



Lake County  
Forest Preserves  
Libertyville, Illinois

# **Comprehensive Annual Financial Report Period Ending December 31, 2019**



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

**Comprehensive Annual Financial Report**

**As of and For the Period Ended December 31, 2019**  
**(An 18 Month Fiscal Period)**

Prepared by:

The Department of Finance

Stephen Neaman  
Director of Finance

and

Christy Marantos  
Finance Manager

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

Comprehensive Annual Financial Report  
As of and For the Period Ended December 31, 2019

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## INTRODUCTORY SECTION



**June 26, 2020**

**Dear Residents of Lake County:**

The Lake County Forest Preserve District (the “District”) is pleased to submit its comprehensive annual financial report for the fiscal period ended December 31, 2019. 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 period ended December 31, 2019. 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.

Baker Tilly Virchow Krause LLP, Certified Public Accountants, have issued an unmodified opinion on the District’s financial statements for the fiscal period ended December 31, 2019. 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.

**FISCAL YEAR CHANGE – 18 MONTH BUDGET**

On December 12, 2017, the Board of Commissioners approved a resolution calling for a change in the District’s fiscal year. Under the Downstate Forest Preserve Act (70 ILCS 805/) section 13.3(d) “Any forest preserve district that determines to change its fiscal year may adopt an annual appropriation ordinance for a transition period of more or less than 12 months as may be necessary to effect such change, and appropriations made for such transition period shall terminate with the close of such period.” Since its inception in 1958 the District has operated under a fiscal year that ran from July 1<sup>st</sup> through June 30<sup>th</sup>. As the District grew over the years and added new programming and golf to its offered activities, the June 30<sup>th</sup> fiscal year end made budgeting more challenging and split many activities during their busy season. Property tax levies had to be projected out for two years to develop the annual budget since tax payments were collected in June and September of a given year. The Board changed to a calendar fiscal year from January 1<sup>st</sup> to December 31<sup>st</sup> which began on January 1,

2020. To bridge the gap, the Board adopted an 18 month budget starting on July 1, 2018 and ending on December 31, 2019. When reading the information that follows and the financial statements as a whole, please keep in mind that the FY2019 information is for an 18 month period and is being compared to a 12 month period for FY2018.

## **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 503 full-time, part-time, and seasonal employees organized into nine 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 64 sites the District provides a full range of services including land preservation, planning, development, conservation, restoration, 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.

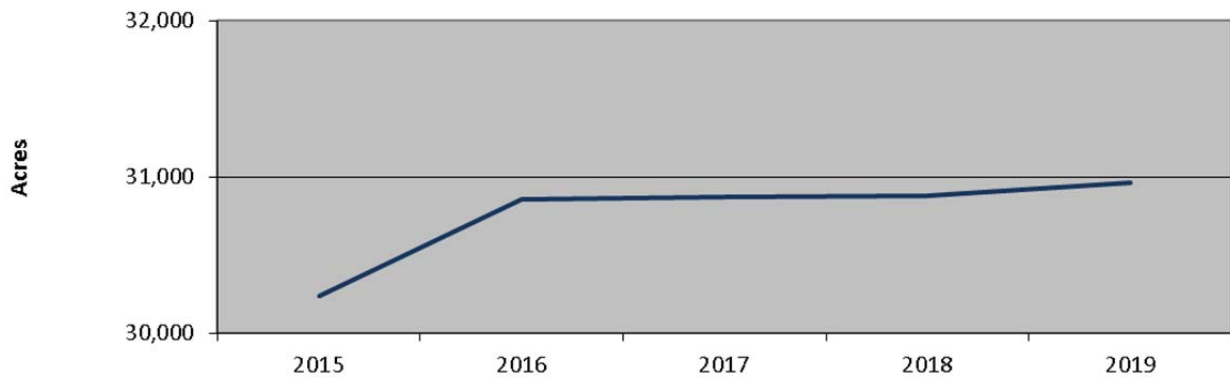
## **DISTRICT'S ECONOMIC CONDITION**

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 \$81.7 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.

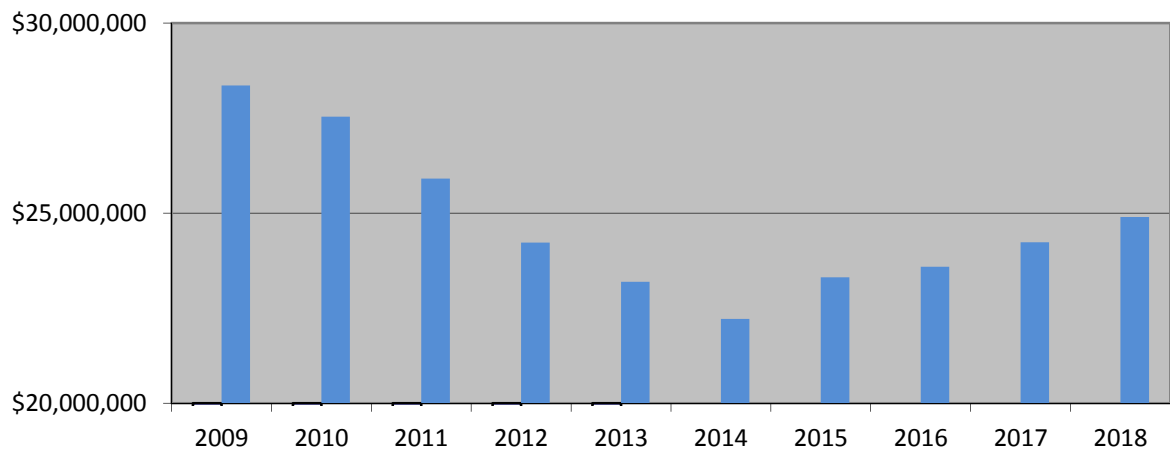
Over the past five years, District land holdings have increased to over 30,967 acres. During this same time period the District has reduced staff by 11%.



### District Acreage

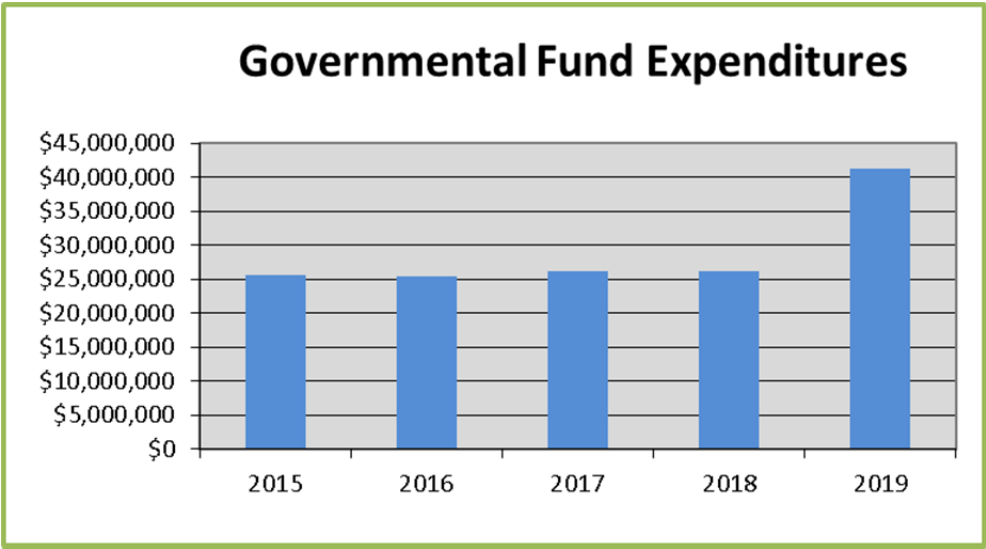


### General Corporate & Special Purpose Tax Levy



The general corporate and special purpose tax levies have decreased from \$28.4 million for the 2009 tax levy to \$24.9 million for the 2018 tax levy. This is a reduction of \$3.5 million from what the levy was for 2009. The decrease was the result of declining property values brought on by the Great Recession. During the decline the District continued conservative budgeting practices and wise use of fiscal resources. Property values have stabilized over the past five years and increased by 20.3%. At the same time the overall tax levy has grown only by 2.99% as a result of continued fiscal conservatism. The Consumer Price Index over that time period rose by 8.35%.

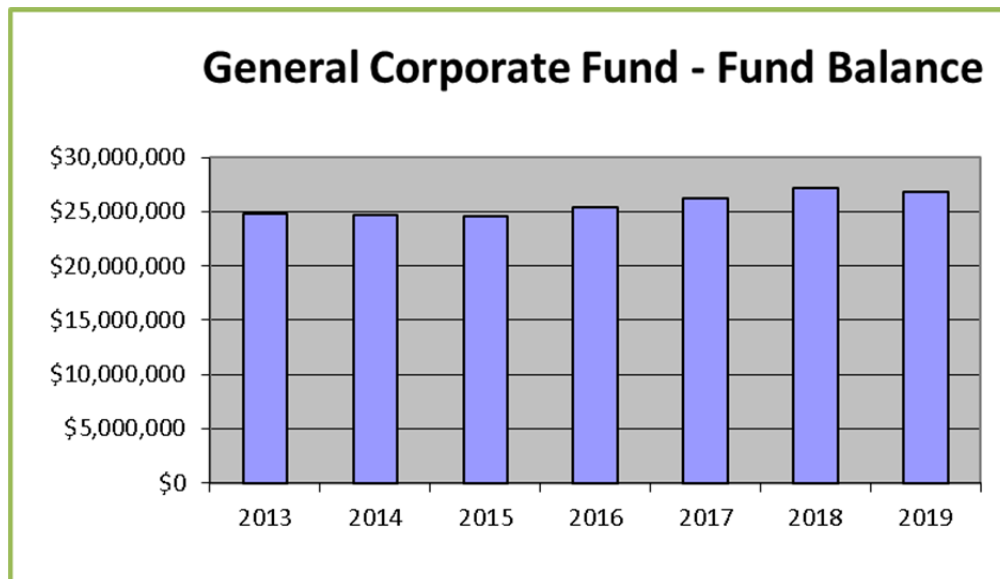
Governmental fund expenditures, including maintenance and development, public safety, education, recreation, natural resources, and general government have increased from \$26.3 million in 2018 to \$41.3 million (57.2%) in 2019. The District prepares a ten-year operating forecast which projects revenues 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 District also has a ten-year capital improvement plan that 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 twenty 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 issued refunding bonds in 2019 to refund bonds originally issued in 2011 and 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 were used to call outstanding debt certificates in December 2018 and saved 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 District's approved Strategic Plan and use of a ten-year rolling financial forecast.
- Evaluate funding sources to address priority capital improvement projects in the ten-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**

At the time of this writing the District, along with the entire country, is going through the COVID-19 pandemic. The full picture of the economic impact of this is still unfolding and the long-term consequences are unknown at this time. The District has projected revenue losses for the remainder of the 2020 fiscal year due to program cancellations and facility closings and has taken steps to control expenses for the remainder of the year. As more concrete information becomes available, the District will adjust its fiscal strategies to insure its fiscal health.

In addition to the COVID-19 pandemic, 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. After 2008, declining property values meant declining property tax revenues. These declines stopped with the 2015 property assessment. Property values grew by 3.49% in 2015, rose again in 2016 by 6.25% and increased 4.43% in 2017. 2018 property values increased by 2.22% and 2019 increased by 2.5%. These increases in property values did not translate into a one for one increase in property tax revenue and future increases in property values will not automatically mean increases in property tax revenue. State caps on property tax revenue increases are tied to the annual rate of inflation, which was 2.1% for the 2018 tax levy and 1.9% for the 2019 tax levy. The 2020 rate, set at the end of 2019, will be 2.3% after that it is likely that the rate will decline if the economic impact of the COVID-19 pandemic remains an issue. 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.

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 2019, 25th consecutive year.
- Excellence in Financial Reporting, Government Finance Officers Association, Comprehensive Annual Financial Report 2018, 31st 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**

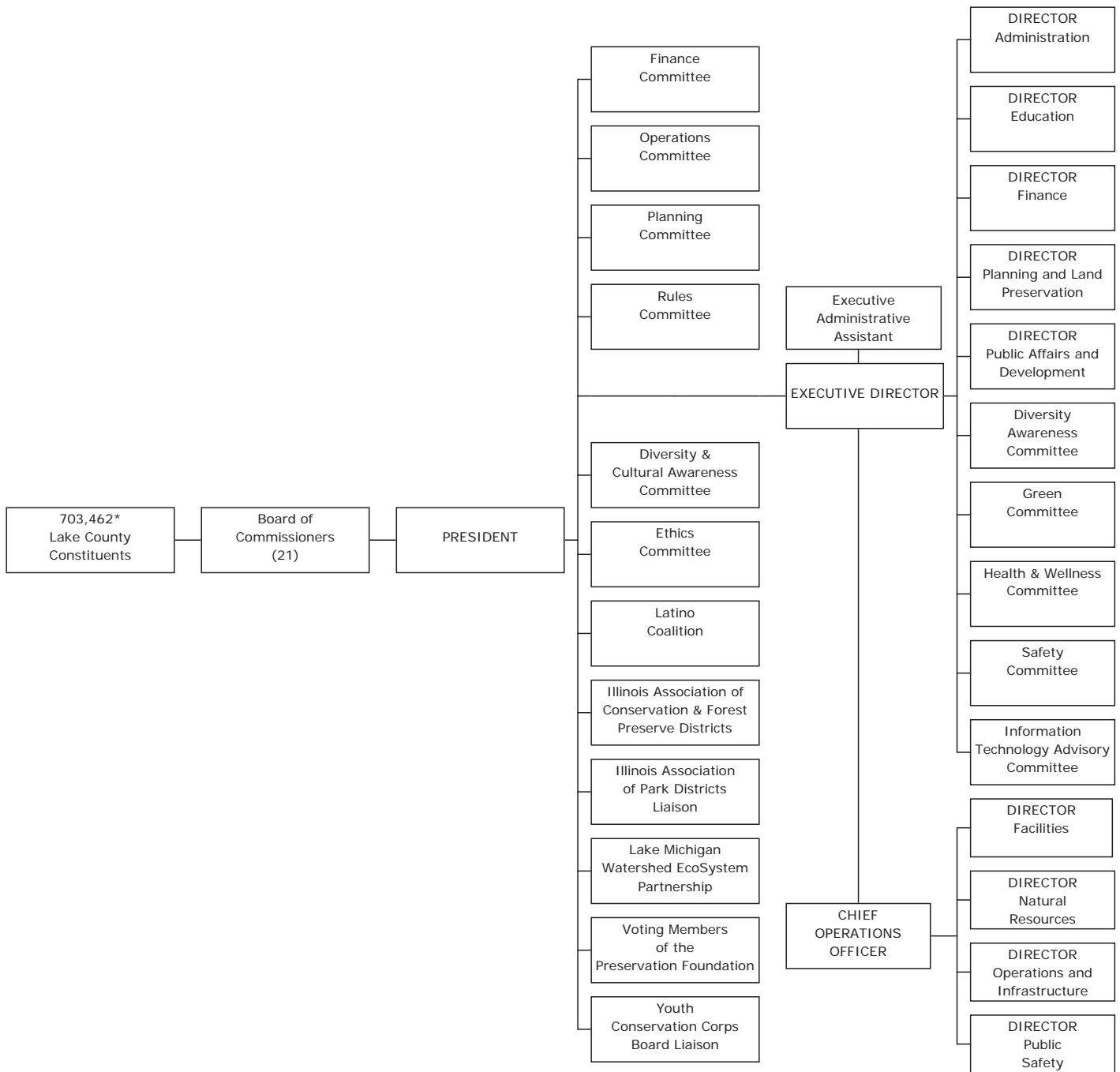
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# LAKE COUNTY FOREST PRESERVE DISTRICT



\*Denotes number of constituents from 2010 Census

**Presidential Appointments  
December 2018 – December 2020**

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Approved: 12/11/18  
Revised 1-15-19; 4-9-19; 2-11-20; 3-10-20

## **OFFICERS AND OFFICIALS**

**Angelo D. Kyle**  
*PRESIDENT*

**Julie Simpson**  
*VICE PRESIDENT*

Paul Frank  
*TREASURER*

Julie Gragnani  
*SECRETARY*

Craig Taylor  
*ASSISTANT TREASURER*

Maureen Shelton  
*ASSISTANT SECRETARY*

Steve Neaman  
*DEPUTY TREASURER*

Alex Ty Kovach  
*EXECUTIVE DIRECTOR*

## **STANDING COMMITTEES**

### **FINANCE COMMITTEE**

Terry Wilke, *Chair*  
Paul Frank, *Vice Chair*  
Steve Carlson  
Michael Danforth  
Sandy Hart  
Ann B. Maine  
S. Michael Rummel *eff. 1-15-19*  
Julie Simpson  
John Wasik

### **PLANNING COMMITTEE**

John Wasik, *Chair*  
Julie Simpson, *Vice Chair*  
Marah Altenberg *eff. 3-10-20*  
Dick Barr  
Jennifer Clark  
Diane Hewitt  
Judy Martini  
Linda Pedersen  
Jessica Vealitzek

