

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2016



**LAKE COUNTY
FOREST PRESERVES**

PRESERVATION, RESTORATION,
EDUCATION AND RECREATION



Lake County Forest Preserve District
(A component unit of Lake County, Illinois)

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Prepared by:

The Department of Finance

Stephen Neaman
Director of Finance

and

Christy Marantos
Accounting Manager

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

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For the Year Ended June 30, 2016

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INTRODUCTORY SECTION



LAKE COUNTY FOREST PRESERVES
www.LCFPD.org

Preservation, Restoration, Education and Recreation

January 24, 2017

Dear Residents of the Lake County Forest Preserve District:

The Lake County Forest Preserve District (the “District”) is pleased to submit its comprehensive annual financial report for the fiscal year ended June 30, 2016. Pursuant to statute and in accordance with the Forest Preserve District Rules of Order and Operational Procedures, an annual independent audit of all funds and accounts of the District shall be conducted by certified public accountants licensed to practice public accounting in the State of Illinois. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Executive Director and the Director of Finance, and is based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified opinion on the District’s financial statements for the fiscal year ended June 30, 2016. The independent auditors’ report is located at the front of the financial section of this report.

Generally accepted accounting principles (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 District’s MD&A can be found immediately following the report of the independent auditors.



DISTRICT PROFILE

The District was created by referendum in the November 4, 1958, general election for the purpose of preserving the County's natural resources, while providing education and recreation to the public.

The District is a separate body and political subdivision of the State of Illinois. The District has independent taxing powers and its boundaries are the same as those of Lake County. It is governed by a 21-member Board of Commissioners which also serves, by state statute, as the Lake County Board. The District's day-to-day operations and administrative activities are managed by the Executive Director and staffed by 496 full-time, part-time, and seasonal employees organized into seven departments. The District is located in the northeast corner of Illinois adjoining Wisconsin, Lake Michigan, McHenry and Cook Counties (Chicago), and is headquartered in Libertyville, Illinois.

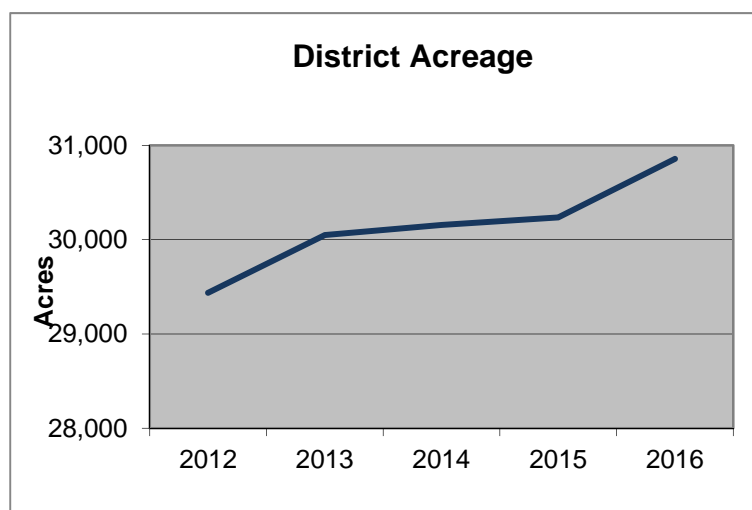
With 65 sites the District provides a full range of services including land preservation, planning and development, conservation, restoration, environmental education, public safety, recreational activities, historical preservation, and cultural events. In addition to governmental activities, the business-type activities of Brae Loch, Countryside, and ThunderHawk Golf Courses are included in the financial statements.

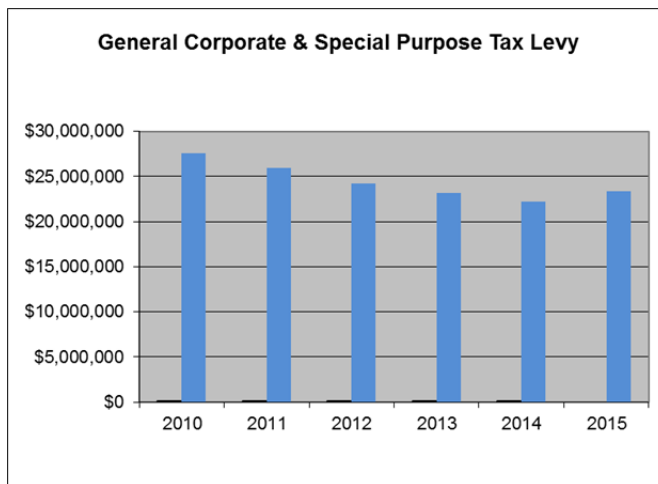
The budget is legally enacted through the passage of an annual Appropriation Ordinance, pursuant to statute and the District's Rules of Order and Operational Procedures, prior to the last day of the first quarter of the fiscal year. This ordinance includes additional available funds for contingencies that may arise during the fiscal year. The legal level of control is at the individual fund level.

DISTRICT'S ECONOMIC CONDITION

Our Forest Preserves are at the heart of what makes Lake County such a great place to live, work, and play. As the third largest county in the state, Lake County's market valuation is approximately \$70.3 billion. Through the leadership of our Board of Commissioners and support of Lake County voters, we've been able to preserve important pieces of our natural and cultural heritage. These pockets of Illinois' prairies, forests, lakes, and rivers are protected for current and future generations to enjoy and benefit from.

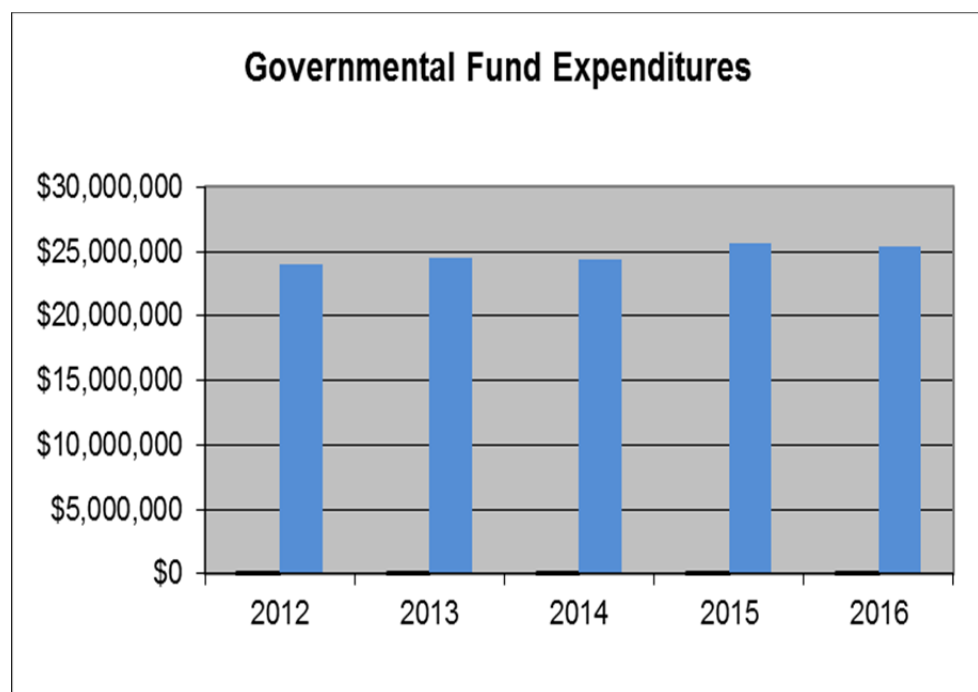
Over the past five years, District land holdings have increased to over 30,857 acres. During this same time period the District has reduced staff by 11%.





In conjunction with the growth of the District, the voters approved a referendum to increase the operating tax levy rate in November 2002. The general corporate and special purpose tax levies have decreased from \$28.4 million for the 2009 tax levy to \$23.3 million for the 2015 tax levy. Over the past six years the tax levy has decreased \$5.1 million. The decrease has been the result of declining property values brought on by the last recession. During the decline the District has continued conservative budgeting practices and wise use of fiscal resources.

Governmental fund expenditures, including maintenance and development, public safety, education, recreation, natural resources, and general government have increased from \$24.0 million in 2012 to \$25.4 million (5.6%) in 2016. The District prepares a ten-year operating forecast which projects revenues and expenditures using conservative assumptions. The forecast is updated annually and is very helpful in seeing future issues. It is helpful with current decisions that may impact future operations.

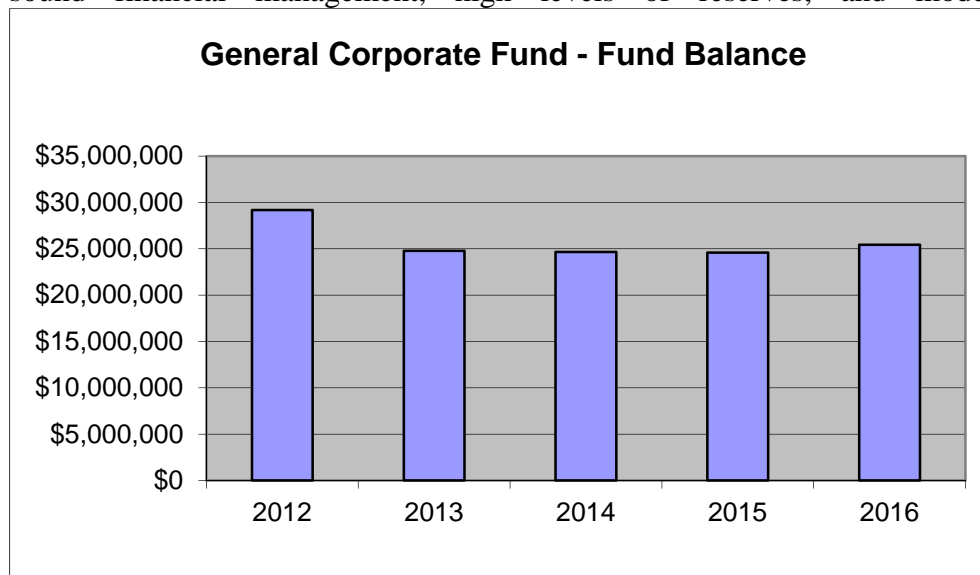


The ten-year capital improvement plan is updated during the budget process. The District coordinates development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements are projected and included in operating budget forecasts. The District maintains all capital assets at a level adequate to protect the capital investment and to minimize future maintenance and replacement costs.



On November 4, 2008, 66% of the voters said YES to a \$185 million bond referendum to continue land acquisition, habitat restoration, new trails, and public access improvements. Including the \$185 million, during the past fifteen years, voters have approved referenda totaling \$273 million for new land and \$82 million for habitat restoration, new trails, and public access improvements. \$107 million of additional bond proceeds were issued in 2006 and 2008 under the debt service extension. These bond proceeds were used for land acquisition and capital development. The District has issued all of the \$185 million of the referendum approved bonds and there are currently no plans for another referendum.

The District again received the highest possible rating of AAA from Standard & Poor's and the highest possible rating of Aaa from Moody's. The District is one of very few forest preserve districts in the country rated AAA by Standard & Poor's. Standard & Poor's bestowed their highest AAA bond rating on the District's bonds as a result of the District's current maintenance of very strong financial operations. Additional factors for the triple "A" rating are diversified and expanding economic base, sound financial management, high levels of reserves, and moderate overall debt level.



The fund balance of the General Corporate Fund remains strong and falls within the policy guidelines set by the Board for cash flow and emergency expenditures (50% of the ensuing year's fund budget). During 2013, the district did a onetime transfer \$5.5 million of General Corporate fund balance to the Debt Service Fund. These funds will be used to call outstanding debt certificates in 2018 and save taxpayers over \$675,000 in interest expense.

The Lake County Forest Preserve District has an important responsibility to its citizens to plan the adequate funding of services desired by the public, including the provision and maintenance of public facilities, prudent financial management, and accurate accounting for public funds. The District strives to ensure that it is capable of adequately funding and providing services that preserve land for open space, preservation of the environment, and educational, recreational, and cultural opportunities. The District will maintain or improve its land and infrastructure on a systematic basis. The following objectives for the District's fiscal performance are recognized in order to achieve this purpose:



- Preserve the strategic financial integrity, well-being, and current AAA bond rating.
- Continue to maintain a high standard of accounting practices, and ensure the use of a good system of financial and accounting controls which records transactions in an appropriate manner.
- Continue to provide adequate funding of all retirement systems.
- Look for ways to maintain long-term financial sustainability following the Districts approved Strategic Plan.
- Evaluate funding sources to address priority capital improvement projects in the five-year capital improvement plan and ensure funding necessary to maintain preserves in a high quality manner.
- Monitor and plan for changes in the county's equalized assessed valuation.
- Report year-end financial information in accordance with generally accepted accounting principles, and in accordance with recommended best practices, as promulgated by the Government Finance Officers Association (GFOA).

FUTURE CHALLENGES AND LONG RANGE ISSUES

The District is facing several challenges in the upcoming years regarding ongoing management and maintenance, growth of land holdings and new preserve openings. Although the District is currently well positioned financially to meet these challenges, care will have to be taken to ensure that the District remains in a strong financial position to address these areas now and in the future.

The District continues a long term financial planning program by projecting and evaluating revenue and expenses on a rolling ten year basis. Since 2008, declining property values have meant declining property tax revenues. These declines stopped with the 2015 property assessment. Property values grew by 3.49% in 2015 and are projected to increase again in 2016. These increases in property values will not automatically mean increases in property tax revenue. State caps on increases will be small for the next few years because of low inflation. Cap increases are tied to the annual rate of inflation, which are expected to be below 1% for the 2016 tax levy. In order to continue to control expenses and retain our fund balance in accordance with the Board adopted goals, our best course of action is to evaluate all costs, carefully consider any new programs or staff (replacements included) before committing resources, analyze new revenue sources, reduce or eliminate maintenance intensive design features in new Master Plans, land bank new acquisitions for the foreseeable future, be conservative in our financial projections and use our staff's experience to maximize efficiencies while minimizing impacts to our core mission. The balance between controlling costs while we expand the District will require constant evaluation over this period of time.

The District faces the possibility that the State of Illinois may impose a tax levy freeze on local government entities during the upcoming year. One possible scenario will be that a two year freeze will be put in place. The District has incorporated this into its long-term financial forecasts and has



taken steps to deal with the potential revenue loss. If the freeze is permanent, the impact to the District will be quite large.

As part of our continuing effort to plan for these and future challenges the District adopted a 100-year vision for Lake County and identified 5 strategic directions as part of its approved Strategic Plan. The 5 directions are:

- Leadership
- Organizational Sustainability
- Conservation
- Communication, Education and Outreach
- Public Access and Connections

These directions will guide the financial decisions of the District the next 20 – 25 years.

AWARDS AND ACKNOWLEDGEMENTS

In the District's continued efforts to provide excellence in service to Lake County citizens, the District has received many state and regional awards over the years.

This year, we received two financial awards recognizing the quality of financial reporting:

- Distinguished Budget Presentation Award, Government Finance Officers Association, Annual Budget 2015/16, 22nd consecutive year.
- Excellence in Financial Reporting, Government Finance Officers Association, Comprehensive Annual Financial Report 2015, 29th consecutive year.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedication and hard work of the staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In addition, our appreciation is made to the members of the Board of Commissioners, department directors, and the independent auditors who have all contributed to making this report possible.

Respectfully submitted,

Alex T. Kovach
Executive Director

Stephen A. Neaman
Director of Finance



Government Finance Officers Association

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

Presented to

**Lake County Forest Preserve District
Illinois**

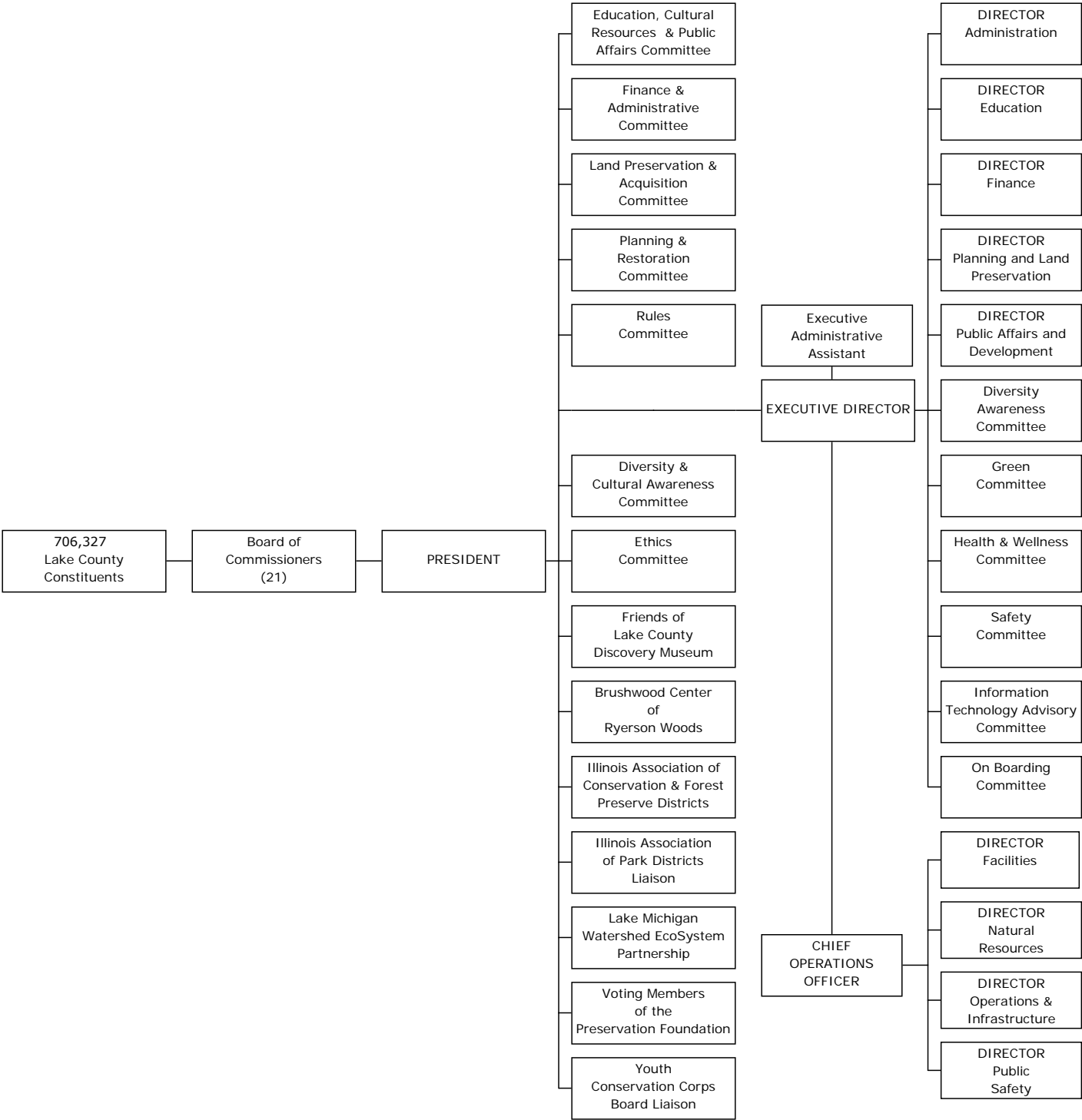
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO

Lake County Forest Preserve District





LAKE COUNTY FOREST PRESERVE DISTRICT

Officers and Officials

Presidential Appointments

December 2014 – December 2016

OFFICERS AND OFFICIALS

Ann B. Maine

PRESIDENT

S. Michael Rummel

TREASURER

Audrey Nixon

ASSISTANT TREASURER

Steve Neaman

DEPUTY TREASURER

Linda Pedersen

VICE PRESIDENT

Julie Gragnani

SECRETARY

Maureen Clausen

ASSISTANT SECRETARY

Ty Kovach

EXECUTIVE DIRECTOR

STANDING COMMITTEES

EDUCATION, CULTURAL RESOURCES & PUBLIC AFFAIRS COMMITTEE

Craig Taylor, *Chair*

Mary Ross Cunningham, *Vice Chair*

Chuck Bartels

Steve Carlson

Audrey Nixon

Brent Paxton

S. Michael Rummel

Nick Sauer

Jeff Werfel

LAND PRESERVATION & ACQUISITION COMMITTEE

Carol Calabresa, *Chair*

Steven W. Mandel, *Vice Chair*

Bonnie Thomson Carter

Linda Pedersen

Tom Weber

Jeff Werfel

Terry Wilke

PLANNING & RESTORATION COMMITTEE

Bonnie Thomson Carter, *Chair*

Nick Sauer, *Vice Chair*

Carol Calabresa

Bill Durkin

Sandra Hart

Diane Hewitt

Sid Mathias

Craig Taylor

Tom Weber

FINANCE & ADMINISTRATIVE COMMITTEE

S. Michael Rummel, *Chair*

Linda Pedersen, *Vice Chair*

Steve Carlson

Bill Durkin

Sandra Hart

Aaron Lawlor

Audrey Nixon

RULES COMMITTEE

Linda Pedersen, *Chair*

Bill Durkin, *Vice Chair*

Bonnie Thomson Carter

Diane Hewitt

Audrey Nixon

S. Michael Rummel

Jeff Werfel

SPECIAL COMMITTEES AND APPOINTMENTS

DIVERSITY & CULTURAL AWARENESS

Audrey Nixon, *Chair*
Jeff Werfel, *Vice Chair*
Mary Ross Cunningham
Sid Mathias
Terry Wilke

ETHICS COMMITTEE

Sandy Hart, *Chair*
Chuck Bartels, *Vice Chair*
Steven W. Mandel
Brent Paxton
Nick Sauer

FRIENDS OF LAKE COUNTY DISCOVERY MUSEUM BOARD

Steve Carlson, *Liaison*

BRUSHWOOD BOARD

Ann B. Maine, *Liaison*
Aaron Lawlor, *Liaison*

ILLINOIS ASSOCIATION OF PARK DISTRICTS

Sandy Hart, *Liaison*

LAKE MICHIGAN WATERSHED ECOSYSTEM PARTNERSHIP

Steven W. Mandel, *Representative*

OUTSIDE ETHICS ADVISOR

Ron Mehling

PRESERVATION FOUNDATION OF THE LAKE COUNTY

FOREST PRESERVES BOARD OF DIRECTORS

Ann B. Maine
S. Michael Rummel

VOTING MEMBERS OF THE PRESERVATION FOUNDATION OF THE LAKE COUNTY FOREST PRESERVES

Ann B. Maine
Carol Calabresa
Bonnie Thomson Carter
S. Michael Rummel
Craig Taylor
David F. Nelson, *ex-officio*

YCC BOARD LIAISON

Tom Weber

CORPORATE COUNSEL

Holland & Knight, LLP

LAND ACQUISITION/ENVIRONMENTAL COUNSEL

Quarles & Brady, LLP

LEGISLATIVE SERVICES

Kolkmeier Legislative Consulting

Independent Auditor's Report

The Honorable President and
Members of the Board of Commissioners
Lake County Forest Preserve District

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 Lake County Forest Preserve District, Illinois (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 District'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 District'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 Lake County Forest Preserve District, Illinois as of June 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 3 - 15), schedules of changes in net pension liabilities and ratios, employer contributions, schedule of OPEB funding progress (pages 72 - 76), and budgetary comparison information (pages 77 - 79) 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 District's basic financial statements. The accompanying supplementary combining and individual fund statements and schedules, 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 accompanying supplementary combining and individual and fund statements and schedules are the responsibility of management and were derived from and relate 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 accompanying supplementary combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, 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.

RSM US LLP

Chicago, Illinois
January 24, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

The Lake County Forest Preserve District (“*District*”) management’s discussion and analysis provides a narrative introduction, overview, and analysis of the basic financial statements. Since the management’s discussion and analysis focuses on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the transmittal letter (*beginning on page i*) and the District’s financial statements (*beginning on page 16*).

FINANCIAL HIGHLIGHTS

- The District’s net position (see Table 1) increased \$9.2 million during the fiscal year ended June 30, 2016 (FY 2016). Governmental net position increased \$9.7 million and business-type net position decreased \$0.5 million.
- Governmental activities revenue decreased \$7.5 million (see Table 2). Charges for services increased \$0.17 million due to favorable activity levels. Operating grants decreased \$0.68 million, and property tax revenue increased \$1.2 million. Other income decreased by \$9.7 million due to a capital asset contribution of \$10.0 million from the Illinois State Toll Highway Authority (ISTHA) in 2015. ISTHA completed a required 80 acres of wetland mitigation on District owned land in Pine Dunes Forest Preserve in 2015.
- The District received almost \$1.5 million in capital grants in 2016. The largest grant was \$1 million from the Illinois Clean Energy Community Foundation. This grant was used to help acquire 337 acres at the Ray Lake preserve. The total cost of the property was \$10.5 million.
- During the year the District issued voter approved general obligation bonds in the amount of \$25 million.
- The District added 612.9 acres of land during the year for \$10.7 million.
- The District reported an increase in combined fund balance in the governmental funds of \$4.1 million to \$88.1 million.

USING THE FINANCIAL STATEMENT SECTION

The financial statements’ focus is on both the District 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 District’s accountability. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District in a manner similar to the private-sector business.

The *Statement of Net Position* (page 16) reports the assets, deferred outflows, liabilities, and deferred inflows of the District with the difference reported as net position. This statement combines and consolidates governmental funds' current financial resources (short-term resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources management focus.

The *Statement of Activities* (pages 17-18) 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. Unlike the operating statement of a private-sector business enterprise, the government-wide statement of activities presents expenses before revenues. This order emphasizes that in the public sector, revenues are generated for the express purpose of providing services. That is, governments do not seek to maximize revenues as such; instead, they identify the service needs of citizens and then raise the resources needed to meet those needs.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, educational and cultural resources, public safety, and maintenance and development. The business-type activities of the District include the operations of the golf courses.

