<u>51,000</u>	<u>50,725</u>	<u>(275)</u>
Expenditures:			
Current:			
General government	300,000	85,000	215,000
Contingency	30,000	-	30,000
Total expenditures	<u>330,000</u>	<u>85,000</u>	<u>245,000</u>
Net change in fund balance	<u>\$ (279,000)</u>	<u>(34,275)</u>	<u>\$ 244,725</u>
Fund balance – beginning of year		<u>760,934</u>	
Fund balance – end of year		<u>\$ 726,659</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes			
Property	\$ 2,190,116	\$ 2,204,053	\$ 13,937
Grants and contributions	168,384	156,176	(12,208)
Investment income	6,834	9,090	2,256
Total revenues	<u>2,365,334</u>	<u>2,369,319</u>	<u>3,985</u>
Expenditures:			
Current:			
General government	3,300	3,750	(450)
Debt service:			
Principal	1,483,436	1,483,436	-
Interest	<u>1,398,499</u>	<u>1,398,509</u>	<u>(10)</u>
Total expenditures	<u>2,885,235</u>	<u>2,885,695</u>	<u>(460)</u>
Deficiency of revenues over expenditures	<u>(519,901)</u>	<u>(516,376)</u>	<u>3,525</u>
Other financing sources (uses):			
Transfers in	658,511	655,519	(2,992)
Transfers out	<u>(635,133)</u>	<u>(32,415)</u>	<u>602,718</u>
Total other financing sources (uses)	<u>23,378</u>	<u>623,104</u>	<u>599,726</u>
Net change in fund balance	<u>\$ (496,523)</u>	106,728	<u>\$ 603,251</u>
Fund balance – beginning of year		<u>1,698,874</u>	
Fund balance – end of year		<u>\$ 1,805,602</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Property	\$ 9,764	\$ 9,764	\$ -
Other	1,604,224	1,272,610	(331,614)
Grants and contributions	4,269,900	231,616	(4,038,284)
Charges for services	693,008	660,556	(32,452)
Investment income	14,943	14,709	(234)
Miscellaneous revenue	5,000	-	(5,000)
Total revenues	<u>6,596,839</u>	<u>2,189,255</u>	<u>(4,407,584)</u>
Expenditures:			
Current:			
General government	111,830	52,398	59,432
Contingency	888,986	-	888,986
Capital outlay	<u>8,778,033</u>	<u>3,689,567</u>	<u>5,088,466</u>
Total expenditures	<u>9,778,849</u>	<u>3,741,965</u>	<u>6,036,884</u>
Excess (deficiency) of revenues over expenditures	<u>(3,182,010)</u>	<u>(1,552,710)</u>	<u>1,629,300</u>
Other financing sources:			
Issuance of bonds	4,700,000	-	(4,700,000)
Proceeds from sales of capital assets	20,000	18,333	(1,667)
Transfers in	<u>1,385,133</u>	<u>782,415</u>	<u>(602,718)</u>
Total other financing sources	<u>6,105,133</u>	<u>800,748</u>	<u>(5,304,385)</u>
Net change in fund balance	<u>\$ 2,923,123</u>	<u>(751,962)</u>	<u>\$ (3,675,085)</u>
Fund balance – beginning of year		<u>4,084,956</u>	
Fund balance – end of year		<u>\$ 3,332,994</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 3,885	\$ 3,885
Expenditures:			
Current:			
Contingency	103,200	-	103,200
Capital outlay	1,032,000	-	1,032,000
Total expenditures	<u>1,135,200</u>	<u>-</u>	<u>1,135,200</u>
Net change in fund balance	<u>\$ (1,135,200)</u>	3,885	<u>\$ 1,139,085</u>
Fund balance – beginning of year		<u>1,032,220</u>	
Fund balance – end of year		<u>\$ 1,036,105</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:			
Investment income	\$ -	\$ 1,569	\$ 1,569
Expenditures:			
Current:			
Contingency	41,800	-	41,800
General government	418,000	6,002	411,998
Total expenditures	459,800	6,002	453,798
Net change in fund balance	<u>\$ (459,800)</u>	(4,433)	<u>\$ 455,367</u>
Fund balance – beginning of year		<u>417,064</u>	
Fund balance – end of year		<u>\$ 412,631</u>	

CITY OF LAKE FOREST, ILLINOIS

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

Laurel/Western Redevelopment TIF Fund

For the Year Ended April 30, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
General government	200,000	164,576	35,424
Capital outlay	1,642,000	420,398	1,221,602
Total expenditures	1,842,000	584,974	1,257,026
Excess (deficiency) of revenues over expenditures	(1,842,000)	(584,974)	1,257,026
Other financing uses:			
Transfer out	(58,000)	(57,162)	838
Net change in fund balance	<u>\$ (1,900,000)</u>	(642,136)	<u>\$ 1,257,026</u>
Fund balance – beginning of year		-	
Fund balance – end of year		<u>\$ (642,136)</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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 8,099,871	\$ 7,366,874	\$ (732,997)
Connection fees	83,500	113,965	30,465
Grants and contributions	650,000	486,101	(163,899)
Miscellaneous	8,427	67,529	59,102
Total operating revenues	8,841,798	8,034,469	(807,329)
Operating expenses:			
General and administrative	2,272,068	2,079,749	192,319
Operations and maintenance	5,219,907	4,571,310	648,597
Contingency	1,132,239	-	1,132,239
Total operating expenses	8,624,214	6,651,059	1,973,155
Nonoperating revenues (expenses):			
Investment income	37,379	31,542	(5,837)
Principal retirement	(1,762,000)	(1,762,000)	-
Interest expense	(448,420)	(534,336)	(85,916)
Total nonoperating revenues (expenses)	(2,173,041)	(2,264,794)	(91,753)

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,476,404	\$ 1,414,092	\$ (62,312)
Miscellaneous	-	125	125
Total operating revenues	1,476,404	1,414,217	(62,187)
Operating expenses:			
General and administrative	629,445	631,238	(1,793)
Operations and maintenance	866,707	886,435	(19,728)
Contingency	160,306	-	160,306
Total operating expenses	1,656,458	1,517,673	138,785
Nonoperating revenues (expenses):			
Investment income	2,600	1,866	(734)
Principal retirement	(85,000)	(85,000)	-
Interest expense	(21,910)	(18,888)	3,022
Total nonoperating revenues (expenses)	(104,310)	(102,022)	2,288

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, 2015

Assets	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Current assets:				
Cash and cash equivalents	\$ 373,639	\$ 5,099,403	\$ 619,711	\$ 6,092,753
Other receivables	4,297	250,321	716,502	971,120
Inventories	307,378	-	-	307,378
Prepaid expenses	-	-	623,559	623,559
Total current assets	685,314	5,349,724	1,959,772	7,994,810
Noncurrent assets:				
Capital assets:				
Being depreciated, net of accumulated depreciation	23,327	-	-	23,327
Total capital assets, net	23,327	-	-	23,327
Total noncurrent assets	23,327	-	-	23,327
Total assets	708,641	5,349,724	1,959,772	8,018,137
Liabilities				
Current liabilities:				
Accounts payable	31,987	298,301	28,231	358,519
Accrued liabilities	16,303	815,894	119,303	951,500
Total current liabilities	48,290	1,114,195	147,534	1,310,019
Noncurrent liabilities:				
Accrued compensated absences	59,737	-	-	59,737
Total liabilities	108,027	1,114,195	147,534	1,369,756
Net Position				
Net investment in capital assets	23,327	-	-	23,327
Unrestricted	577,287	4,235,529	1,812,238	6,625,054
Total net position	\$ 600,614	\$ 4,235,529	\$ 1,812,238	\$ 6,648,381