### **LEGISLATIVE COMMITTEE**

Jennifer Clark, *Chair eff. 2-11-20*  
Julie Simpson, *Vice Chair eff. 2-11-20*  
Marah Altenberg *eff. 3-10-20*  
Dick Barr  
Judy Martini *eff. 1-15-19*  
Linda Pedersen  
Jessica Vealitzek

### **RULES COMMITTEE**

Bill Durkin, *Chair*  
Terry Wilke, *Vice Chair*  
Marah Altenberg *eff. 3-10-20*  
Jennifer Clark  
Mary Ross Cunningham  
Judy Martini  
Craig Taylor  
Jessica Vealitzek  
John Wasik

### **OPERATIONS COMMITTEE**

Jessica Vealitzek, *Chair*  
Bill Durkin, *Vice Chair*  
Mary Ross Cunningham  
Ann B. Maine  
Brent Paxton  
Craig Taylor  
Terry Wilke



## **SPECIAL COMMITTEES**

### **DIVERSITY & CULTURAL AWARENESS COMMITTEE**

Julie Simpson, *Chair*  
Mary Ross Cunningham, *Vice Chair*  
Marah Altenberg *eff. 3-10-20*  
Jennifer Clark  
Jessica Vealitzek

### **ETHICS COMMITTEE**

Jennifer Clark, *Chair*  
Paul Frank, *Vice Chair*  
Bill Durkin  
Judy Martini  
Jessica Vealitzek

## **OUTSIDE BOARD MEMBERS AND LIAISONS**

### **ILLINOIS ASSOCIATION OF PARK DISTRICTS**

Judy Martini, *Liaison*

### **LAKE MICHIGAN WATERSHED ECOSYSTEM PARTNERSHIP**

Paul Frank, *Representative*

### **LATINO COALITION**

Mary Ross Cunningham, *Representative*

### **BOARD OF DIRECTORS OF THE PRESERVATION FOUNDATION OF THE LAKE COUNTY FOREST PRESERVES**

Paul Frank  
S. Michael Rummel

### **MEMBERS OF THE PRESERVATION FOUNDATION OF THE LAKE COUNTY FOREST PRESERVES**

Angelo D. Kyle  
Marah Altenberg *eff. 3-10-20*  
Bill Durkin  
Paul Frank  
Ann B. Maine *eff. 1-15-19*  
Jessica Vealitzek *eff. 1-15-19*  
John Wasik  
Terry Wilke

### **YCC BOARD LIAISON**

Marah Altenberg *eff. 3-10-20*

## **OTHER APPOINTMENTS**

### **CORPORATE COUNSEL AND PARLIAMENTARIAN**

Matthew Norton  
Burke, Warren, MacKay & Serritella, P.C.

### **OUTSIDE ETHICS ADVISOR**

John B. Murphey, Partner  
Rosenthal, Murphey, Coblenz & Donahue

## FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

To the Honorable President and Members of the Board of Commissioners  
Lake County Forest Preserve District  
Libertyville, IL

### **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, as of and for the period ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Lake County Forest Preserve 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.

### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 over financial reporting relevant to the Lake County Forest Preserve 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 Lake County Forest Preserve 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.

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

### ***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 December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the period 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 the required supplementary information as listed in the table of contents 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake County Forest Preserve District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake County Forest Preserve District's basic financial statements. 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. Such information has 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 it.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020 on our consideration of the Lake County Forest Preserve District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lake County Forest Preserve District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lake County Forest Preserve District's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
June 26, 2020



**Lake County Forest Preserve District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
UNAUDITED**

December 31, 2019

The Lake County Forest Preserve District (“*District*”) management’s discussion and analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. Since the management’s discussion and analysis focuses on the current period’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 18*).

With the completion of the 2019 fiscal period the District has completed a transition from a fiscal year that started on July 1st and finished on June 30th to a fiscal year starting on January 1<sup>st</sup> and ending on December 31<sup>st</sup>. To accomplish this, the District used an 18 month fiscal period for 2019 that started on July 1, 2018 and ended on December 31, 2019. Comparisons in the MD&A are for an 18 month period for FY2019 and a 12 month period for FY2018. The change has had an impact on fund balances in some instances due to the timing of property tax collection and reporting. Please keep this in mind as you read through the document.

***FINANCIAL HIGHLIGHTS***

- With the completion of FY2019, the District has completed an 18 month transitional fiscal period to move from a July 1<sup>st</sup> through June 30<sup>th</sup> to a January 1<sup>st</sup> through December 31<sup>st</sup> fiscal year.
- The District’s net position (see Table 1) decreased by \$10,835,046 during the fiscal period ending December 31, 2019 (FY2019). Governmental net position decreased \$10,451,824 and business-type net position decreased \$383,222.
- The District’s total assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$570.3 million for the period ending December 31, 2019.
- The District reported a decrease in combined fund balance in the governmental funds of \$24.2 million for a total of \$59.2 million at the end of the period.
- The District refunded \$24.5 million of outstanding series 2011 GO Bonds for a net present value savings of \$2.9 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 18) 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* (page 19) 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, natural resources, recreation, 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 2018 statements in accordance with Governmental Accounting Standards Board (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 period. 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 thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet (page 20) and in the governmental funds statement of revenues, expenditures, and changes in fund balances (page 21) 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 eight governmental funds are combined into a single, aggregated presentation. Detail of the non-major funds is presented in the Supplementary Information beginning on page 89.

*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 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 23-25 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 29-76 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 \$570,340,608 at December 31, 2019. This was a decrease of \$10,835,046 from last period's net position.

The largest portion of the District's net position, \$527,975,831, 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, \$15,467,163, 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 \$26,897,614 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 December 31, 2019 & June 30, 2018**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total District</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$116,735,828	\$111,430,986	\$1,257,039	\$2,073,287	\$117,992,867	\$113,504,273
Noncurrent assets:					-	-
Net pension asset	-	18,736	-	-	-	18,736
Capital assets net of depreciation	730,285,829	731,728,070	17,435,409	17,106,509	747,721,238	748,834,579
<b>Total assets</b>	<b>\$847,021,657</b>	<b>\$843,177,792</b>	<b>\$18,692,448</b>	<b>\$19,179,796</b>	<b>\$865,714,105</b>	<b>\$862,357,588</b>
Deferred loss on refundings	2,066,474	2,949,839	-	-	2,066,474	2,949,839
Pension actuarial adjustments	1,386,689	2,122,999	167,101	254,284	1,553,790	2,377,283
Deferred pension contributions	-	763,367	-	68,096	-	831,463
Accumulated decrease in fair value of hedging derivatives	154,078	484,205	-	-	154,078	484,205
OPEB valuation	41,400	51,868	4,219	5,153	45,619	57,021
<b>Total Deferred Outflow     Of Resources</b>	<b>3,648,641</b>	<b>6,372,278</b>	<b>171,320</b>	<b>327,533</b>	<b>3,819,961</b>	<b>6,699,811</b>
Current liabilities	70,018,138	22,477,699	285,623	479,062	70,303,761	22,956,761
Noncurrent liabilities	221,598,858	256,397,567	845,792	567,537	222,444,650	256,965,104
<b>Total liabilities</b>	<b>291,616,996</b>	<b>278,875,266</b>	<b>1,131,415</b>	<b>1,046,599</b>	<b>292,748,411</b>	<b>279,921,865</b>
Pension deferrals	3,549,738	7,160,493	389,979	734,626	3,939,717	7,895,119
OPEB valuation	53,216	58,908	5,345	5,853	58,561	64,761
Deferred gain on refunding	2,446,769	-	-	-	2,446,769	-
<b>Total Deferred Inflow     Of Resources</b>	<b>6,049,723</b>	<b>7,219,401</b>	<b>395,324</b>	<b>740,479</b>	<b>6,445,047</b>	<b>7,959,880</b>
Net position:						
Net invested in capital assets	510,540,422	481,937,893	17,435,409	17,106,509	527,975,831	499,044,402
Restricted	15,467,163	47,026,359	-	-	15,467,163	47,026,359
Unrestricted	26,995,994	34,491,151	(98,380)	613,742	26,897,614	35,104,893
<b>Total net position</b>	<b>\$553,003,579</b>	<b>\$563,455,403</b>	<b>\$17,337,029</b>	<b>\$17,720,251</b>	<b>\$570,340,608</b>	<b>\$581,175,654</b>

The District's combined net position decreased by \$10,835,046 during the fiscal period. Governmental activities net position decreased by \$10,451,824. This decrease was the result of operating expenditures exceeding operating revenues. A large part of that reduction was caused by the timing of property tax recognition created by the change in the District's fiscal year end from June 30<sup>th</sup> to December 31<sup>st</sup>. A reduction of \$18.9 million of accrued property tax revenues occurred as a result of the fiscal year change. Total assets and deferred outflows of resources increased by \$476,667 during the period, while liabilities and deferred inflows of resources increased by \$11,311,713. The increase in assets and deferred outflows of resources were largely due to the timing and collection of property tax revenues at the end of the new fiscal year. During the month of December the District pays both principal and interest on its outstanding GO bonds. This is now at the end of the fiscal year. In the prior fiscal year time frame this payment occurred during the middle of the fiscal year. A significant portion of the property tax revenues collected before the old year end date of June 30<sup>th</sup>, were collected for that December payment. So at the end of June, funds that had been collected for that December bond payment were held in the fund balance at year end. Also as a result of the fiscal year end change the uncollected property tax is no longer recognized as revenue for the fiscal period. The tax revenue for the coming year has been recorded as a receivable in full and also as deferred property tax revenue. This deferred revenue accounts for the large increase in liabilities and deferred inflows of resources.

The business-type activities net position declined by \$383,222 during the period. This was due in part to operating expenses exceeding revenues and adjustments for the net pension liability. Weather and a reduced number of player rounds contributed to the decline.

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

**Table 2**  
**Lake County Forest Preserve District**  
**Changes in Net Position for the Fiscal Periods Ended December 31, 2019 & June 20, 2018**

	Governmental Activities		Business-type Activities		Total District	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$6,936,262	\$4,404,608	\$ 5,404,529	\$ 3,577,968	\$ 12,340,791	\$ 7,982,576
Operating grants and contributions	1,028,112	993,995	-	-	1,028,112	993,995
Capital grants and contributions	1,956,470	1,456,894	-	-	1,956,470	1,456,894
General revenues:						
Property and replacement taxes	49,786,745	49,443,288	-	-	49,786,745	49,443,288
Other	3,521,048	1,500,543	94,481	38,423	3,615,529	1,538,966
<b>Total revenues</b>	<b>63,228,637</b>	<b>57,799,328</b>	<b>5,499,010</b>	<b>3,616,391</b>	<b>68,727,647</b>	<b>61,415,719</b>
<b>Expenses:</b>						
General government	16,546,983	10,372,661	-	-	16,546,983	10,372,661
Educational	4,835,737	3,097,194	-	-	4,835,737	3,097,194
Public safety	4,567,231	2,939,687	-	-	4,567,231	2,939,687
Maintenance and development	16,232,806	10,300,076	-	-	16,232,806	10,300,076
Recreation	3,637,794	2,003,614	-	-	3,637,794	2,003,614
Natural resources	11,873,719	5,325,332	-	-	11,873,719	5,325,332
Interest	15,986,191	10,111,139	-	-	15,986,191	10,111,139
Golf courses	-	-	5,882,232	3,913,242	5,882,232	3,913,242
<b>Total expenses</b>	<b>73,680,461</b>	<b>44,149,703</b>	<b>5,882,232</b>	<b>3,913,242</b>	<b>79,562,693</b>	<b>48,062,945</b>
<b>Change in net position</b>	<b>(10,451,824)</b>	<b>13,649,625</b>	<b>(383,222)</b>	<b>(296,851)</b>	<b>(10,835,046)</b>	<b>13,352,774</b>
Beginning Net Position	563,455,403	549,805,778	17,720,251	18,017,102	581,175,654	567,822,880
Ending Net Position	<u>\$553,003,579</u>	<u>\$563,455,403</u>	<u>\$ 17,337,029</u>	<u>\$ 17,720,251</u>	<u>\$570,340,608</u>	<u>\$581,175,654</u>

Note - FY2019 was an 18 month transitional period from 7/1/2018 to 12/31/2019 to change the fiscal year to a calendar year.

## NORMAL IMPACTS TO REVENUES AND EXPENSES

### Revenues:

- *Economic Condition* – The General Corporate Fund and the Land Development Fund are very close to their tax rate limits. When funds reach their tax rate limit, the amount of the levy may be limited to the maximum tax rate times the assessed valuation depending on what is occurring with the assessed valuation. Tax levy increases are generally limited in times of increasing property values by the Property Tax Extension Limitation law (PTEL). The annual increase will be limited to the change in the Consumer Price Index (CPI). The CPI increased by 0.7% for the 2016 tax levy, 2.1% for the 2017 and 2018 levies. Equalized assessed valuation of the county increased for the fourth year in a row since the end of the Great Recession. The increase for the 2018 tax levy collected in 2019 was 2.22%. Values for the 2019 tax levy, collected in 2020 increased by 2.5%. Areas within the county with higher valued properties have seen flat or reduced values this past calendar year.

In addition to the assessed valuation impact on revenues, concessionaire, permits, program admissions, charges for service/sales and golf revenues are impacted by economic conditions.

- *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 53% of the District’s operating costs and 23% 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 PERIOD IMPACTS**

**GOVERNMENTAL ACTIVITIES**

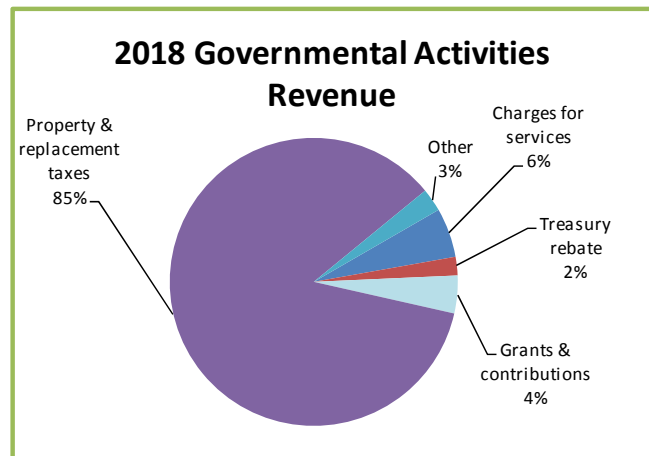
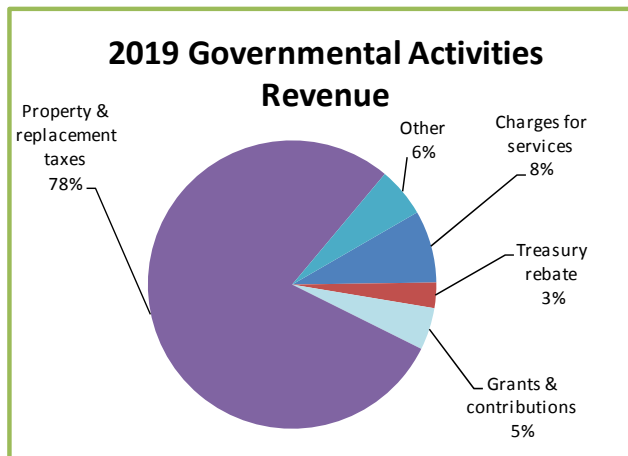
**Revenues:**

For the fiscal period ended December 31, 2019, total revenues from governmental activities were \$63.2 million, which represents an increase of \$5.4 million (9.4%) from the previous fiscal period. The period ending on December 31, 2019 was an 18 month transitional fiscal period that allowed the District to transition to a calendar fiscal year. Had revenues and expenses occurred in a similar nature to those from FY2018 one would expect a 50% increase in all categories.