The District has one component unit that, according to Generally Accepted Accounting Principles (GAAP), is included in the Statement of Net Position and Statement of Activities. The Preservation Foundation of the Lake County Forest Preserves, a 501(c) (3) corporation, has been discretely presented in the FY 2016 statements in accordance with GASB Statements Number 14 and 39. The Preservation Foundation provides funds that help the District accomplish its mission, helping to acquire and restore its lands for the citizens of Lake County.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus is on major funds, rather than fund types. All funds of the District can be divided into two categories: *governmental* funds and *proprietary* funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet (pages 19-20) and in the governmental funds statement of revenues, expenditures, and changes in fund balances (pages 21-22) for the General Fund, the Land Development Fund, the Debt Service Fund, the Land Acquisition Fund, and the Development Bond Projects Fund, which are considered to be major funds. Data from the remaining seven governmental funds are combined into a single, aggregated presentation. Detail of the non-major funds is presented in the Supplementary Information beginning on page 84.

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for golf operations and an internal service funds used to centralize the provision of heavy equipment, vehicles, and computer equipment. Basic proprietary fund financial statements can be found on pages 24-26 of this report.

The *notes to the financial statements* provide additional information that is essential for a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 29-71 of this report.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$568,859,609 at June 30, 2016. This was an increase of \$9.2 million over last year's net position.

The largest portion of the District's net position, \$483,492,201, is the net investment in capital assets. Although the District's investment in its capital assets is reported net of related debt and deferred outflows of resources, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$49,982,552, represent resources that are subject to external restrictions on how they may be used, i.e. audit and insurance costs or land acquisition and development. The remaining portion is unrestricted net position of \$35,384,856 which may be used to meet the District's ongoing operations and responsibilities to the residents.

Table 1
Lake County Forest Preserve District
Statement of Net Position as of June 30, 2016 & 2015

	Governmental Activities		Business-type Activities		Total District	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$119,085,558	\$114,887,255	\$2,231,628	\$2,190,924	\$121,317,186	\$117,078,179
Capital assets	735,690,424	717,504,905	17,812,662	18,231,845	753,503,086	735,736,750
Total assets	854,775,982	832,392,160	20,044,290	20,422,769	874,820,272	852,814,929
Deferred loss on refundings	3,410,189	4,090,666	-	-	3,410,189	4,090,666
Pension actuarial adjustments	5,527,054	2,353,454	516,729	220,017	6,043,783	2,573,471
Deferred pension contributions	684,719	721,598	64,017	67,465	748,736	-
Accumulated decrease in fair value of hedging derivatives	2,730,733	3,393,059	-	-	2,730,733	3,393,059
Total Deferred Outflow Of Resources	12,352,695	10,558,777	580,746	287,482	12,933,441	10,057,196
Current liabilities	24,040,187	24,682,468	553,640	619,492	24,593,827	25,301,960
Noncurrent liabilities	292,946,748	277,820,724	1,167,183	681,764	294,113,931	278,502,488
Total liabilities	316,986,935	302,503,192	1,720,823	1,301,256	318,707,758	303,804,448
Pension deferrals	186,346	221,971			186,346	221,971
Total Deferred Inflow Of Resources	186,346	221,971	-	-	186,346	221,971
Net position:						
Net invested in capital assets	465,679,539	451,716,433	17,812,663	18,231,845	483,492,202	469,948,278
Restricted	49,881,710	48,314,391	100,842	100,842	49,982,552	48,415,233
Unrestricted	34,394,147	40,194,950	990,708	1,076,308	35,384,855	41,271,258
Total net position	\$549,955,396	\$540,225,774	\$18,904,213	\$19,408,995	\$568,859,609	\$559,634,769

The District's combined net position increased by \$9.2 million during the fiscal year because governmental activities total revenues exceeded total expenses by \$9.7 million. The business-type activities total expenses exceeded total revenues by \$504,782.

The following table compares the revenue and expenses for the current and previous fiscal year:

Lake County Forest Preserve District
Changes in Net Position for the Fiscal Years Ended June 30, 2016 & 2015

	Governmental Activities		Business-type Activities		Total District	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$4,561,857	\$4,395,440	\$ 3,835,294	\$ 3,704,524	\$ 8,397,151	\$ 8,099,964
Operating grants and contributions	858,079	1,539,483	-	-	858,079	1,539,483
Capital grants and contributions	1,498,914	-	-	-	1,498,914	-
General revenues:						
Property and replacement taxes	49,671,082	48,475,881	-	-	49,671,082	48,475,881
Other	953,430	10,676,865	31,196	105,309	984,626	10,782,174
Total revenues	57,543,362	65,087,669	3,866,490	3,809,833	61,409,852	68,897,502
Expenses:						
General government	13,445,895	11,380,328	-	-	13,445,895	11,380,328
Educational	3,029,456	3,117,454	-	-	3,029,456	3,117,454
Public safety	3,255,082	2,756,093	-	-	3,255,082	2,756,093
Maintenance and development	11,562,175	11,518,483	-	-	11,562,175	11,518,483
Recreation	2,049,972	2,605,463	-	-	2,049,972	2,605,463
Natural resources	2,805,038	3,281,471	-	-	2,805,038	3,281,471
Interest	11,666,122	12,637,812	-	-	11,666,122	12,637,812
Golf courses	-	-	4,371,272	4,382,538	4,371,272	4,382,538
Total expenses	47,813,740	47,297,104	4,371,272	4,382,538	52,185,012	51,679,642
Change in net position before transfers	9,729,622	17,790,565	(504,782)	(572,705)	9,224,840	17,217,860
Transfer of capital assets	-	-	-	1,467	-	1,467
Transfers for operating charges	-	809,994	-	(809,994)	-	-
Change in net position	\$ 9,729,622	\$18,600,559	\$ (504,782)	\$ (1,381,232)	\$ 9,224,840	\$ 17,219,327

NORMAL IMPACTS TO REVENUES AND EXPENSES

Revenues:

- *Economic Condition* – The General Corporate Fund and the Land Development Fund have reached their tax rate limit. The equalized assessed valuation of the county increased 3.49% in 2015 and is projected to increase 4% - 6% in 2016. This was the first increase since 2008. When funds reach the tax rate limit, the amount of the levy will be limited to the maximum tax rate times the assessed valuation and may decrease from year to year. Tax levy increases are also limited in times of increasing property values by the Property Tax Extension Limitation law (PTL). Now that it appears property values are increasing again, the annual increase will be limited to the change in the consumer price index (CPI).

In addition to the assessed valuation impact on revenues, concessionaire, permits, program admissions and golf revenues are impacted by economic conditions. In 2016 revenues increased for concessionaire activities, permits and program admissions. Golf revenues declined in FY2016 due to several factors including weather and the decline in the number of active players.

- *District Approved Rates* – while certain property tax rates are set by statute, the District Board has authority to set rates for permits, rents, fines, and all business-type activities.

- *Grant Revenue* – nonrecurring grants are less predictable and often distort year-to-year comparisons.
- *Market Impacts on Investment Income* – the District’s investment income will fluctuate based on market conditions, rates, and investable balances.

Expenses:

- *Programs* – individual programs may be added or deleted to meet changing community needs.
- *Authorized Personnel* – changes in service demand and budget restrictions may cause the District to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 69% of the District’s operating costs and 24% of total expenditures.
- *Salary and wages* – the ability to attract and retain human and intellectual resources requires the District to maintain competitive salary ranges in the marketplace. This may be a challenge when the District is experiencing budget constraints as other employers may already be recovering from the recession.
- *Inflation* – while overall inflation appears to be reasonably modest, the District is a major consumer of certain commodities such as gasoline, utilities, and operating supplies. Some functions may experience unusual commodity-specific increases.

CURRENT YEAR IMPACTS

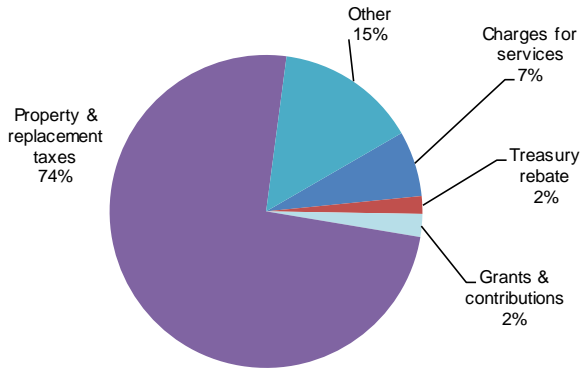
GOVERNMENTAL ACTIVITIES

Revenues:

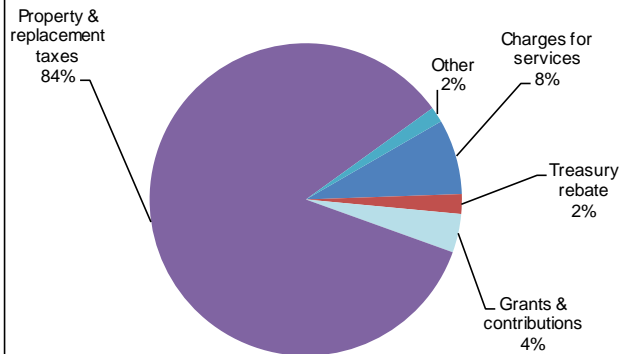
For the fiscal year ended June 30, 2016, total revenues from governmental activities were \$57.5 million, which represents a decrease of \$7.5 million from the previous year.

- The District increased property taxes for the first time since 2008. In FY 2015/16 property tax revenue increased by \$327,311. The general fund levy increased \$556,811, the development levy increased \$122,092, the retirement fund levy decreased \$90,345 and the debt service levy decreased \$261,247. The increase in the general fund and development levy fund were from increasing property values with both funds being at their legal maximum tax rates. The debt service fund declined due to falling debt service payments.
- Charges for services, including the US Treasury rebate, were \$4.6 million and represent 7.9% of the total revenue. These charges include permits, program and admission fees, rentals, easements, and licenses. Revenues increased \$166,417 from the previous year due mostly to increased demand for permits, concessions and program fees.
- Grants and contributions increased \$817,510 and represent 4.1% of the revenue. The increase was due mostly to a onetime grant for the purchase of land.
- Other revenues decreased \$9.7 million and represent 1.7% of revenue. Of this decrease, \$10.5 million was related to a contributed capital asset in FY2015. An intergovernmental agreement with the Illinois State Toll Highway Authority (ISTHA) was approved in May 2013 to allow the ISTHA to plan and construct wetland mitigation, upland restoration and public access improvements on the portion of Pine Dunes Forest Preserve. As part of the ISTHA's Elgin O'Hare western access project, 80 acres of wetland mitigation was required. The project was completed in FY2015.

2015 Governmental Activities Revenue



2016 Governmental Activities Revenue

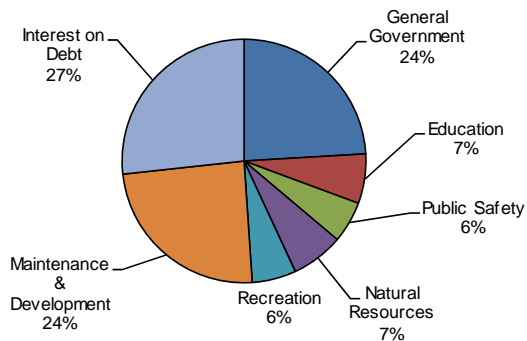


Expenses:

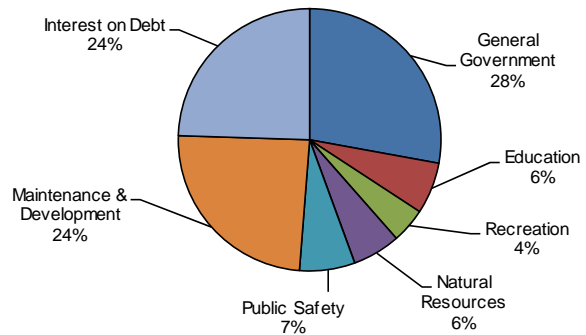
Total governmental activity expenses were \$47.8 million for fiscal year 2016, an increase of 1.09% or \$516,636. General government activities, including land acquisition, represent 28% of these expenses; and maintenance and development expenses represent 24%. Other functions of the District include education (6%), public safety (7%), Natural Resources (6%), Recreation (4%) and interest on long-term debt (24%).

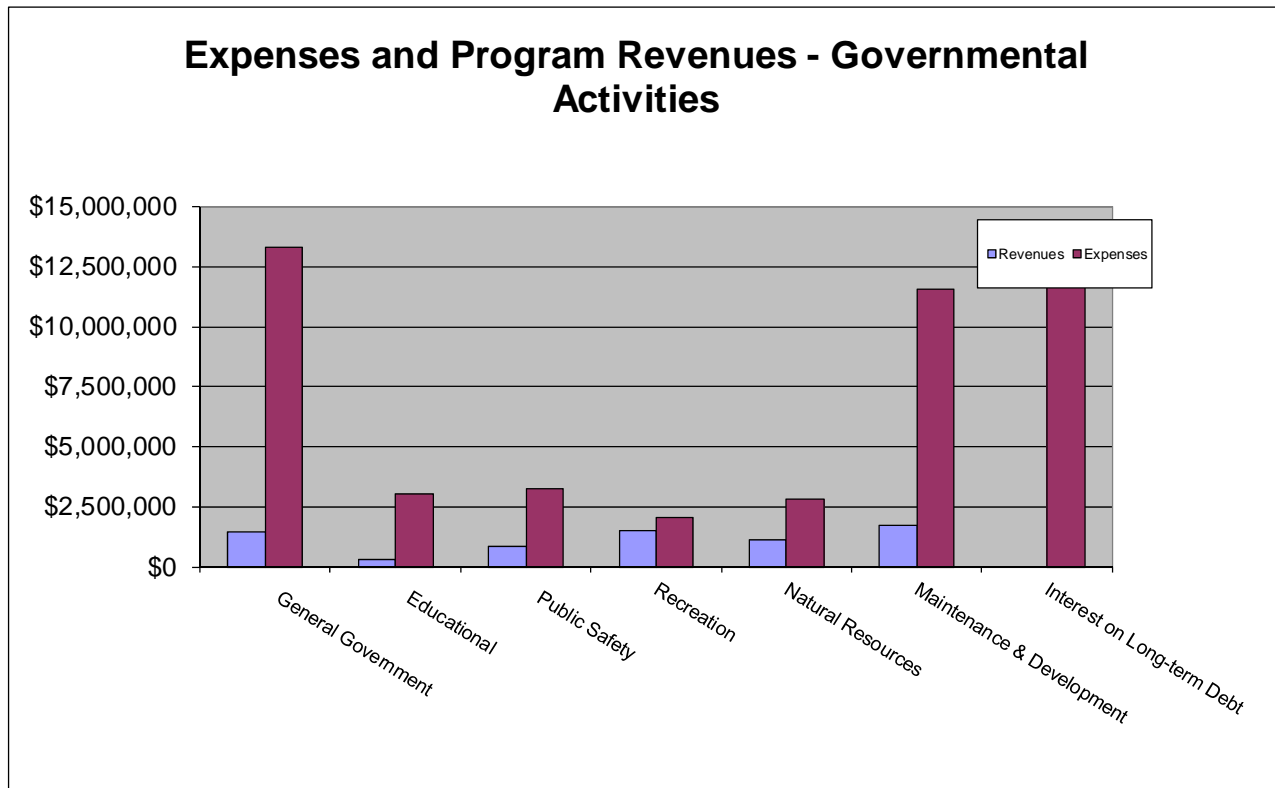
The overall change in the operating expenses of all the departments was an increase of \$1,488,326. This increase can be attributed to an increase in depreciation expense and deferred pension costs.

2015 Governmental Activities Expenses



2016 Governmental Activities Expenses





BUSINESS-TYPE ACTIVITIES

Revenue:

Total operating revenues from golf course activities increased \$130,770 or 3.5%. Greens fees increased by 3.8% (\$78,881) compared to last year. Golf outings increased by 72% (\$36,061), pro shop sales increased 8.7% (11,842) and beverage sales increased 16.4% (\$39,554). The increases were due in part to changes in fee structures and an increase in the number of golf outings. Weather also played a factor throughout the season. Other revenues were down \$74,311 from last year. The District received payments from DuPont over the effect of an herbicide used at two of the courses. The herbicide was lethal to trees and shrubs. The District received \$65,422 in FY2015, \$197,428 in FY2014 and \$835,988 in FY2013 as part of a settlement. Nothing was received in FY2016.

Expenses:

Operating expenses for golf decreased by \$11,266 (0.2%). This was due to a decline in commodities and contractual costs. Lower fuel prices, merchant fees, plant protectants and State unemployment insurance accounted for \$66,860 of the decline. These declines were offset by an increase in personnel services, maintenance supplies and chemicals.

Transfers for operating charges decreased by \$809,994 over last year as the golf operations paid off early an internal obligation related to construction costs for the ThunderHawk golf course in FY2015. The obligation was being paid off over a period of 10 years with interest. The early payoff will save golf approximately \$35,775 in interest expense over the next two years.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the District's governmental funds reported combined ending fund balances of \$88.1 million (pages 19-20), an increase of \$4.1 million from June 30, 2015. The increase was attributable mostly to bond proceeds received during the year. The District issued the last \$25 million of bonds from the \$185 million voter approved bond referendum from 2008. Fund balance is categorized as follows: \$311,120 as non-spendable for inventory; \$57.2 million is subject to externally enforceable legal restrictions and therefore categorized as restricted; \$8.0 million is categorized as committed for special projects; \$1.1 million is constrained by limitations the District has imposed and is categorized as assigned; and \$21.5 million constitutes unassigned fund balance in the General Fund.

The *General Fund* is the chief operating fund of the District. As of June 30, 2016, the total fund balance of the General Fund was \$25.4 million, of which \$21.5 million was unassigned, compared to \$24.6 million and \$20.5 million, respectively, at June 30, 2015. The unassigned fund balance provides for cash flow and emergency needs. During the year the fund had an excess of revenues over expenditures of \$1,035,449 and the unassigned fund balance grew by \$968,557. Revenues increased by \$818,903 from last year with property taxes increasing by \$556,811 as a result of increasing property values. Investment income increased by \$74,168, replacement taxes declined by \$88,300, charges for services and sales increased \$82,962 and permits increased \$128,568. Expenditures declined by \$89,375 from last year. Capital outlays decreased \$187,791 from the previous year because of project delays. Department operating expenses increased \$102,066 (0.6%). Personnel Services increased by \$191,008 (1.7%), commodities declined \$121,220 (-10.1%) and contractual increased \$32,276 (0.8%) from last year.

The *Land Development Fund* pays for restoration, improvement, and development of existing preserves. As of June 30, 2016 the total fund balance was \$11.3 million, all of which is restricted for development purposes. This fund provides partial funding for the District's Capital Improvement Plan. During the year the fund had a deficiency of revenues under expenses of \$1.4 million. The District spent \$3.2 million on capital outlays for the capital improvement plan. Tax revenues in the fund were up from the prior year by \$122,092 and investment income was up \$44,071. Operating expenses for the year increased only slightly by \$39,631 over the previous year. Increases in legal fees, consulting fees, insect control, repairs and maintenance, equipment replacement fees and miscellaneous contractals were offset by reductions in personnel services, fuel, disposal services and land management contractals.

The *Debt Service Fund* has a total fund balance of \$16.3 million, all of which is restricted for the payment of debt service. The fund balance increased \$133,287 from 2015. Property tax revenues were down for the year by \$261,247 as a result of previous bond refinancing and lower interest costs. Principal and interest payments declined \$692,738 from 2015. It is anticipated that principal and interest payments will decline another \$940,000 in the current year.

The *Land Acquisition Fund* has a total fund balance of \$4.9 million, all of which is restricted for land acquisition. During the year the District purchased nearly 612.9 acres of land for \$10.7 million. The District

issued the last \$8 million of referendum approved bonds during the year. It is expected that the remaining funds will be spent during the next fiscal year. There are currently no future plans for another referendum.

The *Development Bond Projects Fund* has a total fund balance of \$20.1 million, all of which is restricted for development projects. During the year the District issued the final \$17 million of referendum approved development bonds and spent \$5.5 on development during the current year. The remaining funds are all programed into the District's 10 year capital improvement program and will be spent over the next few years. There currently are no plans for another referendum.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The change in net position for the enterprise and internal service funds was a decrease of \$182,171.

Operating revenues for the proprietary funds increased by 6.3% or \$278,235 over the prior year. Increases for equipment replacement fees in the internal service fund accounted for \$147,465 of the change, greens fees accounted for \$114,942 and food and beverage concessions were \$41,697 higher than last year. Computer related equipment replacement fees were expanded in FY2016 to include software replacement. Greens fees were changed during the year.

Operating expenses declined by \$2,157 when compared to last year. Decreases in personnel services, contractals and cost of goods sold offset an increase in commodities.

Transfers out decreased by \$798,214 over last year. The golf operations paid off an internal obligation related to construction costs for the ThunderHawk golf course in FY2015 and therefore did not have a similar transfer out in FY2016. The reduction in net position was the result of golf course operations not earning enough revenue to cover depreciation expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

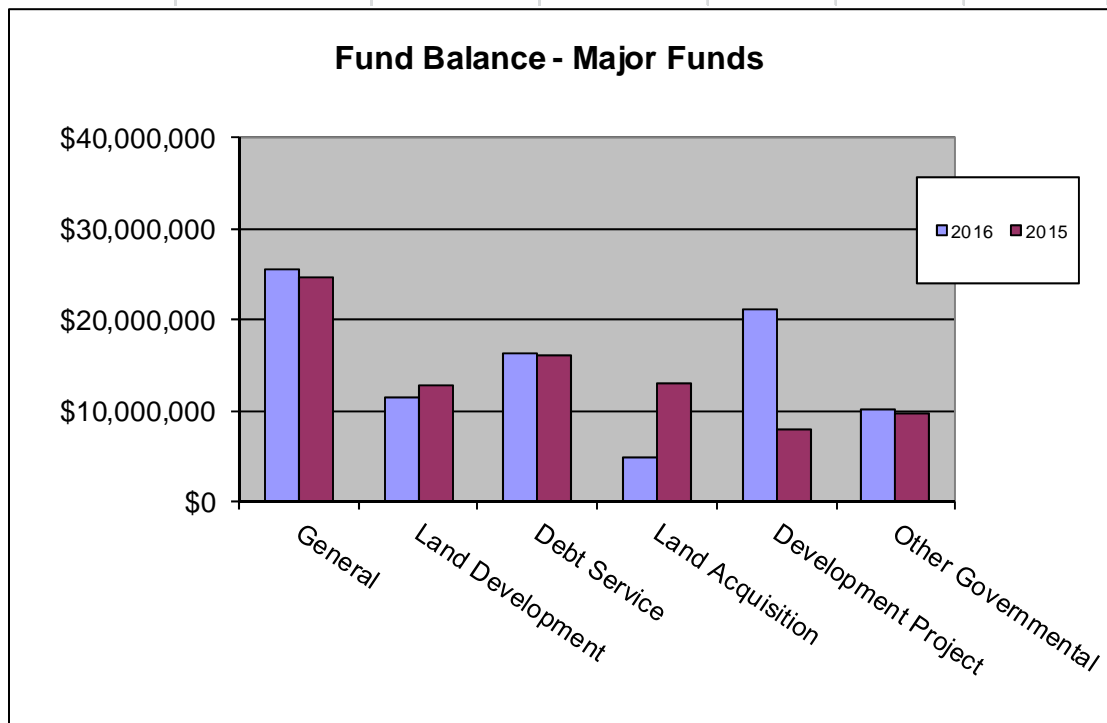
General Fund revenues were over budget \$884,929 for FY2016. Charges for sales and services, permits and programs and admissions were over budget by \$53,615, \$109,136 and \$17,783 respectively as the District raised prices and also saw increased demand. Replacement taxes were also \$82,168 over budget for the year. These increases occurred in revenue categories that would reflect increased health in the overall economy. Interest income was \$34,835 over budget for the year due to market value gains in the Districts' municipal bond holdings. Other revenues were up \$126,004 over budget mostly due to a settlement payment for damages and increased administration fees collected by the development office.

The District spent \$18.1 million or only 81% of its \$22.3 million budget. General government is under budget \$323,338 due to consulting, computer service fees and miscellaneous contracting projects coming in under budget or being cancelled. Education was under budget \$142,836 due to vacant positions, reduced advertising and printing cost reductions and miscellaneous contractual costs being lower than expected. The Public Safety function was under budget by \$65,686 due to vacant positions throughout the year and reduced computer service fees. Recreation was \$274,473 below budget due to vacant positions during the year, lower than anticipated utility costs and lower maintenance and repair costs than expected. The Maintenance and Development function was under budget \$439,942 as a result of vacant positions during the year, gasoline and diesel, operating supplies, repairs and maintenance on buildings, grounds and equipment and disposal costs

being less than expected. Capital outlay was under budget by \$3 million. Several projects came in under budget and several were delayed and are currently underway.