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, 2015

	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 1,927,178	\$ 4,913,397	\$ 2,043,858	\$ 8,884,433
Operating expenses:				
General and administrative	1,787,496	5,546,964	1,272,318	8,606,778
Depreciation and amortization	4,805	-	-	4,805
Total operating expenses	1,792,301	5,546,964	1,272,318	8,611,583
Operating income (loss)	134,877	(633,567)	771,540	272,850
Nonoperating revenues:				
Investment income	1,152	19,177	2,639	22,968
Change in net position	136,029	(614,390)	774,179	295,818
Net position – beginning of year	464,585	4,849,919	1,038,059	6,352,563
Net position – end of year	\$ 600,614	\$ 4,235,529	\$ 1,812,238	\$ 6,648,381

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended April 30, 2015

	Fleet Fund	Self Insurance Fund	Liability Insurance Fund	Total Internal Service Funds
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 1,928,256	\$ 4,957,732	\$ 1,327,356	\$ 8,213,344
Payments to suppliers	(1,083,119)	(5,258,816)	(1,320,309)	(7,662,244)
Payments to employees	(691,009)	-	-	(691,009)
Net cash flows from operating activities	154,128	(301,084)	7,047	(139,909)
Cash flows from investing activities:				
Interest and dividends received	1,152	19,177	2,639	22,968
Increase (decrease) in cash and cash equivalents	155,280	(281,907)	9,686	(116,941)
Cash and cash equivalents – beginning of year	218,359	5,381,310	610,025	6,209,694
Cash and cash equivalents – end of year	<u>\$ 373,639</u>	<u>\$ 5,099,403</u>	<u>\$ 619,711</u>	<u>\$ 6,092,753</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 134,877	\$ (633,567)	\$ 771,540	\$ 272,850
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	4,805	-	-	4,805
Changes in assets and liabilities:				
Accounts receivable	1,078	44,335	(716,502)	(671,089)
Other assets	(7,704)	-	(46,544)	(54,248)
Accounts payable	15,503	903	(27,324)	(10,918)
Accrued liabilities	2,608	287,245	25,877	315,730
Compensated absences	2,961	-	-	2,961
Total adjustments	19,251	332,483	(764,493)	(412,759)
Net cash flows from operating activities	<u>\$ 154,128</u>	<u>\$ (301,084)</u>	<u>\$ 7,047</u>	<u>\$ (139,909)</u>

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,926,497	\$ 1,927,178	\$ 681
Operating expenses:			
General and administrative	1,919,936	1,787,496	132,440
Contingency	191,994	-	191,994
Total operating expenses	2,111,930	1,787,496	324,434
Nonoperating revenues:			
Investment income	750	1,152	402

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 5,013,300	\$ 4,913,397	\$ (99,903)
Operating expenses:			
General and administrative	5,140,706	5,546,964	(406,258)
Contingency	514,071	-	514,071
Total operating expenses	5,654,777	5,546,964	107,813
Nonoperating revenues:			
Investment income	25,000	19,177	(5,823)

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, 2015

	Original and Final Appropriations	Actual Amounts	Variance with Final Budget
Operating revenues:			
Charges for services	\$ 1,327,356	\$ 2,043,858	\$ 716,502
Operating expenses:			
General and administrative	1,210,853	1,272,318	(61,465)
Contingency	121,085	-	121,085
Total operating expenses	1,331,938	1,272,318	59,620
Nonoperating revenues:			
Investment income	3,200	2,639	(561)

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, 2015

Assets	Police Pension Fund	Firefighters' Pension Fund	Total
Cash and cash equivalents	\$ 318,200	\$ 543,673	\$ 861,873
Investments:			
U.S. Treasury obligations	10,276,937	3,420,773	13,697,710
U.S. Government agencies	677,096	4,194,813	4,871,909
Municipal/corporate bonds	1,103,874	5,240,465	6,344,339
Common stock	2,155,670	-	2,155,670
Equity mutual funds	12,165,721	18,757,018	30,922,739
Real Estate Investment Fund	1,274,614	-	1,274,614
Interest receivable	57,648	99,505	157,153
Prepaid expenses	7,945	10,466	18,411
Total assets	28,037,705	32,266,713	60,304,418
Liabilities			
Accounts payable	11,950	8,723	20,673
Net Position			
Restricted for pensions	\$ 28,025,755	\$ 32,257,990	\$ 60,283,745

CITY OF LAKE FOREST, ILLINOIS

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Year Ended April 30, 2015

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 1,706,203	\$ 1,168,287	\$ 2,874,490
Employee	360,156	296,676	656,832
Total contributions	<u>2,066,359</u>	<u>1,464,963</u>	<u>3,531,322</u>
Interest income	556,547	704,643	1,261,190
Net appreciation in fair value of investments	1,232,546	1,257,375	2,489,921
Less investment expenses	(119,585)	(90,201)	(209,786)
Net investment income	<u>1,669,508</u>	<u>1,871,817</u>	<u>3,541,325</u>
Total additions	<u>3,735,867</u>	<u>3,336,780</u>	<u>7,072,647</u>
Deductions:			
Pension benefits and refunds	2,193,705	1,769,849	3,963,554
Other administrative expenses	4,150	4,150	8,300
	<u>2,197,855</u>	<u>1,773,999</u>	<u>3,971,854</u>
Change in net position	1,538,012	1,562,781	3,100,793
Restricted net position - beginning of year	<u>26,487,743</u>	<u>30,695,209</u>	<u>57,182,952</u>
Restricted net position - end of year	<u>\$ 28,025,755</u>	<u>\$ 32,257,990</u>	<u>\$ 60,283,745</u>

CITY OF LAKE FOREST, ILLINOIS
Statement of Changes in Assets and Liabilities
Agency Fund - Special Assessment Fund
For the Year Ended April 30, 2015

	Balance, May 1	Additions	Deductions	Balance, April 30
Assets				
Cash and cash equivalents	\$ 60,174	\$ -	\$ -	\$ 60,174
Liabilities				
Due to 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, 2015

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 1,700,249	\$ 1,706,203	\$ 5,954
Employee	364,000	360,156	(3,844)
Total contributions	<u>2,064,249</u>	<u>2,066,359</u>	<u>2,110</u>
Interest income	150,000	556,547	406,547
Net appreciation in fair value of investments	-	1,232,546	1,232,546
Less investment expense	<u>(115,000)</u>	<u>(119,585)</u>	<u>(4,585)</u>
Net investment income	<u>35,000</u>	<u>1,669,508</u>	<u>1,634,508</u>
Total additions	<u>2,099,249</u>	<u>3,735,867</u>	<u>1,636,618</u>
Deductions:			
Pension benefits and refunds	2,113,027	2,193,705	(80,678)
Other administrative expenses	4,000	4,150	(150)
Contingency	<u>223,203</u>	<u>-</u>	<u>223,203</u>
Total deductions	<u>2,340,230</u>	<u>2,197,855</u>	<u>142,375</u>
Change in net position	<u>\$ (240,981)</u>	1,538,012	<u>\$ 1,778,993</u>
Restricted net position - beginning of year		<u>26,487,743</u>	
Restricted net position - end of year		<u>\$ 28,025,755</u>	

CITY OF LAKE FOREST, ILLINOIS

Exhibit G-5

Firefighters' Pension Fund
 Schedule of Changes in Fiduciary Net Position - Budget and Actual
 For the Year Ended April 30, 2015

	Original/Final Appropriations	Actual	Variance with Final Budget
Additions:			
Contributions			
Employer	\$ 1,157,388	\$ 1,168,287	\$ 10,899
Employee	285,000	296,676	11,676
Total contributions	1,442,388	1,464,963	22,575
Interest income	500,000	704,643	204,643
Net appreciation in fair value of investments	-	1,257,375	1,257,375
Less investment expense	(81,000)	(90,201)	(9,201)
Net investment income	419,000	1,871,817	1,452,817
Total additions	1,861,388	3,336,780	1,475,392
Deductions:			
Pension benefits and refunds	1,788,760	1,769,849	18,911
Other administrative expenses	4,000	4,150	(150)
Contingency	187,376	-	187,376
Total deductions	1,980,136	1,773,999	206,137
Change in net position	<u>\$ (118,748)</u>	1,562,781	<u>\$ 1,681,529</u>
Restricted net position - beginning of year		<u>30,695,209</u>	
Restricted net position - end of year		<u>\$ 32,257,990</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, 2015