- In FY 2018/19 property tax revenue increased by \$343,457 or just 0.7%. Property taxes revenues were impacted by the fiscal year change. The timing of revenue recognition caused an \$18.4 million decrease in accrued property tax revenue for FY2018/19. Property taxes are paid generally in two installments by property owners. The first installment is due in June and the second is due in September. The Districts fiscal year end was previously on June 30<sup>th</sup>. Property tax revenues were accrued for the second installment at June 30<sup>th</sup>. With the fiscal year now changed to January through December, an accrual of this type would not be proper, thus the reversal of \$18.4 million. Going forward the District will collect and record property taxes within the fiscal year.
- Charges for services, including the US Treasury rebate, were \$6.9 million and represent 11.0% of total revenue. This was an increase of 57.5% over the previous fiscal period. These charges include permits, concessionaire, easements, licenses, charges for service\sales and miscellaneous revenues. Revenues increased \$2.5 million from the previous period due mostly to the 18 month fiscal time period. Revenues

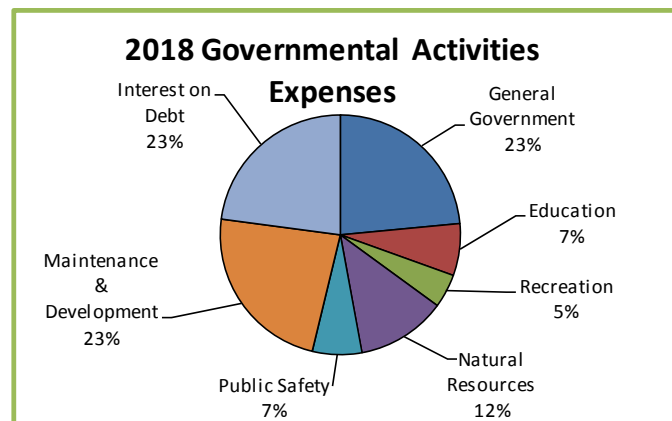
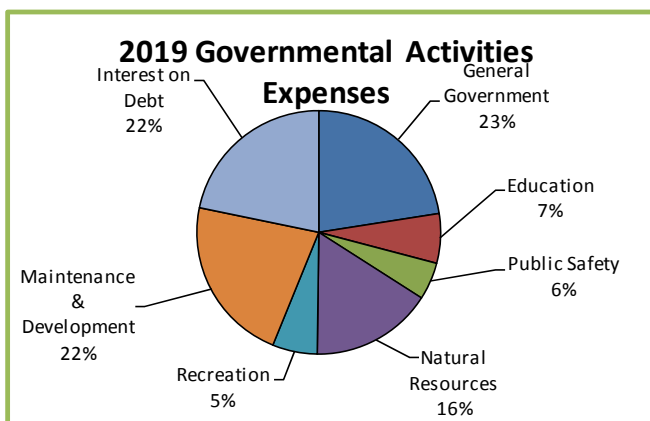
were 7.5% higher than the expected 50% increase. This increase was due to higher than expected revenue from land and building lease income, concessionaire revenue and program admissions.

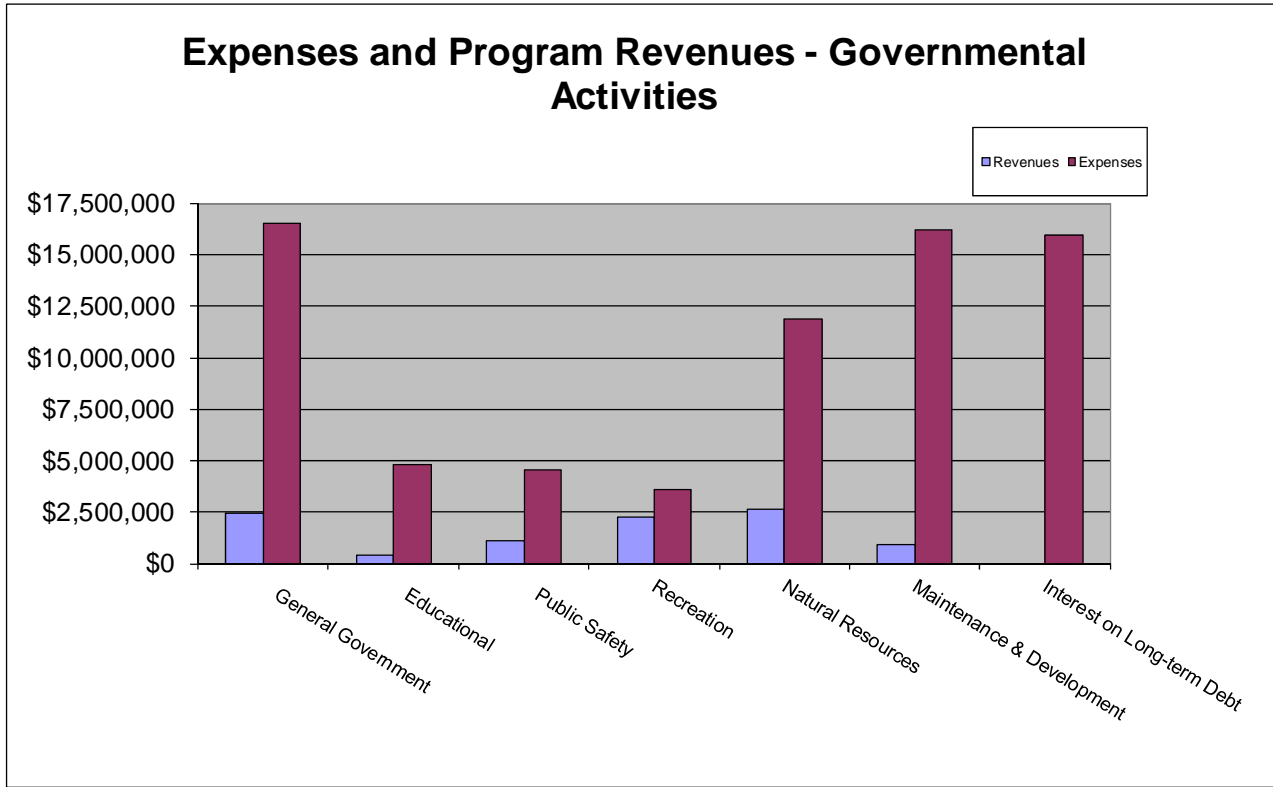
- Grants and contributions increased \$533,693 and represent 5% of the revenue. This was an increase of 53% over the previous fiscal period. The District received several large donations for habitat restoration and recognized revenue for two large federal grants for restoration activities.
- Other revenues increased \$2,020,505 and represents 6% of revenue. A majority of the increase was from interest earnings on investments. Rates of return increased during the fiscal period resulting in \$2,485,693 of earnings over the previous period. Revenue from the sale of assets also decreased by \$318,216 and insurance claims fell by \$146,972 during the period.



**Expenses:**

Total governmental activity expenses were \$73.7 million for fiscal period 2019, an increase of 66.5% or \$29.5 million. With the extended 18 month transitional period an increase of 50% in expenditures would be expected. Most of the increase (\$6.5 million) was from increased activity in natural resource expenditures. In addition to that, the District incurred additional fiscal expenses (\$2.2 Million) associated with refinancing its outstanding 2011 series GO bonds. General government activities, including land acquisition, represent 23% of expenses; and maintenance and development expenses represent 22%. Other functions of the District include Education (7%), Public Safety (6%), Natural Resources (16%), Recreation (5%) and interest and fiscal charges on long-term debt (22%).





***BUSINESS-TYPE ACTIVITIES***

**Revenue:**

Total operating revenues from golf course activities increased \$1,882,619 or 52.1%. Greens fees increased by 43.1% (\$896,969) compared to last period, which is less than the expected 50% based on the 18 month time period. Weakness in greens fees was offset by increases in cart rentals which increased by 71.8% (\$445,843) and golf outings which increased by 107.5% (98,835). Concession revenues also increased by 65.8% (\$39,693). Pro shop sales increased 60% (92,201) and food and beverage revenues increased by only 46.1% (\$147,445). Weather and a declining number of players were factors throughout the season.

**Expenses:**

Operating expenses for golf increased by \$1,968,990 (50.3%). This was due mostly to personnel costs which increased by 59.8% (\$1,146,283). The personnel increase was driven largely by an increase in pension liability adjustments (\$56,137). Commodity expenditures were up by 49.7% (\$279,512) due to lower chemical and fertilizer costs. Contractual expenditures were up by 46.3% (337,384) from reduced unemployment costs, reduced gas cart lease fees and reduced miscellaneous contractals.

## 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 period. The 18 month transition period will affect the comparison of the funds statements in the same way as it impacted the Government-wide statements.

As of December 31, 2019, the District's governmental funds reported combined ending fund balances of \$59.2 million (page 20), a decrease of \$24.2 million from June 30, 2018. The decrease was attributable mostly to a reduction in funds held in the Debt Service fund and the timing of the fiscal year end change. Principal and interest payments on the Districts outstanding bonds are paid twice a year, interest in June and principal and interest in December. With the Districts previous year end of June 30<sup>th</sup> the principal payment occurred during the middle of the fiscal period and the property tax revenues levied to pay 50% of the next principal were collected before the end of the fiscal period. With the fiscal period change, the principal payment will occur at the end of the fiscal period and none of the property taxes to pay the next principal payment will be collected prior to the end of the fiscal year. The reduction to the debt service fund balance was \$15.4 million. Most of the remaining \$8.8 million in fund balance reduction was from bond proceeds being spent during the period on capital projects or land acquisition. Fund balance is categorized as follows: \$299,320 as non-spendable for inventory; \$25.5 million is subject to externally enforceable legal restrictions and therefore categorized as restricted; \$301,368 is categorized as committed for special projects; \$17.9 million is constrained by limitations the District has imposed and is categorized as assigned; and \$15.2 million constitutes unassigned fund balance of the Governmental Funds.

The *General Fund* is the chief operating fund of the District. As of December 31, 2019, the total fund balance of the General Fund was \$26.8 million, of which \$15.4 million was unassigned, this compares to \$27.1 million and \$15.6 million, respectively, at June 30, 2018. The unassigned fund balance provides for cash flow and emergency needs that may arise. During the period the fund had an excess of expenditures over revenues and other sources and uses of funds of \$368,799 and the unassigned fund balance decreased by \$143,693. The decrease in unassigned fund balance was a result of long-term planning for capital maintenance. The District budgets a 10 year Capital Improvement Program (CIP) and has assigned funds to provide for infrastructure replacement in the CIP for the next 10 years. Funds restricted for CIP were increased by \$94,869 in the last budget cycle. Planned expenditures for capital projects reduced the unassigned fund balance by \$48,824. Revenues increased by \$8,032,382 (38.8%). Property taxes increased by \$5,490,457 or 33.2% as a result of the 18 month fiscal period which included roughly 50% of the 2017 tax levy payable in 2018 and the full collection of the 2018 tax levy in 2019. Investment income increased by \$949,113 (389.2%) from higher earnings, replacement taxes increased by \$594,542 (68.4%), charges for services and sales increased \$579,528 (53.3%) and permits increased \$287,875 (37.7%). Other revenues decreased by \$354,151 mostly from an intergovernmental agreement payment for wetland mitigation costs that were received in FY2018. Expenditures increased by \$9,295,025 or just 47.3% from the previous period. Capital outlays decreased \$778,064 from the previous period. During the 2018 fiscal year the District was remodeling its general headquarters in anticipation of relocating its museum. Department operating expenses increased \$10,431,533 (59.6%).

The *Land Development Fund* pays for restoration, improvement, and development of existing preserves. As of December 31, 2019 the total fund balance was \$9,375,393, all of which is restricted for development purposes. This fund provides partial funding for the District's Capital Improvement Plan. During the period the fund had an excess of expenditures over revenues of \$1,895,539. The District spent \$3.5 million on capital outlays for the

capital improvement plan. Tax revenues in the fund were up from the prior period by \$2,100,113 and investment income was up \$341,105. Operating expenses for the period increased by \$2,911,385 (54.3%) over the previous period. Of this increase, \$2,094,663 was related to salary and benefit which increased by 58.8%.

The *Debt Service Fund* has a total fund balance of \$3.4 million, all of which is restricted for the payment of debt service. The fund balance decreased \$15.4 million from 2018. This reduction is due to the change in the Districts fiscal year end and the timing and revenue recognition of property taxes as mentioned above. Property tax revenues were up for the period by \$7.0 million or 27.2%. During the fiscal period the District issued \$22.06 million of refunding bonds to refund the outstanding principal of its 2011 GO Bonds. The net present value savings gained by the District was \$2.9 million.

The *Land Acquisition Fund* has a total fund balance of \$1,503,192, all of which is restricted for land acquisition. During the period, excluding land exchanges, the District added 103.1 acres of land for \$2.6 million.

The *Development Bond Projects Fund* has a total fund balance of \$7.7 million, all of which is restricted for development projects. During the period the District spent \$5.0 million on development projects including trail connections, restoration projects and preserve improvements. 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 an increase of \$314,671.

Operating revenues for the proprietary funds increased by 52.3% or \$2.3 million over the prior period. Equipment replacement fees in the internal service funds increased by \$505,229 or 57.3% and enterprise fund revenues increased by \$1.8 million or 51.1%. Greens fees were up by 43.1% or \$896,969 and cart rentals were up by 71.8% or \$445,843. Weather and a reduction in rounds played were the reasons for reduced greens fee and cart rentals.

Operating expenses increased by \$2,494,821 or 53.8% when compared to the last period. The increase was due mostly to personnel service costs.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues were under budget by \$169,792 for FY2019. Property tax revenues were \$1,259,215 under budget due to early property tax collections which occurred during the previous period. Charges for sales and services and permits were under budget by \$57,902 and \$50,244 respectively as the District saw less demand from what was anticipated. Replacement taxes were over budget for the period by \$364,206. Interest income was \$840,847 over budget for the period due to increased interest earnings. Programs and admissions were down \$148,100 from what was budgeted. Admissions to the new museum did not meet with expectations and the districts Civil War Day program was cancelled which resulted in a loss of \$22,537. Land and Building revenues were \$127,507 over budget for the period. The Greenbelt Cultural Center's facilities rentals were \$120,845 above expectations for the period.

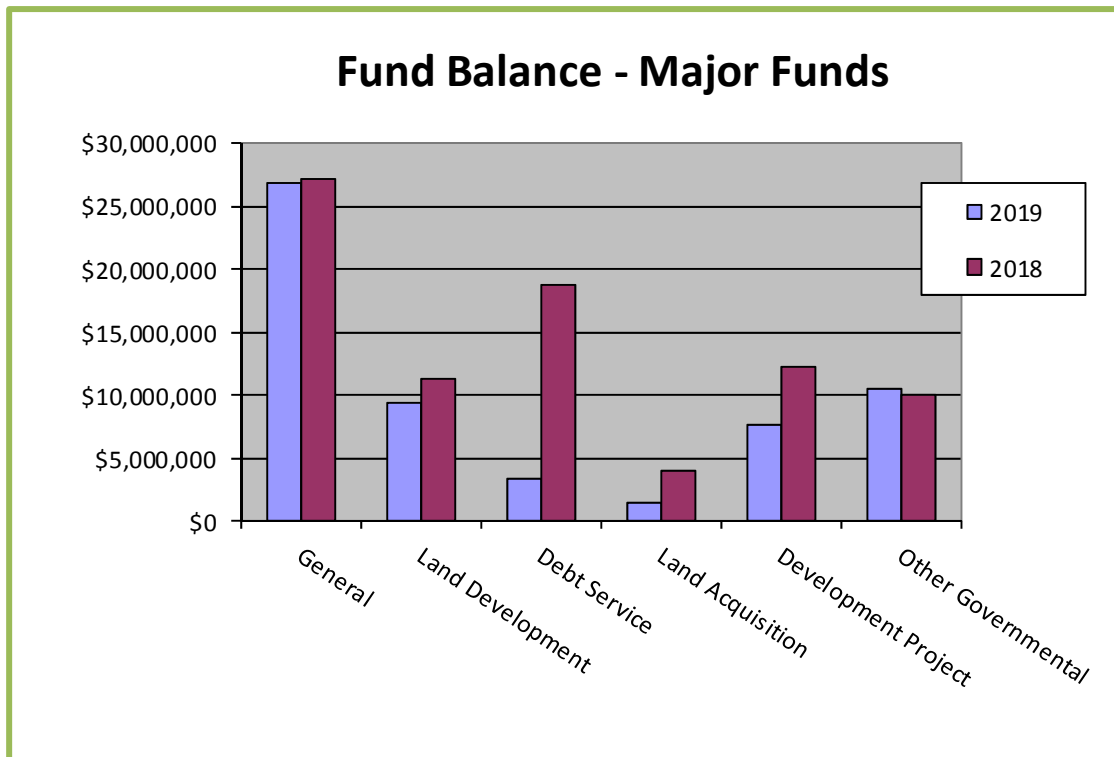
The District spent \$28.9 million or 88% of its \$32.9 million final budget. General government is under budget \$924,777 due to consulting (\$137,912), insurance (\$112,303), loss prevention (\$81,573), miscellaneous contractals (\$178,104), fees to the county (\$90,125), legal fees (\$44,161), Computer fees (\$30,338) and printing (\$28,976) coming in under budget. Education was under budget \$277,548 due to vacant positions, reduced operating supplies, utilities and miscellaneous contractual costs being lower than expected. The Public Safety function was under budget by \$367,361 due to reduced part time wages and lower than anticipated fees to Lake County. Recreation was \$164,713 below budget due to lower seasonal part-time positions, utilities and repairs and maintenance on buildings lower than anticipated during the period. The Maintenance and Development function was under budget \$418,267 as a result of vacant positions during the period, 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 \$1.8 million. Several projects came in under budget and several were delayed and are currently underway.

## **GOVERNMENTAL FUND BALANCES**

Total governmental fund balances decreased by \$24.2 million. The decline was mostly a result of a decline in the debt service fund (\$15.4 million) from the timing of the new fiscal year end and property tax revenue recognition. Spending on capital projects also accounted for large portion the decline.