GOVERNMENTAL FUND BALANCES

Total governmental fund balances increased by \$4.1 million. During the year the District issued \$25 million in referendum approved bonds for the acquisition and development of land. The Land Acquisition fund balance declined by \$8 million after spending over \$10.7 million to acquire land. The development bond fund balance grew by \$12.2 million after the addition of \$17 million of bond proceeds from the bond issuance. \$5.5 million was spent during the year on capital projects. The General Fund balance increased by \$835,449 due to planned spending on capital projects not occurring and lower than expected operating expenditures. Capital spending on projects was budgeted for during the year and a much larger reduction of the fund balance was anticipated. The Land Development Fund decreased fund balance by \$1.4 million due to spending on capital projects. The District had planned for a reduction to the Land Development fund balance in the amount of \$5.6 million for the revised budget due to \$6.5 million in capital project spending. The Debt Service fund balance grew by \$133,287 as a result of greater than anticipated interest income and timing between tax levies and bond refinancing. Non-major funds increased by \$305,738 in large part due to lower than expected operating costs in the Land Preparation fund and timing of the receipt of grant payments. The Retirement Fund balance increased (\$19,303) due to the difference between revenue and expense projections. The Easements and Special Projects increased (\$40,864) from investment earnings and the Land Preparation (\$167,141) fund balance increased due to expected revenue inflows being made with no major expenditures being budgeted.



CAPITAL ASSET AND DEBT MANAGEMENT

At the end of fiscal year 2016 the District has invested \$827.9 million in a variety of capital assets as reflected on the following schedule. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, artifacts and collectibles, and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$26.1 million before the effects of depreciation. The majority of that change (\$16.8 million) was from the acquisition of 612.9 acres of land and existing buildings.

Table 3
Lake County Forest Preserve District
Capital Assets as of June 30, 2016 & June 30, 2015

	Governmental Activities		Business-type Activities		Total District	
	2016	2015	2016	2015	2016	2015
Land and land rights	\$ 574,000,729	\$ 563,448,834	\$ 6,818,464	\$ 6,818,464	\$580,819,193	\$ 570,267,298
Land/course improvements	46,985,567	46,977,357	7,447,373	7,447,373	54,432,940	54,424,730
Buildings	73,006,749	66,038,730	6,987,247	6,987,247	79,993,996	73,025,977
Other improvements	12,944,219	12,738,231	-	-	12,944,219	12,738,231
Vehicles, machinery, and eqpmt	11,473,640	11,049,317	3,265,716	3,363,288	14,739,356	14,412,605
Furniture and fixtures	652,232	632,287	44,987	44,987	697,219	677,274
Roads, trails, and bridges	56,257,505	49,743,951	1,566,152	1,566,152	57,823,657	51,310,103
Museum artifacts and collectibles	6,158,587	6,158,587	-	-	6,158,587	6,158,587
Construction in progress	20,285,934	18,741,197	-	-	20,285,934	18,741,197
Total capital assets	801,765,163	775,528,491	26,129,939	26,227,511	827,895,102	801,756,002
Less accumulated depreciation	66,074,739	58,023,586	8,317,277	7,995,666	74,392,016	66,019,252
Capital assets net of depreciation	<u>\$ 735,690,424</u>	<u>\$ 717,504,905</u>	<u>\$ 17,812,662</u>	<u>\$ 18,231,845</u>	<u>\$753,503,086</u>	<u>\$ 735,736,750</u>

More detailed information on capital asset activity can be found in the notes to the financial statements on pages 42-44.

Debt Outstanding

At the end of the current fiscal year, the District has \$291.6 million of general obligation bonds outstanding. The last \$25 million of bonds, approved under the 2008 \$185 million bond referendum, were issued during the fiscal year ending June 30, 2016.

Table 4
Lake County Forest Preserve District
Outstanding Debt as of June 30, 2016 & June 30, 2015

	Governmental Activities		Total District	
	2016	2015	2016	2015
General Obligation Bonds	\$291,590,000	\$281,820,000	\$291,590,000	\$281,820,000
Total	<u>\$291,590,000</u>	<u>\$281,820,000</u>	<u>\$291,590,000</u>	<u>\$281,820,000</u>

The District had one general obligation bond issue in fiscal year 2016. On December 1, 2015 the District issued \$25 million in General Obligation Land Acquisition and Development Bonds. The bonds received the highest rating of Aaa from Moody's and AAA from Standard and Poor's. These ratings are a result of the District's solid tax base growth and strong financial operations. The ratings also credit the Forest Preserve District's diversified and expanding economic base, high wealth and income levels, sound financial management, high level of reserves, and moderate debt burden.

The legal debt limit for the District is 2.30% of assessed valuation. The current debt limitation is \$539.0 million which significantly exceeds the District's current outstanding general obligation debt of 291.6 million. Additional information on the District's long-term debt can be found in Note H, pages 48-56.

ECONOMIC FACTORS

Lake County is facing the same economic challenges as are all parts of the country; the unemployment rate through October 2016 is 4.7% and is below the State average of 5.5%. Real estate values have stabilized and have begun growing again in the county. The 2015 Equalized Assessed Valuation (EAV) increased 3.49% from the previous year, following a decline in 2014 of 1.4%. This was the first increase since 2008. As the third largest county in the state, Lake County has a market valuation of \$67.9 billion. The EAV is estimated to grow between 2% and 5% in 2016.

The county has a varied manufacturing and industrial base that adds to the relative stability of the county. Business activity within the county is diverse, including the home of the only Navy basic training base in the United States, an amusement park, and numerous varied manufacturing firms, real estate developers, retail stores and service providers. The county's sustainability in the current economy is primarily due to its location, with Lake Michigan to the east, Wisconsin to the north and the City of Chicago to the south. The county's communities include picturesque rural communities, highly developed urban centers, wealthy suburbs and tourist communities.

The State of Illinois has still not adopted an annual budget for their current fiscal year. The uncertainty of the impact on the District has affected the fiscal year 2017 budget of the District. The District has reduced the budget for replacement taxes which the State pays to it by 10%. The possibility of the State redirecting replacement tax payments to fill holes within its own budget were high at the time of budget development for the District. Those fears have since gone down. The State has also discussed additional property tax caps for local governments on top of the already existing caps. There is a possibility of a permanent change to the current cap formula when the State finally adopts their budget.

Requests for Information

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Director of Finance, Lake County Forest Preserve District, 1899 West Winchester Road, Libertyville, Illinois 60048.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Net Position
June 30, 2016

	Primary Government			Component
	Governmental	Business-type		Units
	Activities	Activities	Total	
ASSETS				
Current assets:				
Cash and investments	\$ 93,988,224	\$ 2,083,430	\$ 96,071,654	\$ 1,196,217
Property taxes receivable, net	24,255,743	-	24,255,743	-
Interest receivable	194,650	3,507	198,157	-
Grant receivable	161,061	-	161,061	-
Other receivable	174,760	20,699	195,459	69,450
Inventory	311,120	123,992	435,112	-
Total current assets	<u>119,085,558</u>	<u>2,231,628</u>	<u>121,317,186</u>	<u>1,265,667</u>
Noncurrent assets:				
Capital assets (not being depreciated)	647,430,817	14,265,837	661,696,654	456,000
Capital assets (net of acc. deprec.)	88,259,607	3,546,825	91,806,432	-
Total noncurrent assets	<u>735,690,424</u>	<u>17,812,662</u>	<u>753,503,086</u>	<u>456,000</u>
Total assets	<u>854,775,982</u>	<u>20,044,290</u>	<u>874,820,272</u>	<u>1,721,667</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refundings	3,410,189	-	3,410,189	-
Pension actuarial adjustments	5,527,054	516,729	6,043,783	-
Deferred pension contributions	684,719	64,017	748,736	-
Accumulated decrease in the fair value of hedging derivatives	2,730,733	-	2,730,733	-
Total deferred outflows of resources	<u>12,352,695</u>	<u>580,746</u>	<u>12,933,441</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,324,161	159,975	2,484,136	-
Accrued payroll and payroll taxes	767,312	137,712	905,024	-
Other unearned revenue	768,742	227,916	996,658	-
Interest payable	488,165	-	488,165	-
Derivative instrument-swap agreement	2,730,733	-	2,730,733	-
Other liabilities	1,336,982	21,107	1,358,089	-
Due within one year	15,624,092	6,930	15,631,022	-
Total current liabilities	<u>24,040,187</u>	<u>553,640</u>	<u>24,593,827</u>	<u>-</u>
Noncurrent liabilities:				
Net pension liability	11,128,671	1,032,428	12,161,099	-
Due in more than one year	281,818,077	134,755	281,952,832	-
Total noncurrent liabilities	<u>292,946,748</u>	<u>1,167,183</u>	<u>294,113,931</u>	<u>-</u>
Total liabilities	<u>316,986,935</u>	<u>1,720,823</u>	<u>318,707,758</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Pension actuarial adjustments	186,346	-	186,346	-
	<u>186,346</u>	<u>-</u>	<u>186,346</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	465,679,539	17,812,662	483,492,201	-
Restricted for:				
Temporarily	-	-	-	1,571,339
Enabling legislation-Audit and insurance	2,545,482	-	2,545,482	-
Grants and donations	672,114	-	672,114	-
Land and development	16,785,027	-	16,785,027	-
Enabling legislation-FICA and Illinois Municipal Retirement	2,571,579	-	2,571,579	-
Capital improvements	-	100,842	100,842	-
Debt Service	27,307,508	-	27,307,508	-
Unrestricted	34,394,147	990,709	35,384,856	150,328
Total net position	<u>\$ 549,955,396</u>	<u>\$ 18,904,213</u>	<u>\$ 568,859,609</u>	<u>\$ 1,721,667</u>

The notes to financial statements are an integral part of this statement.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,445,895	\$ 1,432,615	\$ -	\$ -
Maintenance & development	11,562,175	62,469	165,901	1,498,914
Public safety	3,255,082	841,925	-	-
Recreation	2,049,972	1,488,305	1,900	-
Natural resources	2,805,038	513,379	589,542	-
Education	3,029,456	223,164	100,736	-
Interest	11,666,122	-	-	-
Total governmental activities	47,813,740	4,561,857	858,079	1,498,914
Business-type activities:				
Golf Courses	4,371,272	3,835,294	-	-
Total business-type activities	4,371,272	3,835,294	-	-
Total primary government	\$ 52,185,012	\$ 8,397,151	\$ 858,079	\$ 1,498,914
Component units:				
Total component units	\$ 1,466,212	\$ -	\$ 1,039,242	\$ -
General revenues:				
Property and replacement taxes				
Investment income				
Insurance claim				
Gain on disposal of capital assets				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, ending of year				

The notes to financial statements are an integral part of this statement.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Activities
For the Year Ended June 30, 2016

<u>Net (Expense) Revenue and Changes in Net Position</u>			
<u>Primary Government</u>			
<u>Governmental</u>	<u>Business-type</u>		
<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Component Units</u>
\$ (12,013,280)	\$ -	\$ (12,013,280)	\$ -
(9,834,891)	-	(9,834,891)	-
(2,413,157)	-	(2,413,157)	-
(559,767)	-	(559,767)	-
(1,702,117)	-	(1,702,117)	-
(2,705,556)	-	(2,705,556)	-
(11,666,122)	-	(11,666,122)	-
<u>(40,894,890)</u>	<u>-</u>	<u>(40,894,890)</u>	<u>-</u>
-	(535,978)	(535,978)	-
-	(535,978)	(535,978)	-
<u>(40,894,890)</u>	<u>(535,978)</u>	<u>(41,430,868)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(426,970)</u>
49,671,082	-	49,671,082	-
934,459	16,994	951,453	817
18,971	-	18,971	-
-	14,202	14,202	-
<u>50,624,512</u>	<u>31,196</u>	<u>50,655,708</u>	<u>817</u>
9,729,622	(504,782)	9,224,840	(426,153)
540,225,774	19,408,995	559,634,769	2,147,820
<u>\$ 549,955,396</u>	<u>\$ 18,904,213</u>	<u>\$ 568,859,609</u>	<u>\$ 1,721,667</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Land Development Fund	Debt Service Fund
ASSETS			
Cash and investments	\$ 26,040,884	\$ 11,828,065	\$ 15,232,628
Property taxes receivable, net	7,537,638	2,854,130	12,561,831
Interest receivable	40,999	39,247	1,214
Grant receivable	-	38,937	-
Other receivable	91,031	20,484	-
Inventory	311,120	-	-
Total assets	<u>\$ 34,021,672</u>	<u>\$ 14,780,863</u>	<u>\$ 27,795,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,125,462	\$ 618,654	\$ -
Accrued payroll & payroll tax	546,669	140,161	-
Unearned revenue	816	-	-
Other liabilities	168,696	19,988	-
Total liabilities	<u>1,841,643</u>	<u>778,803</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable property tax revenue	6,754,669	2,617,462	11,520,189
Unavailable grant revenue	397	38,937	-
Total deferred inflows of resources	<u>6,755,066</u>	<u>2,656,399</u>	<u>11,520,189</u>
Fund balances:			
Nonspendable	311,120	-	-
Restricted	2,545,482	11,345,661	16,275,484
Committed	-	-	-
Assigned	1,118,096	-	-
Unassigned	21,450,265	-	-
Total fund balances	<u>25,424,963</u>	<u>11,345,661</u>	<u>16,275,484</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 34,021,672</u>	<u>\$ 14,780,863</u>	<u>\$ 27,795,673</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Pension related items are reported in the government-wide statements but not in the Governmental fund financial statements.

Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.

Long-term liabilities, including bonds payable and related interest, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Deferred losses on refundings of debt are not considered to represent a financial resource and, therefore, are not required in the funds.

The net position of the internal service funds are included in the governmental activities in the statement of net position.

Net position of governmental activities

The notes to financial statements are an integral part of this statement.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Balance Sheet
Governmental Funds
June 30, 2016

Land Acquisition Fund	Development Bond Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 4,959,417	\$ 21,204,654	\$ 10,416,345	\$ 89,681,993
-	-	1,302,144	24,255,743
5,907	90,995	13,101	191,463
-	-	122,124	161,061
10,095	2,880	50,270	174,760
-	-	-	311,120
<u>\$ 4,975,419</u>	<u>\$ 21,298,529</u>	<u>\$ 11,903,984</u>	<u>\$ 114,776,140</u>
\$ 36,278	\$ 191,843	\$ 282,228	\$ 2,254,465
5,493	-	75,107	767,430
-	-	-	816
39,925	1,006,129	102,125	1,336,863
<u>81,696</u>	<u>1,197,972</u>	<u>459,460</u>	<u>4,359,574</u>
-	-	1,194,169	22,086,489
-	-	174,587	213,921
<u>-</u>	<u>-</u>	<u>1,368,756</u>	<u>22,300,410</u>
-	-	-	311,120
4,893,723	20,100,557	2,049,525	57,210,432
-	-	8,026,243	8,026,243
-	-	-	1,118,096
-	-	-	21,450,265
<u>4,893,723</u>	<u>20,100,557</u>	<u>10,075,768</u>	<u>88,116,156</u>
<u>\$ 4,975,419</u>	<u>\$ 21,298,529</u>	<u>\$ 11,903,984</u>	<u>\$ 114,776,140</u>
			732,875,635
			(5,103,244)
			22,300,410
			(298,698,259)
			3,410,189
			7,054,509
			<u>\$ 549,955,396</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Land Development Fund</u>	<u>Debt Service Fund</u>
Revenues			
Property taxes	\$ 15,043,899	\$ 5,750,875	\$ 25,695,553
Replacement taxes	956,518	-	-
Investment income	266,725	142,829	252,117
Grants & contributions	97,664	1,121,755	-
Treasury rebate	-	-	1,199,881
Land and building rentals	256,595	-	-
Charges for services and sales	1,115,365	-	-
Permits	766,286	-	-
Easements and licenses	12,000	-	-
Programs and admissions	319,953	-	-
Other revenue	293,254	866	1,893
Total revenues	<u>19,128,259</u>	<u>7,016,325</u>	<u>27,149,444</u>
Expenditures			
Current:			
General government	5,776,655	-	-
Education	1,842,364	-	-
Public safety	2,549,104	-	-
Recreation	1,310,157	-	-
Maintenance & development	5,229,798	3,489,760	-
Natural resources	-	1,756,497	-
Debt service:			
Principal	395,000	-	14,845,000
Interest	327,544	-	12,164,571
Paying agent fees	-	-	6,586
Capital outlay	662,188	3,208,377	-
Total expenditures	<u>18,092,810</u>	<u>8,454,634</u>	<u>27,016,157</u>
Excess (deficiency) of revenues under expenditures	<u>1,035,449</u>	<u>(1,438,309)</u>	<u>133,287</u>
Other financing sources (uses)			
Issuance of debt	-	-	-
Premium on debt issuance	-	-	-
Transfers in	-	75,508	-
Transfers out	(200,000)	-	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>75,508</u>	<u>-</u>
Net change in fund balances	835,449	(1,362,801)	133,287
Fund balances, beginning of year	24,589,514	12,708,462	16,142,197
Fund balances, ending of year	<u>\$ 25,424,963</u>	<u>\$ 11,345,661</u>	<u>\$ 16,275,484</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

Land Acquisition Fund	Development Bond Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,450,005	\$ 48,940,332
-	-	-	956,518
39,367	109,634	89,890	900,562
981,226	-	758,333	2,958,978
-	-	-	1,199,881
-	-	576,070	832,665
-	-	-	1,115,365
-	-	-	766,286
-	-	1,000	13,000
-	-	-	319,953
-	-	37,666	333,679
<u>1,020,593</u>	<u>109,634</u>	<u>3,912,964</u>	<u>58,337,219</u>
67,884	144,253	2,433,644	8,422,436
-	-	69,981	1,912,345
-	-	-	2,549,104
-	-	-	1,310,157
209,847	-	98,476	9,027,881
-	-	420,700	2,177,197
-	-	-	15,240,000
-	-	-	12,492,115
-	-	-	6,586
<u>17,073,742</u>	<u>5,374,570</u>	<u>708,917</u>	<u>27,027,794</u>
<u>17,351,473</u>	<u>5,518,823</u>	<u>3,731,718</u>	<u>80,165,615</u>
<u>(16,330,880)</u>	<u>(5,409,189)</u>	<u>181,246</u>	<u>(21,828,396)</u>
8,003,200	17,006,800	-	25,010,000
298,463	634,234	-	932,697
-	-	200,000	275,508
-	-	(75,508)	(275,508)
<u>8,301,663</u>	<u>17,641,034</u>	<u>124,492</u>	<u>25,942,697</u>
(8,029,217)	12,231,845	305,738	4,114,302
12,922,940	7,868,712	9,770,030	84,001,855
<u>\$ 4,893,723</u>	<u>\$ 20,100,557</u>	<u>\$ 10,075,768</u>	<u>\$ 88,116,156</u>

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LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds.	\$	4,114,302
---------------------------------------------------------	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		18,107,326
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------

Pension liabilities and related deferred inflows and outflows of resources are not due and payable in the current period and therefore are not reported in the fund financial statements.		
Increase in net pension liability	(5,360,046)	
Deferred outflows related to pension expense	3,136,721	
Deferred inflows related to pension expense	35,625	

Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds. This is the amount by which deferred inflows of resources in the prior year exceeded deferred inflow of resources in the current year.		(827,754)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred outflow of resources or liabilities and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(10,702,697)
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		903,534
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Internal service funds are reported separately in the fund financial statements.		<u>322,611</u>
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Change in net position of governmental activities.	\$	<u><u>9,729,622</u></u>
----------------------------------------------------	----	-------------------------

The notes to the financial statements are an integral part of this statement.

Lake County Forest Preserve District
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities Enterprise Golf Courses	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 2,083,430	\$ 4,306,231
Interest receivable	3,507	3,187
Other receivable	20,700	-
Inventory	123,992	-
Total current assets	<u>2,231,629</u>	<u>4,309,418</u>
Noncurrent assets:		
Land	6,818,464	-
Construction in progress	-	96,912
Land and course improvements	7,447,373	-
Buildings and improvements	6,987,247	-
Vehicles, machinery, & equipment	3,265,716	7,359,563
Furnitures and fixtures	44,987	-
Roads, trails and bridges	1,566,152	-
Less accumulated depreciation	<u>(8,317,277)</u>	<u>(4,641,687)</u>
Total noncurrent assets	<u>17,812,662</u>	<u>2,814,788</u>
Total assets	<u>20,044,291</u>	<u>7,124,206</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension actuarial adjustments	516,729	-
Deferred pension contributions	64,017	-
Total deferred outflows of resources	<u>580,746</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	159,975	69,697
Accrued payroll & payroll tax	137,712	-
Compensated absences payable	6,930	-
Other liabilities	21,107	-
Other unearned revenue	227,917	-
Total current liabilities	<u>553,641</u>	<u>69,697</u>
Noncurrent liabilities:		
Compensated absences payable	134,755	-
Net pension liability	1,032,428	-
Total noncurrent liabilities	<u>1,167,183</u>	<u>-</u>
Total liabilities	<u>1,720,824</u>	<u>69,697</u>
NET POSITION		
Net investment in capital assets	17,812,662	2,814,788
Restricted for:		
Capital improvements	100,842	-
Unrestricted	990,709	4,239,721
Total net position	<u>\$ 18,904,213</u>	<u>\$ 7,054,509</u>

The notes to financial statements are an integral part of this statement.

Lake County Forest Preserve District
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities Enterprise Golf Courses	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Season passes	\$ 62,966	\$ -
Green fees	2,252,657	-
Equipment replacement charges	-	861,770
Gas cart rental	782,674	-
Hand cart rental	3,598	-
Club rental	7,607	-
Permanent starts	27,370	-
Practice range	129,276	-
Pro shop	153,594	-
Food & beverage concessions	343,832	-
Concessionaire and other	52,858	-
Land and building rentals	14,365	-
Miscellaneous	91	-
Other revenue	4,406	-
Total operating revenues	<u>3,835,294</u>	<u>861,770</u>
OPERATING EXPENSES		
Personal services	2,306,493	-
Commodities	611,684	29,335
Contractuals	751,705	32,553
Food & beverage concessions	87,918	-
Merchandise	86,123	-
Total operating expenses	<u>3,843,923</u>	<u>61,888</u>
Operating income (loss) before depreciation	<u>(8,629)</u>	<u>799,882</u>
Depreciation	<u>527,349</u>	<u>622,988</u>
Operating income(loss)	<u>(535,978)</u>	<u>176,894</u>
NONOPERATING REVENUES (EXPENSES)		
Gain on sale of capital assets	14,202	104,863
Investment income	16,994	33,897
Total nonoperating revenues (expenses)	<u>31,196</u>	<u>138,760</u>
Income (loss) before contributions and transfers	(504,782)	315,654
Capital contributions	-	6,957
Change in net position	(504,782)	322,611
Total net position - beginning	19,408,995	6,731,898
Total net position - ending	<u>\$ 18,904,213</u>	<u>\$ 7,054,509</u>

The notes to financial statements are an integral part of this statement.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities	Governmental Activities
	Enterprise Golf Courses	Internal Service Funds
Cash flows from operating activities		
Receipts from customers and users	\$ 3,857,559	\$ -
Receipts from interfund services provided	-	861,770
Payments for interfund services provided	(25,050)	-
Payments to employees	(2,106,741)	-
Payments to suppliers of goods and services	(1,594,944)	(78,416)
Net cash provided by operating activities	<u>130,824</u>	<u>783,354</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(108,166)	(632,053)
Proceeds from sale of capital assets	14,203	104,863
Net cash used by capital and related financing activities	<u>(93,964)</u>	<u>(527,190)</u>
Cash flows from investing activities		
Interest received	(12,646)	25,599
Purchase of investments	(1,450,510)	(5,126,214)
Proceeds from the sales of investments	1,260,552	4,692,630
Net cash used by investing activities	<u>(202,604)</u>	<u>(407,985)</u>
Net decrease in cash and cash equivalents	(165,744)	(151,821)
Cash and cash equivalents at beginning of year	<u>417,622</u>	<u>167,254</u>
Cash and cash equivalents at end of the year	<u>\$ 251,878</u>	<u>\$ 15,433</u>
Cash and cash equivalents per cash flow statements	\$ 251,878	\$ 15,433
Investments	1,831,552	4,290,798
Cash and investments per statement of net position	<u>\$ 2,083,430</u>	<u>\$ 4,306,231</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating Income (loss)	\$ (535,978)	\$ 176,894
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	527,349	622,988
Changes in assets and liabilities:		
Accounts payable	(88,868)	45,643
Compensated absences	(11,258)	-
Deferred pension contributions	3,448	-
Pension actuarial adjustments	(296,712)	-
Pension liability	497,287	-
Other receivables	22,264	-
Inventories	(9,115)	-
Accrued payroll and payroll taxes	22,407	-
Net cash provided by operating activities	<u>\$ 130,824</u>	<u>\$ 845,525</u>
Noncash investing, capital, and financing activities		
Contribution of capital assets from other funds	\$ -	\$ 6,957
Increase in fair value of investments	\$ 29,641	\$ 8,298

The notes to financial statements are an integral part of this statement.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

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LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

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LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lake County Forest Preserve District (the District) was created by referendum on November 4, 1958, and is governed by the Downstate Forest Preserve District Act, Illinois Compiled Statutes, Chapter 701. The boundaries of the District are co-terminus with the boundaries of Lake County. The District exists for the purpose of acquiring, developing and maintaining land in its natural state; to protect and preserve the flora, fauna, and scenic beauty; for the education, pleasure, and recreation of the public; for flood control and water management; and for other purposes as conferred by statute.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

This report includes all the funds of the District. The reporting entity for the District consists of (a) the primary government, and (b) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government is also financially accountable if an organization is fiscally dependent on, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. 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 or, provide support to, the component unit; 3) The primary government is obligated in some manner for the other component unit's debt.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents, (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization, (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Reporting Entity (Continued)

The financial statements include the Preservation Foundation of the Lake County Forest Preserve (Preservation Foundation) as a component unit. The Preservation Foundation is a legally separate organization. The Board of the Foundation is different than the Board of the District. However, there is a financial benefit or burden relationship between the Preservation Foundation and the District, and management has an operational responsibility for the Preservation Foundation. As a result, the Preservation Foundation's financial statements have been presented as a discretely presented column in the financial statements. Separately issued financial statements of the Preservation Foundation may be obtained from the Preservation Foundation's office at 1899 W. Winchester Road, Libertyville, IL 60048.