Assets	General Fund	Adjustments	Statement of Net Position
Cash and cash equivalents	\$ 1,917,718	\$ -	\$ 1,917,718
Receivables (net of allowance for uncollectibles):			
Property taxes	3,821,301	-	3,821,301
Other taxes	6,989	-	6,989
Prepays	28,654	-	28,654
Capital assets (net):			
Capital assets not depreciated	-	219,000	219,000
Capital assets depreciated (net)	-	3,360,247	3,360,247
Total assets	<u>\$ 5,774,662</u>	<u>\$ 3,579,247</u>	<u>\$ 9,353,909</u>
Liabilities			
Accounts payable	\$ 60,961	\$ -	\$ 60,961
Accrued liabilities	61,282	-	61,282
Long-term obligations:			
Due within one year	-	30,538	30,538
Due in more than one year	-	217,915	217,915
Total liabilities	<u>122,243</u>	<u>248,453</u>	<u>370,696</u>
Deferred Inflows of Resources			
Property tax levies intended to finance FY16	<u>3,821,301</u>	<u>-</u>	<u>3,821,301</u>
Fund Balance/Net Position:			
Fund balance:			
Nonspendable - prepaids	28,654	(28,654)	-
Unassigned	1,802,464	(1,802,464)	-
Net position:			
Net investment in capital assets	-	3,553,709	3,553,709
Unrestricted	<u>-</u>	<u>1,608,203</u>	<u>1,608,203</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, 2015

	General Fund	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 3,793,926	\$ -	\$ 3,793,926
Intergovernmental	34,833	-	34,833
Grants and contributions	190,487	-	190,487
Charges for services	23,177	-	23,177
Fines	42,364	-	42,364
Investment income	10,076	-	10,076
Total revenues	4,094,863	-	4,094,863
Expenditures/expenses			
Current:			
Library services:			
Personnel services	2,278,155	35,838	2,313,993
Other	866,939	(64,663)	802,276
Library building:			
Personnel services	147,932	1,582	149,514
Other	126,924	369,841	496,765
Capital outlay:			
Building and office	93,698	(93,698)	-
Capital improvements	112,739	(112,739)	-
Debt service:			
Principal retirement	31,749	(31,749)	-
Interest	743	-	743
Total expenditures/expenses	3,658,879	104,412	3,763,291
Net change in fund balance/net position	435,984	(104,412)	331,572
Fund balance/net position – beginning of year	1,395,134	3,435,206	4,830,340
Fund balance/net position – end of year	\$ 1,831,118	\$ 3,330,794	\$ 5,161,912

Exhibit I-1

CITY OF LAKE FOREST, ILLINOIS

Summary of Debt Service Requirements to Maturity

April 30, 2015

Fiscal year	General Obligation Bonds
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/>
	\$ 67,396,638
	<hr/>

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity – General Obligation Bonds

April 30, 2015

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
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>\$ 530,000</u>	<u>\$ 67,090</u>	<u>\$ 141,823</u>	<u>\$ 21,822</u>	<u>\$ 1,134,937</u>	<u>\$ 200,147</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2015

Fiscal Year	Series 2008 Obligation Bonds		Series 2009 Obligation Bonds		2010 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 7,250,000</u>	<u>\$ 1,859,533</u>	<u>\$ 3,025,000</u>	<u>\$ 938,253</u>	<u>\$ 3,000,000</u>	<u>\$ 2,875,000</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2015

Fiscal Year	2010 Series C Obligation Bonds		2011 Series A Obligation Bonds		2011 Series B Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 2,434,531</u>	<u>\$ 970,000</u>	<u>\$ 68,214</u>	<u>\$ 20,615,000</u>	<u>\$ 2,771,300</u>

(Continued)

CITY OF LAKE FOREST, ILLINOIS

Debt Service Requirements to Maturity - General Obligation Bonds

April 30, 2015

	Series 2013		Total		
Fiscal	Obligation Bonds		Requirements		
Year	Principal	Interest	Principal	Interest	Total
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
	\$ 9,535,000	\$ 4,533,988	\$ 51,626,760	\$ 15,769,878	\$ 67,396,638

(Concluded)

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 25 Special Tax Bonds – 2003 Series

April 30, 2015

Date of issue: May 1, 2003
 Date of maturity: December 15, 2022
 Authorized issue: \$ 1,050,000
 Denomination of bonds: \$ 5,000
 Interest rate: 1.95-2.95%

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

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

2015	\$ 60,000
2016	60,000
2017	60,000
2018	65,000
2019	65,000
Thereafter	220,000
	<u>\$ 530,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	65,000	7,932	72,932	2019	3,966	2019	3,966
Thereafter	220,000	12,838	232,838	Thereafter	6,419	Thereafter	6,419
	<u>\$ 530,000</u>	<u>\$ 67,090</u>	<u>\$ 597,090</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 26 Special Tax Bonds – 2003 Series

April 30, 2015

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>
2015	\$ 15,117
2016	15,767
2017	16,461
2018	17,202
2019	17,993
Thereafter	59,283
	<u>\$ 141,823</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	17,993	2,563	20,556	2019	1,282	2019	1,281
Thereafter	59,283	4,056	63,339	Thereafter	2,028	Thereafter	2,028
	<u>\$ 141,823</u>	<u>\$ 21,822</u>	<u>\$ 163,645</u>				

CITY OF LAKE FOREST, ILLINOIS

Special Service Area 29 Special Tax Bonds – 2004 Series

April 30, 2015

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

<u>on December 15</u>	<u>Amount</u>
2015	\$ 105,101
2016	109,569
2017	114,335
2018	119,423
2019	124,857
Thereafter	561,652
	<u>\$ 1,134,937</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>
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
2018	124,857	23,213	148,070	2019	11,607	2019	11,606
Thereafter	561,652	50,259	611,911	Thereafter	25,130	Thereafter	25,129
	<u>\$1,134,937</u>	<u>\$200,147</u>	<u>\$ 1,335,084</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2008 Series

April 30, 2015

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

<u>on December 15</u>	<u>Amount</u>
2015	\$ 565,000
2016	580,000
2017	600,000
2018	615,000
2019	635,000
Thereafter	4,255,000
	<u>\$ 7,250,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	635,000	180,225	815,225	2019	90,113	2019	90,112
Thereafter	4,255,000	753,339	5,008,339	Thereafter	376,670	Thereafter	376,669
	<u>\$ 7,250,000</u>	<u>\$ 1,859,533</u>	<u>\$ 9,109,533</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2009 Series

April 30, 2015

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>
2015	\$ 170,000
2016	175,000
2017	180,000
2018	185,000
2019	190,000
Thereafter	2,125,000
	<u>\$ 3,025,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	190,000	88,195	278,195	2019	44,098	2019	44,097
Thereafter	2,125,000	449,003	2,574,003	Thereafter	224,502	Thereafter	224,501
	<u>\$ 3,025,000</u>	<u>\$ 938,253</u>	<u>\$ 3,963,253</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2010 Series B

April 30, 2015

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

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	-	172,500	172,500	2019	86,250	2019	86,250
Thereafter	3,000,000	2,012,500	5,012,500	Thereafter	1,006,250	Thereafter	1,006,250
	<u>\$ 3,000,000</u>	<u>\$ 2,875,000</u>	<u>\$ 5,875,000</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2010 Series C

April 30, 2015

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

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	215,000	227,099	442,099	2019	113,550	2019	113,549
Thereafter	4,280,000	1,217,737	5,497,737	Thereafter	608,869	Thereafter	608,868
	<u>\$ 5,425,000</u>	<u>\$ 2,434,531</u>	<u>\$ 7,859,531</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2011 Series A