- The General Fund balance decreased by \$368,799 due to planned spending on capital projects and the designation of additional funds for the Districts 10 year Capital Improvement Program. A much larger reduction of the fund balance was anticipated due to budgeted capital spending on projects. Project delays reduced anticipated spending.
- The Land Development Fund decreased fund balance by \$1,895,539 due to spending on capital projects. The District had planned for a reduction to the Land Development fund balance in the amount of \$5.5 million for the revised budget due to \$5.7 million in capital project spending. Delays on projects occurred during the period.
- The Debt Service fund balance declined by \$15.4 million as a result of the change in the fiscal year end and the timing tax revenue collection and principal payments on outstanding debt.
- The Land Acquisition fund and Development Bond fund balances declined by \$2.5 million and \$4.5 million respectively. Spending on land acquisition and planned capital improvement projects accounted for the reductions.
- Non-major funds increased by \$476,879 due to revenues exceeding expenditures, revenue from larger than anticipated property lease revenue and funds put away for future capital improvements.





### CAPITAL ASSET AND DEBT MANAGEMENT

At the end of fiscal period 2019 the District has invested \$844.8 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 period was \$8.2 million before the effects of depreciation. The majority of that change \$8.2 million, was from Roads, trail, bridges and tunnels, other improvements, building improvements and vehicle and equipment additions. A net land reduction of \$2.0 million was the result of a land swap with the state of Illinois. The District and State jointly acquired property for flood control measures that were to be performed by the Army Corp of Engineers during the 1980’s. The joint purchase agreement required the parties to negotiate a buy out if the improvements were never completed. A land swap between the District and the State was reached in which the District gave land that comprised it’s Black Crown preserve to the State in exchange for full title to the property that was jointly purchased.

**Table 3**  
**Lake County Forest Preserve District**  
**Capital Assets as of December 31, 2019 & June 30, 2018**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total District</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land and land rights	\$ 572,596,661	\$ 574,632,880	\$ 6,818,464	\$ 6,818,464	\$579,415,125	\$ 581,451,344
Land/course improvements	56,850,991	55,207,038	7,447,373	7,447,373	64,298,364	62,654,411
Buildings	75,472,214	75,258,564	7,686,058	6,987,246	83,158,272	82,245,810
Other improvements	16,632,028	13,327,478	-	-	16,632,028	13,327,478
Vehicles, machinery, and eqpmt	13,365,486	12,283,482	3,721,841	3,539,014	17,087,327	15,822,496
Furniture and fixtures	713,581	713,581	44,987	44,987	758,568	758,568
Roads, trails, and bridges	62,730,768	58,114,142	1,566,152	1,566,152	64,296,920	59,680,294
Museum artifacts and collectibles	1,489,709	1,502,131	-	-	1,489,709	1,502,131
Construction in progress	17,647,846	19,108,373	-	-	17,647,846	19,108,373
<b>Total capital assets</b>	<b>817,499,284</b>	<b>810,147,669</b>	<b>27,284,875</b>	<b>26,403,236</b>	<b>844,784,159</b>	<b>836,550,905</b>
Less accumulated depreciation	87,213,455	78,419,599	9,849,466	9,296,726	97,062,921	87,716,325
Capital assets net of depreciation	<u>\$ 730,285,829</u>	<u>\$ 731,728,070</u>	<u>\$ 17,435,409</u>	<u>\$ 17,106,510</u>	<u>\$747,721,238</u>	<u>\$ 748,834,580</u>

More detailed information on capital asset activity can be found in the notes to the financial statements on pages 43-45.

### **Debt Outstanding**

At the end of the current fiscal period, the District has \$222.6 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 December 31, 2019 & June 30, 2018**

	<b>Governmental Activities</b>		<b>Total District</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
General Obligation Bonds	<u>\$222,645,000</u>	<u>\$262,030,000</u>	<u>\$222,645,000</u>	<u>\$262,030,000</u>

The District issued \$22,060,000 in refunding bonds during FY2019 to refund \$24,545,000 of outstanding 2011 series bonds. The net present value in savings to the Districts tax payers was \$2.9 million. The last of the 2008 referendum approved bonds were issued in 2015 and the District currently has no plans to seek additional referendum approved bonds. The 2019 refunding 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 \$611.4 million which significantly exceeds the District's current outstanding general obligation debt of \$222.6 million. Additional information on the District's long-term debt can be found in Note H, pages 48-54.

## **ECONOMIC FACTORS**

Lake County is facing the same economic challenges as are all parts of the country from the COVID-19 pandemic. The District currently estimates that it will see a possible reduction in non-tax revenues of around \$1.0 million during FY2020. Cost cutting measures such as a hiring freeze and a major reduction in planned seasonal part-time positions have been implemented along with other cost reductions. Time will tell what the full economic impact of the pandemic will be. The District is currently revising its 10 year operating forecasts downward as more economic information becomes available. Real estate values had begun to stabilize from the 2008 Great Recession. The 2019 Equalized Assessed Valuation (EAV) increased 2.5% following an increase in 2018 of 2.22% and 4.43% in 2017. The 2019 increase was the fifth straight increase since 2008. As the third largest county in the state, Lake County has a market valuation of \$81.7 billion. The EAV is estimated to grow between 1% and 1.25% in 2020 but very well could be reduced depending on the outcome of the pandemic.

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 uncertainty of actions that might be imposed by the State of Illinois still exists. Such actions as imposing a property tax freeze or further reductions in the personal property replacement tax would have an impact on the Districts' operations. The District will continue to forecast the impact of such actions and develop strategies to deal with these changes should they occur.

### **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.

## BASIC FINANCIAL STATEMENTS

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Net Position  
As of December 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 65,663,015	\$ 1,148,747	\$ 66,811,762	\$ 2,382,845
Property taxes receivable, net	49,081,597	-	49,081,597	-
Interest receivable	195,641	3,061	198,702	-
Grant receivable	571,377	-	571,377	-
Other receivable	385,358	32,543	417,901	1,255,439
Inventory	299,320	72,688	372,008	-
Other Assets	539,520	-	539,520	-
Total current assets	<u>116,735,828</u>	<u>1,257,039</u>	<u>117,992,867</u>	<u>3,638,284</u>
Noncurrent assets:				
Capital assets (not being depreciated)	648,585,207	14,265,837	662,851,044	-
Capital assets (net of accumulated depreciation)	81,700,622	3,169,572	84,870,194	-
Total noncurrent assets	<u>730,285,829</u>	<u>17,435,409</u>	<u>747,721,238</u>	<u>-</u>
Total assets	<u>847,021,657</u>	<u>18,692,448</u>	<u>865,714,105</u>	<u>3,638,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refundings	2,066,474	-	2,066,474	-
Pension actuarial adjustments	1,386,689	167,101	1,553,790	-
Accumulated decrease in fair value of hedging derivatives	154,078	-	154,078	-
OPEB valuation	41,400	4,219	45,619	-
Total deferred outflows of resources	<u>3,648,641</u>	<u>171,320</u>	<u>3,819,961</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,382,954	44,557	2,427,511	1,090
Accrued payroll and payroll taxes	419,577	22,233	441,810	-
Unearned property tax revenue	48,827,036	-	48,827,036	-
Other unearned revenue	172,482	183,249	355,731	-
Accrued interest payable	376,917	-	376,917	-
Derivative instrument-swap agreement	154,078	-	154,078	-
Other liabilities	1,020,914	28,230	1,049,144	-
Due within one year	16,664,180	7,354	16,671,534	-
Total current liabilities	<u>70,018,138</u>	<u>285,623</u>	<u>70,303,761</u>	<u>1,090</u>
Noncurrent liabilities:				
Net pension liability	4,964,166	618,711	5,582,877	-
Total OPEB liability	517,750	75,813	593,563	-
Due in more than one year	216,116,942	151,268	216,268,210	-
Total noncurrent liabilities	<u>221,598,858</u>	<u>845,792</u>	<u>222,444,650</u>	<u>-</u>
Total liabilities	<u>291,616,996</u>	<u>1,131,415</u>	<u>292,748,411</u>	<u>1,090</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension actuarial adjustments	3,549,738	389,979	3,939,717	-
OPEB valuation	53,216	5,345	58,561	-
Deferred gain on refunding	2,446,769	-	2,446,769	-
Total deferred inflows of resources	<u>6,049,723</u>	<u>395,324</u>	<u>6,445,047</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	510,540,422	17,435,409	527,975,831	-
Restricted for:				
Enabling legislation-Audit and insurance	1,828,790	-	1,828,790	-
Enabling legislation-FICA and Illinois Municipal Retirement	1,400,748	-	1,400,748	-
Debt Service	2,862,232	-	2,862,232	-
Land and development	9,375,393	-	9,375,393	-
Temporarily	-	-	-	3,136,408
Permanently	-	-	-	318,717
Unrestricted	26,995,994	(98,380)	26,897,614	182,069
Total net position	<u>\$ 553,003,579</u>	<u>\$ 17,337,029</u>	<u>\$ 570,340,608</u>	<u>\$ 3,637,194</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Activities  
For the Period Ended Decemer 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 16,546,983	\$ 2,245,574	\$ 243,367	\$ -	\$ (14,058,042)	\$ -	\$ (14,058,042)	\$ -
Maintenance & development	16,232,806	88,080	361,070	489,242	(15,294,414)	-	(15,294,414)	-
Public safety	4,567,231	1,101,570	-	-	(3,465,661)	-	(3,465,661)	-
Recreation	3,637,794	2,275,241	18,050	-	(1,344,503)	-	(1,344,503)	-
Natural resources	11,873,719	896,641	298,996	1,467,228	(9,210,854)	-	(9,210,854)	-
Education	4,835,737	329,156	106,629	-	(4,399,952)	-	(4,399,952)	-
Interest	15,986,191	-	-	-	(15,986,191)	-	(15,986,191)	-
Total governmental activities	<u>73,680,461</u>	<u>6,936,262</u>	<u>1,028,112</u>	<u>1,956,470</u>	<u>(63,759,617)</u>	<u>-</u>	<u>(63,759,617)</u>	<u>-</u>
Business-type activities:								
Enterprise golf courses	5,882,232	5,404,529	-	-	-	(477,703)	(477,703)	-
Total primary government	<u>\$ 79,562,693</u>	<u>\$ 12,340,791</u>	<u>\$ 1,028,112</u>	<u>\$ 1,956,470</u>	<u>\$ (63,759,617)</u>	<u>\$ (477,703)</u>	<u>\$ (64,237,320)</u>	<u>\$ -</u>
<b>Component units:</b>								
Preservation Foundation	<u>\$ 849,745</u>	<u>\$ -</u>	<u>\$ 2,015,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,165,438</u>
General revenues:								
Property and replacement taxes					49,786,745	-	49,786,745	-
Investment income					3,442,166	90,565	3,532,731	21,204
Insurance claim					16,009	-	16,009	-
Gain on disposal of capital assets					62,873	3,916	66,789	-
Total general revenues					<u>53,307,793</u>	<u>94,481</u>	<u>53,402,274</u>	<u>21,204</u>
Change in net position					(10,451,824)	(383,222)	(10,835,046)	1,186,642
Net position - beginning					563,455,403	17,720,251	581,175,654	2,450,552
Net position - ending					<u>\$ 553,003,579</u>	<u>\$ 17,337,029</u>	<u>\$ 570,340,608</u>	<u>\$ 3,637,194</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)  
Balance Sheet  
Governmental Funds  
As of December 31, 2019

ASSETS	General Fund	Land Development Fund	Debt Service Fund	Land Acquisition Fund	Development Bond Projects Fund	Total Nonmajor Funds	Total Governmental Funds
	Cash and investments	\$ 26,950,533	\$ 10,325,166	\$ 3,196,248	\$ 1,452,769	\$ 8,475,991	\$ 10,532,945
Property taxes receivable, net	16,831,247	6,302,008	23,455,357	-	-	2,492,985	49,081,597
Grant receivable	-	-	-	-	-	571,377	571,377
Interest receivable	99,340	32,789	1,265	5,834	9,611	28,247	177,086
Inventory	299,320	-	-	-	-	-	299,320
Other receivable	101,419	18,426	-	1,250	5,520	258,743	385,358
Other assets	278,919	5,205	182,076	73,320	-	-	539,520
<b>Total assets</b>	<b>\$ 44,560,778</b>	<b>\$ 16,683,594</b>	<b>\$ 26,834,946</b>	<b>\$ 1,533,173</b>	<b>\$ 8,491,122</b>	<b>\$ 13,884,297</b>	<b>\$ 111,987,910</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 354,338	\$ 820,321	\$ -	\$ 19,358	\$ 441,718	\$ 278,186	\$ 1,913,921
Accrued payroll & payroll tax	299,920	90,047	-	-	-	29,610	419,577
Other liabilities	493,570	107,371	2,500	10,623	333,209	73,641	1,020,914
Other unearned revenue	1,831	-	-	-	-	-	1,831
<b>Total liabilities</b>	<b>1,149,659</b>	<b>1,017,739</b>	<b>2,500</b>	<b>29,981</b>	<b>774,927</b>	<b>381,437</b>	<b>3,356,243</b>
Deferred inflows of resources:							
Unavailable property tax revenue	16,637,775	6,290,462	23,411,220	-	-	2,487,578	48,827,035
Unavailable grant revenue	-	-	-	-	-	594,662	594,662
<b>Total deferred inflow of resources</b>	<b>16,637,775</b>	<b>6,290,462</b>	<b>23,411,220</b>	<b>-</b>	<b>-</b>	<b>3,082,240</b>	<b>49,421,697</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>17,787,434</b>	<b>7,308,201</b>	<b>23,413,720</b>	<b>29,981</b>	<b>774,927</b>	<b>3,463,677</b>	<b>52,777,940</b>
Fund balances:							
Nonspendable	299,320	-	-	-	-	-	299,320
Restricted	1,828,790	9,375,393	3,421,226	1,503,192	7,716,195	1,673,397	25,518,193
Committed	301,368	-	-	-	-	-	301,368
Assigned	8,927,643	-	-	-	-	8,986,172	17,913,815
Unassigned	15,416,223	-	-	-	-	(238,949)	15,177,274
<b>Total fund balances</b>	<b>\$ 26,773,344</b>	<b>\$ 9,375,393</b>	<b>\$ 3,421,226</b>	<b>\$ 1,503,192</b>	<b>\$ 7,716,195</b>	<b>\$ 10,420,620</b>	<b>\$ 59,209,970</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 44,560,778</b>	<b>\$ 16,683,594</b>	<b>\$ 26,834,946</b>	<b>\$ 1,533,173</b>	<b>\$ 8,491,122</b>	<b>\$ 13,884,297</b>	<b>\$ 111,987,910</b>

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.

726,022,826

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

(7,127,215)

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

594,660

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.