The District is a municipal corporation governed by a 21 member board. The accompanying financial statements present the District and its component unit. The District is considered a discretely presented component unit of Lake County, Illinois, since the County Board is also the Board of Commissioners for the District.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources that are attributable to capital asset acquisition or the related debt are also included.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The fund financial statements, governmental funds report up to five components of fund balance: nonspendable, restricted, committed, assigned and unassigned, which are explained in further detail in Note A-11.

3. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Funds of the District are classified into the following categories: governmental and proprietary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the District not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds).

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting for its budgetary 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes are considered available if they are collected within 60 days of the end of the current fiscal period.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *land development fund* is a special revenue fund which accounts for the costs incurred for maintaining and developing the land owned by the District. Resources are provided by a special tax levy restricted to this purpose, and federal and local grants for improvements and restoration.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *land acquisition fund* is a capital projects fund which accounts for financial resources from the issuance of general obligation bonds to be used for the purchase of land and costs related to negotiation and acquisition of land.

The *development bond projects fund* is a capital projects fund which accounts for financial resources from the issuance of general obligation bonds to be used for the purpose of improvements, renovations and construction of major capital projects.

The District reports the following major proprietary funds:

The *golf courses fund* accounts for the operation of the Countryside, Brae Loch, and ThunderHawk golf courses. All activities necessary to provide the service are accounted for in this fund including, but not limited to, administration, operations, maintenance, and depreciation.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund type:

The *internal service funds* account for the use of motor vehicles, computers, and equipment. The internal service funds consist of the Vehicle Replacement, Information Technology Replacement, and Equipment Replacement funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the golf courses fund, and of the District's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue and deferred inflows of resources 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. Unearned revenue arises when resources are received by the District 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 District has a legal claim to the resources, the liability for unearned revenue and deferred inflows of resources are removed from the financial statements and revenue is recognized.

5. Cash Equivalents

For purposes of the statement of cash flows, the District's proprietary fund types consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Investments

Investments are stated at fair value.

7. Inventories

Inventories held for resale are valued at the lower of cost or market and inventories of supplies are valued at cost. Inventories of governmental funds, if any, are recorded as expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include property, plant, and equipment, collections, and infrastructure assets (e.g. roads, trails, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Other improvements	10 - 25
Vehicles	5 - 12
Machinery and equipment	5 - 20
Furniture and fixtures	10
Roads, trails, and bridges	10

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested pay, in the event of termination in accordance with the District's policy, is accrued when incurred in the government-wide and proprietary fund financial statements.

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as deferred amounts on refundings, if material, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium, discount, and deferred amount on refunding. Bond issuance costs are expensed in the period incurred.

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 received 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.

11. Fund Equity

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during fiscal year 2009. In the fund financial statements, governmental funds report up to five components of fund balance: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the Board of Commissioners by a majority vote of a resolution or ordinance which are considered equally binding and require a majority vote by Board of Commissioners to rescind. Assigned fund balance has limitations imposed by the purchasing ordinance which require board approval for amounts over \$20,000 and president or director approval for amounts under \$20,000. Unassigned fund balance in the General Fund is the net resources in excess of what can properly be classified in one of the above four categories described.

The District considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

One element of that reconciliation explains that "Long-term liabilities, including bonds payable and related interest, are not due and payable in the current period and, therefore, are not reported in the governmental funds." The details of this difference are as follows:

Bonds payable	\$ (291,590,000)
Add: Discount/Premium on bond issues (to be amortized as interest expense)	(4,416,777)
Accrued interest payable	(488,165)
Other unearned revenue	(767,926)
Accrued other postemployment benefits	151,848
Compensated absences	<u>(1,587,239)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u><u>\$ (298,698,259)</u></u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

2. Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	\$ 26,105,781
Depreciation expense	<u>(7,998,455)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 18,107,326</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Issuance of general obligation bonds	\$ (25,010,000)
Premium received on bond issue	(932,697)
Principal repayments on general obligation debt	<u>15,240,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (10,702,697)</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences (net)	\$ (41,980)
Accrued interest	51,171
Accrued other postemployment benefits	113,410
Amortization of deferred charges on refunding and bond accounting loss	(680,477)
Amortization of interest rate swap premium	170,650
Amortization of issuance premium/discount	<u>1,290,760</u>
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u><u>903,534</u></u>

Another element of that reconciliation states that "District pension contributions are reported as expenditures in the government fund when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions is reported in the Statement of Activities. The details of this difference are as follows:

Net pension liability	\$ (11,128,671)
Deferred outflow related to pension expense	6,211,773
Deferred inflows related to pension expense	<u>(186,346)</u>
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u><u>(5,103,244)</u></u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by most funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds. The District's investment policy, which is more restrictive than state statute, allows the District to invest in the following:

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks

Insured accounts of an Illinois credit union chartered under United States or Illinois law.

Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

Funds authorized by the Public Funds Investment Act.

As of June 30, 2016, the District's cash and investments consisted of the following:

	Government - Wide
Cash and investments	\$ <u><u>96,071,654</u></u>

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, money markets, certificates of deposit and public checking account; and 3) other investments, which consist of investments in municipal bonds, the Illinois Metropolitan Investment Funds and government agencies securities as follows:

	Total
Cash on hand	\$ 11,760
Deposits with financial institutions	18,921,027
Investments	77,138,867
	\$ <u><u>96,071,654</u></u>

As of June 30, 2016, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>More than 5 years</u>
Negotiable certificates of deposit	\$ 15,822,327	8,218,688	\$ 7,603,639	
Money market mutual funds	2,415,751	2,414,900	851	
Municipal bonds	28,544,210	14,235,792	14,308,418	-
U.S. treasury securities	5,846,076		5,846,076	
U.S. agency securities	<u>4,812,595</u>	<u>-</u>	<u>4,812,595</u>	<u>-</u>
	57,440,959	<u>\$ 24,869,380</u>	<u>\$ 32,571,579</u>	<u>\$ -</u>
Institutional government money market	<u>19,697,908</u>			
Total investments	<u>\$ <u>77,138,867</u></u>			

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The District has the following as of 6/30/2016:

Investments and Derivative Instruments Measured at Fair Value

	6/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Debt securities				
U.S. treasury securities	\$ 5,846,076	\$ 5,846,076	\$ -	\$ -
U.S. agency securities	4,812,595	-	4,812,595	-
Municipal bonds	28,544,210	-	28,544,210	-
Negotiable certificates of deposit	15,822,327		15,822,327	
Money market mutual fund	2,415,751	2,415,751	-	-
Total debt securities	<u>\$ 57,440,959</u>	<u>\$ 8,261,827</u>	<u>\$ 49,179,132</u>	<u>\$ -</u>
Investment derivative instruments				
Interest rate swap	\$ 2,730,733		\$ 2,730,733	
Total investment derivative instruments	<u>\$ 2,730,733</u>		<u>\$ 2,730,733</u>	

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and participating investment contracts classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique; Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates.

The Illinois Metropolitan Investment Fund (IMET) was developed in July 1996 as a cooperative endeavor to assist Illinois municipalities with the investment of their intermediate-term dollars. IMET was established as a not-for-profit investment fund under the Illinois Municipal Code. IMET maintains the Convenience fund at amortized cost (2a7 like pool) through daily adjustments in interest earnings. The fair value of the District's investments in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are available to participants. All funds deposited in the pool are classified as investments even though some could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provision of the Illinois Public Investment Act, 30ILCS 235.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The objective is to maintain a core portfolio with maturities in the one-to-three year range.

Credit Risk. State law limits investments in commercial paper, corporate bonds and mutual bonds funds to the top two ratings, and municipal bonds with the top four ratings issued by nationally recognized statistical rating organizations. The District's investment policy does not impose further limits on investment choices. As of June 30, 2016, Illinois Metropolitan Investment Convenience Fund was rated AAA by Standard and Poor's. The District's investment in FFCB, FHLB and FNMA were rated Aaa by Moody's and the District's investment in Municipal Bonds were rated AAA (\$4,023,660), AA (\$19,773,522), A (\$4,747,028) by Standard and Poor's and Moody's Investor Services.

Custodial Credit Risk. In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy states that the investments should have a collateralization ratio of 110%. As of June 30, 2016, the District was not exposed to custodial credit risk.

Concentration of Credit Risk. It is the policy of the District to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, or class of securities. Disclosure is required when an investment with a single issuer exceeds 5% of investments. AS of June 30, 2016 the district owned a U.S. Treasury bond that exceeded 5%.

NOTE D - RECEIVABLES - TAXES

The District's property tax is levied each calendar year on all taxable real property located in the District. The District must file its tax levy ordinance by the last Tuesday in December of each year. Taxes levied in one calendar year become due and payable in two installments in June and September during the following calendar year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

Since the 2015 tax levy is levied to finance the operations of the fiscal year beginning July 1, 2015, the levy is considered earned as of June 30, 2016.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

1. Governmental activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land and land rights	\$ 563,448,834	\$ 10,714,555	162,660	\$ 574,000,729
Land improvements	46,977,357	8,210	-	46,985,567
Museum artifacts and collectibles	6,158,587	-	-	6,158,587
Construction in progress	<u>18,741,197</u>	<u>5,886,178</u>	<u>4,341,441</u>	<u>20,285,934</u>
Total capital assets not being depreciated	<u>635,325,975</u>	<u>16,608,943</u>	<u>4,504,101</u>	<u>647,430,817</u>
Capital assets being depreciated				
Buildings and improvements	66,038,730	7,265,494	297,474	73,006,750
Other improvements	12,738,231	205,988	-	12,944,219
Vehicles, machinery, and equipment	11,049,317	797,032	372,709	11,473,640
Furniture and fixtures	632,287	19,945	-	652,232
Roads, trails, bridges and tunnels	<u>49,743,951</u>	<u>6,513,554</u>	<u>-</u>	<u>56,257,505</u>
Total capital assets being depreciated	<u>140,202,516</u>	<u>14,802,013</u>	<u>670,183</u>	<u>154,334,346</u>
Less accumulated depreciation for:				
Buildings and improvements	16,080,375	3,224,533	216,966	19,087,942
Other improvements	5,045,002	668,348	-	5,713,350
Vehicles, machinery, and equipment	7,570,052	856,540	353,324	8,073,268
Furniture and fixtures	477,315	103,860	-	581,175
Roads, trails, and bridges	<u>28,850,842</u>	<u>3,768,162</u>	<u>-</u>	<u>32,619,004</u>
Total accumulated depreciation	<u>58,023,586</u>	<u>8,621,443</u>	<u>570,290</u>	<u>66,074,739</u>
Total capital assets being depreciated, net	<u>82,178,930</u>	<u>6,180,570</u>	<u>99,893</u>	<u>88,259,607</u>
Governmental activities capital assets, net	<u>\$ 717,504,905</u>	<u>\$ 22,789,513</u>	<u>\$ 4,603,994</u>	<u>\$ 735,690,424</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
2. Business-type activities				
Capital assets not being depreciated				
Land and land rights	\$ 6,818,464	\$ -	\$ -	\$ 6,818,464
Land improvements	7,447,373	-	-	7,447,373
Construction in progress	-	-	-	-
	<u>14,265,837</u>	<u>-</u>	<u>-</u>	<u>14,265,837</u>
Capital assets being depreciated				
Buildings and improvements	6,987,247	-	-	6,987,247
Vehicles, machinery, and equipment	3,363,288	108,167	205,739	3,265,716
Furniture and fixtures	44,987	-	-	44,987
Roads, trails, and bridges	1,566,152	-	-	1,566,152
Total capital assets being depreciated	<u>11,961,674</u>	<u>108,167</u>	<u>205,739</u>	<u>11,864,102</u>
Less accumulated depreciation for:				
Buildings and improvements	5,095,417	272,486	-	5,367,903
Vehicles, machinery, and equipment	2,423,664	149,045	205,739	2,366,970
Furniture and fixtures	44,987	-	-	44,987
Roads, trails, and bridges	431,598	105,819	-	537,417
Total accumulated depreciation	<u>7,995,666</u>	<u>527,350</u>	<u>205,739</u>	<u>8,317,277</u>
Total capital assets being depreciated, net	<u>3,966,008</u>	<u>(419,183)</u>	<u>-</u>	<u>3,546,825</u>
Business-type activities capital assets, net	<u>\$ 18,231,845</u>	<u>\$ (419,183)</u>	<u>\$ -</u>	<u>\$ 17,812,662</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - CAPITAL ASSETS (Continued)

3. Depreciation Expense

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities	
General government	\$ 5,833,940
Education	770,872
Public safety	27,613
Recreation	649,395
Maintenance and development	716,635
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>622,988</u>
Total depreciation expense - governmental activities	\$ <u>8,621,443</u>
Business-type activities	
Golf courses	\$ <u>527,349</u>
Total depreciation expense - business-type activities	\$ <u>527,349</u>

4. Construction Commitments

The District had certain contracts in its funds for the construction of various projects which were in process at June 30, 2016. The remaining commitments under these contracts approximate:

<u>Function</u>	
General government	\$ 1,606,068
Recreation	255,412
Natural resources	1,072,689
Education	<u>12,150</u>
	\$ <u>2,946,319</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE F - INTERFUND BALANCES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no interfund balances at June 30, 2016.

The following transfers were made during fiscal year 2016:

<u>To Fund:</u>	<u>From Fund:</u>	<u>Amount</u>
Nonmajor Governmental Funds (Capital Facilities Improvement)	General Fund	\$ 200,000
<i>Reason: Transfer of funds towards future infrastructure improvements</i>		
Development Levy Fund	Nonmajor Governmental Funds (Farm Management)	75,508
<i>Reason: Transfer program fees to cover study costs</i>		
Total transfers to governmental funds		<u>\$ 275,508</u>
Total transfers from governmental funds		<u>\$ 275,508</u>
Total transfers from enterprise funds		\$ -

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - LEASES AND CONTRACTS

The golf courses and Independence Grove lease their golf carts under an operating lease. Rent expense was \$239,992 for the year ended June 30, 2016. Future minimum lease payments are:

<u>Fiscal Year</u>	<u>Amount</u>
2017	<u>239,992</u>
	\$ <u><u>239,992</u></u>

The District has numerous agreements for the leasing of District land for farming. Rental income for the year ended June 30, 2016 was \$423,680. Scheduled future minimum rental income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 463,365
2018	336,885
2019	336,885
2020	<u>161,948</u>
	\$ <u><u>1,299,083</u></u>

The District assumed a cellular tower lease agreement on April 16, 2014, with the purchase of the Larsen-Schwanbeck property. The lease agreement has nine years remaining and ends in 2022. Rental income for the year ended June 30, 2016 was \$12,075. Scheduled future minimum lease income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 12,075
2018	12,075
2019	12,075
2020	12,075
2021-2030	<u>120,750</u>
	\$ <u><u>169,050</u></u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - LEASES AND CONTRACTS - (Continued)

The District assumed a body shop lease agreement on March 23, 2011, with the purchase of the Grossich property. The lease agreement ends in fiscal year 2019. Rental income for the year ended June 30, 2016 was \$152,390. Scheduled future minimum lease income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 152,390
2018	152,390
2019	152,390
	<u>\$ 457,170</u>

The District lease their copiers under an operating lease. Rent expense was \$22,348 for the year ended June 30, 2016. Future minimum lease payments are:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 27,380
2018	19,114
2019	17,360
2020	17,260
2021	16,760
	<u>\$ 97,874</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT

1. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 281,820,000	\$ 25,010,000	\$ 15,240,000	\$ 291,590,000	\$ 14,580,000
Add deferred amounts:					
For issuance premium	4,848,833	932,696	1,295,090	4,486,439	990,892
For issuance discount	<u>(73,992)</u>	<u>-</u>	<u>(4,330)</u>	<u>(69,662)</u>	<u>(4,330)</u>
Total bonds payable	286,594,841	25,942,696	16,530,760	296,006,777	15,566,562
OPEB obligations	(38,438)	-	113,410	(151,848)	-
Compensated absences	<u>1,545,259</u>	<u>50,179</u>	<u>8,199</u>	<u>1,587,239</u>	<u>57,530</u>
Governmental activity long-term liabilities	<u>\$ 288,101,662</u>	<u>\$ 25,992,875</u>	<u>\$ 16,652,369</u>	<u>\$ 297,442,168</u>	<u>\$ 15,624,092</u>

Compensated absences and OPEB obligations included in the governmental activities are liquidated by the General, Development Levy, and Land Acquisition Funds.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Compensated absences	\$ 152,943	\$ 249	\$ 11,507	\$ 141,685	\$ 6,930
Business-type activity long-term liabilities	<u>\$ 152,943</u>	<u>\$ 249</u>	<u>\$ 11,507</u>	<u>\$ 141,685</u>	<u>\$ 6,930</u>

Compensated absences included in the business-type activities are liquidated by the Golf Course Fund.

The Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

2. General Obligation Bonds

Debt outstanding as of June 30, 2016 consisted of the following:

	Interest	Final Maturity	Amounts	
	Rate (%)	Date	Issued	Outstanding
General obligation bonds:				
Series 2006A	5.00	2025	\$45,000,000	\$2,475,000
Series 2007A	4.52	2021	52,555,000	30,835,000
Series 2008A	3.25 - 5.00	2027	35,000,000	28,370,000
Series 2008B	3.25 - 5.00	2028	27,605,000	21,680,000
Series 2008C	3.25 - 5.00	2028	9,500,000	6,975,000
Series 2009A	3.75 - 4.75	2028	35,000,000	23,780,000
Series 2010A	4.71 - 6.00	2034	35,000,000	31,025,000
Series 2010B	4.20 - 5.51	2034	40,000,000	37,500,000
Series 2011	3.00 - 4.00	2035	24,995,000	24,545,000
Series 2013	2.00 - 3.00	2035	24,995,000	20,370,000
Series 2013B	5.00	2034	18,855,000	11,855,000
Series 2014A	2.00 - 3.00	2026	28,920,000	27,170,000
Series 2015	3.00 - 3.75	2033	25,010,000	25,010,000
				<u>\$291,590,000</u>

On December 1, 2015, the District issued \$25,010,000 in General Obligation Land Acquisition and Development Bonds, Series 2015, with interest rates ranging from 3.00% to 3.75%. The net proceeds of \$25,730,560 (including a reoffering premium of \$932,697 and payment of \$212,137 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education and historical facilities; and to pay all related costs incidental to the issuance of bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2016. This represents the sixth and final issue authorized by the November 4, 2008, \$185 million bond referendum. As of June 30, 2016 \$22,211,314 remains unspent.

On July 2, 2014 the District issued \$28,920,000 in General Obligation Refunding Bonds, Series 2014A, to advance a refund portion, \$27,580,000, of the outstanding Series 2006A General Obligation Bonds, with interest rates ranging from 2.00% to 3.00%. The net proceeds of \$30,126,954 (including a reoffering premium of \$1,378,964 and payment of \$172,010 in underwriting fees and other issuances costs). The bonds were deposited in an irrevocable trust with an escrow agent to provide for certain future debt payments on the refunded outstanding General Obligation Bonds, Series 2006A, in the amount of \$30,120,599 from the bondholders. As a result, a portion of the liability for these bonds have been removed from the District's financial statements. The refunding resulted in an economic gain of approximately \$555,636 and did not increase the life of the bonds and decreasing future debt service requirements by approximately \$3,175,995.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

2. General Obligation Bonds (Continued)

On September 30, 2013, the District issued \$18,855,000 in General Obligation Refunding Bonds, Series 2013B, with an interest rate of 5.00%. The net proceeds of \$20,941,344 (including a reoffering premium of \$2,231,443 and payment of \$145,099 in underwriting fees and other issuance costs) along with \$229,475 of prior issued debt service funds from the District were used to purchase Serial Bonds. The bonds were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on refunded outstanding General Obligation Bonds, Series 2005A, in the amount of \$20,745,000 from the bondholders. As a result, the liability for these bonds have been removed from the District's financial statements. The refunding resulted in an economic gain of approximately \$176,013 and did not increase the life of the bonds and decreasing future debt service requirements by approximately \$1,547,710. The defeased 2005A bonds were subsequently called on December 15, 2013.

On February 26, 2013, the District issued \$24,995,000 in General Obligation Land Acquisition and Development Bonds, Series 2013, with interest rates ranging from 2.00% to 3.00%. The net proceeds of \$24,992,136 (including a reoffering premium of \$517,953 and payment of \$520,817 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education and historical facilities; and to pay all related costs incidental to the issuance of bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2013. This represents the fifth issue authorized by the November 4, 2008, \$185 million bond referendum.

On November 30, 2011, the District issued \$24,995,000 in General Obligation Land Acquisition and Development Bonds, Series 2011, with interest rates ranging from 3.00% to 4.00%. The net proceeds of \$24,717,923 (including a reoffering premium of \$253,018 and payment of \$530,095 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education and historical facilities; and to pay all related costs incidental to the issuance of bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2012. This represents the fourth issue authorized by the November 4, 2008, \$185 million bond referendum.

On July 29, 2010, the District issued \$40,000,000 in General Obligation Land Acquisition Bonds, Series 2010B, with interest rates ranging from 4.20% to 5.51%. The net proceeds of \$39,496,200 (including a reoffering discount of \$61,063 and payment of \$442,737 in underwriting fees and other issuance costs) will be used for land preservation and acquisition. Issued as Build America Bonds, 35% of the interest cost is rebated to the District by the U.S. Treasury. The total rebate over 25 years will be \$12,219,460. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2011. This represents the third issue authorized by the November 4, 2008, \$185 million bond referendum.

On February 1, 2010, the District issued \$35,000,000 in General Obligation Land Acquisition and Development Bonds, Series 2010A, with interest rates ranging from 4.71% to 6.00%. The net proceeds of \$34,097,618 (including a reoffering premium of \$50,045 and payment of \$248,976 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education and historical facilities; and to pay all related costs incidental to the issuance of bonds. Issued as Build America Bonds, 35% of the interest cost is rebated to the District by the U.S. Treasury. The total rebate over 25 years will be \$11,651,367. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2010. This represents the second issue authorized by the November 4, 2008, \$185 million bond referendum.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

2. General Obligation Bonds (Continued)

On February 26, 2009, the District issued \$35,000,000 in General Obligation Land Acquisition Bonds, Series 2009A, with interest rates ranging from 3.75% to 4.75%. The net proceeds of \$34,783,647 (including a reoffering premium of \$32,577 and payment of \$248,930 in underwriting fees and other issuance costs) will be used for land preservation and acquisition. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2009. This represents the first issue authorized by the November 4, 2008, \$185 million bond referendum.

On December 16, 2008, the District issued \$9,500,000 in General Obligation Debt Certificates, Series 2008C, with interest rates ranging from 3.25% to 5.00%. The net proceeds of \$9,388,266 (including a discount of \$1,763 and payment of \$109,971 in underwriting fees and other issuance costs) will be used towards the construction of a new Operations and Public Safety building. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2009.

On December 16, 2008, the District issued \$27,605,000 in General Obligation Land Acquisition and Development Bonds, Series 2008B, with interest rates ranging from 3.25% to 5.00%. The net proceeds of \$27,314,966 (including a discount of \$32,329 and payment of \$257,705 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education, and historical facilities; and to pay all related costs incidental to the issuance of the bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2009.

On May 1, 2008, the District issued \$35,000,000 in General Obligation Land Acquisition Bonds, Series 2008A, with interest rates ranging from 3.25% to 5.00%. The net proceeds of \$35,273,963 (including a reoffering premium of \$614,031 and payment of \$340,068 in underwriting fees and other issuance costs) will be used to acquire forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; and to pay all related costs incidental to the issuance of the bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2008.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

2. General Obligation Bonds (Continued)

On May 1, 2007, the District issued \$52,555,000 in General Obligation Refunding Bonds, Series 2007A, to advance refund a portion, \$48,825,000, of the outstanding Series 2000 General Obligation Bonds. The bonds bear interest at variable rates equal to a fixed spread (35%, 45%, or 48%) above 67% of the three-month LIBOR rate. The net of \$51,931,670 (after payments totaling \$623,330 in underwriting fees and other issuance costs) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion of the Series 2000 bonds that were refunded. As a result, a portion of the 2000 series are considered to be defeased and the liability has been removed from long-term debt. Concurrently with the issuance of the bonds, the District entered into a swap agreement to swap the variable rate interest payment for fixed payments at the rate of 4.52%. The savings from the swap was taken as a lump-sum payment in the amount of \$2,210,525 (after \$116,591 was used to purchase additional U.S. government securities deposited into escrow and a refund of \$9,116 of issuance costs from the variable rate bond issue was received). All exposure to variable interest rate risk was eliminated.

On May 15, 2006, the District issued \$45,000,000 in General Obligation Land Acquisition and Development Bonds, Series 2006A, with an interest rate of 5.00%. The net proceeds of \$47,106,171 (including a reoffering premium of \$2,399,847 and payment of \$293,676 in underwriting fees, insurance, and other issuance costs) are to be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education, and historic facilities, to pay all related costs incidental to the issuance of the bonds, and \$5,756,250 is reserved to pay capitalized interest. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on December 15, 2006. Principal payments are due each December 15, commencing on December 15, 2009.