April 30, 2015

Date of issue: September 6, 2011
 Date of maturity: December 15, 2020
 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>
2015	\$ 325,000
2016	120,000
2017	125,000
2018	130,000
2019	130,000
Thereafter	140,000
	<u>\$ 970,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	130,000	7,050	137,050	2019	3,525	2019	3,525
Thereafter	140,000	3,150	143,150	Thereafter	1,575	Thereafter	1,575
	<u>\$ 970,000</u>	<u>\$ 68,214</u>	<u>\$ 1,038,214</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – 2011 Series B

April 30, 2015

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>
2015	\$ 1,955,000
2016	2,215,000
2017	2,270,000
2018	2,300,000
2019	2,400,000
Thereafter	9,475,000
	<u>\$ 20,615,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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
2018	2,400,000	319,250	2,719,250	2019	159,625	2019	159,625
Thereafter	9,475,000	647,100	10,122,100	Thereafter	323,550	Thereafter	323,550
	<u>\$ 20,615,000</u>	<u>\$ 2,771,300</u>	<u>\$ 23,386,300</u>				

CITY OF LAKE FOREST, ILLINOIS

General Obligation Bonds – Series 2013

April 30, 2015

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

<u>on December 15</u>	<u>Amount</u>
2015	\$ -
2016	-
2017	100,000
2018	200,000
2019	350,000
Thereafter	8,885,000
	<u>\$ 9,535,000</u>

Bond Principal and Interest Requirements

Tax levy year	Tax levy			Coupons due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
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	166,882	2018	166,881
2018	350,000	329,763	679,763	2019	164,882	2019	164,881
Thereafter	8,885,000	2,863,173	11,748,173	Thereafter	1,431,587	Thereafter	1,431,586
	<u>\$ 9,535,000</u>	<u>\$ 4,533,988</u>	<u>\$ 14,068,988</u>				

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

Combining Balance Sheet

April 30, 2015

	2003 Series D General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds
Assets			
Cash and cash equivalents	\$ 610,057	\$ 11,990	\$ 2,265
Receivables (net of allowance for uncollectibles):			
Property taxes	-	72,964	19,787
Total assets	<u>\$ 610,057</u>	<u>\$ 84,954</u>	<u>\$ 22,052</u>
Deferred Inflows of Resources			
Property tax levies intended to finance FY16	<u>\$ -</u>	<u>\$ 72,964</u>	<u>\$ 19,787</u>
Fund Balance			
Fund balance – restricted for debt service	<u>610,057</u>	<u>11,990</u>	<u>2,265</u>
Total deferred inflows of resources and fund balance	<u>\$ 610,057</u>	<u>\$ 84,954</u>	<u>\$ 22,052</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
\$ 1,742	\$ 996,583	\$ 156,424	\$ 17,244	\$ -	\$ 9,297	\$ 1,805,602
139,715	-	821,396	275,023	560,529	334,035	2,223,449
<u>\$ 141,457</u>	<u>\$ 996,583</u>	<u>\$ 977,820</u>	<u>\$ 292,267</u>	<u>\$ 560,529</u>	<u>\$ 343,332</u>	<u>\$ 4,029,051</u>
\$ 139,715	\$ -	\$ 821,396	\$ 275,023	\$ 560,529	\$ 334,035	\$ 2,223,449
1,742	996,583	156,424	17,244	-	9,297	1,805,602
<u>\$ 141,457</u>	<u>\$ 996,583</u>	<u>\$ 977,820</u>	<u>\$ 292,267</u>	<u>\$ 560,529</u>	<u>\$ 343,332</u>	<u>\$ 4,029,051</u>

CITY OF LAKE FOREST, ILLINOIS

Debt Service Fund

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

Year ended April 30, 2015

	2003 Series D General Obligation Bonds	Special Service Area 25 General Obligation Bonds	Special Service Area 26 General Obligation Bonds
Revenues:			
Taxes:			
Property taxes	\$ -	\$ 70,204	\$ 19,870
Grants and contributions - IRS rebate	-	-	-
Investment income	2,451	130	31
Total revenues	<u>2,451</u>	<u>70,334</u>	<u>19,901</u>
Expenditures:			
General government	500	-	-
Debt service:			
Principal	200,000	55,000	14,522
Interest	5,925	14,703	4,858
Total expenditures	<u>206,425</u>	<u>69,703</u>	<u>19,380</u>
Excess (deficiency) of revenues over expenditures	<u>(203,974)</u>	<u>631</u>	<u>521</u>
Other financing sources:			
Transfers in	275,296	-	-
Transfers out	(32,415)	-	-
Total other financing sources (uses)	<u>242,881</u>	<u>-</u>	<u>-</u>
Net change in fund balance	38,907	631	521
Fund balance – beginning of year	<u>571,150</u>	<u>11,359</u>	<u>1,744</u>
Fund balance – end of year	<u>\$ 610,057</u>	<u>\$ 11,990</u>	<u>\$ 2,265</u>

Exhibit I-14

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
\$ 140,333	\$ -	\$ 834,714	\$ 281,590	\$ 266,505	\$ 590,837	\$ 2,204,053
-	-	-	-	156,176	-	156,176
165	3,835	1,501	359	189	429	9,090
140,498	3,835	836,215	281,949	422,870	591,266	2,369,319
-	500	500	500	1,000	750	3,750
100,914	213,000	550,000	170,000	-	180,000	1,483,436
38,916	106,010	279,206	109,845	431,811	407,235	1,398,509
139,830	319,510	829,706	280,345	432,811	587,985	2,885,695
668	(315,675)	6,509	1,604	(9,941)	3,281	(516,376)
-	380,171	-	-	52	-	655,519
-	-	-	-	-	-	(32,415)
-	380,171	-	-	52	-	623,104
668	64,496	6,509	1,604	(9,889)	3,281	106,728
1,074	932,087	149,915	15,640	9,889	6,016	1,698,874
\$ 1,742	\$ 996,583	\$ 156,424	\$ 17,244	\$ -	\$ 9,297	\$ 1,805,602

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the City of Lake Forest comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	133-141
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	142-149
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	150-154
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.	
Demographic and Economic Information	155-157
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.	
Operating Information	158-161
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			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 166,151,385	\$ 163,863,237	\$ 172,325,675	\$ 193,768,992
Restricted	3,568,910	4,010,519	3,978,855	3,319,974
Unrestricted	16,476,341	26,409,165	28,748,888	25,867,536
Total Governmental Activities	\$ 186,196,636	\$ 194,282,921	\$ 205,053,418	\$ 222,956,502
Business-type Activities				
Net investment in capital assets	\$ 43,183,127	\$ 44,504,668	\$ 44,932,466	\$ 37,184,702
Restricted	-	-	-	-
Unrestricted	11,105,554	11,824,329	12,087,202	9,577,076
Total Business-type Activities	\$ 54,288,681	\$ 56,328,997	\$ 57,019,668	\$ 46,761,778
Total				
Net investment in capital assets	\$ 209,334,512	\$ 208,367,905	\$ 217,258,141	\$ 230,953,694
Restricted	3,568,910	4,010,519	3,978,855	3,319,974
Unrestricted	27,581,895	38,233,494	40,836,090	35,444,612
Total Primary Government	\$ 240,485,317	\$ 250,611,918	\$ 262,073,086	\$ 269,718,280

Data Source

Audited Financial Statements

Table 1

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 193,225,047	\$ 192,568,460	\$ 190,779,593	\$ 187,500,531	\$ 184,270,349	\$ 181,056,601
3,001,515	3,645,693	16,599,487	16,064,099	16,860,362	15,737,797
25,090,240	29,683,545	19,550,532	21,126,818	23,689,130	26,747,317
<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>	<u>\$ 223,541,715</u>
\$ 38,075,853	\$ 37,709,887	\$ 36,753,670	\$ 36,077,752	\$ 36,163,443	\$ 36,617,378
-	-	-	-	-	-
8,617,858	8,513,924	8,918,142	9,880,856	9,739,336	8,941,920
<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>	<u>\$ 45,559,298</u>
\$ 231,300,900	\$ 230,278,347	\$ 227,533,263	\$ 223,578,283	\$ 220,433,792	\$ 217,673,979
3,001,515	3,645,693	16,599,487	16,064,099	16,860,362	15,737,797
33,708,098	38,197,469	28,468,674	31,007,674	33,428,466	35,689,237
<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>	<u>\$ 269,101,013</u>