(233,328,689)

OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

(529,566)

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

2,066,474

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

(2,446,769)

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

8,541,888

Net position of governmental activities

\$ 553,003,579

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 Period Ended December 31, 2019

	General Fund	Land Development Fund	Debt Service Fund	Land Acquisition Fund	Development Bond Project Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 22,044,075	\$ 8,514,522	\$ 32,937,557	\$ -	\$ -	\$ 3,781,867	\$ 67,278,021
Replacement taxes	1,464,206	-	-	-	-	-	1,464,206
Investment income (loss)	1,192,947	467,417	628,606	112,109	383,283	477,860	3,262,222
Grants & contributions	153,758	823,381	-	6,956	102,762	1,689,069	2,775,926
Treasury rebate	-	-	1,813,340	-	-	-	1,813,340
Land and building rentals	412,617	-	-	-	-	1,137,437	1,550,054
Charges for services and sales	1,667,128	1,041	-	-	-	-	1,668,169
Permits	1,051,706	-	-	-	-	-	1,051,706
Easements and licenses	53,652	-	-	-	-	12,374	66,026
Programs and admissions	441,160	-	-	-	-	-	441,160
Other revenue	265,499	19,922	-	-	9,201	61,901	356,523
<b>Total revenues</b>	<u>28,746,748</u>	<u>9,826,283</u>	<u>35,379,503</u>	<u>119,065</u>	<u>495,246</u>	<u>7,160,508</u>	<u>81,727,353</u>
<b>Expenditures</b>							
<b>Current:</b>							
General government	9,924,671	-	221,809	-	-	3,716,574	13,863,054
Education	3,338,462	-	-	-	-	19,101	3,357,563
Public safety	4,260,608	-	-	-	-	-	4,260,608
Recreation	2,072,450	-	-	-	-	-	2,072,450
Maintenance & development	8,339,283	5,634,654	-	1,352	-	206,429	14,181,718
Natural resources	-	2,634,709	-	-	-	930,442	3,565,151
<b>Debt service:</b>							
Principal	223,671	-	36,676,329	-	-	-	36,900,000
Interest and fiscal charges	143,516	-	14,281,161	-	-	-	14,424,677
<b>Capital outlay:</b>							
Capital outlay	635,991	3,452,459	-	2,637,099	5,016,489	2,050,851	13,792,889
<b>Total expenditures</b>	<u>28,938,652</u>	<u>11,721,822</u>	<u>51,179,299</u>	<u>2,638,451</u>	<u>5,016,489</u>	<u>6,923,397</u>	<u>106,418,110</u>
Excess (deficiency) of revenues over (under) expenditures	(191,904)	(1,895,539)	(15,799,796)	(2,519,386)	(4,521,243)	237,111	(24,690,757)
<b>Other financing sources (uses)</b>							
Sale of capital assets	23,105	-	-	-	-	39,768	62,873
Issuance of debt	-	-	22,060,000	-	-	-	22,060,000
Premium on bonds issued	-	-	2,790,828	-	-	-	2,790,828
Payment to escrow agent	-	-	(24,448,448)	-	-	-	(24,448,448)
Transfers in	-	-	-	-	-	200,040	200,040
Transfers out	(200,000)	-	-	-	-	(40)	(200,040)
<b>Total other financing sources (uses)</b>	<u>(176,895)</u>	<u>-</u>	<u>402,380</u>	<u>-</u>	<u>-</u>	<u>239,768</u>	<u>465,253</u>
<b>Net change in fund balances</b>	(368,799)	(1,895,539)	(15,397,416)	(2,519,386)	(4,521,243)	476,879	(24,225,504)
Fund balances, beginning of year	27,142,143	11,270,932	18,818,642	4,022,578	12,237,438	9,943,741	83,435,474
Fund balances, ending of year	<u>\$ 26,773,344</u>	<u>\$ 9,375,393</u>	<u>\$ 3,421,226</u>	<u>\$ 1,503,192</u>	<u>\$ 7,716,195</u>	<u>\$ 10,420,620</u>	<u>\$ 59,209,970</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)  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Period Ended December 31, 2019

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

Net change in fund balances - total governmental funds. \$ (24,225,504)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. (2,156,744)

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 (2,763,478)  
Deferred outflows related to pension (1,499,677)  
Deferred inflows related to pension 3,610,755

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. (18,991,276)

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. 34,944,926

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. (68,719)

Internal service funds are reported separately in the fund financial statements. 697,893

Change in net position of governmental activities. \$ (10,451,824)

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

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Net Position  
Proprietary Funds  
As of December 31, 2019

	Business-type Activities		Governmental
	Enterprise Golf		Activities
	Courses		Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,148,747		\$ 4,729,364
Interest receivable	3,061		18,555
Other receivable	32,543		-
Inventory	72,688		-
Total current assets	<u>1,257,039</u>		<u>4,747,919</u>
Noncurrent assets:			
Land	6,818,464		-
Land and course improvements	7,447,373		-
Buildings and improvements	7,686,057		-
Vehicles, machinery, & equipment	3,721,841		9,275,175
Furnitures and fixtures	44,988		-
Roads, trails and bridges	1,566,152		-
Less accumulated depreciation	(9,849,466)		(5,012,170)
Total noncurrent assets	<u>17,435,409</u>		<u>4,263,005</u>
Total assets	<u>18,692,448</u>		<u>9,010,924</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension actuarial adjustments	167,101		-
OPEB valuation	4,219		-
Total deferred outflows of resources	<u>171,320</u>		<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	44,557		469,035
Accrued payroll & payroll tax	22,233		-
Compensated absences payable	7,354		-
Other liabilities	28,230		-
Other unearned revenue	183,249		-
Total current liabilities	<u>285,623</u>		<u>469,035</u>
Noncurrent liabilities:			
Compensated absences payable	151,268		-
Net pension liability	618,711		-
Net OPEB liability	75,813		-
Total noncurrent liabilities	<u>845,792</u>		<u>-</u>
Total liabilities	<u>1,131,415</u>		<u>469,035</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension actuarial adjustments	389,979		-
OPEB valuation	5,345		-
Total deferred inflows of resources	<u>395,324</u>		<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,435,409		4,263,005
Unrestricted	(98,380)		4,278,884
Total net position	<u>\$ 17,337,029</u>		<u>\$ 8,541,889</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 Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Period Ended December 31, 2019

	Business-type Activities <u>Enterprise Golf Courses</u>	Governmental Activities <u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Season passes	\$ 53,700	\$ -
Green fees	3,169,950	-
Equipment replacement charges	-	1,357,829
Gas cart rental	1,066,601	-
Hand cart rental	4,174	-
Club rental	15,481	-
Permanent starts	18,360	-
Practice range	235,380	-
Pro shop	250,819	-
Food & beverage concessions	467,218	-
Concessionaire and other	100,007	-
Land and building rentals	22,275	-
Other revenue	564	-
Total operating revenues	<u>5,404,529</u>	<u>1,357,829</u>
<b>OPERATING EXPENSES</b>		
Personal services	3,064,091	-
Commodities	842,314	60,442
Contractuals	1,066,848	100,925
Food & beverage concessions	125,703	-
Merchandise	152,432	-
Total operating expenses	<u>5,251,388</u>	<u>161,367</u>
Operating income (loss) before depreciation	<u>153,141</u>	<u>1,196,462</u>
Depreciation	<u>630,845</u>	<u>1,091,706</u>
Operating income(loss)	<u>(477,704)</u>	<u>104,756</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain on sale of capital assets	3,917	163,445
Investment income	90,565	179,944
Other income	-	28,600
Total nonoperating revenues (expenses)	<u>94,482</u>	<u>371,989</u>
Income (loss) before contributions and transfers	(383,222)	476,745
Capital contributions	-	221,148
Change in net position	(383,222)	697,893
Total net position - beginning	<u>17,720,251</u>	<u>7,843,996</u>
Total net position - ending	<u>\$ 17,337,029</u>	<u>\$ 8,541,889</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 Period Ended December 31, 2019

	Governmental	
	Business-type Activities	Activities
	Enterprise Golf Courses	Internal Service Funds
Cash flows from operating activities		
Receipts from customers and users	\$ 5,406,998	\$ 14,200
Receipts from interfund services provided	-	1,357,829
Payments for interfund services provided	(31,710)	-
Payments to employees	(3,242,932)	-
Payments to suppliers of goods and services	(2,010,953)	288,665
Net cash provided by operating activities	<u>121,403</u>	<u>1,660,694</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(963,119)	(1,628,792)
Proceeds from sale of capital assets	7,291	207,176
Settlement received from loss of capital assets	-	28,600
Net cash used by capital and related financing activities	<u>(955,828)</u>	<u>(1,393,016)</u>
Cash flows from investing activities		
Interest received	65,729	83,984
Purchase of investments	(931,605)	(3,534,804)
Proceeds from the sales of investments	1,538,219	3,238,517
Net cash provided/(used) by investing activities	<u>672,343</u>	<u>(212,303)</u>
Net increase/(decrease) in cash and cash equivalents	(162,082)	55,375
Cash and cash equivalents at beginning of period	<u>191,789</u>	<u>224,883</u>
Cash and cash equivalents at end of the period	<u>\$ 29,707</u>	<u>\$ 280,258</u>
Cash and cash equivalents per cash flow statements	\$ 29,707	\$ 280,258
Investments	1,119,040	4,449,106
Cash and investments per statement of net position	<u>\$ 1,148,747</u>	<u>\$ 4,729,364</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating Income (loss)	\$ (477,705)	\$ 104,756
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	630,845	1,091,706
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts payable	(164,783)	450,032
Other liabilities	(10,388)	-
Other unearned revenue	(3,993)	-
Compensated absences	30,615	-
Deferred pension contributions	68,096	-
Pension actuarial adjustments - deferred outflows	87,183	-
Pension actuarial adjustments - deferred inflows	(344,647)	-
Pension liability	252,298	-
OPEB actuarial adjustments - deferred outflows	934	-
OPEB actuarial adjustments - deferred inflows	(508)	-
OPEB liability	(1,706)	-
Other receivables	16,850	14,200
Inventories	55,543	-
Accrued payroll and payroll taxes	(17,231)	-
Net cash provided by operating activities	<u>\$ 121,403</u>	<u>\$ 1,660,694</u>
Noncash investing, capital, and financing activities		
Contribution of capital assets from other funds	\$ -	\$ 221,148
Increase in fair value of investments	\$ 24,836	\$ 95,960

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

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

INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Period Ended December 31, 2019

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

INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS (Continued)  
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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  
As of and For the Period Ended December 31, 2019

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**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  
As of and For the Period Ended December 31, 2019

---

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 but includes two appointed members from the District Board and also includes the Districts Executive Director as an Ex-Officio. 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. The financial resources held by the Preservation Foundation are significant to the District and are held almost entirely for the direct benefit of the District. 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. Eliminations have been made to minimize the double-counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. 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  
As of and For the Period Ended December 31, 2019

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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  
As of and For the Period Ended December 31, 2019

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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  
As of and For the Period Ended December 31, 2019

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**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 some effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

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  
As of and For the Period Ended December 31, 2019

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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 using the acquisition 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  
As of and For the Period Ended December 31, 2019

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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 \$25,000 and president or director approval for amounts under \$25,000. 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  
As of and For the Period Ended December 31, 2019

**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.

**14. Legal Compliance and Accountability**

For the period ended December 31, 2019, the following funds that had an excess of actual expenditures over the final budget of:

Debt Service Fund	\$	288,099 *
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The issuance of series 2019 refunding bonds to refund \$24,545,000 of outstanding series 2011 bonds was not anticipated.

**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	\$	(222,645,000)
Add: Discount/Premium on bond issues (to be amortized as interest expense)		(8,386,267)
Accrued interest payable		(376,917)
Other unearned revenue		(170,651)
Compensated absences		(1,749,854)
		(1,749,854)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$	(233,328,689)

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

(Continued)

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

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

Governmental capital assets net of depreciation, excluding internal service funds	\$ <u>726,022,826</u>
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Pension related items are reported in the government-wide statements but not in the Governmental fund financial statements. The details of this difference are as follows:

Net pension liability	\$ (4,964,166)
Deferred outflow related to pension expense	1,386,689
Deferred inflows related to pension expense	<u>(3,549,738)</u>

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ <u>(7,127,215)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.

Unavailable property tax revenue	\$ -
Unavailable grant revenue	<u>594,660</u>

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ <u>594,660</u>
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OPEB related items, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Total OPEB liability	\$ (517,750)
Deferred outflow related to OPEB expense	41,400
Deferred inflows related to OPEB expense	<u>(53,216)</u>

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ <u>(529,566)</u>
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Deferred losses on refundings of debt are not considered to represent a financial resource and, therefore, are not required in the funds.

Deferred loss on refundings	\$ <u>2,066,474</u>
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Deferred gains on refundings of debt are not considered to represent a financial resource and, therefore, are not required in the funds.

Deferred gain on refundings	\$ <u>(2,446,769)</u>
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**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**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

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	\$ 6,996,088
Depreciation expense	<u>(9,152,832)</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>(2,156,744)</u></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:

Principal repayments on general obligation debt	36,900,000
Amortization of issuance premium/discount	(1,416,235)
Amortization of deferred charges on refunding and bond accounting loss(net)	(3,330,134)
Gain on issuance of refunding bonds	2,485,000
Accrued interest	50,320
Amortization of interest rate swap premium	<u>255,975</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u><u>34,944,926</u></u>

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**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)	\$	(83,075)
Accrued other postemployment benefits		14,356
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$	(68,719)

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/asset 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/asset	\$	(2,763,478)
Deferred outflow related to pension expense		(1,499,677)
Deferred inflows related to pension expense		3,610,755
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$	(652,400)

Another element of that reconciliation states that "Some revenues reported in the statement of activities are deferred and not reported as revenues in governmental funds." The details of this difference are as follows:

Net change in property taxes	\$	(18,955,481)
Unavailable grants and contributions		(35,795)
Net adjustment to reduce net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$	(18,991,276)

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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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 December 31, 2019, the District's cash and investments consisted of the following:

	<b>Government - Wide</b>
Cash and investments	\$ <u>66,811,762</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:

	<b>Total</b>	<b>Risks</b>
Cash on hand	\$ 6,360	n\a
Deposits with financial institutions	20,188,367	Custodial, credit
Institutional government money market Investments	13,379,510	Credit
	<u>33,237,525</u>	Credit, interest rate
	<u>\$ 66,811,762</u>	and concentration of credit

As of December 31, 2019, 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>
Negotiable certificates of deposit	\$ 7,604,867	\$ 3,958,136	\$ 3,646,731
IMET 1-3yr Fund	894	894	
Municipal bonds	24,132,649	8,984,245	15,148,404
U.S. agency securities	<u>1,499,115</u>	<u>1,499,115</u>	<u>-</u>
Total investments	<u>\$ 33,237,525</u>	<u>\$ 14,442,390</u>	<u>\$ 18,795,135</u>

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**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 12/31/2019:

Investments and Derivative Instruments Measured at Fair Value

	12/31/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value</b>				
Debt securities				
Negotiable certificates of deposit	7,604,867	-	7,604,867	-
IMET 1-3 yr fund	894	-	894	-
Municipal bonds	24,132,649	-	24,132,649	-
U.S. agency securities	1,499,115	-	1,499,115	-
Total debt securities	<u>\$ 33,237,525</u>	<u>\$ -</u>	<u>\$ 33,237,525</u>	<u>\$ -</u>

**Investment derivative instruments**

Interest rate swap	<u>\$ 154,078</u>	<u>\$ -</u>	<u>\$ 154,078</u>	<u>\$ -</u>
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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**  
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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 December 31, 2019, Illinois Metropolitan Investment Convenience Fund was rated AAA by Standard and Poor's. The District's investment in FNMA was rated AA+ by Standard and Poor's and the District's investment in Municipal Bonds were rated AAA (\$1,234,408), AA (\$14,557,457), A (\$8,340,785) by Standard and Poor's and Moody's Investor Services. Investments in negotiable certificates of deposit are not rated.

*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 December 31, 2019, 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 December 31, 2019 the district owned two municipal bonds that exceeded 5%. Those were California State Federally Taxable Variable Purpose GO bonds Series A dated 10/26/2017 at 5.58% and Dallas Fort Worth Texas International Airport Joint Revenue Refunding bonds Series 2011 dated 06/01/2011 at 5.16% of total investments.

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.

Based on prior history, an allowance for uncollectable property tax levy revenues of \$152,354 is included in property taxes receivable, net for the end of the year.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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NOTE E - CAPITAL ASSETS

Capital asset activity for the period ended December 31, 2019 was as follows:

1. <b>Governmental activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land and land rights	\$ 574,632,880	\$ 4,321,187	6,357,406	\$ 572,596,661
Land improvements	55,207,038	1,643,953	-	56,850,991
Museum artifacts and collectibles	1,502,131	-	12,422	1,489,709
Construction in progress	<u>19,108,373</u>	<u>6,458,279</u>	<u>7,918,806</u>	<u>17,647,846</u>
Total capital assets not being depreciated	<u>650,450,422</u>	<u>12,423,419</u>	<u>14,288,634</u>	<u>648,585,207</u>
Capital assets being depreciated				
Buildings and improvements	75,258,564	1,651,523	1,437,873	75,472,214
Other improvements	13,327,478	3,305,956	1,406	16,632,028
Vehicles, machinery, and equipment	12,283,482	1,841,867	759,863	13,365,486
Furniture and fixtures	713,581	-	-	713,581
Roads, trails, bridges and tunnels	<u>58,114,142</u>	<u>4,616,626</u>	<u>-</u>	<u>62,730,768</u>
Total capital assets being depreciated	<u>159,697,247</u>	<u>11,415,972</u>	<u>2,199,142</u>	<u>168,914,077</u>
Less accumulated depreciation for:				
Buildings and improvements	22,976,724	2,942,775	738,311	25,181,188
Other improvements	7,060,759	1,151,322	1,406	8,210,675
Vehicles, machinery, and equipment	8,187,966	1,245,955	714,098	8,719,823
Furniture and fixtures	645,710	17,528	-	663,238
Roads, trails, and bridges	<u>39,548,440</u>	<u>4,890,091</u>	<u>-</u>	<u>44,438,531</u>
Total accumulated depreciation	<u>78,419,599</u>	<u>10,247,671</u>	<u>1,453,815</u>	<u>87,213,455</u>
Total capital assets being depreciated, net	<u>81,277,648</u>	<u>1,168,301</u>	<u>745,327</u>	<u>81,700,622</u>
Governmental activities capital assets, net	<u>\$ 731,728,070</u>	<u>\$ 13,591,720</u>	<u>\$ 15,033,961</u>	<u>\$ 730,285,829</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**NOTE E - CAPITAL ASSETS (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>2. Business-type activities</b>				
Capital assets not being depreciated				
Land and land rights	\$ 6,818,464	\$ -	\$ -	\$ 6,818,464
Land improvements	7,447,373	-	-	7,447,373
Total capital assets not being depreciated	14,265,837	-	-	14,265,837
Capital assets being depreciated				
Buildings and improvements	6,987,246	706,312	7,500	7,686,058
Vehicles, machinery, and equipment	3,539,014	256,807	73,980	3,721,841
Furniture and fixtures	44,987	-	-	44,987
Roads, trails, and bridges	1,566,152	-	-	1,566,152
Total capital assets being depreciated	12,137,399	963,119	81,480	13,019,038
Less accumulated depreciation for:				
Buildings and improvements	5,895,542	178,686	3,625	6,070,603
Vehicles, machinery, and equipment	2,631,794	311,419	73,980	2,869,233
Furniture and fixtures	44,987	-	-	44,987
Roads, trails, and bridges	724,403	140,240	-	864,643
Total accumulated depreciation	9,296,726	630,345	77,605	9,849,466
Total capital assets being depreciated, net	2,840,673	332,774	3,875	3,169,572
Business-type activities capital assets, net	\$ 17,106,510	\$ 332,774	\$ 3,875	\$ 17,435,409

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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NOTE E - CAPITAL ASSETS (Continued)

**3. Depreciation Expense**

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

Governmental activities

General government	\$ 4,130,663
Education	1,161,466
Public safety	2,463
Recreation	1,335,096
Maintenance and development	891,738
Natural Resources	1,631,406
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,094,839</u>

Total depreciation expense - governmental activities \$ 10,247,671

Business-type activities

Golf courses \$ 630,345



**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**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 December 31, 2019.