The annual requirements to amortize general obligation debt outstanding as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2017	\$ 14,580,000	\$ 12,211,940
2018	15,245,000	11,550,983
2019	15,920,000	10,882,361
2020	15,640,000	10,234,557
2021	16,240,000	9,608,822
2022-2026	89,950,000	38,169,211
2027-2031	83,015,000	18,025,494
2032-2036	41,000,000	3,966,328
	<u>\$ 291,590,000</u>	<u>\$ 114,649,696</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of June 30, 2016, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2016 financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2016		Notional
	Classification	Amount	Classification	Amount	
Cash Flow Hedges:					
Pay fixed interest	Deferred				
rate swaps	outflow	\$ 662,326	Liability	\$ (2,730,732)	\$ 30,835,000

As a means of lowering its borrowing costs, the District had entered into three separate variable-to-fixed interest rate exchange agreements (swaps) in connection with its Series 2007A variable rate bond issue. Per the terms of the swaps, the District pays a fixed rate of interest to the swap provider in exchange for a variable rate of interest expected to match or closely approximate the variable rate of interest owed by the District to bondholders. At the time the swaps were entered into by the District, the District's fixed rate obligation in the swap was less than the fixed rate of interest obtainable by the District from issuing fixed rate bonds.

The swaps became effective May 1, 2007, and are associated with the 2007A Series bonds. One of the swaps terminated on December 15, 2013.

Details of the derivative instruments still outstanding are as follows:

Bond Series	Current Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Standard & Poor's / Moody's	Fair Value as of 6/30/2016
					Counterparty Credit Ratings	
2007A	5,625,000	5/1/2007	12/15/2016	4.5200%	A+/AA-/Aa3	\$ (101,122)
2007A	25,210,000	5/1/2007	12/15/2020	4.5200%	A+/AA-/Aa3	(2,629,610)
Totals	<u>\$ 30,835,000</u>					<u>\$ (2,730,732)</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments (Continued)

The notional amounts of the swaps match the outstanding principal amounts of the associated bonds. The District's swaps contain scheduled reductions to notional amounts that match the scheduled reductions in the associated "bonds payable" category. For the 2007A bonds, the District pays the counterparties a fixed rate of 4.5200% and receives a variable payment as follows:

Bond Series	Current Notional Amount	Pay Fixed	Receive Variable
2007A	\$ 5,625,000	4.5200%	67% of 3 Mo USD LIBOR + 0.45%
2007A	25,210,000	4.5200%	67% of 3 Mo USD LIBOR + 0.48%
Totals	<u>\$ 30,835,000</u>		

Interest rate swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market values of the swaps were calculated by a financial advisor of the District using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions, and based on accepted industry standards and methodologies. The valuations provided as of June 30, 2016 are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

RISKS

Credit Risk

Counterparty credit risk is the risk that a swap is terminated and the counterparty fails to make a required termination payment. The termination payment is a market-based payment approximating the value of the swap at the time of termination. The District was not exposed to counterparty credit risk as of June 30, 2016 because the negative market values of each swap would render no payments owing by the counterparties in the event of a termination. If changes in interest rates were to create positive market values for the swaps in the future, the District would be exposed to counterparty credit risk in the amount of those positive market values. The swaps require full collateralization from the counterparty of any positive market value of the swaps in the event the counterparty's credit rating falls below a Standard & Poor's rating of A- or a Moody's Investor Services' rating of A3. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury or debt issued by federally sponsored agencies. The two swaps outstanding as of June 30, 2016 are with one counterparty.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments (Continued)

Basis Risk

Basis risk is the extent to which the District's variable rate interest payments to bondholders differs from the variable rate payments received from the swap counterparties. The District's variable rate interest payments to bondholders are paid quarterly based on 67% of the three month LIBOR rate, plus .45% for the principal portion maturing on December 15, 2016 and plus .48% for the principal portion maturing on December 15, 2020. The variable rate interest payments received from the swap counterparties are equal to the variable rate interest payments owed to bondholders, which renders this swap to be currently without basis risk.

Termination Risk

The District's swap agreements do not contain any out-of-the-ordinary termination provisions that would expose it to significant termination risk. Consistent with agreements of this type, the District and the counterparty each have the ability to terminate a swap agreement if the other party fails to perform under the terms of the agreement. The agreements allow either party to terminate in the event of a significant loss of creditworthiness by the other party. If a swap were to be terminated, the associated variable rate bonds would no longer be hedged and the District would be subject to variable rate risk, unless it entered into a new hedge following termination. In addition, if the swap were to have a negative market value at the time of termination, the District would be liable to the counterparty for a payment approximately equal to the market value of the swap.

Interest Rate Risk

Low interest rates contributed to the negative market valuations (fair values) included in the preceding chart for the District's swaps. At the time of the swaps, the synthetic fixed rates achieved by the swaps were less than the fixed rates that could have been achieved by issuing fixed rate bonds. The swaps' fair market values were estimated by a financial advisor of the District.

Rollover Risk

There is no rollover risk, given that the swap agreements have final maturities and amortizations that approximately match the final maturities and amortizations of the related bonds.

DERIVATIVE INSTRUMENT PAYMENTS AND HEDGED DEBT

As of June 30, 2016, total projected debt service requirements of the District's hedged debt and net receipts/payments on associated hedging derivative instruments are presented below. The projected amounts assume that the interest rates on variable-rate debt and reference rates on associated hedging derivative instruments as of June 30, 2016 will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the associated hedging derivative instruments will vary. The hedging derivative instruments column reflects only the net receipts/payments on derivative instruments that qualify for hedge accounting. All of the District's derivative instruments as of June 30, 2016 qualified for hedge accounting.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments (Continued)

Fiscal Year Ending June 30,	Hedged Debt Principal	Interest Paid to Bondholders	Hedging Derivative Instruments - Net (Receipts)/Payments	Total
2017	\$ 5,625,000	\$ 281,124	\$ 985,493	\$ 6,891,617
2018	5,875,000	231,220	775,497	6,881,717
2019	6,165,000	177,336	557,277	6,899,613
2020	6,445,000	120,792	328,835	6,894,627
2021	6,725,000	61,680	90,305	6,876,985
	<u>\$30,835,000</u>	<u>\$872,152</u>	<u>\$2,737,407</u>	<u>\$34,444,559</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE I - FUND BALANCE CLASSIFICATIONS

The District reported the following fund balance restrictions, commitments and assignments at June 30, 2016:

Restricted for:		Fund :
Audit and insurance costs	\$ 2,545,482	General Fund
Land acquisition and development	36,339,941	Land Development, Land Acquisition and Development Bond Projects
Debt service	16,275,484	Debt Service Fund
Grants and donations	672,114	Nonmajor governmental funds (Grants and Donations Fund)
FICA and IMRF costs	1,377,411	Nonmajor governmental funds (Retirement Fund)
Total restricted	\$ <u>57,210,432</u>	
Committed for:		Fund :
Special projects	\$ 356,050	Nonmajor governmental funds (Tree Replacement)
Special projects	3,835,684	Nonmajor governmental funds (Easements & Special Projects)
Land management and preparation	1,158,942	Nonmajor governmental funds (Land Preparation & Farmland Management)
Grants and donations	503,992	Nonmajor governmental funds (Grants and Donations Fund)
Building improvements	<u>2,171,575</u>	Nonmajor governmental funds (Capital Facilities Improvement)
Total committed	\$ <u>8,026,243</u>	
Assigned for:		Fund :
Consulting	10,533	General Fund
Wetlands	474,178	General Fund
Museum Relocation	17,015	General Fund
Trails	103,852	General Fund
Building improvements	159,499	General Fund
Fort Sheridan Cemetery (operating costs)	353,019	General Fund
Total assigned	\$ <u>1,118,096</u>	

Additionally, the Preservation Foundation had \$1,571,339 in temporary restricted assets.

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE J - RISK MANAGEMENT

The Lake County Forest Preserve District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since 1985, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park and forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with terms of an intergovernmental cooperative agreement among its members. Property, general liability, automobile liability, crime, boiler and machinery, public officials' liability, employment practices liability, and workers' compensation and pollution liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

For the period from January 1, 2016 to January 1, 2017, liability losses exceeding the per occurrence self-insured and reinsurance limits would be the responsibility of the Lake County Forest Preserve District. Actual losses have not exceeded the coverage over the past three years.

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA; to report claims on a timely basis, cooperate with PDRMA, its claims administrator, and attorneys in claims investigation and settlement; and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's balance sheet at December 31, 2015, and the statement of revenues and expenses for the period ended December 31, 2015. The District's portion of the overall equity of the pool is 4.06%, or \$1,652,714.

Assets	\$	63,181,823
Liabilities		22,780,747
Member balances		40,401,076
Revenues		18,585,098
Expenditures		19,500,046

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE J - RISK MANAGEMENT (Continued)

Since 95.9% of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

A complete financial statement for the agency can be obtained from the PDRMA's administrative offices at P.O. Box 4320, Wheaton, Illinois 60189-4320.

NOTE K - CONTINGENT LIABILITIES AND COMMITMENTS

1. **Litigation**

There are several pending lawsuits in which the District is involved. Management estimates that the potential claims against the District if not covered by insurance resulting from such litigation would not materially affect the financial statements of the District.

2. **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

3. **Encumbrances**

The District had the following encumbrances outstanding as of June 30, 2016:

General Fund	\$ 290,899
Land Development Fund	2,124,909
Development Bond Projects Fund	2,201,710
Nonmajor Governmental Funds	1,436,757
Internal Service Funds	105,406

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTE L - DEFINED BENEFIT PENSION PLANS

1. Plan Description

The District's defined benefit pension plan for Regular and Sheriff's Law Enforcement Personnel (SLEP) employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

2. Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in the amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- * 3% of the original pension amount, or
- * 1/2 of the increase in the Consumer Price Index of the original pension

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

3. Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	IMRF	SLEP
Retirees and Beneficiaries currently receiving benefits	158	8
Inactive Plan Members entitled to but not yet receiving	271	4
Active Plan Members	196	19
Total	625	31

4. Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% for IMRF and 7.5% for SLEP of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 11.81% for IMRF and 17.71% for SLEP. The District's annual contribution rate for calendar year 2016 was 12.40% for IMRF and 15.70% for SLEP. For the fiscal year ended 2016, the District contributed \$1,393,916 for IMRF and \$245,547 for SLEP to the plan. The District 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

5. Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with the District's contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

6. Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability at December 31, 2015 for both plans (IMFR and SLEP):

- * The **Actuarial Cost Method** used was Entry Age Normal.
- * The **Asset Valuation Method** used was Market Value of Assets.
- * The **Inflation Rate** was assumed to be 2.75%
- * **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- * The **Investment Rate of Return** was assumed to be 7.47%.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

* **Projected Retirement Age** was from the Experience-base Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

* The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match the current IMRF experience.

* For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generated projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

* For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

* The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

7. Single Discount Rate

A Single Discount Rate of 7.47% for IMRF and 7.49% for SLEP was used to measure the total pension liability. The projections of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average of AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). The years ending December 31, 2081 and 2089 are for the Regular Plan and SLEP Plan, respectively, the last years in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%

8. Changes in Net Pension Liability

<u>IMRF</u>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at July 1, 2015	\$ 61,934,324	\$ 55,988,314	\$ 5,946,010
Changes for the year:			
Service Cost	1,239,731	-	1,239,731
Interest on the Total Pension Liability	4,606,110	-	4,606,110
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	908,311	-	908,311
Changes of Assumptions	172,527	-	172,527
Contributions - Employer	-	1,425,772	(1,425,772)
Contributions - Employees	-	571,942	(571,942)
Net Investment Income	-	279,649	(279,649)
Benefit Payments, including Refunds of Employee Contributions	(2,114,789)	(2,114,789)	-
Other (Net Transfer)	-	(582,838)	582,838
Net Changes	4,811,890	(420,264)	5,232,154
Balances at June 30, 2016	<u>\$ 66,746,214</u>	<u>\$ 55,568,050</u>	<u>\$ 11,178,164</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

8. Changes in Net Pension Liability (Continued)

<u>SLEP</u>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at July 1, 2015	<u>\$ 6,725,047</u>	<u>\$ 6,367,291</u>	<u>\$ 357,756</u>
Changes for the year:			
Service Cost	279,680	-	279,680
Interest on the Total Pension Liability	509,679	-	509,679
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	96,246	-	96,246
Changes of Assumptions	10,181	-	10,181
Contributions - Employer	-	269,725	(269,725)
Contributions - Employees	-	127,394	(127,394)
Net Investment Income	-	32,483	(32,483)
Benefit Payments, including Refunds of Employee Contributions	(138,327)	(138,327)	-
Other (Net Transfer)	-	(158,995)	158,995
Net Changes	<u>757,459</u>	<u>132,281</u>	<u>625,179</u>
Balances at June 30, 2016	<u><u>\$ 7,482,506</u></u>	<u><u>\$ 6,499,572</u></u>	<u><u>\$ 982,935</u></u>

9. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47% for IMRF and 7.49% for SLEP, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

<u>IMRF</u>	1% Lower 6.47%	Current Single Discount Rate Assumption 7.47%	1% Higher 8.47%
Net Pension Liability	<u>\$ 76,141,458</u>	<u>\$ 66,746,214</u>	<u>\$ 59,056,314</u>
Plan Fiduciary Net Pension	<u>55,568,050</u>	<u>55,568,050</u>	<u>55,568,050</u>
Net Pension Liability/(Asset)	<u>\$ 20,573,408</u>	<u>\$ 11,178,164</u>	<u>\$ 3,488,264</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

9. Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

<u>SLEP</u>	Current Single Discount Rate Assumption		
	1% Lower 6.49%	7.49%	1% Higher 8.49%
Net Pension Liability	\$ 8,591,358	\$ 7,482,506	\$ 6,585,265
Plan Fiduciary Net Pension	6,499,572	6,499,572	6,499,572
Net Pension Liability/(Asset)	\$ 2,091,786	\$ 982,934	\$ 85,693

10. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016 the District recognized pension expense of \$2,391,722. At June 30, 2016 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>IMRF</u>	Deferred Outflows of Resources	Deferred Inflow of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 964,062	\$ -
Changes of assumptions	969,041	-
Net difference between projected and actual earnings on pension plan investments.	3,557,868	-
Total deferred amounts to be recognized in pension expense in future periods	5,490,971	-
Pension Contributions made subsequent to the measurement date	644,096	
Total Deferred Amounts Related to Pensions	<u>\$ 6,135,067</u>	<u>\$ -</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

10. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

<u>SLEP</u>	Deferred Outflows of Resources	Deferred Inflow of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 82,776	\$ 186,346
Changes of Assumptions	61,313	-
Net difference between projected and pension plan investments.	408,723	-
Total Deferred Amounts to be recognized in pension expense in future periods	552,812	186,346
Pension Contributions made subsequent to the measurement date	104,640	-
Total Deferred Amounts Related to Pensions	<u>\$ 657,452</u>	<u>\$ 186,346</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>IMRF</u>	Net Deferred Outflows of Resources
Year Ending June 30,	
2017	1,927,723
2018	1,687,180
2019	1,097,424
2020	778,644
Thereafter	-
Total	<u>\$ 5,490,971</u>

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

10. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

<u>SLEP</u>	Net Deferred Outflows of Resources
Year Ending June 30,	
2017	95,639
2018	95,639
2019	95,637
2020	79,080
2021	(10,682)
Thereafter	11,153
Total	<u>\$ 366,466</u>

11. Changes of assumption or other inputs that affected measurement of the total pension liability since the prior measurement date

	<u>2016</u>	<u>2015</u>
Investment rate of return - IMRF	7.47%	7.49%
Investment rate of return - SLEP	7.49%	7.50%
Adjustment factor for market value - IMRF	0.000163582	0.00739151
Adjustment factor for market value - SLEP	0.000163582	0.00739151

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. Plan Description

The District's Health Insurance Plan (the Plan) is a single-employer defined benefit health care plan administered by the District. The Plan provides limited health care coverage at 100% of the active premium rate. The state of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. Therefore, an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits.

2. Funding Policy

The contribution requirements for retired plan members and the District are established and may be amended by the Finance and Administration Committee. The required contribution is based on projected pay-as-you-go funding requirements. For fiscal year 2016, the District's contribution, which was 100% implicit, was \$155,514.

LAKE COUNTY FOREST PRESERVE DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

3. Annual OPEB Cost and Net OPEB Asset

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, 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 the normal cost each year and to amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for this year, the amount actually contributed to the plan, and changes in the District's net OPEB asset to the District's Health Insurance Plan.

	<u>June 30, 2016</u>
Annual required contribution (ARC)	\$ 42,361
Interest on net OPEB asset	(1,538)
Adjustment to annual required contribution	<u>1,281</u>
Annual OPEB cost	42,104
Contribution made	<u>(155,514)</u>
Increase in net OPEB asset	(113,410)
Net OPEB asset at beginning of year	<u>(38,438)</u>
Net OPEB asset at end of year	<u><u>\$ (151,848)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Asset
6/30/2016	\$ 42,104	369.00%	\$ (151,848)
6/30/2015	43,020	419.00%	(38,438)
6/30/2014	47,910	145.60%	98,794

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

4. Funding Policy and Actuarial Assumptions

Contribution Rates:		Actuarial Assumptions:	
Forest Preserve	N/A	Investment rate of return	4.00%
Plan Members	0	Projected salary increases	4.00%
Actuarial valuation date	6/30/2014	Healthcare inflation rate	6.0% initial
Actuarial cost method	Entry Age		5.0% ultimate
	Level % of pay	Mortality, turnover, disability	Same rates as
Amortization period	Open	and retirement ages	IMRF
Remaining amortization period	30 years	Employer provided benefits	
Asset valuation method	Market	Explicit:	None
		Implicit:	50% of premium to age 65

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 the plan members to that point. Benefits are 100% implicit. 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.

5. Funding Status and Funding Process

As of June 30, 2016, the most recent actuarial valuation date, the OPEB plan was 100% unfunded. The actuarial accrued liability for benefits was \$1,130,730 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,130,730. The covered payroll was \$12,685,421 and the ratio of the UAAL to the covered payroll was 8.91%.

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 healthcare cost trends. 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.

See schedule of funding progress on page 76.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE N - NEW ACCOUNTING PRONOUNCEMENTS

The following is a description of GASB authoritative pronouncements which have been issued but not yet adopted by the District.

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 Amending to Certain Provisions of GASB Statements Nos. 67 and 68*, will be effective for the District beginning with its year ending June 30, 2016, 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 District beginning with its year ending June 30, 2017. This Statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specific criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. This Statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the District beginning with its year ending June 30, 2018. This Statement outlines accounting and financial reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the District beginning with its year ending June 30, 2017. This Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE N - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*, will be effective for the District beginning with its year ending June 30, 2017. The objective of this Statement is to address issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Management of the District is still in the process of determining what effect, if any, the above Statements will have on the basic financial statements and related disclosures.

NOTE O - SUBSEQUENT EVENTS

On August 3, 2016, the District issued \$43,915,000 Series 2016A General Obligation Limited Tax Refunding Bonds, which were authorized on June 14, 2016 to advance refund the Series 2008A and 2008B Bonds resulting in a net present value savings of \$6,489,371. The net proceeds of \$46,812,430 (including a reoffering premium of \$3,556,116 and payment of \$675,711 in underwriting fees and issuance costs) from the District were placed in an irrevocable trust with an escrow agent and will be used to call the remaining 2008A and 2008B bond principals of \$24,425,000 and \$18,845,000, respectively, on December 15, 2019.

On August 3, 2016, the District issued \$24,200,000 Series 2016B General Obligation Refunding Bonds, which were authorized on June 14, 2016 to advance refund the Series 2009A Bonds resulting in a net present value savings of \$2,905,092. The net proceeds of \$25,523,041 (including a reoffering premium of \$1,750,446 and payment of \$426,571 in underwriting fees and issuance costs) from the District were placed in an irrevocable trust with an escrow agent and will be used to call the remaining 2009A bond principal of \$23,780,000 on December 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

Schedule of Pension Contributions
Illinois Municipal Retirement Fund/Sheriff's Law Enforcement Plan
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

IMRF Plan					
Fiscal Year Ending June 30,	Actuarial Determined Contribution	Actual Contribution	Unfunded Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2006	\$ 980,194	\$ 980,194		\$ 10,269,538	9.54%
2007	\$ 1,140,946	\$ 1,140,946		\$ 10,986,888	10.38%
2008	\$ 1,114,070	\$ 1,114,070		\$ 11,883,631	9.37%
2009	\$ 1,183,610	\$ 1,183,610		\$ 12,477,639	9.49%
2010	\$ 1,226,552	\$ 1,226,552		\$ 12,300,089	9.97%
2011	\$ 1,389,675	\$ 1,389,675		\$ 11,741,436	11.84%
2012	\$ 1,384,274	\$ 1,384,274		\$ 11,731,773	11.80%
2013	\$ 1,466,946	\$ 1,466,946		\$ 11,725,454	12.51%
2014	\$ 1,342,098	\$ 1,348,256	\$ (6,158)	\$ 11,660,280	11.56%
2015	\$ 1,413,407	\$ 1,425,772	\$ (12,365)	\$ 11,967,886	11.91%

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contributions Rate**

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Health Mortality Table, adjusted for mortality improvements to 2002 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

*Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

Schedule of Pension Contributions
Illinois Municipal Retirement Fund/Sheriff's Law Enforcement Plan
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

Sheriff's Law Enforcement Personnel Plan

Fiscal Year Ending June 30,	Actuarial Determined Contribution	Actual Contribution	Unfunded Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2006	\$ 140,413	\$ 140,413	\$ -	\$ 925,302	15.17%
2007	\$ 196,072	\$ 196,072	\$ -	\$ 1,098,427	17.85%
2008	\$ 213,205	\$ 213,205	\$ -	\$ 1,197,489	17.80%
2009	\$ 219,620	\$ 219,620	\$ -	\$ 1,276,223	17.21%
2010	\$ 223,977	\$ 223,977	\$ -	\$ 1,336,635	16.76%
2011	\$ 254,674	\$ 254,674	\$ -	\$ 1,322,593	19.26%
2012	\$ 244,967	\$ 244,967	\$ -	\$ 1,328,962	18.43%
2013	\$ 305,717	\$ 305,717	\$ -	\$ 1,429,152	21.39%
2014	\$ 243,924	\$ 243,924	\$ -	\$ 1,349,139	18.08%
2015	\$ 269,724	\$ 269,725	\$ (1)	\$ 1,523,005	17.71%

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contributions Rate**

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Health Mortality Table, adjusted for mortality improvements to 2002 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

*Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund/Sheriff's Law Enforcement Plan
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

<u>IMRF Plan</u>		
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total Pension Liability		
Service Cost	\$ 1,239,731	\$ 1,325,778
Interest on the Total Pension Liability	4,606,110	4,157,410
Benefit Changes	-	-
Difference between Expected and Actual	908,311	685,889
Assumption Changes	172,527	1,865,732
Benefit Payments and Refunds	(2,114,789)	(1,739,464)
Net Changes in Total Pension Liability	4,811,890	6,295,345
Total Pension Liability-beginning	61,934,324	55,638,979
Total Pension Liability-ending (a)	<u>\$ 66,746,214</u>	<u>\$ 61,934,324</u>
Plan Fiduciary Net Pension		
Employer Contributions	\$ 1,425,772	\$ 1,348,256
Employee Contributions	571,942	524,758
Pension Plan Net Investment Income	279,649	3,212,918
Benefit Payments and Refunds	(2,114,789)	(1,739,464)
Other	(582,838)	37,835
Net Change in Plan Fiduciary Net Pension	(420,264)	3,384,303
Plan Fiduciary Net Pension-beginning	55,988,314	52,604,011
Plan Fiduciary Net Pension-ending (b)	<u>\$ 55,568,050</u>	<u>\$ 55,988,314</u>
Net Pension Liability (Asset)-ending (a)-(b)	11,178,164	5,946,010
Plan Fiduciary Net Pension as a Percentage of		
Total Pension Liability	83.25%	90.40%
Covered Payroll	\$ 11,967,886	\$ 11,660,280
Net Pension Liability as a Percentage of Covered		
Payroll	93.40%	50.99%

Notes to Schedule:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following are changes of assumption or other inputs that affected measurement of the total pension liability since the prior measurement date:

	<u>2016</u>	<u>2015</u>
Investment rate of return - IMRF	7.47%	7.49%
Adjustment factor for market value - IMRF	0.000163582	0.00739151

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)

Schedule of Changes in Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund/Sheriff's Law Enforcement Plan
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

Sheriff's Law Enforcement Personnel Plan

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total Pension Liability		
Service Cost	\$ 279,680	\$ 258,894
Interest on the Total Pension Liability	509,679	478,256
Benefit Changes	-	-
Difference between Expected and Actual	96,246	(257,596)
Assumption Changes	10,181	72,653
Benefit Payments and Refunds	(138,327)	(148,924)
Net Changes in Total Pension Liability	757,459	403,283
Total Pension Liability-beginning	6,725,047	6,321,764
Total Pension Liability-ending (a)	<u>\$ 7,482,506</u>	<u>\$ 6,725,047</u>
Plan Fiduciary Net Pension		
Employer Contributions	\$ 269,725	\$ 243,924
Employee Contributions	127,394	101,186
Pension Plan Net Investment Income	32,483	360,257
Benefit Payments and Refunds	(138,327)	(148,924)
Other	(158,994)	3,085
Net Change in Plan Fiduciary Net Pension	132,281	559,528
Plan Fiduciary Net Pension-beginning	6,367,291	5,807,763
Plan Fiduciary Net Pension-ending (b)	<u>\$ 6,499,572</u>	<u>\$ 6,367,291</u>
Net Pension Liability (Asset)-ending (a)-(b)	982,934	357,756
Plan Fiduciary Net Pension as a Percentage of		
Total Pension Liability	86.86%	94.68%
Covered Payroll	\$ 1,523,005	\$ 1,348,139
Net Pension Liability as a Percentage of Covered		
Payroll	64.54%	26.52%

Notes to Schedule:

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The following are changes of assumption or other inputs that affected measurement of the total pension liability since the prior measurement date:

	<u>2016</u>	<u>2015</u>
Investment rate of return - SLEP	7.49%	7.50%
Adjustment factor for market value - SLEP	0.000163582	0.00739151

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Schedule of Funding Progress-Unaudited
Other Postemployment Benefits
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2016	\$ -	\$ 1,130,730	\$ 1,130,730	0.00%	\$ 12,685,421	8.91%
6/30/2015	-	892,356	892,356	0.00%	12,265,802	7.28%
6/30/2014	-	584,784	584,784	0.00%	12,058,812	4.85%

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 14,584,920	\$ 14,584,920	\$ 15,043,899	\$ 458,979
Replacement taxes	874,350	874,350	956,518	82,168
Investment income	231,890	231,890	266,725	34,835
Grants & contributions	68,830	68,830	97,664	28,834
Land and building rentals	283,020	283,020	256,595	(26,425)
Charges for services and sales	1,061,750	1,061,750	1,115,365	53,615
Permits	657,150	657,150	766,286	109,136
Easements and licenses	12,000	12,000	12,000	-
Programs and admissions	302,170	302,170	319,953	17,783
Other revenue	167,250	167,250	293,254	126,004
Total revenues	<u>18,243,330</u>	<u>18,243,330</u>	<u>19,128,259</u>	<u>884,929</u>
Expenditures				
Current:				
General government	6,085,840	6,099,993	5,776,655	(323,338)
Education	1,983,200	1,985,200	1,842,364	(142,836)
Public safety	2,614,790	2,614,790	2,549,104	(65,686)
Recreation	1,586,630	1,584,630	1,310,157	(274,473)
Maintenance & development	5,669,740	5,669,740	5,229,798	(439,942)
Debt service:				
Principal	395,000	395,000	395,000	-
Interest	327,540	327,540	327,544	4
Capital outlay	<u>1,351,330</u>	<u>3,654,622</u>	<u>662,188</u>	<u>(2,992,434)</u>
Total expenditures	<u>20,014,070</u>	<u>22,331,515</u>	<u>18,092,810</u>	<u>(4,238,705)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,770,740)</u>	<u>(4,088,185)</u>	<u>1,035,449</u>	<u>5,123,634</u>
Other financing uses				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing uses over (under) expenditures	<u>\$ (1,970,740)</u>	<u>\$ (4,288,185)</u>	<u>835,449</u>	<u>\$ 5,123,634</u>
Fund balances, beginning of year-budgetary basis			24,589,514	
Fund balances, end of year			<u>\$ 25,424,963</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Land Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Property taxes	\$ 5,676,440	\$ 5,676,440	\$ 5,750,875	\$ 74,435
Investment income	193,050	193,050	142,829	(50,221)
Grants & contributions	592,650	592,650	1,121,755	529,105
Other revenue	1,000	1,000	816	(184)
Total revenues	<u>6,463,140</u>	<u>6,463,140</u>	<u>7,016,275</u>	<u>553,135</u>
Expenditures				
Current:				
Maintenance & development	3,708,170	3,708,170	3,489,760	(218,410)
Natural resources	1,780,190	1,883,273	1,756,497	(126,776)
Capital outlay	2,829,950	6,528,894	3,189,211	(3,339,683)
Total expenditures	<u>8,318,310</u>	<u>12,120,337</u>	<u>8,435,468</u>	<u>(3,684,869)</u>
Deficiency of revenues over expenditures	<u>\$ (1,855,170)</u>	<u>\$ (5,657,197)</u>	<u>(1,419,193)</u>	<u>\$ 4,238,004</u>
Other financing sources				
Transfers in	-	90,000	75,508	(14,492)
Total other financing sources	<u>-</u>	<u>90,000</u>	<u>75,508</u>	<u>(14,492)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(1,855,170)</u>	<u>(5,567,197)</u>	<u>(1,343,685)</u>	<u>4,223,512</u>
Fund balances, beginning of year-budgetary basis			12,708,462	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds				
Effect of encumbrances			56,392	
Fund balances, end of year			<u>\$ 11,345,661</u>	

LAKE COUNTY FOREST PRESERVE DISTRICT
(A component unit of Lake County, Illinois)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2016

NOTE A - LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

The District uses the modified accrual basis of accounting adjusted for encumbrances for its budgetary basis of accounting. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. In May, the Finance and Administrative Committee, after reviewing the recommendations of the three Standing Committees, submits to the President and Board a proposed capital and operating budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them. The Board adopts the budget at its regular May meeting.
- b. The budget is legally enacted through the passage of the Annual Appropriation Ordinance, pursuant to statute and the District's Rules of Order and Operational Procedures, prior to the last day of the first quarter of the fiscal year. This Ordinance includes additional available funds for contingencies that may arise during the fiscal year and all bond proceeds.
- c. After adoption of the Annual Appropriation Ordinance, no further appropriations may be made, except by a two-thirds majority vote of the Board. The Board may make appropriations in excess of those authorized by the Appropriations Ordinance in order to meet an immediate emergency. The legal level of control is at the individual fund level. Total expenditures may not exceed total appropriations. Unencumbered appropriations lapse at fiscal year-end for all fund types.
- d. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Enterprise Funds.
- e. As of June 30, 2016, there was one budget amendment for \$14,536,954 to reflect carryover projects budgeted but not completed in fiscal year 2015.
- f. Encumbrance accounting is employed in the governmental funds to reserve that portion of the applicable appropriation for the future expenditure of resources under purchase orders, contracts, and other commitments. For budgetary comparison purposes, encumbrances are treated as expenditures. Encumbrances outstanding at year-end are reported as restricted or assigned fund balances and do not constitute expenditures or liabilities.

NOTE B - LEGAL COMPLIANCE AND ACCOUNTABILITY

For the year ended June 30, 2016, the following funds that had an excess of actual budgetary expenditures over the final budget of:

Land Acquisition Fund	\$ 9,836,773 *
Debt Service Fund	\$ 447,026 **

* The amount of land purchased was higher than anticipated during the budget process.

** A bond refunding was approved after the budget was adopted.

SUPPLEMENTARY INFORMATION

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 25,344,980	\$ 25,344,980	\$ 25,695,553	\$ 350,573
Investment income	51,190	51,190	252,117	200,927
Treasury rebate	1,193,450	1,193,450	1,199,881	6,431
Other revenue	-	-	1,893	1,893
Total revenues	<u>26,589,620</u>	<u>26,589,620</u>	<u>27,149,444</u>	<u>559,824</u>
Expenditures				
Current:				
General government	-	-	-	-
Debt service:				
Principal	14,845,000	14,845,000	14,845,000	-
Interest	11,716,910	11,716,910	12,164,571	447,661
Paying agent fees	7,220	7,220	6,586	(634)
Total expenditures	<u>26,569,130</u>	<u>26,569,130</u>	<u>27,016,157</u>	<u>447,027</u>
Excess of revenues under expenditures	<u>\$ 20,490</u>	<u>\$ 20,490</u>	133,287	<u>\$ 112,797</u>
Fund balances, beginning of year- budgetary basis			16,142,197	
Fund balances, end of year			<u>\$ 16,275,484</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Land Acquisition Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	\$ 21,000	\$ 21,000	\$ 39,367	\$ 18,367
Grants Other	-	-	981,226	981,226
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>1,020,593</u>	<u>999,593</u>
Expenditures				
Current:				
General Government	-	-	67,884	67,884
Maintenance & development	241,900	241,900	209,847	(32,053)
Capital outlay	<u>7,272,800</u>	<u>7,272,800</u>	<u>17,073,742</u>	<u>9,800,942</u>
Total expenditures	<u>7,514,700</u>	<u>7,514,700</u>	<u>17,351,473</u>	<u>9,836,773</u>
Deficiency of revenues over expenditures	<u>(7,493,700)</u>	<u>(7,493,700)</u>	(16,330,880)	<u>(8,837,180)</u>
Other financing sources				
Issuance of debt	-	-	8,003,200	8,003,200
Premium on issuance of debt	<u>-</u>	<u>-</u>	<u>298,463</u>	<u>298,463</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>8,301,663</u>	<u>8,301,663</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ (7,493,700)</u>	<u>\$ (7,493,700)</u>	(8,029,217)	<u>\$ (535,517)</u>
Fund balances, beginning of year-budgetary basis			12,922,940	
Fund balances, end of year			<u>\$ 4,893,723</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Development Bond Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 25,000	\$ 25,000	\$ 109,634	\$ 84,634
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>109,634</u>	<u>84,634</u>
Expenditures				
Current:				
General government	400,000	400,000	144,253	(255,747)
Capital outlay	<u>6,684,400</u>	<u>12,671,922</u>	<u>5,389,286</u>	<u>(7,282,636)</u>
Total expenditures	<u>7,084,400</u>	<u>13,071,922</u>	<u>5,533,539</u>	<u>(7,538,383)</u>
Deficiency of revenues over expenditures	<u>\$ (7,059,400)</u>	<u>\$ (13,046,922)</u>	<u>(5,423,904)</u>	<u>\$ 7,623,018</u>
Other financing sources				
Issuance of debt	17,400,000	17,400,000	17,006,800	(393,200)
Premium on issuance of debt	<u>-</u>	<u>-</u>	<u>634,234</u>	<u>634,234</u>
Total other financing sources	<u>17,400,000</u>	<u>17,400,000</u>	<u>17,641,034</u>	<u>241,034</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 10,340,600</u>	<u>\$ 4,353,078</u>	<u>12,217,129</u>	<u>\$ 7,864,051</u>
Fund balances, beginning of year-budgetary basis			7,868,712	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds			14,716	
Effect of encumbrances				
Fund balances, end of year			<u>\$ 20,100,557</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted, committed or assigned to expenditures for particular purposes.

Retirement Fund

To account for employer contributions to the Illinois Municipal Retirement Fund, the Sheriff's Law Enforcement Retirement Plan, and Federal Insurance Compensation Act.

Easements and Special Projects Fund

To account for easements and special projects.

Land Preparation Fund

To account for the funds used for projects or improvements on newly acquired sites.

Farmland Management Fund

To account for money used to restore and manage lands that are farmed or have been removed from or impacted by farming.

Tree Replacement Fund

To account for the money received from the collection of fees paid to the District for trees removed as part of easement agreements.

Donations and Grants Fund

To account for money received from nonenterprise fund sources and held by a governmental unit in the capacity of trustee for individuals, governmental entities, and nonpublic organizations.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Facilities Improvement Fund

To account for financial resources to be used for the purpose of constructing, acquiring, and improving major capital facilities in the District.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue		
	Retirement Fund	Easements & Special Projects Fund	Land Preparation Fund
ASSETS			
Cash and investments	\$ 1,318,502	\$ 3,920,482	\$ 713,010
Property taxes receivable, net	1,302,144	-	-
Interest receivable	37	8,674	835
Grants receivable	-	-	-
Other receivable	-	-	-
Total assets	<u>\$ 2,620,683</u>	<u>\$ 3,929,156</u>	<u>\$ 713,845</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,651	\$ -	\$ -
Accrued payroll & payroll tax	47,452	-	-
Other liabilities	-	93,472	7,953
Total liabilities	<u>49,103</u>	<u>93,472</u>	<u>7,953</u>
 Deferred inflows of resources			
Unavailable property tax revenue	1,194,169	-	-
Unavailable grant revenue	-	-	-
Total deferred inflows of resources	<u>1,194,169</u>	<u>-</u>	<u>-</u>
 Fund balances			
Restricted	1,377,411	-	-
Committed	-	3,835,684	705,892
Total fund balances	<u>1,377,411</u>	<u>3,835,684</u>	<u>705,892</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 2,620,683</u>	 <u>\$ 3,929,156</u>	 <u>\$ 713,845</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

Special Revenue				Capital Projects	
Farmland Management Fund	Tree Replacement Fund	Donations and Grant Fund	Total	Capital Facilities Improvement Fund	Total Nonmajor Governmental Funds
\$ 603,449	\$ 374,124	\$ 1,318,031	\$ 8,247,598	\$ 2,168,747	\$ 10,416,345
-	-	-	1,302,144	-	1,302,144
43	211	473	10,273	2,828	13,101
-	-	122,124	122,124	-	122,124
-	-	50,270	50,270	-	50,270
<u>\$ 603,492</u>	<u>\$ 374,335</u>	<u>\$ 1,490,898</u>	<u>\$ 9,732,409</u>	<u>\$ 2,171,575</u>	<u>\$ 11,903,984</u>
\$ 150,443	\$ 17,585	\$ 112,549	\$ 282,228	\$ -	\$ 282,228
-	-	27,655	75,107	-	75,107
-	700	-	102,125	-	102,125
<u>150,443</u>	<u>18,285</u>	<u>140,204</u>	<u>459,460</u>	<u>-</u>	<u>459,460</u>
-	-	-	1,194,169	-	1,194,169
-	-	174,587	174,587	-	174,587
-	-	174,587	1,368,756	-	1,368,756
-	-	672,114	2,049,525	-	2,049,525
453,049	356,050	503,993	5,854,668	2,171,575	8,026,243
<u>453,049</u>	<u>356,050</u>	<u>1,176,107</u>	<u>7,904,193</u>	<u>2,171,575</u>	<u>10,075,768</u>
<u>\$ 603,492</u>	<u>\$ 374,335</u>	<u>\$ 1,490,898</u>	<u>\$ 9,732,409</u>	<u>\$ 2,171,575</u>	<u>\$ 11,903,984</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue			
	Retirement Fund	Easements & Special Projects Fund	Land Preparation Fund	Farmland Management Fund
Revenues				
Property taxes	\$ 2,450,005	\$ -	\$ -	\$ -
Investment income	2,942	39,864	4,064	1,229
Grants & contributions	-	-	-	13,985
Land and building rentals	-	-	152,390	423,680
Easements and licenses	-	1,000	-	-
Other revenue	-	-	12,075	20,634
Total revenues	<u>\$ 2,452,947</u>	<u>\$ 40,864</u>	<u>\$ 168,529</u>	<u>\$ 459,528</u>
Expenditures				
Current:				
General government	2,433,644	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Maintenance & development	-	-	1,388	-
Natural resources	-	-	-	420,700
Capital outlay	-	-	-	-
Total expenditures	<u>2,433,644</u>	<u>-</u>	<u>1,388</u>	<u>420,700</u>
Excess (deficiency) of revenues over expenditures	<u>19,303</u>	<u>40,864</u>	<u>167,141</u>	<u>38,828</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	(75,508)
Transfers in	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,508)</u>
Net change in fund balances	19,303	40,864	167,141	(36,680)
Fund balances - beginning	1,358,108	3,794,820	538,751	489,729
Fund balances - ending	<u>\$ 1,377,411</u>	<u>\$ 3,835,684</u>	<u>\$ 705,892</u>	<u>\$ 453,049</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
Tree Replacement Fund	Donations and Grant Fund	Total	Capital Facilities Improvement Fund	
\$ -	\$ -	\$ 2,450,005	\$ -	\$ 2,450,005
4,357	14,391	66,847	23,042	89,890
70,510	673,839	758,333		758,333
-	-	576,070	-	576,070
-	-	1,000	-	1,000
-	4,957	37,666	-	37,666
<u>\$ 74,867</u>	<u>\$ 693,187</u>	<u>\$ 3,889,921</u>	<u>\$ 23,042</u>	<u>\$ 3,912,964</u>
-	-	2,433,644	-	2,433,644
-	69,981	69,981	-	69,981
-	-	-	-	-
-	97,090	98,476	-	98,476
-	-	420,700	-	420,700
328,925	377,491	706,417	2,500	708,917
<u>328,925</u>	<u>544,562</u>	<u>3,729,218</u>	<u>2,500</u>	<u>3,731,718</u>
 (254,058)	 148,625	 160,703	 20,542	 181,246
-	-	-	-	-
-	-	(75,508)	-	(75,508)
-	-	-	200,000	200,000
-	-	(75,508)	200,000	124,492
(254,058)	148,625	85,195	220,542	305,738
610,108	1,027,481	7,818,997	1,951,033	9,770,030
<u>\$ 356,050</u>	<u>\$ 1,176,107</u>	<u>\$ 7,904,193</u>	<u>\$ 2,171,575</u>	<u>\$ 10,075,768</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Retirement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 2,388,920	\$ 2,388,920	\$ 2,450,005	\$ 61,085
Investment income	4,530	4,530	2,942	(1,588)
Total revenues	<u>2,393,450</u>	<u>2,393,450</u>	<u>2,452,947</u>	<u>59,497</u>
Expenditures				
Current:				
General government	<u>2,583,570</u>	<u>2,583,570</u>	<u>2,433,644</u>	<u>(149,926)</u>
Total expenditures	<u>2,583,570</u>	<u>2,583,570</u>	<u>2,433,644</u>	<u>(149,926)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (190,120)</u>	<u>\$ (190,120)</u>	19,303	<u>\$ 209,423</u>
Fund balances, beginning of year- budgetary basis			1,358,108	
Fund balances, end of year			<u>\$ 1,377,411</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Easements & Special Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	\$ 38,000	\$ 38,000	\$ 39,864	\$ 1,864
Grants & contributions	990,000	990,000	-	(990,000)
Easements and licenses	-	-	1,000	1,000
Total revenues	<u>1,028,000</u>	<u>1,028,000</u>	<u>40,864</u>	<u>(987,136)</u>
Expenditures				
Current:				
General government	10,000	10,000	-	(10,000)
Capital outlay	<u>1,898,050</u>	<u>2,091,050</u>	-	<u>(2,091,050)</u>
Total expenditures	<u>1,908,050</u>	<u>2,101,050</u>	-	<u>(2,101,050)</u>
Excess (deficiency) of revenues over expenditures	<u>(880,050)</u>	<u>(1,073,050)</u>	40,864	<u>1,113,914</u>
Fund balances, beginning of year-budgetary basis			3,794,820	
Fund balances, end of year			<u>\$ 3,835,684</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Land Preparation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	\$ 2,010	\$ 2,010	\$ 4,064	\$ 2,054
Land and building rentals	152,400	152,400	152,390	(10)
Other revenue	47,020	47,020	12,075	(34,945)
Total revenues	<u>201,430</u>	<u>201,430</u>	<u>168,529</u>	<u>(32,901)</u>
Expenditures				
Current:				
Maintenance & development	100,000	100,000	1,388	(98,612)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>1,388</u>	<u>(98,612)</u>
Excess of revenues over expenditures	<u>\$ 101,430</u>	<u>\$ 101,430</u>	167,141	<u>\$ 65,711</u>
Fund balances, beginning of year-budgetary basis			538,751	
Fund balances, end of year			<u>\$ 705,892</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Farmland Management Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	\$ 1,200	\$ 1,200	\$ 1,229	\$ 29
Grants & contributions			13,985	13,985
Land and building rentals	417,370	417,370	423,680	6,310
Other revenue	22,300	22,300	20,634	(1,666)
Total revenues	<u>440,870</u>	<u>440,870</u>	<u>459,528</u>	<u>18,658</u>
Expenditures				
Current:				
Natural resources	<u>503,300</u>	<u>674,941</u>	<u>420,700</u>	<u>(254,241)</u>
Total expenditures	<u>503,300</u>	<u>674,941</u>	<u>420,700</u>	<u>(254,241)</u>
Excess (deficiency) of revenues over expenditures	<u>(62,430)</u>	<u>(234,071)</u>	<u>38,828</u>	<u>272,899</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(90,000)</u>	<u>(75,508)</u>	<u>14,492</u>
Total other financing uses	<u>-</u>	<u>(90,000)</u>	<u>(75,508)</u>	<u>14,492</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ (62,430)</u>	<u>\$ (324,071)</u>	<u>(36,680)</u>	<u>\$ 287,391</u>
Fund balances, beginning of year-budgetary basis			489,729	
Fund balances, end of year			<u>\$ 453,049</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Tree Replacement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	\$ 3,000	\$ 3,000	\$ 4,357	\$ 1,357
Grants & Contributions	-	-	70,510	70,510
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>74,867</u>	<u>71,867</u>
Expenditures				
Capital outlay	175,000	472,554	328,925	(143,629)
Total expenditures	<u>175,000</u>	<u>472,554</u>	<u>328,925</u>	<u>(143,629)</u>
Deficiency of revenues over expenditures	<u>\$ (172,000)</u>	<u>\$ (469,554)</u>	(254,058)	<u>\$ 215,496</u>
Fund balances, beginning of year-budgetary basis			610,108	
Fund balances, end of year			<u>\$ 356,050</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Donations and Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 10,910	\$ 10,910	\$ 14,391	\$ 3,481
Grants & contributions	559,080	628,922	673,839	44,917
Other revenue	-	-	4,957	4,957
Total revenues	<u>569,990</u>	<u>639,832</u>	<u>693,187</u>	<u>53,355</u>
Expenditures				
Current:				
Education	29,240	137,336	69,981	(67,355)
Maintenance & development	130,990	130,990	97,090	(33,900)
Natural resources	22,000	22,000	-	(22,000)
Capital outlay	<u>384,070</u>	<u>1,603,590</u>	<u>377,491</u>	<u>(1,226,099)</u>
Total expenditures	<u>566,300</u>	<u>1,893,916</u>	<u>544,562</u>	<u>(1,349,354)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 3,690</u>	<u>\$ (1,254,084)</u>	148,625	<u>\$ 1,402,709</u>
Fund balances, beginning of year- budgetary basis			1,027,482	
Fund balances, end of year			<u>\$ 1,176,107</u>	

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Capital Facilities Improvement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 18,000	\$ 18,000	\$ 23,042	\$ 5,042
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>23,042</u>	<u>5,042</u>
Expenditures				
Capital outlay	-	346,095	2,500	(343,595)
Total expenditures	<u>-</u>	<u>346,095</u>	<u>2,500</u>	<u>(343,595)</u>
Excess (deficiency) of revenues over expenditures	<u>18,000</u>	<u>(328,095)</u>	<u>20,542</u>	<u>348,637</u>
Other financing sources				
Transfers in	200,000	200,000	200,000	-
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ 218,000</u>	<u>\$ (128,095)</u>	220,542	<u>\$ 348,637</u>
Fund balances, beginning of year-budgetary basis			1,951,033	
Fund balances, end of year			<u>\$ 2,171,575</u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The internal service funds are used to recover the full cost of providing a service through user charges.

Vehicle Replacement Fund

To account for the vehicle rental charges to departments. This fund was established to accumulate resources for the future funding of replacement vehicles. Organizational units are billed for rental charges at the rate established for each type of vehicle.

Information Technology Replacement Fund

To account for the computer rental charges to departments. This fund was established to accumulate resources for the future funding of computer equipment.

Equipment Replacement Fund

To account for the equipment rental charges to departments. This fund was established to accumulate resources for the future funding of equipment replacement.