CITY OF LAKE FOREST, ILLINOIS

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities				
General Government	\$ 10,621,820	\$ 10,026,323	\$ 11,035,000	\$ 14,928,550
Highways and Streets	6,195,805	7,102,425	8,821,953	7,911,604
Sanitation	2,053,718	2,225,808	2,310,966	2,169,302
Culture and recreation	8,450,431	9,403,755	8,812,293	9,430,847
Public safety	11,081,841	11,557,020	12,348,729	12,623,300
Public improvements and other	-	-	-	-
Interest	1,218,802	968,963	808,253	978,029
Total Governmental Activities Expenses	39,622,417	41,284,294	44,137,194	48,041,632
Business-type Activities				
Waterworks and sewerage	7,347,680	7,891,031	8,228,975	7,659,138
Golf	1,411,572	1,545,070	1,562,520	1,490,115
Paid Parking	684,855	767,413	757,200	-
Total Business-type Activities Expenses	9,444,107	10,203,514	10,548,695	9,149,253
Total Primary Government Expenses	\$ 49,066,524	\$ 51,487,808	\$ 54,685,889	\$ 57,190,885
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 6,022,462	\$ 5,094,588	\$ 5,249,766	\$ 4,980,144
Highways and Streets	145,245	1,576,654	929,199	1,239,586
Sanitation	189,943	293,410	295,658	192,848
Culture and recreation	4,273,157	5,458,842	3,831,855	4,197,023
Public safety	1,357,067	1,387,792	1,567,944	1,589,647
Operating Grants and Contributions	1,407,815	1,284,897	790,979	684,872
Capital Grants and Contributions	1,657,563	-	5,301,494	9,033,429
Total Governmental Activities Program Revenues	15,053,252	15,096,183	17,966,895	21,917,549
Business-type Activities				
Charges for Services				
Waterworks and sewerage	7,668,972	6,944,190	6,893,939	6,589,780
Golf	1,373,637	1,702,287	1,430,875	1,413,732
Paid Parking	781,213	1,007,654	1,016,991	-
Operating Grants and Contributions	-	217,249	-	-
Capital Grants and Contributions	154,966	854,027	1,367,797	829,447
Total Business-type Activities Program Revenues	9,978,788	10,725,407	10,709,602	8,832,959
Total Primary Government Program Revenues	\$ 25,032,040	\$ 25,821,590	\$ 28,676,497	\$ 30,750,508
Net (Expense) Revenue				
Governmental Activities	\$ (24,569,165)	\$ (26,188,111)	\$ (26,170,299)	\$ (26,124,083)
Business-type Activities	534,681	521,893	160,907	(316,294)
Total Primary Government Net (Expense) Revenue	\$ (24,034,484)	\$ (25,666,218)	\$ (26,009,392)	\$ (26,440,377)

Table 2

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 13,974,412	\$ 13,321,852	\$ 12,080,189	\$ 16,176,326	\$ 12,311,198	\$ 12,604,331
9,469,570	8,687,404	8,304,860	7,536,444	7,762,403	8,839,231
2,183,373	2,349,916	2,568,820	2,512,559	2,586,125	2,474,355
9,589,857	9,402,752	9,469,832	10,352,252	10,397,593	10,172,391
13,116,738	13,398,718	13,583,116	13,748,855	14,430,151	15,303,399
-	-	-	-	-	-
1,097,805	1,424,317	1,420,087	1,362,715	1,333,267	1,357,552
49,431,755	48,584,959	47,426,904	51,689,151	48,820,737	50,751,259
7,882,904	8,008,372	7,985,394	8,287,297	7,476,752	8,353,825
1,345,437	1,393,869	1,371,380	1,459,394	1,554,678	1,642,121
-	-	-	-	-	-
9,228,341	9,402,241	9,356,774	9,746,691	9,031,430	9,995,946
\$ 58,660,096	\$ 57,987,200	\$ 56,783,678	\$ 61,435,842	\$ 57,852,167	\$ 60,747,205
\$ 4,822,344	\$ 4,455,844	\$ 4,771,863	\$ 4,838,151	\$ 4,756,948	\$ 5,442,475
809,661	693,029	846,366	753,487	741,334	710,795
104,158	171,030	81,577	58,564	77,147	682,062
4,121,592	3,650,467	3,392,303	3,342,913	3,314,856	3,156,699
1,540,927	1,930,715	1,678,032	1,861,619	1,950,998	1,795,521
1,413,819	846,781	1,433,791	1,777,734	1,105,191	1,345,670
925,524	5,982,721	360,407	25,000	757,239	468,255
13,738,025	17,730,587	12,564,339	12,657,468	12,703,713	13,601,477
7,048,854	7,344,740	7,477,637	8,598,079	7,521,323	8,034,469
1,333,879	1,264,624	1,238,016	1,320,455	1,397,836	1,414,217
-	-	-	-	-	-
-	-	-	-	-	-
97,724	162,051	-	-	-	-
8,480,457	8,771,415	8,715,653	9,918,534	8,919,159	9,448,686
\$ 22,218,482	\$ 26,502,002	\$ 21,279,992	\$ 22,576,002	\$ 21,622,872	\$ 23,050,163
\$ (35,693,730)	\$ (30,854,372)	\$ (34,862,565)	\$ (39,031,683)	\$ (36,117,024)	\$ (37,149,782)
(747,884)	(630,826)	(641,121)	171,843	(112,271)	(547,260)
\$ (36,441,614)	\$ (31,485,198)	\$ (35,503,686)	\$ (38,859,840)	\$ (36,229,295)	\$ (37,697,042)

CITY OF LAKE FOREST, ILLINOIS

Changes in Net Position (Continued) Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 20,858,317	\$ 21,287,422	\$ 22,324,863	\$ 23,067,216
Sales	3,058,396	3,271,452	3,118,339	3,010,457
Income and Use	1,826,030	1,989,187	2,175,196	2,018,177
Telecommunications and Utility	4,434,227	4,198,439	4,454,442	4,407,235
Real Estate Transfer Tax	-	1,259,295	1,984,052	962,840
Other	356,466	463,689	489,018	391,347
Investment Earnings	1,434,500	1,991,995	1,771,629	35,853
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	805,436	627,188	22,729
Transfers	-	(992,519)	(3,931)	10,111,313
Total Governmental Activities	31,967,936	34,274,396	36,940,796	44,027,167
Business-type Activities				
Investment Earnings	434,378	525,904	525,833	169,717
Other	-	-	-	-
Transfers	-	992,519	3,931	(10,111,313)
Total Business-type Activities	434,378	1,518,423	529,764	(9,941,596)
Total Primary Government	\$ 32,402,314	\$ 35,792,819	\$ 37,470,560	\$ 34,085,571
Change in Net Position				
Governmental Activities	\$ 7,398,771	\$ 8,086,285	\$ 10,770,497	\$ 17,903,084
Business-type Activities	969,059	2,040,316	690,671	(10,257,890)
Total Primary Government Change in Net Position	\$ 8,367,830	\$ 10,126,601	\$ 11,461,168	\$ 7,645,194

Data Source

Audited Financial Statements

* Starting in 2015, all taxes administered by the State and disbursed to the City are reported as Intergovernmental revenues on the face of the financial statements. They have been grouped by tax type for comparison purposes above.