The following transfers were made during fiscal period 2019:

To Fund:	From Fund:	Amount
Nonmajor Governmental Funds (Capital Facilities Improvement)	General Fund	\$ 200,000
<i>Reason: Transfer of funds towards future infrastructure improvements</i>		
Nonmajor Governmental Funds (Collections Acquisition Fund)	Nonmajor Governmental Funds (Teich Endowment Fund)	\$ 40
<i>Reason: Transfer of funds to close the Teich Endowment Fund</i>		

**NOTE G - LEASES AND CONTRACTS**

The golf courses and Independence Grove lease their golf carts under an operating lease. Rent expense was \$320,204 for the period ended December 31, 2019. Future minimum lease payments are:

Fiscal Year	Amount
2020	207,205
2021	207,205
	\$ 414,410

The District has numerous agreements for the leasing of District land for farming. Rental income for the period ended December 31, 2019 was \$851,705. Scheduled future minimum rental income is as follows:

Fiscal Year	Amount
2020	378,968
2021	264,219
2022	264,219
2023	129,061
	\$ 1,036,468

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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NOTE G - LEASES AND CONTRACTS - (Continued)

The District assumed a cellular tower lease agreement on April 16, 2014, with the purchase of the Larsen-Schwanbeck property. The lease agreement has thirteen years remaining and ends in 2030. Rental income for the period ended December 31, 2019 was \$20,829.42. Scheduled future minimum lease income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	13,886
2021	15,969
2022	15,969
2023	15,969
2024	15,969
2025-2030	<u>107,792</u>
	\$ <u><u>185,554</u></u>

The District leases their copiers under an operating lease. Rent expense was \$28,845 for the period ended December 31, 2019. Future minimum lease payments are:

<u>Fiscal Year</u>	<u>Amount</u>
2020	18,856
2021	15,494
2022	6,267
2023	<u>1,846</u>
	\$ <u><u>42,463</u></u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**NOTE H - LONG-TERM DEBT**

**1. Changes in Long-Term Liabilities**

Long-term liability activity for the period ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 262,030,000	\$ 22,060,000	\$ 61,445,000	\$ 222,645,000	\$ 15,835,000
Add unamortized amounts:					
Premium	7,014,274	2,790,828	1,379,996	8,425,106	802,167
Discount	(44,242)		(5,403)	(38,839)	(2,589)
Total bonds payable	<u>269,000,032</u>	<u>24,850,828</u>	<u>62,819,593</u>	<u>231,031,267</u>	<u>16,634,578</u>
Compensated absences	1,666,779	230,627	147,552	1,749,854	29,602
Total OPEB Liability	536,882	-	19,132	517,750	-
Net pension liability	<u>2,219,424</u>	<u>2,744,742</u>		<u>4,964,166</u>	-
Governmental activity long-term liabilities	<u>\$ 273,423,117</u>	<u>\$ 27,826,197</u>	<u>\$ 62,986,277</u>	<u>\$ 238,263,037</u>	<u>\$ 16,664,180</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences	\$ 128,007	\$ 30,616	\$ -	\$ 158,623	\$ 7,354
Total OPEB Liability	77,519	-	1,706	75,813	-
Net pension liability	<u>366,412</u>	<u>252,299</u>		<u>618,711</u>	-
Business-type activity long-term liabilities	<u>\$ 571,938</u>	<u>\$ 282,915</u>	<u>\$ 1,706</u>	<u>\$ 853,147</u>	<u>\$ 7,354</u>

Compensated absences, total OPEB and net pension liabilities 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.

Prior year defeasance of debt. In prior years the District defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At December 31, 2019, all of the defeased bonds have been paid in full.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE H - LONG-TERM DEBT** (Continued)

**2. General Obligation Bonds**

Debt outstanding as of December 31, 2019 consisted of the following:

	Interest Rate (%)	Final Maturity Date	Amounts	
			Issued	Outstanding
General obligation bonds:				
Series 2007A	4.52	2021	\$ 52,555,000	\$ 6,725,000
Series 2010A	4.71 - 6.00	2034	35,000,000	31,025,000
Series 2010B	4.20 - 5.51	2034	40,000,000	35,670,000
Series 2013	2.00 - 3.00	2033	24,995,000	19,220,000
Series 2014A	2.00 - 3.00	2026	28,920,000	18,625,000
Series 2015	3.00 - 3.75	2033	25,010,000	24,605,000
Series 2016A	2.00 - 5.00	2028	43,915,000	40,845,000
Series 2016B	2.00 - 5.00	2028	24,200,000	23,870,000
Series 2019	2.625 - 5.00	2035	22,060,000	22,060,000
				\$222,645,000

On October 3, 2019, the District issued \$22,060,000 in General Obligation Refunding Bonds, Series 2019, with an interest rate of 2.3282% to refund \$24,545,000 of Series 2011 with an average coupon rate of 3.76%. The net proceeds of \$24,850,828 (including a reoffering premium of \$2,790,828 and payment of \$212,988 in underwriting fees and other issuance costs) were used to purchase Serial Bonds. The bonds were deposited in an irrevocable trust with an escrow agent to provide for use to call the refunded outstanding General Obligation Bonds, Series 2011, in the amount of \$24,448,448 from the bondholders on December 15, 2019. As a result, the liability for these bonds have been removed from the District's financial statements.

The cash flow requirements on the refunded debt prior to the advance refunding was \$33,650,838 from December 15, 2020 through December 15, 2035. The cash flow requirements on the refunding bonds are \$30,055,868 from December 15, 2020 through December 15, 2035. The advanced refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,910,963.

On August 3, 2016, the District issued \$43,915,000 (series 2016A) in general obligation bonds with an average coupon rate of 2.841% to advance refund \$24,425,000 and \$18,845,000 of Series 2008A and 2008B respectively outstanding, with average coupon rates of 4.445% and 4.709. The net proceeds of the bonds were 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 refunded . As a result, the refunded are considered defeased and the liability for those has been removed from the statement of net position.

On August 3, 2016, the District issued \$24,200,000 (Series 2016B) in general obligation bonds with an average coupon rate of 2.846% to advance refund \$23,780,000 of Series 2009A outstanding, with an average coupon rates of 4.347%. The net proceeds of the bonds were 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 refunded . As a result, the refunded are considered defeased and the liability for those has been removed from the statement of net position.

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**NOTE H - LONG-TERM DEBT** (Continued)

**2. General Obligation Bonds** (Continued)

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 December 31, 2019 \$7,716,195 remains unspent.

On July 2, 2014 the District issued \$28,920,000 in General Obligation Refunding Bonds, Series 2014A, to advance refund a 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.

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. As of December 31, 2019 \$1,503,192 remains unspent.

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.

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**NOTE H - LONG-TERM DEBT** (Continued)

**2. General Obligation Bonds** (Continued)

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.

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.

The annual requirements to amortize general obligation debt outstanding as of December 31, 2019, including interest payments are as follows:

Fiscal Year Ending December 31,	Governmental Activities	
	Principal	Interest
2020	\$ 15,835,000	\$ 8,864,426
2021	16,130,000	8,039,349
2022	16,745,000	7,378,714
2023	17,400,000	6,682,883
2024	18,080,000	5,949,653
2025-2029	87,945,000	20,617,845
2030-2034	48,620,000	6,765,286
2035	1,890,000	51,975
	<u>\$ 222,645,000</u>	<u>\$ 64,350,131</u>

The schedule of the District's legal debt margin as of December 31, 2019 is as follows:

Assessed valuation 2018	\$ <u>26,582,432,958</u>
Statutory debt limitation (2.3% of assessed valuation)	\$ 611,395,958
Less general obligation bonds	<u>(222,645,000)</u>
Legal debt margin	<u>\$ 388,750,958</u>

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**NOTE H - LONG-TERM DEBT** (Continued)

**3. Derivative Instruments**

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2019, classified by type, and the changes in fair value of such derivative instruments for the period then ended as reported in the 2019 financial statements are as follows:

<b>Cash Flow Hedges:</b>	<u>Classification</u>	<u>Amount</u>	<u>Fair Value at</u>		
			<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
Pay fixed interest rate swaps	Deferred outflow	\$ 154,078	Liability	\$ (154,078)	\$ 6,725,000

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 and another on December 15, 2016.

Details of the derivative instrument still outstanding is as follows:

<u>Bond Series</u>	<u>Current Notional Amount</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Fixed Rate Paid</u>	<u>Standard &amp; Poor's / Moody's Counterparty Credit Ratings</u>	<u>Fair Value as of 6/30/2018</u>
2007A	\$ 6,725,000	5/1/2007	12/15/2020	4.5200%	A+/AA/Aa2	\$ (154,078)

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 4.520% and receives a variable payment as follows:

<u>Bond Series</u>	<u>Current Notional Amount</u>	<u>Pay Fixed</u>	<u>Receive Variable</u>
2007A	\$ 6,725,000	4.5200%	67% of 3 Mo USD LIBOR + 0.48%

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 valuation provided as of December 31, 2019 is 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.

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NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments (Continued)

**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 December 31, 2019 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 swap requires 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 swap outstanding as of December 31, 2019 is with one counterparty.

*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 .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.



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NOTE H - LONG-TERM DEBT (Continued)

3. Derivative Instruments (Continued)

**DERIVATIVE INSTRUMENT PAYMENTS AND HEDGED DEBT**

As of December 31, 2019, 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 December 31, 2019 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 December 31, 2019 qualified for hedge accounting.

Fiscal Year Ending December 31,	Hedged Debt Principal	Interest Paid to Bondholders	Hedging Derivative Instruments - Net (Receipts)/Payments	Total
2020	6,725,000	53,367	250,603	7,028,970
2021	0	0	0	0
	<u>\$ 6,725,000</u>	<u>\$ 53,367</u>	<u>\$ 250,603</u>	<u>\$ 7,028,970</u>

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**NOTE I - FUND BALANCE CLASSIFICATIONS**

The District reported the following fund balance restrictions, commitments and assignments at December 31, 2019:

<b>Restricted for:</b>		<b>Fund :</b>
Audit and insurance costs	\$ 1,828,790	General Fund
Land acquisition and development	18,594,780	Land Development, Land Acquisition and Development Bond Projects
Debt service	3,421,226	Debt Service Fund
FICA and IMRF costs	1,400,748	Nonmajor governmental funds (Retirement Fund)
Tree Replacement	272,649	Nonmajor governmental funds
Total restricted	<u>\$ 25,518,193</u>	
<b>Committed for:</b>		<b>Fund :</b>
Ft. Sheridan Cemetery	301,368	General Fund
Total committed	<u>\$ 301,368</u>	
<b>Assigned for:</b>		<b>Fund :</b>
Wetlands	744,577	General Fund
Carry over	390,071	General Fund
Capital spending planned	7,792,995	General Fund
Special projects	4,238,635	Nonmajor governmental funds (Easements & Special Projects)
Land management and preparation	1,763,822	Nonmajor governmental funds (Land Preparation & Farmland Management )
State forfeiture funds	15,379	Nonmajor governmental funds (State Forfeiture)
Building improvements	2,603,737	Nonmajor governmental funds ( Capital Facilities Improvement)
Grants and donations	364,599	Nonmajor governmental funds (Grants and Donations Fund)
Total assigned	<u>\$ 17,913,815</u>	

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**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, 2019 to January 1, 2020, 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, 2018, and the statement of revenues and expenses for the period ended December 31, 2018. The District's portion of the overall equity of the pool is 4.068%, or \$1,969,864. Data for 2019 was not available.

Assets	\$	64,598,180
Deferred Outflow of Resources - Pension		735,579
Liabilities		20,358,043
Deferred Inflow of Resources - Pension		1,157,368
Member balances		43,818,350
Revenues		18,891,688
Expenditures		18,647,660

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NOTE J - RISK MANAGEMENT (Continued)

Since 98.39% 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 December 31, 2019:

General Fund	\$	281,803
Land Development Fund		1,557,222
Development Bond Projects Fund		887,295
Nonmajor Governmental Funds		328,621
Internal Service Funds		187,846
Enterprise Funds		6,879

These amounts are reflected in the District's fund balance categories (restricted, committed and assigned).

4. Construction Commitments

The District had certain contracts in its funds for the construction of various projects which were in process at December 31, 2019. The remaining commitments under these contracts approximate:

<u>Function</u>		
General Government	\$	326,182
Education		2,415
Maintenance & development		198,251
Natural resources		998,271
	\$	<u>1,525,120</u>

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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](http://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

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**NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)**

**3. Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF	SLEP
Retirees and Beneficiaries currently receiving benefits	198	9
Inactive Plan Members entitled to but not yet receiving benefits	229	7
Active Plan Members	209	19
Total	636	35

**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 2018 was 11.98% for IMRF and 14.96% for SLEP. The District's annual contribution rate for calendar year 2019 was 9.96% for IMRF and 13.65% for SLEP. For the fiscal period ended 2019, the District contributed \$1,258,323 for IMRF and \$219,965 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/Asset**

The District's net pension liability/asset was measured as of December 31, 2019. 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.

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6. Aggregate Totals

The aggregate amount of pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense for the IMRF and SLEP pension plans as of December 31, 2019 are as follows:

		IMRF Pension Plan		SLEP Pension Plan		Total
Net Pension Liability	\$	5,212,820	\$	370,057	\$	5,582,877
Deferred Outflows of Resources Related to Pensions	\$	1,157,348	\$	396,442	\$	1,553,790
Deferred Inflows of Resources Related to Pensions	\$	3,265,200	\$	674,517	\$	3,939,717
Pension Expense	\$	1,500,382	\$	179,112	\$	1,679,494

7. Actuarial Assumptions

The following are the methods and assumptions used to determine the total pension liability at December 31, 2019 for both plans (IMFR and SLEP):

- \* The **Actuarial Cost Method** used was Entry Age Normal.
- \* The **Asset Valuation Method** used was 5-Year smoothed market; 20% corridor.
- \* The **Inflation Rate** was assumed to be 2.50%
- \* **Salary Increases** were expected to be 3.35% to 14.25%, including inflation.
- \* The **Investment Rate of Return** was assumed to be 7.25%.
  