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Net Position
Internal Service funds
June 30, 2016

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Government Activities
ASSETS				
Current assets:				
Cash and investments	\$ 1,842,893	\$ 1,089,109	\$ 1,374,229	\$ 4,306,231
Interest receivable	1,700	1,427	60	3,187
Total current assets	<u>1,844,593</u>	<u>1,090,537</u>	<u>1,374,289</u>	<u>4,309,418</u>
Noncurrent assets:				
Construction in progress	-	96,912	-	96,912
Vehicles, machinery, and equipment	3,857,769	688,877	2,812,916	7,359,563
Less accumulated depreciation	<u>(2,305,957)</u>	<u>(573,169)</u>	<u>(1,762,561)</u>	<u>(4,641,687)</u>
Total noncurrent assets	<u>1,551,812</u>	<u>212,621</u>	<u>1,050,355</u>	<u>2,814,788</u>
Total assets	<u>\$ 3,396,405</u>	<u>\$ 1,303,157</u>	<u>\$ 2,424,644</u>	<u>\$ 7,124,206</u>
LIABILITIES				
Current liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 69,697</u>	<u>\$ -</u>	<u>\$ 69,697</u>
Total current liabilities	<u>-</u>	<u>69,697</u>	<u>-</u>	<u>69,697</u>
NET POSITION				
Net investment in capital assets	1,551,812	212,621	1,050,355	2,814,788
Unrestricted	<u>1,844,593</u>	<u>1,020,839</u>	<u>1,374,289</u>	<u>4,239,721</u>
Total net position	<u>\$ 3,396,405</u>	<u>\$ 1,233,460</u>	<u>\$ 2,424,644</u>	<u>\$ 7,054,509</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service funds
For the Year Ended June 30, 2016

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Operating Revenues				
Equipment replacement charges	\$ 396,250	\$ 230,200	\$ 235,320	\$ 861,770
Total operating revenues	<u>396,250</u>	<u>230,200</u>	<u>235,320</u>	<u>861,770</u>
Operating expenses				
Commodities	-	29,335	-	29,335
Contractuals	-	32,553	-	32,553
Total operating expenses	<u>-</u>	<u>61,888</u>	<u>-</u>	<u>61,888</u>
Operating income before depreciation	396,250	168,312	235,320	799,882
Depreciation	<u>383,998</u>	<u>37,310</u>	<u>201,679</u>	<u>622,988</u>
Operating income (loss)	<u>12,251</u>	<u>131,002</u>	<u>33,641</u>	<u>176,894</u>
Nonoperating revenues				
Gain on sale capital asset	71,743	583	32,538	104,863
Investment income	13,843	9,747	10,307	33,897
Total nonoperating revenues	<u>85,586</u>	<u>10,329</u>	<u>42,845</u>	<u>138,760</u>
Income before capital contributions	97,837	141,331	76,486	315,654
Contributions of capital assets	<u>-</u>	<u>6,957</u>	<u>-</u>	<u>6,957</u>
Change in net position	97,837	148,288	76,486	322,611
Total net position, beginning of year	3,298,568	1,085,172	2,348,158	6,731,898
Total net position, end of year	<u>\$ 3,396,405</u>	<u>\$ 1,233,459</u>	<u>\$ 2,424,644</u>	<u>\$ 7,054,509</u>

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ -
Receipts from interfund services provided	396,250	230,200	235,320	861,770
Payments to suppliers of goods and services	(4,298)	(54,361)	(19,757)	(78,416)
Net cash provided by operating activities	<u>391,952</u>	<u>175,839</u>	<u>215,563</u>	<u>783,354</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(367,981)	(6,579)	(257,494)	(632,053)
Proceeds from sale of capital assets	<u>71,743</u>	<u>583</u>	<u>32,538</u>	<u>104,863</u>
Net cash provided (used) by capital and related financing activities	<u>(296,237)</u>	<u>(5,996)</u>	<u>(224,956)</u>	<u>(527,190)</u>
Cash flows from investing activities:				
Interest received	10,258	7,654	7,686	25,599
Proceeds from sale of investments	-	-	-	-
Purchase of investments	<u>(153,881)</u>	<u>(194,049)</u>	<u>(85,655)</u>	<u>(433,584)</u>
Net cash provided (used) by investing activities	<u>(143,623)</u>	<u>(186,394)</u>	<u>(77,968)</u>	<u>(407,985)</u>
Increase (decrease) in cash and cash equivalents	(47,908)	(16,552)	(87,362)	(151,821)
Cash and cash equivalents at beginning of year	<u>55,266</u>	<u>16,552</u>	<u>95,437</u>	<u>167,254</u>
Cash and cash equivalents at end of year	<u>\$ 7,358</u>	<u>\$ -</u>	<u>\$ 8,075</u>	<u>\$ 15,433</u>
Cash and cash equivalents per statement of cash flow	\$ 7,358	\$ -	\$ 8,075	\$ 15,433
Investments	<u>1,835,535</u>	<u>1,089,109</u>	<u>1,366,154</u>	<u>4,290,798</u>
Cash and investments per statement of net position	<u>\$ 1,842,893</u>	<u>\$ 1,089,109</u>	<u>\$ 1,374,229</u>	<u>\$ 4,306,231</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 12,251	\$ 131,002	\$ 33,641	\$ 176,894
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	383,998	37,310	201,679	622,988
Changes in assets and liabilities:				
Accounts payable	(4,298)	69,698	(19,757)	45,643
Other receivable	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 391,952</u>	<u>\$ 238,010</u>	<u>\$ 215,563</u>	<u>\$ 845,525</u>
Noncash investing, capital, and financing activities				
Contribution of capital assets from other funds	\$ -	\$ 6,957	\$ -	\$ 6,957
Increase in fair value of investments	\$ 3,584	\$ 2,093	\$ 2,621	\$ 8,298

Lake County Forest Preserve District
(A component unit of Lake County, Illinois)
Combining Statement of Revenues, Expenses, and Changes in Net Position
Golf Funds
For the Year Ended June 30, 2016

	Countryside Golf Course	Brae Loch Golf Course	Thunderhawk Golf Course	2016 Total Golf Courses
Operating revenues				
Season passes	\$ 42,203	\$ 20,763	\$ -	62,966
Greens fees	1,090,560	307,324	854,773	2,252,657
Gas cart rental	399,391	114,642	268,641	782,674
Hand cart rental	2,465	903	230	3,598
Club rental	3,165	930	3,512	7,607
Permanent starts	9,810	2,480	15,080	27,370
Practice range	90,917	-	38,359	129,276
Pro shop	38,133	8,633	106,828	153,594
Food & beverage concessions	248,245	95,587	-	343,832
Concessionaire and other	-	-	52,858	52,858
Land and building rentals	-	14,365	-	14,365
Miscellaneous	3,352	1,054	91	4,497
Total operating revenues	<u>1,928,240</u>	<u>566,682</u>	<u>1,340,372</u>	<u>3,835,294</u>
Operating expenses				
Personal services	1,359,814	335,930	610,749	2,306,493
Commodities	315,383	82,247	214,054	611,684
Contractuals	355,661	157,999	238,045	751,705
Food & beverage concessions	64,616	23,302	-	87,918
Merchandise	16,737	4,053	65,333	86,123
Total operating expenses	<u>2,112,211</u>	<u>603,531</u>	<u>1,128,181</u>	<u>3,843,923</u>
Operating income before depreciation	(183,971)	(36,849)	212,191	(8,629)
Depreciation	<u>119,978</u>	<u>100,883</u>	<u>306,488</u>	<u>527,349</u>
Operating loss	<u>(303,949)</u>	<u>(137,732)</u>	<u>(94,297)</u>	<u>(535,978)</u>
Nonoperating revenues				
Gain on sale of capital assets	2,470	-	11,732	14,202
Investment income	15,197	1,797	-	16,994
Total nonoperating revenues	<u>17,667</u>	<u>1,797</u>	<u>11,732</u>	<u>31,196</u>
Change in net position	(286,282)	(135,935)	(82,565)	(504,782)
Total net position - beginning	10,884,364	2,610,709	5,913,922	19,408,995
Total net position - ending	<u>\$ 10,598,082</u>	<u>\$ 2,474,774</u>	<u>\$ 5,831,357</u>	<u>\$ 18,904,213</u>

STATISTICAL SECTION - UNAUDITED

STATISTICAL SECTION

This part of the Lake County Forest Preserve District's 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 say about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the government's financial performance has changed over time.	100 - 105
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	106 - 110
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	111 - 114
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	115 - 116
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	117 - 119

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

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Government Activities										
Net investment in capital assets	\$ 465,679,539	\$ 451,716,433	\$ 431,029,147	\$ 424,561,937	\$ 391,810,639	\$ 350,693,993	\$ 282,908,856	\$ 263,075,279	\$ 284,864,303	\$ 244,299,920
Restricted	49,881,710	31,154,167	36,912,046	38,296,424	34,612,354	43,578,309	78,841,058	82,492,672	42,432,831	43,464,451
Unrestricted	34,394,147	57,355,174	53,684,022	52,892,754	59,467,197	54,472,556	33,872,265	29,813,809	22,198,892	31,817,623
Total Governmental activities net position	\$ 549,955,396	\$ 540,225,774	\$ 521,625,215	\$ 515,751,115	\$ 485,890,190	\$ 448,744,858	\$ 395,622,179	\$ 375,381,760	\$ 349,496,026	\$ 319,581,994
Business Activities										
Net investment in capital assets	\$ 17,812,663	\$ 18,231,845	\$ 18,390,800	\$ 18,656,267	\$ 35,672,025	\$ 56,178,296	\$ 56,393,498	\$ 56,943,761	\$ 56,308,447	\$ 55,830,396
Restricted	100,842	100,842	100,842	100,842	100,842	100,842	169,042	178,713	903,607	903,607
Unrestricted	990,708	1,076,308	2,297,685	2,463,295	2,223,253	2,604,430	2,972,384	2,364,848	2,256,284	1,980,918
Total Business-Type activities net position	\$ 18,904,213	\$ 19,408,995	\$ 20,789,327	\$ 21,220,404	\$ 37,996,120	\$ 58,883,568	\$ 59,534,924	\$ 59,487,322	\$ 59,468,338	\$ 58,714,921
Total Government										
Net investment in capital assets	\$ 483,492,202	\$ 469,948,278	\$ 449,419,947	\$ 443,218,204	\$ 427,482,664	\$ 406,872,289	\$ 339,302,354	\$ 320,019,040	\$ 341,172,750	\$ 300,130,316
Restricted	49,982,552	31,255,009	37,012,888	38,397,266	34,713,196	43,679,151	79,010,100	82,671,385	43,336,438	44,368,058
Unrestricted	35,384,855	58,431,482	55,981,707	55,356,049	61,690,450	57,076,986	36,844,649	32,178,657	24,455,176	33,798,541
Total Government activities net position	\$ 568,859,609	\$ 559,634,769	\$ 542,414,542	\$ 536,971,519	\$ 523,886,310	\$ 507,628,426	\$ 455,157,103	\$ 434,869,082	\$ 408,964,364	\$ 378,296,915
Component Unit										
Restricted	\$ 1,571,339	\$ 1,933,021	\$ 980,764	\$ 368,887	\$ 168,555	\$ 95,945				
Unrestricted	150,328	214,799	188,520	152,464	92,150	53,572				
Total Component Unit	\$ 1,721,667	\$ 2,147,820	\$ 1,169,284	\$ 521,351	\$ 260,705	\$ 149,517				

Note: Component Unit was not reported prior to fiscal year 2011

Note: Fiscal year 2014 shows restated net asset amount

Note: Fiscal year 2013 shows restated net asset amount

Note: Fiscal year 2010 shows restated net asset amount.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(continued)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Government activities:										
General government	\$ 13,445,895	\$ 11,380,328	\$ 14,554,928	\$ 8,033,932	\$ 11,929,450	\$ 9,489,224	\$ 7,409,288	\$ 10,763,460	\$ 7,403,322	\$ 8,137,120
Education	3,029,456	3,117,454	4,603,866	4,233,592	4,188,552	5,060,967	5,249,465	5,654,384	5,110,906	4,594,585
Public safety	3,255,082	2,756,093	2,570,971	2,910,119	2,525,746	2,508,055	2,758,995	2,688,627	2,359,884	2,057,434
Recreation	2,049,972	2,605,463	-	-	-	-	-	-	-	-
Natural resources	2,805,038	3,281,471	-	-	-	-	-	-	-	-
Maintenance and development	11,562,175	11,518,483	13,275,338	12,941,342	13,040,659	10,311,294	12,774,971	12,779,216	11,499,969	10,180,587
Interest	11,666,122	12,637,812	13,068,915	14,302,560	13,970,117	13,814,330	11,749,056	10,543,850	9,400,690	9,423,538
Total governmental activities expenses	\$ 47,813,740	\$ 47,297,104	\$ 48,074,018	\$ 42,421,545	\$ 45,654,524	\$ 41,183,870	\$ 39,941,775	\$ 42,429,537	\$ 35,774,771	\$ 34,393,264
Business-type activities:										
Golf courses	\$ 4,371,272	\$ 4,382,538	\$ 4,262,428	\$ 5,384,473	\$ 4,165,194	\$ 4,209,516	\$ 4,514,159	\$ 4,363,137	\$ 4,165,757	\$ 4,278,023
Fox River Recreational Area	-	-	-	-	-	403,777	282,918	293,619	291,862	279,942
Total business-type activities expenses	4,371,272	4,382,538	4,262,428	5,384,473	4,165,194	4,613,293	4,797,077	4,656,756	4,457,619	4,557,965
Total government expenses	\$ 52,185,012	\$ 51,679,642	\$ 52,336,446	\$ 47,806,018	\$ 49,819,718	\$ 45,797,163	\$ 44,738,852	\$ 47,086,293	\$40,232,390	\$38,951,229
Component unit:	\$ 1,466,212	\$ 481,294	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053				
Total component unit expenses	\$ 1,466,212	\$ 481,294	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053				
Program Revenue										
Government activities:										
Charges for services										
General government	\$ 1,432,615	\$ 1,488,705	\$ 1,855,676	\$ 1,914,725	\$ 1,852,911	\$ 2,589,873	\$ 1,684,887	\$ 1,450,580	\$ 1,293,513	\$ 1,002,060
Education	223,164	235,101	417,543	390,317	461,300	414,919	475,185	509,833	575,846	716,534
Public safety	841,925	714,236	679,740	661,238	628,147	623,165	612,529	567,000	550,509	528,491
Recreation	1,488,305	1,411,869	-	-	-	-	-	-	-	-
Natural resources	513,379	469,308	-	-	-	-	-	-	-	-
Maintenance and development	62,469	76,221	1,329,165	1,122,334	1,275,353	890,912	223,998	243,042	236,227	340,288
Operating grants and contributions	858,079	1,539,483	1,986,083	1,372,069	1,506,804	1,568,036	1,514,747	1,171,012	1,303,181	987,427
Capital grants and contributions	1,498,914	-	-	-	-	638,546	490,040	-	-	664,094
Total government activities program revenues	\$ 6,918,850	\$ 5,934,923	\$ 6,268,207	\$ 5,460,683	\$ 5,724,515	\$ 6,725,451	\$ 5,001,386	\$ 3,941,467	\$ 3,959,276	\$ 4,238,894
Business-type activities:										
Charges for services										
Golf courses	\$ 3,835,294	\$ 3,704,524	\$ 3,870,213	\$ 3,860,639	\$ 4,284,472	\$ 4,011,583	\$ 4,408,887	\$ 4,644,378	\$ 4,732,357	\$ 4,829,390
Fox River Recreational Area	-	-	-	-	-	179,027	248,771	219,129	212,414	269,295
Total business-type activities program revenues	3,835,294	3,704,524	3,870,213	3,860,639	4,284,472	4,190,610	4,657,658	4,863,507	4,944,771	5,098,685
Total government program revenues	\$ 10,754,144	\$ 9,639,447	\$ 10,138,420	\$ 9,321,322	\$ 10,008,987	\$ 10,916,061	\$ 9,659,044	\$ 8,804,974	\$ 8,904,047	\$ 9,337,579
Component unit:	\$ 1,039,242	\$ 1,451,448	\$ 1,156,229	\$ 579,438	\$ 399,415	\$ 438,785				
Operating grants and contributions	\$ 1,039,242	\$ 1,451,448	\$ 1,156,229	\$ 579,438	\$ 399,415	\$ 438,785				
Total component unit revenues	\$ 1,039,242	\$ 1,451,448	\$ 1,156,229	\$ 579,438	\$ 399,415	\$ 438,785				

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(continued)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (expense)/revenue										
Government activities	\$ (40,894,890)	\$ (41,362,181)	\$ (41,805,811)	\$ (36,960,862)	\$ (39,930,009)	\$ (34,458,419)	\$ (34,940,389)	\$ (38,488,070)	\$ (31,815,495)	\$ (30,154,370)
Business-type activities	(535,978)	(678,014)	(392,215)	(1,523,834)	119,278	(422,683)	(139,419)	206,751	487,152	540,720
Total government net expenses	<u>\$ (41,430,868)</u>	<u>\$ (42,040,195)</u>	<u>\$ (42,198,026)</u>	<u>\$ (38,484,696)</u>	<u>\$ (39,810,731)</u>	<u>\$ (34,881,102)</u>	<u>\$ (35,079,808)</u>	<u>\$ (38,281,319)</u>	<u>\$ (31,328,343)</u>	<u>\$ (29,613,650)</u>
Component unit net expenses	<u>\$ (426,970)</u>	<u>\$ 970,154</u>	<u>\$ 647,606</u>	<u>\$ 260,394</u>	<u>\$ 107,205</u>					
General Revenues and Other Changes in Net Position										
Government activities:										
Property and replacement taxes	\$ 49,671,082	\$ 48,475,881	\$ 50,877,208	\$ 52,935,570	\$ 54,670,750	\$ 57,801,955	\$ 61,260,618	\$ 60,753,092	\$ 58,393,220	\$ 53,974,327
Investment income (loss)	934,459	597,546	(734,871)	163,852	374,524	839,431	1,111,140	1,637,583	3,454,830	4,885,764
Gain on sale of capital assets	18,971	200	5,096	250	35,755	83,474	-	-	-	-
Insurance claim	-	36,554	-	-	-	-	-	-	-	-
Donation of capital assets	-	10,042,565	-	-	-	-	-	-	-	-
Litigation proceeds	-	-	-	-	-	-	-	-	-	-
Other	-	-	92,255	612,168	944,747	-	-	-	-	-
Contributions of capital assets	-	-	-	15,680,000	20,390,725	-	(28,846)	(15,813)	(237,123)	(322,037)
Transfers	-	809,994	211,442	426,820	658,840	248,942	248,942	248,942	118,600	93,600
Total government activities	<u>\$ 50,624,512</u>	<u>\$ 59,962,740</u>	<u>\$ 50,451,130</u>	<u>\$ 69,818,660</u>	<u>\$ 77,075,341</u>	<u>\$ 58,973,802</u>	<u>\$ 62,591,854</u>	<u>\$ 62,623,804</u>	<u>\$ 61,729,527</u>	<u>\$ 58,631,654</u>
Business-type activities:										
Investment income (loss)	16,994	13,627	(48,436)	11,696	11,042	14,585	25,617	45,362	147,742	174,757
Transfers of capital assets	-	1,467	-	(15,680,000)	(20,390,725)	-	28,846	15,813	237,123	322,037
Gain on sale of capital assets	14,202	26,260	-	7,254	4,534	5,684	-	-	-	-
Proceeds from loss of capital assets	-	-	197,428	835,988	27,263	-	381,500	-	-	-
Other	-	65,422	23,588	-	-	-	-	-	-	-
Transfers	-	(809,994)	(211,442)	(426,820)	(658,840)	(248,942)	(248,942)	(248,942)	(118,600)	(93,600)
Total business-type activities	<u>31,196</u>	<u>(703,218)</u>	<u>(38,862)</u>	<u>(15,251,882)</u>	<u>(21,006,726)</u>	<u>(228,673)</u>	<u>187,021</u>	<u>(187,767)</u>	<u>266,265</u>	<u>403,194</u>
Total government general revenues	<u>\$ 50,655,708</u>	<u>\$ 59,259,522</u>	<u>\$ 50,412,268</u>	<u>\$ 54,566,778</u>	<u>\$ 56,068,615</u>	<u>\$ 58,745,129</u>	<u>\$ 62,778,875</u>	<u>\$ 62,436,037</u>	<u>\$ 61,995,792</u>	<u>\$ 59,034,848</u>
Component unit										
Investment income	\$ 817	\$ 8,382	\$ 327	\$ 252	\$ 3,983	\$ 3,448				
Total component unit activities	<u>\$ 817</u>	<u>\$ 8,382</u>	<u>\$ 327</u>	<u>\$ 252</u>	<u>\$ 3,983</u>	<u>\$ 3,448</u>				
Change in Net Position										
Government activities	\$ 9,729,622	\$ 18,600,559	\$ 8,645,319	\$ 32,857,798	\$ 37,145,332	\$ 24,515,383	\$ 27,651,465	\$ 24,135,734	\$ 29,914,032	\$ 28,477,284
Business-type activities	(504,782)	(1,381,232)	(431,077)	(16,775,716)	(20,887,448)	(651,356)	47,602	18,984	753,417	943,914
Total government	<u>\$ 9,224,840</u>	<u>\$ 17,219,327</u>	<u>\$ 8,214,242</u>	<u>\$ 16,082,082</u>	<u>\$ 16,257,884</u>	<u>\$ 23,864,027</u>	<u>\$ 27,699,067</u>	<u>\$ 24,154,718</u>	<u>\$ 30,667,449</u>	<u>\$ 29,421,198</u>
Component unit	<u>\$ (426,153)</u>	<u>\$ 978,536</u>	<u>\$ 647,933</u>	<u>\$ 260,646</u>	<u>\$ 111,188</u>	<u>\$ 3,448</u>				

Note: Component Unit was not reported prior to fiscal year 2011.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,277,649	\$ 2,124,270
Unreserved	-	-	-	-	-	-	-	-	13,844,982	13,491,931
Nonspendable	311,120	290,083	291,503	333,412	335,382	306,637	323,556	290,461	-	-
Restricted	3,217,596	2,604,645	2,810,629	3,197,392	3,504,205	3,661,583	3,557,560	3,595,227	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,118,096	1,213,078	1,361,027	2,375,770	676,476	993,367	637,821	866,980	-	-
Unassigned	20,778,151	20,481,708	20,190,741	18,870,948	24,653,981	21,511,431	18,281,959	14,390,323	-	-
Total general fund	\$ 25,424,963	\$ 24,589,514	\$ 24,653,900	\$ 24,777,522	\$ 29,170,044	\$ 26,473,018	\$ 22,800,896	\$ 19,142,991	\$ 18,122,631	\$ 15,616,201
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,459,840	\$ 70,463,908
Unreserved	-	-	-	-	-	-	-	-	5,428,783	5,821,977
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	53,992,836	51,000,419	61,554,245	68,366,184	63,423,644	47,085,263	83,132,600	93,800,115	-	-
Committed	8,698,357	8,411,922	6,662,481	2,603,836	2,511,107	969,275	-	-	-	-
Assigned	-	-	3,475	3,391,499	3,983,125	2,325,997	2,818,856	2,353,563	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 62,691,193	\$ 59,412,341	\$ 68,220,201	\$ 74,361,519	\$ 69,917,876	\$ 50,380,535	\$ 85,951,456	\$ 96,153,678	\$ 58,888,623	\$ 76,285,885

Note: District implemented GASB 54 in fiscal year 2009. Prior to fiscal year 2009, data not available.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Property taxes	\$ 48,940,332	\$ 48,613,020	\$ 50,750,129	\$ 52,965,213	\$ 55,449,558	\$ 58,340,185	\$ 60,472,752	\$ 59,779,205	\$ 57,264,077	\$ 52,949,960
Replacement taxes	956,518	1,044,818	971,506	960,346	939,909	1,021,720	787,866	973,887	1,129,143	1,024,367
Investment income (loss)	900,562	564,760	(716,055)	151,612	360,089	804,206	1,036,786	1,577,462	3,278,814	4,670,029
Grants and contributions	2,958,978	1,444,091	1,265,568	1,372,069	1,506,804	1,891,012	2,004,787	1,171,012	1,303,181	1,651,521
Treasury rebate	1,199,881	1,193,444	1,194,731	1,231,423	1,291,801	1,211,776	225,428	-	-	-
Land and building rental	832,665	897,861	890,442	847,335	878,676	643,052	601,223	553,997	745,546	484,508
Charges for services and sales	1,115,365	1,032,403	1,027,406	806,533	878,133	586,548	587,809	750,690	366,415	490,064
Permits	766,286	637,718	622,939	594,944	578,879	588,748	573,329	526,619	563,692	644,904
Easements and licenses	13,000	13,049	12,000	12,500	41,092	1,004,248	194,327	108,657	-	-
Programs and admissions	319,953	322,335	321,589	302,957	399,422	407,353	393,416	382,659	-	-
Other revenue	333,679	335,186	305,272	905,091	1,094,455	117,505	417,777	444,637	978,767	752,117
Total revenue	\$ 58,337,219	\$ 56,098,685	\$ 56,645,527	\$ 60,150,023	\$ 63,418,818	\$ 66,616,353	\$ 67,295,500	\$ 66,268,825	\$ 65,629,635	\$ 62,667,470
Expenditures										
General government	\$ 8,210,300	\$ 7,790,496	\$ 7,531,843	\$ 7,463,797	\$ 7,280,101	\$ 7,675,859	\$ 7,511,785	\$ 7,790,804	\$ 6,939,066	\$ 6,970,471
Education	1,912,345	2,144,845	3,229,950	3,436,225	3,398,107	3,766,151	4,060,282	4,251,123	4,074,114	3,885,495
Public safety	2,549,104	2,365,078	2,291,130	2,488,251	2,132,924	2,186,454	2,127,797	2,083,124	1,903,523	1,692,077
Recreation	1,310,157	1,745,869								
Natural resources	2,177,197	2,039,432								
Maintenance and development	9,027,881	9,359,617	11,310,784	11,079,573	11,199,964	11,184,966	11,290,090	10,672,927	10,252,729	9,018,990
Debt service										
Principal	15,240,000	15,770,000	15,400,000	15,210,000	16,560,000	20,430,000	21,185,000	16,694,438	17,075,929	16,026,362
Interest	12,492,115	12,658,502	14,005,447	13,953,924	14,011,680	13,817,684	11,759,428	19,843,863	16,001,304	14,570,489
Bond issuance costs	212,136	172,010	129,254	520,817	530,095	439,980	248,976	616,605	340,068	614,214
Paying agent fees	6,586	6,391	6,154	6,267	6,085	6,735	6,035	6,070	5,555	8,418
Capital outlay	27,027,793	11,895,470	9,553,306	31,880,071	12,008,108	79,238,414	50,952,701	40,130,080	59,662,485	29,264,044
Total expenditures	\$ 80,165,614	\$ 65,947,710	\$ 63,457,868	\$ 86,038,925	\$ 67,127,064	\$ 138,746,243	\$ 109,142,094	\$ 102,089,034	\$ 116,254,773	\$ 82,050,560
Excess (deficiency) of revenues over (under) expenditures	\$ (21,828,395)	\$ (9,849,025)	\$ (6,812,341)	\$ (25,888,902)	\$ (3,708,246)	\$ (72,129,890)	\$ (41,846,594)	\$ (35,820,209)	\$ (50,625,138)	\$ (19,383,090)

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing Sources (Uses)										
Issuance of debt	\$ 25,010,000	\$ 28,920,000	\$ 18,855,000	\$ 24,995,000	\$ 24,995,000	\$ 40,000,000	\$ 35,000,000	\$ 72,105,000	\$ 35,000,000	\$ 52,555,000
Premium on swap	-	-	-	-	-	-	-	-	-	2,318,000
Premium on bonds issued	932,697	1,378,964	2,220,864	517,953	253,018	-	50,045	9,032	614,031	-
Discount on bonds issued	-	-	-	-	-	(60,963)	-	(10,546)	-	-
Payments to escrow agent	-	(30,120,599)	(20,745,000)	-	-	-	-	-	-	(52,048,261)
Litigation proceeds	-	-	-	-	-	-	-	1,750,000	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Transfers in	275,508	1,006,657	2,690,062	6,335,786	2,298,904	2,211,080	3,489,146	5,255,576	14,147,059	3,064,505
Transfers out	(275,508)	(208,443)	(2,478,620)	(5,908,966)	(1,640,064)	(1,962,138)	(3,240,204)	(5,006,634)	(14,028,459)	(2,970,905)
Proceeds from sale of capital assets	-	200	5,095	250	35,755	43,112	3,290	3,196	1,675	215,780
Total other financing sources (uses)	25,942,697	976,779	547,401	25,940,023	25,942,613	40,231,091	35,302,277	74,105,624	35,734,306	3,134,119
Net change in fund balance	\$4,114,302	(\$8,872,246)	(\$6,264,940)	\$51,121	\$22,234,367	(\$31,898,799)	(\$6,544,317)	\$38,285,415	(\$14,890,832)	(\$16,248,971)
Debt service as a percentage of non-capital expenditures	50.2%	49.9%	51.4%	55.6%	54.5%	61.1%	56.4%	55.2%	57.6%	56.7%

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

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

Tax Levy Year	Real Property				Railroad Property	Less: Tax Exempt Property	Total Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (2)	Percentage Total Assessed Value to Total Estimated Actual Value
	Residential Property Equalized Assessed Value (1)	Commercial Property Equalized Assessed Value	Industrial Property Equalized Assessed Value	Farm Property Equalized Assessed Value (1)	Equalized Assessed Value (1)					
2006	24,059,821,968	3,560,027,731	945,748,957	138,325,080	11,480,843	1,396,156,864	27,319,247,715	0.204	86,154,799,217	33.33%
2007	25,707,055,762	3,896,237,047	1,009,514,103	138,725,008	12,734,654	1,396,156,860	29,368,109,714	0.201	92,302,029,937	33.33%
2008	26,692,708,236	4,080,157,970	1,070,167,624	148,207,853	14,408,385	1,519,276,839	30,486,373,229	0.199	96,026,552,859	33.33%
2009	26,444,355,479	4,076,868,901	1,078,670,211	130,000,960	15,632,006	1,594,160,150	30,170,722,053	0.200	95,304,177,027	33.33%
2010	25,050,610,799	3,958,617,907	1,053,939,231	145,507,804	21,734,420	1,545,711,200	28,684,698,965	0.198	90,700,300,525	33.33%
2011	21,563,532,150	3,935,653,823	1,047,870,275	143,531,351	21,759,448	1,445,186,184	26,712,347,047	0.201	80,137,842,519	33.33%
2012	19,571,566,537	3,744,050,296	1,000,984,225	135,988,122	20,087,547	1,372,484,102	24,472,676,727	0.212	73,418,764,369	33.33%
2013	18,250,837,046	3,596,005,257	963,290,033	131,972,701	25,834,371	1,357,654,581	22,967,939,408	0.218	68,904,507,269	33.33%
2014	17,986,600,287	3,557,931,152	941,835,797	131,981,893	28,494,978	1,327,077,482	22,646,844,107	0.211	67,941,211,733	33.33%
2015	18,742,201,521	3,586,175,203	944,060,087	129,826,150	34,447,002	1,343,735,504	23,436,709,963	0.208	70,310,832,997	33.33%

Sources:

(1) Assessed values from the Lake County Clerk - Tax Extension Department.