Table 2

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 24,383,716	\$ 24,739,956	\$ 25,428,378	\$ 25,051,411	\$ 23,744,650	\$ 24,468,769
2,392,497	2,554,772	2,577,304	3,183,479	3,047,529	2,851,103
1,762,425	1,849,046	1,938,686	2,131,711	2,182,325	2,386,567
3,967,398	3,968,072	3,981,548	3,736,586	4,026,972	3,954,001
878,925	1,279,935	1,215,407	1,209,113	1,633,580	1,224,610
372,640	422,080	492,746	493,418	581,443	534,625
852,245	573,508	264,432	491,196	637,193	547,118
-	-	-	-	-	-
60,000	150,049	33,724	573,705	669,145	73,613
(615,816)	(102,150)	(37,746)	(77,100)	(97,000)	(168,750)
34,054,030	35,435,268	35,894,479	36,793,519	36,425,837	35,871,656
64,001	58,776	51,376	37,853	38,550	33,408
-	-	-	-	-	1,621
615,816	102,150	37,746	77,100	97,000	168,750
679,817	160,926	89,122	114,953	135,550	203,779
\$ 34,733,847	\$ 35,596,194	\$ 35,983,601	\$ 36,908,472	\$ 36,561,387	\$ 36,075,435
\$ (1,639,700)	\$ 4,580,896	\$ 1,031,914	\$ (2,238,164)	\$ 308,813	\$ (1,278,126)
(68,067)	(469,900)	(551,999)	286,796	23,279	(343,481)
\$ (1,707,767)	\$ 4,110,996	\$ 479,915	\$ (1,951,368)	\$ 332,092	\$ (1,621,607)

CITY OF LAKE FOREST, ILLINOIS

Table 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012*	2013	2014	2015
General Fund										
Nonspendable							\$ 2,159,403	\$ 2,775,449	\$ 2,126,990	\$ 1,648,832
Restricted							957,420	957,420	957,420	957,420
Unassigned							10,601,190	11,020,723	14,530,550	17,910,037
Reserved	\$ 510,960	\$ 470,008	\$ 1,041,187	\$ 2,218,570	\$ 1,071,068	\$ 2,988,884				
Unreserved	6,506,164	8,534,147	9,585,445	8,618,251	9,815,220	9,239,135				
Total General Fund	\$ 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	\$ 20,516,289
All Other Governmental Funds										
Nonspendable							\$ 43,333	\$ 43,333	\$ -	\$ 381,173
Restricted							16,171,794	15,605,203	16,127,257	14,726,999
Assigned							1,591,600	1,598,819	1,449,284	1,448,736
Unassigned							-	-	-	(1,022,136)
Reserved										
Special Revenue Funds	\$ 121,299	\$ 89,809	\$ 130,173	\$ 128,516	\$ 43,306	\$ 4,333				
Capital Project Funds	-	-	-	-	-	-				
Debt Service Funds	2,381,564	2,849,336	2,708,268	2,632,215	2,839,264	2,808,826				
Unreserved, reported in										
Special Revenue Funds	5,531,312	8,006,257	8,063,766	6,747,544	8,209,263	9,869,178				
Capital Project Funds	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	\$ 16,082,556	\$ 19,844,370	\$ 28,717,695	\$ 16,046,349	\$ 14,263,254	\$ 18,871,709	\$ 17,806,727	\$ 17,247,355	\$ 17,576,541	\$ 15,534,772
Total All Governmental	\$ 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	\$ 36,051,061

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Revenues										
Property taxes	\$ 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	\$ 24,468,769
Other taxes	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	4,641,466
Intergovernmental revenues	1,407,815	948,449	790,979	684,872	1,304,368	523,185	589,960	612,357	576,125	6,972,923
Grants and contributions	-	-	-	-	706,250	1,306,195	1,039,737	1,190,377	962,249	950,823
Charges for services	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	7,935,973
Licenses and permits	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	2,821,066
Fines and forfeitures	461,909	357,556	469,208	387,629	372,924	409,539	372,607	368,941	297,005	287,333
Investment income	1,358,266	1,866,217	1,673,038	(11,695)	815,520	531,666	225,225	462,579	610,601	524,150
Miscellaneous revenue	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	790,344
Total Revenues	45,092,099	49,431,886	48,889,235	46,752,427	48,371,146	48,333,142	48,096,950	49,434,921	48,272,701	49,392,847
Expenditures										
General government	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	10,248,830
Highways and streets	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	2,371,461
Sanitation	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	2,235,135
Culture and recreation	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	8,457,043
Public safety	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	14,469,408
Capital outlay	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	7,582,668
Debt Service										
Principal	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	1,623,436
Interest	982,744	881,087	781,529	694,355	1,173,967	1,284,755	1,667,372	1,392,342	1,319,276	1,400,609
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total Expenditures	50,367,481	44,175,244	49,025,750	70,959,009	55,488,009	61,717,566	47,710,050	48,946,163	45,852,278	48,388,590
Excess of Revenues over (under)										
Expenditures	(5,275,382)	5,256,642	(136,515)	(24,206,582)	(7,116,863)	(13,384,424)	386,900	488,758	2,420,423	1,004,257

(Continued)

* Starting in 2015, all taxes administered by the State and disbursed to the City are reported as Intergovernmental revenues on the face of the financial statements.

CITY OF LAKE FOREST, ILLINOIS

Table 4

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing Sources (Uses)										
Transfers in	\$ 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	\$ 2,020,085
Transfers out	(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)	(2,188,835)
Bonds issued	-	-	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	-	-	(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	210,000	1,484,722	773,034	75,000	-	1,067,630	34,055	64,549	791,038	24,053
Total Other Financing Sources (Uses)	210,000	492,203	10,632,317	11,745,425	5,383,235	19,334,610	38,112	(12,551)	770,131	(144,697)
Net Change in Fund Balances	\$ (5,065,382)	\$ 5,748,845	\$ 10,495,802	\$ (12,461,157)	\$ (1,733,628)	\$ 5,950,186	\$ 425,012	\$ 476,207	\$ 3,190,554	\$ 859,560
Debt Service as a Percentage of Noncapital Expenditures	16.02%	14.61%	12.60%	8.08%	8.62%	8.62%	8.31%	5.85%	6.17%	6.43%

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
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%
2014	2,047,998,906	196,562,054	61,541	5,846,135	-	2,250,468,636	1.2741	6,751,405,908	33.333%

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bonds	0.095	0.088	0.083	0.086	0.090	0.096	0.068	0.071	0.088	0.090
Corporate	0.461	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580	0.590
Firemens' Pension	0.023	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052	0.054
IMRF	0.055	0.052	0.051	0.052	0.054	0.059	0.032	0.035	0.037	0.038
Library	0.105	0.102	0.101	0.101	0.105	0.116	0.126	0.141	0.152	0.155
Library Sites & Building	0.013	0.012	0.011	0.013	0.013	0.014	0.015	0.016	0.017	0.017
Parks/Park Maintenance	0.000	0.000	0.052	0.050	0.097	0.106	0.114	0.123	0.191	0.194
Playground & Recreation**	0.112	0.098	0.038	0.042	0.043	0.046	0.050	0.055	0.000	0.000
Police Pension	0.036	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076	0.080
Recreation for Handicapped Rec.	0.011	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018	0.018
Social Security							0.032	0.035	0.037	0.038
City Direct Rates *	0.911	0.869	0.851	0.870	0.902	0.990	1.035	1.148	1.248	1.274
Overlapping Rates										
College of Lake County	0.197	0.195	0.192	0.196	0.200	0.218	0.240	0.272	0.296	0.306
County of Lake	0.454	0.450	0.444	0.453	0.464	0.505	0.554	0.608	0.663	0.682
Lake County Forest Preserve	0.210	0.204	0.201	0.199	0.200	0.198	0.201	0.212	0.218	0.210
North Shore Sanitary District	0.132	0.125	0.120	0.121	0.124	0.136	0.150	0.150	0.164	0.169
School District 67, Elem.	1.013	0.964	0.944	0.965	0.998	1.095	1.186	1.322	1.424	1.452
School District 115, High School	0.965	0.961	0.959	1.001	1.069	1.101	1.191	1.322	1.420	1.450
Township	0.051	0.050	0.050	0.050	0.048	0.039	0.043	0.036	0.037	0.039
Township Road and Bridge	0.018	0.020	0.016	0.019	0.020	0.023	0.026	0.029	0.032	0.033
Total tax rate	3.951	3.838	3.777	3.874	4.025	4.305	4.626	5.099	5.502	5.615
City's share of total tax rate	23%	23%	23%	22%	22%	23%	22%	23%	23%	23%