- \* **Projected Retirement Age** was from the Experience-base table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
  
- \* The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates 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 generational projection scale MP-2017 ( base year 2015). 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

7. Actuarial Assumptions (Continued)

\* 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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
Total	100%	

8. Single Discount Rate

A Single Discount Rate of 7.25% for IMRF and 7.25% 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 Bond Buyer) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%



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**NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)**

9. Changes in Net Pension Liability/Asset

<u>IMRF</u>	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
<b>Balances at December 31, 2018</b>	\$ 76,822,817	\$ 64,809,700	12,013,117
<b>Changes for the year:</b>			
Service Cost	1,261,738	-	1,261,738
Interest on the Total Pension Liability	5,504,652	-	5,504,652
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	193,186	-	193,186
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,258,323	(1,258,323)
Contributions - Employees	-	602,412	(602,412)
Net Investment Income	-	11,823,094	(11,823,094)
Benefit Payments, including Refunds of Employee Contributions	(3,054,913)	(3,054,913)	-
Other ( Net Transfer)	-	76,044	(76,044)
Net Changes	3,904,663	10,704,960	(6,800,297)
<b>Balances at December 31, 2019</b>	<u>\$ 80,727,480</u>	<u>\$ 75,514,660</u>	<u>\$ 5,212,820</u>

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NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

9. Changes in Net Pension Liability/Asset (Continued)

<u>SLEP</u>	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2018</b>	\$ 9,256,284	\$ 8,282,449	973,835
<b>Changes for the year:</b>			
Service Cost	307,627	-	307,627
Interest on the Total Pension Liability	674,931	-	674,931
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	212,408	-	212,408
Changes of Assumptions	-	-	-
Contributions - Employer	-	219,965	(219,965)
Contributions - Employees	-	120,860	(120,860)
Net Investment Income	-	1,398,623	(1,398,623)
Benefit Payments, including Refunds of Employee Contributions	(201,421)	(201,421)	-
Other ( Net Transfer)	-	59,296	(59,296)
Net Changes	993,545	1,597,323	(603,778)
<b>Balances at December 31, 2019</b>	<u>\$ 10,249,829</u>	<u>\$ 9,879,772</u>	<u>\$ 370,057</u>

10. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability/(Asset), calculated using a Single Discount Rate of 7.25% for IMRF and 7.25% 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 6.25%	Current Single Discount Rate Assumption 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 91,088,996	\$ 80,727,480	\$ 72,171,378
Plan Fiduciary Net Pension	75,514,660	75,514,660	75,514,660
Net Pension Liability/(Asset)	<u>\$ 15,574,336</u>	<u>\$ 5,212,820</u>	<u>\$ (3,343,282)</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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**NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)**

**10. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate (Continued)**

<u>SLEP</u>	1% Lower 6.25%	Current Single Discount Rate Assumption 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 11,657,870	\$ 10,249,829	\$ 9,097,147
Plan Fiduciary Net Pension	9,879,772	9,879,772	9,879,772
Net Pension Liability/(Asset)	<u>\$ 1,778,098</u>	<u>\$ 370,057</u>	<u>\$ (782,625)</u>

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

For the period ended December 31, 2019 the District recognized pension expense of \$3,044,935, for IMRF \$2,767,833 and \$277,102 for SLEP. At December 31, 2019 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
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 360,717	\$ -
Changes of assumptions	796,631	382,168
Net difference between projected and actual earnings on pension plan investments.	-	2,883,032
<b>Total Deferred Amounts Related to Pensions</b>	<u>\$ 1,157,348</u>	<u>\$ 3,265,200</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

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

<u>SLEP</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
<b>Deferred Amounts to be Recognized in Pension Expense in Future Periods</b>		
Differences between expected and actual experience	\$ 196,169	\$ 344,461
Changes of Assumptions	200,273	23,865
Net difference between projected and pension plan investments.	<u>-</u>	<u>306,191</u>
<b>Total Deferred Amounts Related to Pensions</b>	<u><u>\$ 396,442</u></u>	<u><u>\$ 674,517</u></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>	<u>Net Deferred Outflows of Resources</u>
<u>Year Ending June 30,</u>	
2020	\$ (251,264)
2021	(687,867)
2022	264,262
2023	(1,432,983)
2024	-
Thereafter	<u>-</u>
Total	<u><u>\$ (2,107,852)</u></u>

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NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

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

<u>SLEP</u>	<u>Net Deferred</u>
<u>Year Ending June 30,</u>	<u>Outflows of</u>
	<u>Resources</u>
2020	\$ (105,373)
2021	(92,997)
2022	29,626
2023	(109,331)
2024	-
Thereafter	-
Total	<u>\$ (278,075)</u>

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

	<u>2019</u>	<u>2018</u>
Investment rate of return - IMRF	7.25%	7.50%
Investment rate of return - SLEP	7.25%	7.50%
Municipal bond rate	2.75%	3.31%
Adjustment factor for market value - IMRF	0.000656863	0.000082077
Adjustment factor for market value - SLEP	0.000656863	0.000082077

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 period 2019, the District's contribution, which was 100% implicit, was \$61,840.

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

**3. Employees Covered by Benefit Terms**

At July 1, 2017, the actuarial valuation date, the following employees were covered by the benefit terms:

Active employees	174
Inactive Employees Entitled But Not Yet Receiving Benefits	-
Inactive Employees Currently Receiving Benefits	<u>11</u>
	185

**4. Total OPEB Liability**

The District's total OPEB liability of \$593,563 was measured as of 12/31/2019, and was determined by an actuarial valuation as of that date.

Inflation	3.00%
Health Care Trend Rates	
Initial Health Care Cost Trend Rate	
- Medical Plans	5.50%
- Dental Plans	2.00%
Ultimate Health Care Cost Trend Rate	
- Medical Plans	5.00%
- Dental Plans	NA
Election at Retirement	100.00%
Discount Rate	3.26%

Since the District funds the plan on a pay-as-you-go basis, the discount rate is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2019.

Rates of Mortality, Retirement and Disability were from those found in the December 31, 2017 IMRF Actuarial Valuation Report.

The actuarial assumptions used in the December 31, 2019 valuation were based on the Fiscal Year 2018 GASB 75 Actuarial Report dated July 1, 2017.

**5. Changes in Total OPEB Liability**

Changes in the District's total OPEB liability for the period ended December 31, 2019 was as follows:

	Total OPEB Liability
Balance at June 30, 2018	\$ 614,401
Service Cost	20,844
Interest	27,832
Difference between Expected and Actual Experience	-
Changes in Assumptions and Other Inputs	(6,886)
Benefit Payments	(61,840)
Other Changes	<u>(788)</u>
Net Changes	<u>(20,838)</u>
Balance at December 31, 2019	\$ 593,563

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

6. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Trend

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage- point lower (2.26%) or 1- percentage- point higher (4.26%) than the current discount rate:

<b>Discount Rate</b>	1% Increase	Current Discount Rate	1% Decrease
Total OPEB Liability	\$ <u>567,703</u>	\$ <u>593,563</u>	\$ <u>620,609</u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability

<b>Healthcare Trend</b>	1% Increase	Current Healthcare Trend	1% Decrease
Total OPEB Liability	\$ <u>630,813</u>	\$ <u>593,563</u>	\$ <u>559,567</u>

7.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the period ended December 31, 2019, the District recognized an increase of OPEB expense of \$10,765. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 41,400
Changes in assumptions	45,619	17,161
	\$ <u>45,619</u>	\$ <u>58,561</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the total OPEB liability for the period ending December 31, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$45,619 and \$58,561) will be recognized in OPEB expense as follows:

Fiscal Year	Outflows	Inflows	Net Amount
2020	\$ 7,601	\$ 9,557	1,956
2021	7,601	9,557	1,956
2022	7,601	9,557	1,956
2023	7,601	9,557	1,956
2024	7,601	9,557	1,956
Thereafter	7,614	10,776	3,162
Total	\$ <u>45,619</u>	\$ <u>58,561</u>	<u>12,942</u>

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**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. 87, *Leases* will be effective for District beginning with its year ending December 31, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 88, *Certain Disclosures Related to Debt* will be effective for District beginning with its year ending December 31, 2019. The objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct payments. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* will be effective for District beginning with its year ending December 31, 2020. The objectives of this Statement (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interests* will be effective for District beginning with its year ending December 31, 2020. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations* will be effective for the District beginning with its year ending December 31, 2021. The objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus 2020* has provisions that will impact the District beginning with its year ending December 31, 2020 and others than will impact its year ending December 31, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the District beginning with its year ending December 31, 2021 and 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District beginning with its year ending December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, Is effective immediately for the District. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates for the above Statements by one year, except for Statement No. 87 which will be postponed for a year and a half.

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.



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**NOTE O - COMPONENT UNIT**

This report contains the Preservation Foundation of the Lake County Forest Preserves (Foundation), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

Note: The financial statements of the Preservation Foundation presented here are for the 12 months ended 12/31/2019.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

1. Nature of Activities and Summary of Significant Accounting Policies

*Organization and Nature of Activities*

The Preservation Foundation of the Lake County Forest Preserves (the "Foundation") was established on February 20, 2007 as an Illinois not-for-profit corporation to provide financial assistance to benefit the Lake County Forest Preserve District's (the "District") mission. The Foundation raises funds for a variety of purposes, including land acquisition, habitat restoration, development of trails or other amenities, and educational programs. The Foundation is a component unit of the District.

The Foundation follows accounting standards established by the Financial Accounting Standards Board ("FASB") to ensure consistent reporting of financial condition, results of activities, and cash flows. References to Generally Accepted Accounting Principles ("GAAP") in these footnotes are to the *FASB Accounting Standards Codification™*, sometimes referred to as the Codification or ASC.

A summary of the Foundation's significant accounting policies follows:

*Basis of accounting*

The financial statements of the Foundation are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

*Net assets*

The Foundations net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource restricted has been fulfilled, or both.

*Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Foundation maintains its cash in bank deposit accounts which at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

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1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)

*Investments*

In accordance with the standards relating to accounting for certain investments held by not-for-profit organizations, the Foundation records investments at their fair or appraised values, and both realized and unrealized gains and losses are reflected in the statement of activities.

*Land held for resale*

In fiscal year 2014, the Foundation received a donation of land for which it intends to sell. Land held for resale is recorded at the lower of cost or fair value less costs to sell. The Foundation has recorded this land at \$456,000 at December 31, 2019, which was determined through independent evaluations of the current market value.

*Pledges receivable*

Pledges receivable, which includes unconditional promises to give, are reported at net realizable value and discounted to present value if not expected to be collected within one year. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue in the statements of activities. The allowance for uncollectable pledges is based on management's estimate of the collectability of identified receivables.

*Contributions*

Contributions are recognized when an unconditional promise to give is received. Conditional promises to give are not recognized until the condition on which the depend have been substantially met.

*In-kind contributions*

The Foundation records various types of in-kind support including rent, professional services, and various supplies. Contributions of tangible assets are recognized at fair market value when received. Contributed rent consists of office space provided to the Foundation by the District at no charge and is based on a square foot market value calculated by the District. Contributed professional services are recognized if the services received either create or enhance long-lived assets, or require specialized skills, and would need to be purchased if not provided by donation. Such values are reflected in the statement of activities as both revenue and expense. The total amount of in-kind contributions received from the District was \$456,058 for the year ended December 31, 2019. There were no amounts of in-kind contributions received from sources other than the District for the year ended December 31, 2019.

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**1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

*Functional allocation of expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Income taxes*

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation.

The Foundation follows the accounting standards for contingencies in evaluating uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Foundation for uncertain tax provisions as of December 31, 2019. The Foundation's tax returns are subject to review and examination by federal and state authorities.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Subsequent events*

The Foundation has evaluated subsequent events for potential recognition and/or disclosure through June 5, 2020, the date the financial statements were approved and available to be issued.

**2. Investments and Fair Value**

Fair value is defined in the guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liabilities in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which is based upon the transparency of information, such as pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions about risk using the best information available in the circumstances, which may include using the reporting entity's own data.

**Valuation Techniques and inputs**

Level 1 - Level 1 assets include investments in cash and cash equivalents, stocks and exchange traded funds (ETFs), fixed income securities and mutual funds for which quoted prices are readily available.

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There have been no changes in the techniques and inputs used as of December 21, 2019.

In certain case, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factor specific to the asset or liability.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents information about the Foundation's assets measured at fair value on a recurring basis as of December 31, 2019 based upon the three-tier hierarchy:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 2,059	\$ 2,059	\$ -	\$ -
Stocks & ETF's	279,447	279,447	-	-
Fixed income securities	15,024	15,024	-	-
Mutual Funds	5,742	5,742	-	-
Total	<u>\$ 302,272</u>	<u>\$ 302,272</u>	<u>\$ -</u>	<u>\$ -</u>

**3. Pledges Receivable, Net**

Pledges receivable at December 31, 2019 consisted of the following:

	<u>2019</u>
Gross unconditional promises to give	\$ 1,284,475
Less: unamortized discount	<u>(29,036)</u>
Net unconditional promises to give	<u>1,255,439</u>
Amounts due in:	
Less than one year	\$ 894,475
One to five years	<u>390,000</u>
	<u>1,284,475</u>

Amounts that are expected to be collected after one year have been discounted at 2.69 percent and are reflected in the financial statements at their net present value.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Period Ended December 31, 2019

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**4. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods at December 3, 2019:

Subject to expenditure for specified purpose:

Education	\$ 182,067
Natural Resources	1,586,389
Operations and infrastructure	11,380
Planning and land preservation	7,674
Fall Golf Classic	53,516
Fred Fest	35,280
Gratitude in the woods	4,663
	<u>1,880,969</u>

Subject to the passage of time:

Pledges receivable	<u>1,255,439</u>
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Endowments:

Subject to appropriations and expenditures when a specified event occurs:

Restricted by donors for:

Education programs	\$ 10,458
Middlefork Savanna	10,735
Grassy Lake	281,421
General operations of Lake County Forest Preserve District	<u>16,103</u>
	<u>318,717</u>

Total Endowments	<u><u>3,455,125</u></u>
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Net assets were released from donor restrictions by incurring expenses satisfying purpose or other events specified by the donors in the amount of \$261,786 for the year ended December 31, 2019.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Period Ended December 31, 2019

**5. Functional Allocation of Expenses**

Expenses consisted of the following for the years ended December 31, 2019:

	2019			
	Program	Management and General	Fundraising	Total
Grants	\$ 314,620	\$ -	\$ -	314,620
Bank and credit card fees	-	734	4,233	4,967
Professional services	-	34,381	39,719	74,100
In-kind contribution of:				-
Salaries	-	117,036	214,607	331,643
Benefits	-	22,066	30,019	52,085
Commodities	-	2,247	2,247	4,494
Professional services	-	29,188	29,188	58,376
Rent	-	-	9,460	9,460
	<u>\$ 314,620</u>	<u>\$ 205,652</u>	<u>\$ 329,473</u>	<u>\$ 849,745</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Rent expense and other occupancy costs are allocated based on occupied space. Costs of categories such as salaries, benefits, commodities and professional services are allocated based on estimates of time and effort.

The Foundation and the District are organizations affiliated through common members of their respective Boards. The Foundation provides grants to the District for supporting projects such as the museum exhibits and restoration projects. The total amounts provided to the District during the years ended December 31, 2019 was \$314,620.

**6. Endowment**

The Foundation's endowment (the Endowment) consists of four separate donor restricted endowment funds. The purposes of the endowment funds are 1) to support education programs each year, 2) to support the Middlefork Savanna, 3) to be used toward the general operations of the Lake County Forest Preserve District and 4) to support Grassy Lake.

The Foundation Board of Directors have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the State of Illinois as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2019, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Period Ended December 31, 2019

**6. Endowment (Cont.)**

Donor-restricted amounts not retained in perpetuity are subject to appropriations for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment net assets composition by types of fund consists of the following as of December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds: Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 318,717	\$ 318,717
Total endowment net assets	\$ -	\$ 318,717	\$ 318,717

Changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 58,502	\$ 58,502
Contributions	-	260,215	260,215
Endowment net assets, ending	\$ -	\$ 318,717	\$ 318,717

**Investment and Spending Policies**

The Foundation has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is five percent annually over a five-year market cycle. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Foundation adopted a spending policy in February 2019 that allows for annual distributions from the Endowment of up to four percent of the average total market value of the Endowment principal over the previous 12 quarters. There were no appropriations from the Endowment for the year ended December 31, 2019.

**7. Liquidity and Funds Available**

The Foundation's financial assets available for general expenditures as of December 31, 2019, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,305,856
Investments	302,272
Pledges receivable due within one year	894,475
Total	\$ 2,502,603

The Foundation has a policy of using cash and investments in marketable securities to meet cash needs for grants and general expenditures.

## 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  
For the Period Ended December 31, 2019

IMRF Plan					
Fiscal Year Ending December 31,	Actuarial Determined Contribution	Actual Contribution	Unfunded Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
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	\$ 1,297,055	\$ 1,348,256	\$ (51,201)	\$ 11,268,938	11.96%
2015	\$ 1,413,407	\$ 1,425,772	\$ (12,365)	\$ 11,967,886	11.91%
2016	\$ 1,433,385	\$ 1,433,385	\$ -	\$ 11,559,556	12.40%
2017	\$ 1,466,007	\$ 1,482,330	\$ (16,323)	\$ 11,728,058	12.64%
2018	\$ 1,445,705	\$ 1,445,705	\$ -	\$ 12,067,658	11.98%
2019	\$ 1,258,324	\$ 1,258,323	\$ 1	\$ 12,633,771	9.96%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contributions Rate\**

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes: There were no benefit changes during the year

\*Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation.

**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**  
For the Period Ended December 31, 2019

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
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%
2016	\$ 232,580	\$ 232,838	\$ (258)	\$ 1,481,399	15.72%
2017	\$ 242,545	\$ 244,211	\$ (1,666)	\$ 1,542,909	15.83%
2018	\$ 236,488	\$ 236,488	\$ -	\$ 1,580,801	14.96%
2019	\$ 219,965	\$ 219,965	\$ -	\$ 1,611,466	13.65%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contributions Rate\**

**Methods and Assumptions Used to Determine 2019 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	24-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.3%
Price Inflation:	2.50%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes: There were no benefit changes during the year

\*Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation; note two year lag between valuation and rate setting.