(2) Estimated actual values based on comparable 33 1/3 assessment ratio.

n/a Not available

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Property Tax Rates and Tax Extensions Last Ten Levy Years

FUND	Current Limit	Tax Levy Year									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Comparative Tax Rates											
General corporate	.060	0.059	0.059	0.060	0.060	0.059	0.059	0.059	0.057	0.055	0.051
Audit fund	0.005	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Liability insurance	no limit	0.004	0.004	0.003	0.003	0.003	0.004	0.003	0.004	0.005	0.005
Land development levy	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Retirement fund - IMRF/FICA	no limit	0.011	0.010	0.013	0.011	0.010	0.008	0.007	0.006	0.005	0.008
Subtotal (subject to tax cap)		0.100	0.099	0.101	0.099	0.097	0.096	0.094	0.092	0.090	0.090
Debt service	no limit	0.108	0.112	0.117	0.113	0.104	0.102	0.106	0.107	0.111	0.114
Total tax rates		0.208	0.211	0.218	0.212	0.201	0.198	0.200	0.199	0.201	0.204
Comparative tax extensions											
General corporate		\$ 13,860,001	\$ 13,367,526	\$ 13,780,764	\$ 14,683,606	\$ 15,760,285	\$ 16,923,972	\$ 17,800,726	\$ 17,377,233	\$ 16,152,460	\$ 13,932,811
Audit fund		107,575	222,845	-	-	-	-	-	-	-	273,192
Liability insurance		935,593	891,380	689,038	734,180	801,370	1,147,388	905,122	1,219,455	1,468,405	1,365,962
Land development levy		5,775,040	5,569,765	5,741,985	6,118,169	6,678,087	7,171,175	7,542,681	7,621,593	7,342,028	6,829,809
Retirement fund - IMRF/FICA		2,634,755	2,167,982	2,985,832	2,691,994	2,671,235	2,294,776	2,111,951	1,829,182	1,468,405	2,185,539
Subtotal (subject to tax cap)		23,312,964	22,219,498	23,197,619	24,227,950	25,910,977	27,537,311	28,360,479	28,047,463	26,431,298	24,587,313
Debt service		25,417,581	25,339,554	26,872,489	27,654,125	27,780,841	29,258,393	31,980,965	32,620,419	32,598,602	31,143,931
Total tax extensions		\$ 48,730,545	\$ 47,559,052	\$ 50,070,108	\$ 51,882,075	\$ 53,691,818	\$ 56,795,704	\$ 60,341,444	\$ 60,667,882	\$ 59,029,900	\$ 55,731,244

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Property Tax Rates and Tax Levies of Direct and Overlapping Governments Last Ten Levy Years

Tax Levy Year	Lake County Forest Preserve District		County	Cities and Villages	High Schools	Unit District	Elementary Schools	College District	Townships	Road & Bridge	Sanitary District	Park District	Library District	Fire Protection	Mosquito Abatement	Other Special Districts
Tax Rates (per \$100)																
	Operating	Debt														
2006	0.090	0.114	0.450	0.012-2.130	0.961-3.136	3.386-5.834	0.964-4.296	0.195-0.320	0.016-0.375	0.020-0.277	0.030-0.187	0.019-0.728	0.161-0.436	0.128-0.674	0.012	0.046
2007	0.090	0.111	0.444	0.013-2.446	0.959-3.013	3.023-5.639	0.944-4.330	0.192-0.269	0.028-0.368	0.015-0.271	0.031-0.186	0.019-0.707	0.152-0.433	0.121-0.652	0.011-0.042	0.042
2008	0.092	0.109	0.453	0.012-2.491	1.001-3.066	3.064-5.691	0.965-4.403	0.196-0.278	0.029-0.372	0.019-0.275	0.032-0.192	0.019-0.707	0.150-0.447	0.124-0.677	0.010-0.042	0.042
2009	0.094	0.106	0.464	0.012-2.616	1.069-3.195	3.272-5.986	0.998-4.423	0.200-0.312	0.031-0.364	0.007-0.193	0.032-0.194	0.020-0.703	0.161-0.452	0.127-0.688	0.011-0.012	0.042
2010	0.096	0.102	0.505	0.013-2.721	1.101-3.497	3.438-6.921	1.095-4.879	0.218-0.305	0.033-0.372	0.008-0.206	0.035-0.216	0.022-0.767	0.170-0.450	0.111-0.754	0.011-0.013	0.045
2011	0.097	0.104	0.554	0.014-3.236	1.910-3.824	3.661-8.175	1.168-5.818	0.240-0.340	0.033-0.397	0.006-0.321	0.039-0.241	0.024-0.894	0.185-0.475	0.129-0.875	0.012-0.014	0.047
2012	0.099	0.113	0.308	0.016-3.554	1.322-4.556	4.22-10.136	1.322-7.302	0.272-0.427	0.025-0.434	0.029-0.315	0.044-0.250	0.027-1.101	0.213-0.581	0.132-0.941	0.014-0.015	0.073
2013	0.101	0.117	0.663	0.018-4.616	1.420-5.228	4.607-9.418	1.424-8.762	0.296-0.436	0.027-0.049	0.032-0.421	0.049-0.250	0.030-1.260	0.228-0.656	0.126-1.093	0.007-0.015	0.055
2014	0.099	0.112	0.682	0.018-5.159	1.448-5.539	4.697-10.380	1.452-9.799	0.306-0.453	0.039-0.533	0.033-0.428	0.054-0.250	0.031-1.297	0.231-0.709	0.127-1.155	0.013-0.015	0.056
2015	0.100	0.108	0.663	0.018-6.508	1.409-5.396	4.468-10.430	1.429-9.829	0.299-0.435	0.037-0.508	0.032-0.417	0.053-0.250	0.031-1.322	0.225-0.709	0.123-1.296	0.012-0.015	0.054

Tax Levies as Extended (000s Omitted)

2006	\$ 24,587	\$ 31,144	\$ 123,887	\$ 170,484	\$ 411,535	\$ 234,635	\$ 552,042	\$ 54,947	\$ 25,589	\$ 9,140	\$ 12,683	\$ 58,953	\$ 46,950	\$ 56,295	\$ 615	\$ 3,273	\$ 1,816,759
2007	26,431	32,599	131,606	182,468	434,771	240,621	580,403	57,498	27,108	22,642	13,142	62,026	48,969	60,583	611	3,223	1,924,701
2008	28,048	32,620	139,241	195,289	457,612	254,721	612,314	60,993	28,611	23,984	13,804	65,200	52,547	66,557	623	3,357	2,035,521
2009	28,360	31,981	139,992	197,195	467,285	259,417	620,979	62,011	28,852	24,222	13,840	66,361	53,138	67,811	671	3,325	2,065,440
2010	27,539	29,258	145,939	183,636	479,976	268,807	633,710	63,776	28,966	24,419	14,325	67,440	54,160	71,750	681	3,406	2,097,788
2011	25,911	27,781	149,067	186,657	489,143	274,039	647,109	65,349	28,218	23,571	14,592	68,142	55,240	69,014	678	3,358	2,127,869
2012	24,228	27,654	149,789	194,675	495,310	284,324	657,043	68,495	27,084	22,934	13,391	69,901	56,791	73,616	684	17,626	2,183,545
2013	23,198	26,872	153,551	201,644	512,896	272,206	670,128	69,645	27,314	23,483	13,580	69,932	57,630	73,942	359	3,358	2,199,738
2014	22,219	25,340	154,995	204,822	516,599	276,815	686,259	71,027	27,455	24,137	13,744	70,340	58,776	77,622	584	3,350	2,234,084
2015	23,313	25,418	157,971	211,778	529,720	277,938	695,963	71,276	27,667	24,324	13,890	71,831	58,947	78,654	586	3,368	2,272,644

Source : Based upon data compiled from records of the Lake County Clerk.

n/a Not available

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	2016				2007			
		Rank	Taxable Assessed Valuation (In Thousands)	Percentage of Total Taxable Assessed Value		Rank	Taxable Assessed Valuation (In Thousands)	Percentage of Total Taxable Assessed Value	
Abbott Laboratories	Pharmaceuticals-Hospital Supplies	1	\$161,967	0.69 %	1	\$165,843	0.66 %		
Gurnee Mill/Gurnee Properties Associates	Retail Outlet Mall	2	48,635	0.21	2	56,442	0.22		
Discover Properties LLC	Real Estate Brokerage	3	39,575	0.17	4	44,660	0.18		
Wal-Mart Stores Inc.	Discount Department Store	4	32,919	0.14	-	-	-		
Scott Dressing Sr Mgr. Taxation	Pharmaceuticals	5	27,302	0.12	-	-	-		
Baxter Healthcare Corporation	Pharmaceuticals	6	26,907	0.11	6	31,083	0.12		
Midwest Family Housing LLC	Real Estate Developers	7	25,042	0.11	8	27,512	0.11		
HP Woodland Fall S II Inc.	Pharmaceuticals	8	23,709	0.10	-	-	-		
Property Tax Services Co.	Amusements	9	23,692	0.10	-	-	-		
W.W. Grainger, Inc.	Industrial Supplier	10	22,259	0.09	-	-	-		
Van Vlissingen & Company	Real Estate Developers	-	-	-	5	38,571	0.15		
Six Flags Great America	Amusements	-	-	-	7	29,635	0.12		
W.W. Grainger, Inc.	Industrial Supplier	-	-	-	9	27,441	0.11		
Carr Office Park, LLC	Real Estate Developers	-	-	-	3	48,689	0.19		
Corporate 500 Center	Real Estate Developers	-	-	-	10	27,211	0.11		
Totals			<u>\$432,007</u>	<u>1.84 %</u>		<u>\$497,087</u>	<u>1.97 %</u>		

Sources: Based on data submitted by the Lake County, Illinois Supervisor of Assessments' Report:
"Non-Farm Parcels Exceeding \$999,999 in Assessed Valuation."

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Levy Year	<u>Collection within the Fiscal Year of</u> <u>the Levy</u>			Collections in Subsequent Years	<u>Total Collections to Date</u>	
		Total Tax Levy for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 52,856,415	\$ 29,359,535	55.55%	\$ 23,291,195	\$ 52,650,730	99.61%
2007	2006	55,731,245	29,568,519	53.06%	26,071,021	55,639,540	99.84%
2008	2007	59,029,901	31,134,843	52.74%	27,734,281	58,869,124	99.73%
2009	2008	60,667,883	31,134,843	51.32%	28,514,725	59,649,568	98.32%
2010	2009	60,341,444	31,734,147	52.59%	28,482,494	60,216,641	99.79%
2011	2010	56,795,704	28,177,978	49.61%	26,902,683	55,080,661	96.98%
2012	2011	53,691,818	28,363,188	52.83%	25,250,480	53,613,668	99.85%
2013	2012	51,882,075	27,543,433	53.09%	24,116,258	51,659,691	99.57%
2014	2013	50,070,108	26,575,894	53.08%	23,300,397	49,876,291	99.61%
2015	2014	47,559,052	25,246,796	53.09%	22,143,617	47,390,413	99.65%
2016	2015	48,730,545	26,644,056 (1)	54.68%	n/a	26,644,056	54.68%

Sources: Lake County Illinois Tax Extension Division.

(1) Collections through August 18, 2016. Second installment of 2015 levy is due September 1, 2016.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$539,044,329	\$520,877,414	\$528,262,606	\$562,871,655	\$614,383,982	\$659,748,076	\$693,926,607	\$701,186,584	\$675,466,523	\$628,342,467
Total net debt applicable to limit	275,314,516	265,677,803	279,700,395	295,828,991	291,993,138	282,115,206	260,190,363	243,221,363	192,194,551	181,865,765
Legal debt margin	<u>\$ 263,729,813</u>	<u>\$ 255,199,611</u>	<u>\$ 248,562,211</u>	<u>\$ 267,042,574</u>	<u>\$ 322,390,844</u>	<u>\$ 377,632,870</u>	<u>\$ 433,736,244</u>	<u>\$ 457,965,221</u>	<u>\$ 483,271,972</u>	<u>\$ 446,476,702</u>
Total net debt applicable to the limit as a percentage of debt limit	51.07%	51.01%	52.95%	52.56%	47.53%	42.76%	37.50%	34.69%	28.45%	28.94%

Legal Debt Margin Calculation for Fiscal Year 2015

Net Assessed Value (2015)	\$23,436,709,963
Debt limit (2.3% of net assessed valuation)	<u>539,044,329</u>
Amount of debt applicable to debt limit	291,590,000
Less: Amount in Debt Service Fund available for payment of principal	<u>(16,275,484)</u>
Total amount of debt applicable to debt limit	<u>275,314,516</u>
Legal debt margin	<u><u>\$263,729,813</u></u>

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Government Activities	Business-Type Activities		Total Primary Government	Personal Income (1)	Percentage of Personal Income	Population (2)	Per Capita
	General Bonded Debt	Installment Certificates	Capital Leases					
2007	207,719,289	555,000	-	208,274,289	39,199,483	0.53%	723,591	288
2008	219,456,413	-	-	219,456,413	39,488,486	0.56%	723,591	303
2009	266,875,437	-	-	266,875,437	39,789,801	0.67%	723,591	369
2010	274,823,238	-	-	274,823,238	37,515,642	0.73%	728,086	377
2011	294,444,006	-	-	294,444,006	37,975,785	0.78%	703,462	419
2012	303,245,171	-	-	303,245,171	39,305,689	0.77%	706,260	429
2013	316,521,234	-	-	316,521,234	41,191,114	0.77%	711,155	445
2014	300,679,325	-	-	300,679,325	42,780,828	0.70%	703,019	428
2015	286,594,841	-	-	286,594,841	46,069,226	0.62%	706,327	406
2016	296,006,777	-	-	296,006,777	n/a	n/a	707,461	418

Sources:

(1) Sales & Marketing Management Survey of Buying Power and Bureau of Economic Analysis, Lake County Partners and U.S. Department of Commerce.

(2) U.S. Census, Economic Development Intelligence System and Northeastern Illinois Planning Commission.

n/a Not available

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Net General Bonded Debt to Equalized Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt	Equalized Assessed Value	Percentage of Debt to Equalized Assessed Value of Property	Population (1)	Net General Bonded Debt Per Capita
2007	207,719,289	27,319,237,715	0.760%	723,591	287
2008	219,456,413	29,368,109,714	0.747%	723,591	303
2009	266,875,437	30,486,373,229	0.875%	723,591	369
2010	274,823,238	30,170,722,053	0.911%	728,086	377
2011	294,444,006	28,684,698,965	1.026%	703,462	419
2012	303,245,171	26,712,347,047	1.135%	706,260	429
2013	316,521,234	24,472,676,727	1.293%	711,155	445
2014	300,679,325	22,967,939,408	1.309%	703,019	428
2015	286,594,841	22,646,844,107	1.265%	706,327	406
2016	296,006,777	23,436,709,963	1.263%	707,461	418

Sources:

(1) U.S. Census, Economic Development Intelligence System and Northeastern Illinois Planning Commission.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Direct and Overlapping Bonded Debt (1)(3)

As of May 11, 2016

	<u>Amount Applicable</u>	<u>Ratio to</u>		<u>Per Capita (2010 Census 703,462)</u>
		<u>Equalized Assessed</u>	<u>Estimated Actual</u>	
District EAV of taxable property, 2015	\$ 23,436,709,963	100.00%	33.33%	\$ 333,316
Estimated actual value, 2015	70,310,129,889	300.00%	100.00%	99,949
Direct bonded debt (2)	289,031,777	1.23%	0.41%	\$ 411
Overlapping bonded debt				
Schools	992,035,779	4.23%	1.41%	1,410
All others	989,881,261	4.22%	1.41%	1,407
Total overlapping bonded debt	<u>\$ 1,981,917,040</u>	<u>8.46%</u>	<u>2.82%</u>	<u>\$ 2,817</u>
Total direct and overlapping bonded debt	\$ 2,270,948,817	9.69%	3.23%	\$ 3,228

Sources:

(1) The County of Lake, Illinois. Based on data calculated by the county.

(2) Excludes leases and debt certificates.

(3) As of May 11, 2016.

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal	Population(1)	Personal Income(2)	Per Capita Personal Income (2)	Median Age(3)	School Enrollment(4)	Unemployment Rate(5)
2007	723,591	39,199,483	40,393	35.0	140,341	4.60%
2008	723,591	39,488,486	40,573	35.1	139,369	8.30%
2009	723,591	39,789,801	38,042	35.2	139,235	11.60%
2010	728,086	37,515,642	37,724	35.3	138,317	9.60%
2011	703,462	37,975,785	35,828	36.7	137,929	9.50%
2012	706,260	39,305,689	34,980	36.8	137,143	7.70%
2013	711,155	41,191,114	37,122	36.6	135,714	9.00%
2014	703,019	42,780,828	39,306	37.3	135,330	5.60%
2015	706,327	46,069,226	40,549	38.0	134,336	5.90%
2016	707,461	n/a	n/a	n/a	n/a	n/a

Sources:

- (1) U.S. Census, Economic Development Intelligence System, Northeastern Illinois Planning Commission and U.S. Department of Commerce.
- (2) Sales & Marketing Management Survey of Buying Power and Bureau of Economic Analysis and Lake County Partners.
- (3) Market Profile prepared by Lake County Partners and Economic Development Intelligence System.
- (4) Lake County Regional Office of Education.
- (5) Illinois Department of Employment Security.
- n/a Not Available

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Principal Employers
Current year and Nine Years Ago
June 30, 2016

Employers

2016		
Employees	Rank	Percentage of Total County Employment

2007		
Employees	Rank	Percentage of Total County Employment

Abbott Laboratories	9,000	1	2.43%	-	-	-
Baxter Healthcare Corporation	5,900	2	1.59%	5,700	3	1.63%
Abb Vie Inc.	4,000	3	1.08%	2,500	9	0.71%
Discover Financial Services	2,976	4	0.80%	-	-	-
Walgreen Company	2,100	5	0.57%	-	-	-
CDW Corporation	1,800	6	0.49%	-	-	-
Advocate Healthcare	1,800	7	0.49%	-	-	-
Takeda	1,700	8	0.46%	-	-	-
Medline Industries Inc.	1,600	9	0.43%	-	-	-
James A Lovell Fed. Health Care	1,600	10	0.43%	-	-	-
Naval Training Center	-	-	-	24,000	1	6.86%
Trustmark Insurance Company	-	-	-	6,000	2	2
Gurnee Mills	-	-	-	5,000	4	1.43%
Six Flags Great America	-	-	-	3,000	5	0.86%
Cardinal Health	-	-	-	2,750	6	0.79%
Condell Medical Center	-	-	-	2,600	7	0.74%
Lake County	-	-	-	2,520	8	0.72%
Hewitt Associates	-	-	-	2,100	10	0.60%
Totals	<u>32,476</u>		<u>8.76%</u>	<u>56,170</u>		<u>16.05%</u>

Source: Lake County Partners

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function										
General government	36.42	24.65	29.00	29.00	30.75	43.30	39.30	39.10	38.85	38.85
Education	26.42	39.90	49.99	49.99	49.99	51.71	54.04	53.83	52.42	49.18
Public safety	28.49	28.49	27.49	25.96	25.96	25.96	25.96	24.96	23.96	23.96
Maintenance and development	121.61	123.15	130.17	130.31	130.81	118.94	118.94	119.25	117.13	115.17
Golf courses	58.09	58.34	58.09	62.27	62.82	62.92	62.92	65.73	64.48	68.04
Fox River Recreational Area	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.77</u>	<u>1.77</u>	<u>1.77</u>	<u>2.47</u>	<u>2.47</u>
Total	<u>271.03</u>	<u>274.53</u>	<u>294.74</u>	<u>297.53</u>	<u>300.33</u>	<u>304.60</u>	<u>302.93</u>	<u>304.64</u>	<u>299.31</u>	<u>297.67</u>

Source: Lake County Forest Preserve Annual Budget

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Function										
General government										
Employee Safety Training Sessions	17	18	20	25	24	24	14	25	25	25
Environmental Mitigation Projects	3	3	3	5	5	3	8	7	8	8
Computers Supported	201	204	199	206	189	195	188	184	189	191
Education and cultural resources										
Program Registrations	n/a	22,650	28,500	21,960	21,960	20,380	25,595	23,740	23,840	26,300
Program and Event Attendance**	92,900	123,950	129,650	117,770	117,770	119,158	122,150	120,400	141,300	135,100
Community Use Rentals	126	130	150	145	145	42	183	266	251	261
Public safety										
Public Safety Service Calls	23,000	19,000	18,000	15,800	15,800	14,000	13,000	12,000	11,000	9,000
Public Access Areas Patrolled	130	130	130	123	123	120	118	116	113	99
Permits Processed	30,890	28,260	26,730	26,605	26,405	25,115	24,451	22,578	21,345	18,061
Maintenance and development										
Preserve Work Orders Completed	3,914	4,489	4,468	4,330	4,330	2,692	2,765	2,619	2,910	2,645
Prairie, Woodland, Wetlands Seeded	471	435	197	285	226	120	600	420	168	250
Prescribed Burn Management Acres	2,551	2,391	3,000	3,200	2,568	5,713	4,000	2,467	2,811	2,400
Golf courses										
Daily Golf Rounds	75,997	79,955	85,239	88,135	91,835	90,327	110,766	113,592	113,500	116,610
Rounds of Cart Rentals	62,533	57,581	59,667	61,695	73,607	65,487	72,076	78,239	79,512	82,793
Season Passes Sold	59	79	98	102	113	126	149	169	180	259
Fox River Recreational Area										
Boat Slip Leases	73	72	70	75	72	99	103	95	98	108
Winter Storage Leases	118	123	93	89	89	118	116	120	117	126

n/a Not available, reporting differences in our new Ecommerce system.

**includes transition period for the Lakewood facility

Source: Lake County Forest Preserve Annual Budget

LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function											
General government											
Total Acres	31,015	30,235	30,156	30,037	29,334	29,281	28,114	27,114	26,550	25,492	25,195
Building and Structures	292	303	315	398	398	394	400	400	393	388	388
Miles of Trails	192	189	182	159	157	148	145	141	131	126	123
Education and cultural resources											
Historical/Cultural Sites	4	4	4	4	4	4	4	4	4	4	4
Public safety											
Patrol Units	17	17	17	19	18	18	27	27	27	25	25
Ranger Stations	2	5	7	7	7	7	7	7	7	7	7
Maintenance and development											
Vehicles and Equipment	451	438	452	437	507	521	486	492	491	488	486
Farmland Management Acres	2,227	2,220	2,298	2,617	2,527	1,820	1,700	1,588	1,689	1,710	1,800
Golf courses											
Number of Golf Courses	3	3	3	3	4	4	4	4	4	4	4
Fox River Recreational Area											
Number of Boat Slips	169	169	169	169	169	169	169	169	169	169	169
Trails in miles	2	2	2	2	2	2	2	2	2	2	1.5

Source: Lake County Forest Preserve Annual Budget