Data Source

Office of the County Clerk - Shields Township

Lake Forest lies within five townships - Moraine, Shields, Vernon, West Deerfield and Libertyville. Therefore, the tax rates for support of the Township government and for 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 Ten Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Hospira Inc	\$ 18,271,271	1	0.81%	\$ 9,658,854	4	0.40%
Lake Products Inc.	13,923,091	2	0.62%			
The Presbyterian Home	12,468,495	3	0.55%	24,109,831	1	1.00%
CBIZ Property Tax Solutions	8,975,933	4	0.40%	12,586,098	2	0.50%
Trustmark Insurance Co	7,543,799	5	0.33%	8,387,119	5	0.30%
Northwestern Lake Forest Hospital	7,253,328	6	0.32%	7,427,522	6	0.30%
Lake Forest Landmark Co. LLC	6,707,780	7	0.30%	6,974,752	7	0.30%
Lake Forest Landmark II	5,712,030	8	0.25%			
Riggs & Co	5,217,669	9	0.23%			
STRS L3 ACQ2 LLC	5,216,186	10	0.23%			
Tap Holdings Inc.				10,242,144	3	0.40%
James Altounian				5,388,808	9	0.20%
Red Fox LLC				5,698,708	8	0.20%
Shawgate- Broadacre				5,202,449	10	0.20%
	<u>\$ 91,289,582</u>		<u>4.05%</u>	<u>\$95,676,285</u>		<u>3.80%</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.

2015 Column is 2014 Assessed Valuation

2006 Column is 2005 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
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	28,002,008	99.57%	14,464	28,016,472	99.62%
2014	28,673,693	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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General	0.461	0.449	0.443	0.449	0.405	0.446	0.483	0.544	0.580	0.590
IMRF/Social Security	0.055	0.052	0.051	0.052	0.054	0.059	0.064	0.070	0.074	0.076
Firefighter Pension	0.023	0.023	0.025	0.028	0.034	0.037	0.041	0.046	0.052	0.054
Police Pension	0.036	0.035	0.037	0.039	0.050	0.057	0.060	0.066	0.076	0.080
Parks and Recreation	0.112	0.098	0.090	0.092	0.140	0.152	0.164	0.178	0.191	0.194
Special Recreation	0.011	0.010	0.010	0.010	0.011	0.013	0.014	0.016	0.018	0.018
General Obligation Bond 1998 B	0.026	0.024	0.023	-	-	-	-	-	-	-
General Obligation Bond 2000	0.020	0.025	0.023	0.023	0.023	0.025	-	-	-	-
General Obligation Bond 2001 B	0.005	0.005	0.004	0.004	0.004	0.004	-	-	-	-
General Obligation Bond 2002 B	0.031	-	-	-	-	-	-	-	-	-
General Obligation Bond 2003 A	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	0.037
General Obligation Bond 2009	-	-	-	-	0.005	0.011	0.011	0.012	0.013	0.013
General Obligation Bond 2010	-	-	-	-	0.000	0.020	0.023	0.023	0.012	0.025
General Obligation Bond 2013	-	-	-	-	0.000	0.000	0.000	0.000	0.026	0.015
Total tax rate	0.793	0.755	0.739	0.756	0.784	0.856	0.894	0.991	1.079	1.102

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Merchandise	\$ 22,694	\$ 33,206	\$ 26,184	\$ 2,194	\$ 8,492	\$ 8,460	\$ 36,478	\$ 12,219	\$ 9,722	\$ 7,005
Food	88,675	89,536	89,969	97,870	83,567	89,338	90,613	91,999	93,952	105,771
Drinking and Eating Places	124,221	129,149	139,291	147,973	127,679	133,028	140,639	155,188	165,386	180,023
Apparel	68,594	63,083	60,423	54,674	55,300	51,968	53,727	64,317	68,135	68,291
Furniture & H.H. & Radio	57,206	57,996	58,530	51,881	42,526	38,958	10,187	37,536	38,821	39,494
Lumber, Building, Hardware	46,974	38,373	30,834	5,765	20,405	19,010	(6,528)	6,867	9,862	-
Automobile and Filling Stations	45,494	48,129	44,478	37,349	27,399	35,443	38,209	38,900	37,025	34,895
Drugs and Miscellaneous Retail	123,674	113,558	116,910	117,787	178,470	91,397	105,512	81,022	110,554	117,262
Agriculture and All Others	102,164	91,488	96,048	100,902	88,052	94,649	97,776	110,446	121,651	105,139
Manufacturers	64,286	88,889	102,914	109,291	21,860	14,322	(4,963)	-	-	7,095
Censored categories	-	-	-	29,005	-	-	-	-	-	-
Total	\$ 743,982	\$ 753,407	\$ 765,581	\$ 754,691	\$ 653,750	\$ 576,573	\$ 561,650	\$ 598,494	\$ 655,108	\$ 664,975
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.

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

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Merchandise	\$ 45,778	\$ 67,042	\$ 52,664	\$ 21,504	\$ 16,984	\$ 17,248	\$ 72,955	\$ 24,726	\$ 19,656	\$ 14,010
Food	621,140	621,566	635,560	629,087	562,455	570,803	579,914	585,517	593,446	673,803
Drinking and Eating Places	252,171	261,151	285,968	302,523	260,953	271,753	286,472	317,291	338,382	364,221
Apparel	137,422	126,196	124,644	109,349	110,600	103,935	107,453	128,633	136,270	136,582
Furniture & H.H. & Radio	114,945	115,995	117,060	103,763	85,052	77,915	20,373	75,071	77,642	78,988
Lumber, Building, Hardware	94,007	76,746	61,668	52,445	40,810	38,019	(13,037)	13,742	19,724	-
Automobile and Filling Stations	165,396	167,847	165,896	130,459	109,080	150,101	138,744	146,865	241,339	178,178
Drugs and Miscellaneous Retail	434,170	425,144	441,773	438,917	546,202	322,376	371,420	400,096	433,159	430,482
Agriculture and All Others	219,086	200,515	208,076	219,358	198,803	267,227	254,225	274,807	285,401	255,189
Manufacturers	129,053	347,340	205,978	218,715	43,909	28,947	(9,729)	-	-	14,415
Total	<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>	<u>\$ 2,145,868</u>
Total Number of Payers	737	837	849	843	663	647	637	637	673	668
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
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%
2015	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				
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
2015	34,228,760	-	17,398,000	-	51,626,760	2.29%	3.46%	2,664.61

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

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

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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	55,097,197	1,144,118	53,953,079	0.80%	2,784.68
2015	51,861,740	1,316,900	50,544,840	0.75%	2,608.77

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

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

CITY OF LAKE FOREST, ILLINOIS

Table 15

Direct and Overlapping Governmental Activities Debt
As of April 30, 2015

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Lake Forest*	City of Lake Forest Share of Debt
Lake County	\$ 103,460,000	9.94%	\$ 10,283,924
Lake County Community College #532	77,130,000	10.48%	8,083,224
Lake County Forest Preserve District	274,450,000	9.94%	27,280,330
School District #67	878,573	100.00%	878,573
School District #103	2,515,000	0.01%	252
High School District #115	41,555,000	79.50%	33,036,225
High School District #128	17,340,000	3.02%	523,668
Subtotal, overlapping debt	517,328,573		80,086,196
City of Lake Forest direct debt	34,258,902	100.00%	34,258,902
Total direct and overlapping debt	\$ 551,587,475		\$ 114,345,098

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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		
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	
2015	8,918,081	5,445,461	3,472,620	1,847,000	402,951	1.54	

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.

CITY OF LAKE FOREST, ILLINOIS

Table 18

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
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%
2015*	19,375	(A)	2,250,468,636	116,153	1,493,657,500	77,092	5.4%

(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	2015			2006		
	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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	27.0	29.0	30.0	30.0	29.0	26.0	25.0	25.0	25.0	25.0
Community Development	16.0	16.0	18.0	18.0	15.0	12.5	12.5	13.0	13.0	13.0
Public Safety										
Fire Protection										
Firefighters	37.0	37.0	37.0	37.0	36.0	34.0	33.0	33.0	33	33
Administrative	1.0	1.0	1.5	1.5	2.5	2.5	2.5	2.0	2.0	2.0
Police										
Officers	45.0	43.0	43.0	43.0	41.5	40.0	40.0	40.0	40	40
Civilians	17.0	19.0	18.5	18.5	18.5	17.5	18.0	18.0	18.0	18.0
Public Works										
Public Works Administration	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4	4
Building Maintenance	3.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0	7	7
Engineering	6.0	7.0	7.0	7.0	7.0	6.0	5.0	5.0	5	5
Streets	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.5	7.5	7.5
Sanitation	12.0	14.0	14.0	12.0	12.0	12.0	12.0	11.5	10.5	10.5
Forestry	9.0	6.0	9.0	9.0	9.0	0.0	0.0	0.0	0	0
Fleet (vehicle) Maintenance	6.0	5.0	5.0	5.0	7.0	6.0	6.0	6.0	6	6
Water										
Water Plant	9.0	9.0	9.0	9.0	9.0	8.0	7.0	7.0	6.5	6.5
Water and Sewer	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.5	8.5
Parks	16.0	11.0	7.3	7.3	7.3	16.4	15.4	15.4	15.4	15.4
Recreation	14.0	19.0	17.5	17.5	17.5	17.4	15.4	15.4	15.4	15.4
Golf Course	4.0	4.0	4.3	4.3	3.3	3.2	3.2	2.2	2.2	2.2
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2	2
Senior Resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3	3
Sub - total City	250.0	252.0	255.0	253.0	248.5	235.5	227.0	226.0	224	224
Library	29.6	29.6	30.0	29.0	27.2	29.6	27.9	27.8	28.2	28.2
Total all	279.6	281.6	285.0	282.0	275.7	265.1	254.9	253.8	252.2	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	2015
General Government											
City Clerk											
Real Estate Transfer Tax (1)											
Number of Transactions	-	-	249	283	183	261	293	297	382	440	394
Rebates Issued	-	-	24	35	23	30	37	37	40	67	40
Birth Certificates Issued	2,419	2,198	2,930	2,790	2,690	2,751	1,940	2,821	2,675	2,250	2,556
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	3667
Residential construction	128	44	22	33	23	4	7	11	7	13	20
Commercial construction	5	1	3	1	3	1	-	1	2	1	1
Building inspections conducted	13,021	11,945	10,880	11,343	9,284	8,060	8,392	8,645	8,925	8651	9657
Public Safety											
Fire protection											
I.S.O. rating	4	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	1,785
Fire	1,523	1,558	1,647	1,576	1,759	1,233	1,177	1,734	1,403	1,497	1,503
Police (calendar year)											
Non traffic arrests	537	506	526	450	449	424	385	335	237	191	89
Parking violations	9,655	11,189	11,898	9,530	9,626	8,472	8,757	7,114	7,013	5,979	5,250
Traffic violations	4,721	4,821	4,512	3,287	5,320	3,190	2,997	2,028	2,220	1,877	1,741
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	5.50
Potholes repaired (4)	2,957	2,484	1,575	N/A	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	21
Plowing	10	9	16	36	25	15	20	12	12	21	20
Inches of snow	46	47	33	83	72	56	60	21	36	48	50
Sanitation											
Refuse collection customers	5,896	6,217	6,316	6,356	6,361	6,361	6,471	6,471	6,472	6,462	6,654

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	2015
Parks and Recreation (3)											
Fitness											
Number of programs	565	533	478	370	348	349	334	322	264	336	181
Units of participation	2,616	2,657	2,228	1,796	1,648	1,355	1,393	1,196	1,060	1,587	1,216
Athletics											
Number of programs	200	199	210	220	213	278	157	309	283	270	341
Units of Participation	3,369	3,279	3,189	3,232	3,253	3,148	2,416	2,932	2,704	2,524	2,282
Lakefront, Early Childhood Education and Lifetime Activities											
Number of programs	324	323	337	343	307	306	420	395	319	294	126
Units of participation	2,169	1,932	1,874	1,873	1,541	1,402	1,344	1,424	1,576	1,380	752
Cultural Arts/Special Events											
Number of programs	356	436	417	326	338	292	320	270	306	286	87
Units of participation	2,894	3,831	3,618	2,454	2,536	2,274	2,262	2,008	1,972	1,999	1,329
Wildlife Discovery Center, Ridge Teams Course and Adventure											
Number of programs	227	231	224	221	176	146	124	104	37	47	20
Units of participation	1,273	1,335	1,274	1,157	969	772	627	582	301	360	2263
Developed parks and recreation areas	10	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	404
Sites with playgrounds	8	8	8	8	8	8	8	8	9	9	9
Sites with baseball diamonds	7	7	7	7	7	7	7	8	8	8	8
Sites with soccer fields	7	7	7	7	7	7	7	7	7	7	7
Sites with basketball courts	4	4	4	4	4	4	5	5	5	5	5
Sites with tennis courts	6	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	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	27,956
Daily fee	18,000	18,600	17,000	18,000	15,500	15,839	15,102	14,466	13,646	17,449	17,646
Seasonal	16,500	20,100	19,500	21,900	19,994	19,240	17,564	17,483	16,675	11,986	10,310

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	2015
Water											
New Connections (tap-ons)	140	99	52	34	39	16	19	22	20	28	33
Meters in operation	6,566	6,633	6,695	6,681	6,771	6,774	6,761	6,755	6,754	6,751	6,764
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	6,577
Average daily consumption (MGD)	3.942	4.913	3.931	4.182	3.737	3.611	3.669	3.759	4.202	3,652	320
Peak daily consumption (MGD)	9.394	12.407	10.773	9.477	9.883	9.389	8.982	11.805	10.298	8.611	7.345
Rated daily pumping capacity (MGD)	14	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	1,187.6
Municipal paid parking facilities											
Long-term parking spaces											
Miscellaneous lots	813	813	813	813	813	813	813	813	813	813	813
Union Pacific (CBD district)	98	98	98	98	98	98	98	98	98	98	98
Metra (Telegraph Road)	502	502	502	502	502	502	502	502	502	502	502
Short-term parking spaces	341	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	146,214
Registered borrowers	13,634	13,820	14,002	14,233	14,490	15,145	15,645	16,200	15,160	15,403	15,440
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	410,852

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	23	23	23	25	23	23
Fire protection										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	14	14	14	14	14	14	14	14	17	15
Public Works										
Bridges										
Vehicle	14	14	14	14	14	14	14	14	14	14
Pedestrian	7	7	7	7	7	7	7	7	7	8
Streets										
Streets (centerline miles)	118.66	118.66	118.66	119.00	119.00	119.00	119.00	119.00	119.24	119.24
Streetlights										
Gas	438	438	438	438	438	438	438	438	438	438
Electric	1,452	1,460	1,460	1,460	1,473	1,526	1,526	1,526	1,536	1,570
Storm sewer (miles)	217.56	218.26	218.26	218.29	219.17	219.35	219.41	219.41	219.41	219.41
Parks and Recreation										
Acreage	370.5	395.5	395.5	395.5	395.5	415.0	404.0	404	404	404
Water										
Water mains (miles)	160.51	163.33	164.27	165.25	165.25	165.25	165.25	165.25	165.79	166.44
Fire hydrants	1,350	1,353	1,331	1,362	1,362	1,362	1,362	1,362	1,362	1,511
Wastewater										
Sanitary sewers (miles)	136.12	137.60	138.39	138.71	138.90	138.90	138.95	138.95	138.95	138.95

Data Source

City departments

N/A equals data not available