**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  
For the Period Ended December 31, 2019

	IMRF Plan					
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	\$ 1,261,738	\$ 1,142,908	\$ 1,260,324	\$ 1,291,502	\$ 1,239,731	\$ 1,325,778
Interest on the Total Pension Liability	5,504,652	5,225,419	5,107,129	4,950,228	4,606,110	4,157,410
Difference between Expected and Actual Assumption Changes	193,186	608,597	18,085	(1,775,155)	908,311	685,889
Benefit Payments and Refunds	(3,054,913)	(2,880,233)	(2,477,640)	(2,247,711)	(2,114,789)	(1,739,464)
Net Changes in Total Pension Liability	3,904,663	6,281,904	1,837,204	1,957,495	4,811,890	6,295,345
Total Pension Liability-beginning	76,822,817	70,540,913	68,703,709	66,746,214	61,934,324	55,638,979
Total Pension Liability-ending (a)	<u>\$ 80,727,480</u>	<u>\$ 76,822,817</u>	<u>\$ 70,540,913</u>	<u>\$ 68,703,709</u>	<u>\$ 66,746,214</u>	<u>\$ 61,934,324</u>
<b>Plan Fiduciary Net Pension</b>						
Employer Contributions	\$ 1,258,323	\$ 1,445,705	\$ 1,482,330	\$ 1,433,385	\$ 1,425,772	\$ 1,348,256
Employee Contributions	602,412	549,061	566,969	523,115	571,942	524,758
Pension Plan Net Investment Income	11,823,094	(3,283,594)	9,990,419	3,860,273	279,649	3,212,918
Benefit Payments and Refunds	(3,054,913)	(2,880,233)	(2,477,640)	(2,247,711)	(2,114,789)	(1,739,464)
Other	76,044	1,023,684	(656,097)	(88,016)	(582,838)	37,835
Net Change in Plan Fiduciary Net Pension	10,704,960	(3,145,377)	8,905,981	3,481,046	(420,264)	3,384,303
Plan Fiduciary Net Pension-beginning	64,809,700	67,955,077	59,049,096	55,568,050	55,988,314	52,604,011
Plan Fiduciary Net Pension-ending (b)	<u>\$ 75,514,660</u>	<u>\$ 64,809,700</u>	<u>\$ 67,955,077</u>	<u>\$ 59,049,096</u>	<u>\$ 55,568,050</u>	<u>\$ 55,988,314</u>
Net Pension Liability/(Asset)-ending (a)-(b)	5,212,820	12,013,117	2,585,836	9,654,613	11,178,164	5,946,010
<b>Plan Fiduciary Net Pension as a Percentage of Total Pension Liability</b>	93.54%	84.36%	96.33%	85.95%	83.25%	90.40%
Covered Payroll	\$ 12,633,771	\$ 12,067,658	\$ 11,728,058	\$ 11,559,556	\$ 11,967,886	\$ 11,268,938
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	41.26%	99.55%	22.05%	83.52%	93.40%	52.76%

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:

	2019	2018	2017	2016	2015	2014
Investment rate of return - IMRF	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%
Adjustment factor for market value - IMRF	0.0006568629	0.0027705476	0.0000820765	0.002057409	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  
For the Period Ended December 31, 2019

<u>Sheriff's Law Enforcement Personnel Plan (SLEP)</u>						
	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	\$ 307,627	\$ 294,697	\$ 303,110	\$ 301,447	\$ 279,680	\$ 258,894
Interest on the Total Pension Liability	674,931	628,922	597,637	565,718	509,679	478,256
Difference between Expected and Actual	212,408	(109,266)	(246,294)	(251,481)	96,246	(257,596)
Assumption Changes	-	287,454	(39,127)	(10,575)	10,181	72,653
Benefit Payments and Refunds	(201,421)	(167,604)	(220,368)	(160,492)	(138,327)	(148,924)
Net Changes in Total Pension Liability	993,545	934,203	394,958	444,617	757,459	403,283
Total Pension Liability-beginning	9,256,284	8,322,081	7,927,123	7,482,506	6,725,047	6,321,764
Total Pension Liability-ending (a)	<u>\$ 10,249,829</u>	<u>\$ 9,256,284</u>	<u>\$ 8,322,081</u>	<u>\$ 7,927,123</u>	<u>\$ 7,482,506</u>	<u>\$ 6,725,047</u>
<b>Plan Fiduciary Net Pension</b>						
Employer Contributions	\$ 219,965	\$ 236,488	\$ 244,211	\$ 232,838	\$ 269,725	\$ 243,924
Employee Contributions	120,860	118,560	116,458	111,214	127,394	101,186
Pension Plan Net Investment Income	1,398,623	(314,702)	1,163,948	458,218	32,483	360,257
Benefit Payments and Refunds	(201,421)	(167,604)	(220,368)	(160,492)	(138,327)	(148,924)
Other	59,296	68,890	(114,393)	9,611	(158,994)	3,085
Net Change in Plan Fiduciary Net Pension	1,597,323	(58,368)	1,189,856	651,389	132,281	559,528
Plan Fiduciary Net Pension-beginning	8,282,449	8,340,817	7,150,961	6,499,572	6,367,291	5,807,763
Plan Fiduciary Net Pension-ending (b)	<u>\$ 9,879,772</u>	<u>\$ 8,282,449</u>	<u>\$ 8,340,817</u>	<u>\$ 7,150,961</u>	<u>\$ 6,499,572</u>	<u>\$ 6,367,291</u>
Net Pension Liability/(Asset)-ending (a)-(b)	370,057	973,835	(18,736)	776,162	982,934	357,756
<b>Plan Fiduciary Net Pension as a Percentage of</b>						
Total Pension Liability	96.39%	89.48%	100.23%	90.21%	86.86%	94.68%
Covered Payroll	\$ 1,611,466	\$ 1,580,801	\$ 1,542,909	\$ 1,481,399	\$ 1,523,005	\$ 1,348,139
Net Pension Liability as a Percentage of Covered Payroll	22.96%	61.60%	-1.21%	52.39%	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:

	2019	2018	2017	2016	2015	2014
Investment rate of return - SLEP	7.25%	7.25%	7.50%	7.50%	7.50%	7.50%
Adjustment factor for market value - SLEP	0.0006568629	0.0027705476	0.0000820765	0.002057409	0.000163582	0.00739151

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Schedule of Changes in Total OPEB Liability and Related Ratios  
For the Period Ended December 31, 2019

	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability</b>		
Service cost	\$ 20,844	\$ 16,531
Interest	27,832	19,939
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(58,645)
Changes of assumptions	(6,886)	4,697
Benefit payments, including refunds of member contributions	(61,840)	(80,643)
Other changes	(788)	45,177
<b>Net change in total OPEB liability</b>	(20,838)	(52,944)
<b>Total OPEB liability - beginning</b>	614,401	667,345
<b>Total OPEB liability - ending (a)</b>	\$ 593,563	\$ 614,401
<b>Plan fiduciary net position</b>		
Employer contributions	\$ -	\$ -
Employee contributions	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	-	-
Administration	-	-
Other (net transfer)	-	-
<b>Net change in plan fiduciary net position</b>	-	-
<b>Plan fiduciary net position - beginning</b>	-	-
<b>Plan fiduciary net position - ending (b)</b>	\$ -	\$ -
<b>District's total OPEB liability - ending (a) - (b)</b>	\$ 593,563	\$ 614,401
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%
<b>Covered payroll</b>	\$ 13,733,632	\$ 12,946,486
<b>District's total OPEB liability as a percentage of covered-payroll</b>	4.32%	4.75%

**Notes to Schedule:**

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
Schedule of Employer OPEB Contributions  
For the Period Ended December 31, 2019

	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered- payroll	\$ 13,733,632	\$ 12,946,486
Contributions as a percentage of covered-payroll	0.00%	0.00%

**Notes to Schedule:**

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

**Valuation date:**

Actuary valuations are as of December 31 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age normal
Amortization method	Straight line
Remaining amortization period	8.3 years
Asset valuation method	Market value
Election at retirement	15.00%
Salary increases	4.00%
Investment rate of return	3.26%
Healthcare cost trend rate - initial	5.50%
Healthcare cost trend rate - ultimate	5.00%
Mortality	RP-2014 CHBCA

**Other information:**

There were no benefit changes during the year.

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  
For the Period Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 23,303,290	\$ 23,303,290	\$ 22,044,075	\$ (1,259,215)
Replacement taxes	1,100,000	1,100,000	1,464,206	364,206
Investment income	352,100	352,100	1,192,947	840,847
Grants & contributions	120,250	161,000	153,758	(7,242)
Land and building rentals	285,110	285,110	412,617	127,507
Charges for services and sales	1,725,030	1,725,030	1,667,128	(57,902)
Permits	1,101,950	1,101,950	1,051,706	(50,244)
Easements and licenses	53,700	53,700	53,652	(48)
Programs and admissions	589,260	589,260	441,160	(148,100)
Other revenue	245,100	245,100	265,499	20,399
<b>Total revenues</b>	<u>28,875,790</u>	<u>28,916,540</u>	<u>28,746,748</u>	<u>(169,792)</u>
<b>Expenditures</b>				
Current:				
General government	10,448,820	10,849,448	9,924,671	(924,777)
Education	3,573,650	3,616,010	3,338,462	(277,548)
Public safety	4,617,650	4,627,969	4,260,608	(367,361)
Recreation	2,213,650	2,237,163	2,072,450	(164,713)
Maintenance & development	8,757,550	8,757,550	8,339,283	(418,267)
Debt service:				
Principal	301,000	301,000	223,671	(77,329)
Interest	143,520	143,520	143,516	(4)
Capital outlay	370,230	2,407,019	635,991	(1,771,028)
<b>Total expenditures</b>	<u>30,426,070</u>	<u>32,939,679</u>	<u>28,938,652</u>	<u>(4,001,027)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,550,280)</u>	<u>(4,023,139)</u>	<u>(191,904)</u>	<u>3,831,235</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	10,000	10,000	23,105	13,105
Transfers out	(200,000)	(200,000)	(200,000)	-
<b>Total other financing sources (uses)</b>	<u>(190,000)</u>	<u>(190,000)</u>	<u>(176,895)</u>	<u>13,105</u>
Net change in fund balance	<u>(1,740,280)</u>	<u>(4,213,139)</u>	<u>(368,799)</u>	<u>3,844,340</u>
Fund balances, beginning of year			<u>27,142,143</u>	
Fund balances, end of year			<u>\$ 26,773,344</u>	

See independent auditors' report and notes to required supplementary information.

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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 8,753,420	\$ 8,753,420	\$ 8,514,522	\$ (238,898)
Investment income	155,000	155,000	467,417	312,417
Charges for services and sales	-	-	1,041	1,041
Grants & contributions	274,130	396,130	823,381	427,251
Other revenue	1,000	20,450	19,922	(528)
Total revenues	<u>9,183,550</u>	<u>9,325,000</u>	<u>9,826,283</u>	<u>501,283</u>
<b>Expenditures</b>				
Current:				
Maintenance & development	6,025,310	6,099,682	5,634,654	(465,028)
Natural resources	2,791,460	2,954,854	2,634,709	(320,145)
Capital outlay	3,113,540	5,796,548	3,452,459	(2,344,089)
Total expenditures	<u>11,930,310</u>	<u>14,851,084</u>	<u>11,721,822</u>	<u>(3,129,262)</u>
Net change in fund balance	<u>\$ (2,746,760)</u>	<u>\$ (5,526,084)</u>	(1,895,539)	<u>\$ 3,630,545</u>
Fund balances, beginning of period			11,270,932	
Fund balances, end of period			<u>\$ 9,375,393</u>	

See independent auditors' report and notes to required supplementary information.



**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
For the Period Ended December 31, 2019

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**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 October , the Finance Committee, after reviewing the recommendations of the two Standing Committees, submits to the President and Board a proposed capital and operating budget for the fiscal year commencing December 1. The budget includes proposed expenditures and the means of financing them. The Board adopts the budget at its regular October 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 December 31, 2019, there was a budget amendment for \$20,856,805 to reflect carryover projects budgeted but not completed in fiscal year 2018. There were several budget amendments totaling \$381,971 for grants and donations awarded to the District during the year. In addition, there were budget amemdments totaling \$899,150 for increased capital spending approved by the Board.
- 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. Encumbrances outstanding at year-end are reported as restricted or assigned fund balances and do not constitute expenditures or liabilities.

## 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 Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 34,750,940	\$ 34,750,940	\$ 32,937,557	\$ (1,813,383)
Investment income (loss)	104,550	104,550	628,606	524,056
Treasury rebate	1,797,890	1,797,890	1,813,340	15,450
Total revenues	<u>36,653,380</u>	<u>36,653,380</u>	<u>35,379,503</u>	<u>(1,273,877)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	11,020	11,020	221,809	210,789
<b>Debt service:</b>				
Principal	36,599,000	36,599,000	36,676,329	77,329
Interest and fiscal charges	14,281,180	14,281,180	14,281,161	(19)
Total expenditures	<u>50,891,200</u>	<u>50,891,200</u>	<u>51,179,299</u>	<u>288,099</u>
Excess of revenues under expenditures	<u>(14,237,820)</u>	<u>(14,237,820)</u>	<u>(15,799,796)</u>	<u>(1,561,976)</u>
<b>Other financing sources (uses)</b>				
Proceeds from debt issued	-	-	22,060,000	22,060,000
Premium on issuance of debt	-	-	2,790,828	2,790,828
Payment to escrow agency	-	-	(24,448,448)	(24,448,448)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>402,380</u>	<u>402,380</u>
Net change in fund balance	<u>\$ (14,237,820)</u>	<u>\$ (14,237,820)</u>	<u>(15,397,416)</u>	<u>\$ (1,159,596)</u>
Fund balances, beginning of period			<u>18,818,642</u>	
Fund balances, end of period			<u>\$ 3,421,226</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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 21,000	\$ 21,000	\$ 112,109	\$ 91,109
Grants & contributions	-	-	6,956	6,956
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>119,065</u>	<u>98,065</u>
<b>Expenditures</b>				
Current:				
Maintenance & development	5,000	5,000	1,352	(3,648)
Capital outlay	3,229,000	3,229,000	2,637,099	(591,901)
Total expenditures	<u>3,234,000</u>	<u>3,234,000</u>	<u>2,638,451</u>	<u>(595,549)</u>
Net change in fund balance	<u>(3,213,000)</u>	<u>(3,213,000)</u>	(2,519,386)	<u>693,614</u>
Fund balances, beginning of period			<u>4,022,578</u>	
Fund balances, end of period			<u>\$ 1,503,192</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  
For the Period Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 25,000	\$ 25,000	\$ 383,283	\$ 358,283
Grants & contributions	-	-	102,762	102,762
Other revenue			\$ 9,201	9,201
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>495,246</u>	<u>470,246</u>
Expenditures				
Current:				
Capital outlay	<u>1,455,430</u>	<u>12,830,229</u>	<u>5,016,489</u>	<u>(7,813,740)</u>
Net change in fund balance	<u>\$ (1,430,430)</u>	<u>\$ (12,805,229)</u>	<u>\$ (4,521,243)</u>	<u>\$ 8,172,023</u>
Fund balances, beginning of period			12,237,438	
Fund balances, end of period			<u>\$ 7,716,195</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.

#### ***State Forfeiture Fund***

To account for forfeiture funds received from the State.

#### ***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  
As of December 31, 2019

	Special Revenue			
	Retirement Fund	State Forfeiture Fund	Easements & Special Projects Fund	Land Preparation Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,537,393	\$ 15,379	\$ 4,261,626	\$ 1,275,947
Property taxes receivable, net	2,492,985	-	-	-
Interest receivable	-	-	19,481	2,639
Grants receivable	-	-	-	-
Other receivable	-	-	-	-
Total assets	<u>\$ 4,030,378</u>	<u>\$ 15,379</u>	<u>\$ 4,281,107</u>	<u>\$ 1,278,586</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 112,442	\$ -	\$ -	\$ -
Accrued payroll & payroll tax	29,610	-	-	-
Other liabilities	-	-	42,472	7,953
Total liabilities	<u>142,052</u>	<u>-</u>	<u>42,472</u>	<u>7,953</u>
 <b>Deferred inflows of resources</b>				
Unavailable property tax revenue	2,487,578	-	-	-
Unavailable grant revenue	-	-	-	1,157
Total deferred inflows of resources	<u>2,487,578</u>	<u>-</u>	<u>-</u>	<u>1,157</u>
 Total liabilities and deferred inflows of resources	 <u>2,629,630</u>	 <u>-</u>	 <u>42,472</u>	 <u>9,110</u>
 <b>Fund balances</b>				
Restricted	1,400,748	-	-	-
Committed	-	-	-	-
Assigned	-	15,379	4,238,635	1,269,476
Unassigned	-	-	-	-
Total fund balances	<u>1,400,748</u>	<u>15,379</u>	<u>4,238,635</u>	<u>1,269,476</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 4,030,378</u>	 <u>\$ 15,379</u>	 <u>\$ 4,281,107</u>	 <u>\$ 1,278,586</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Balance Sheet  
Nonmajor Governmental Funds  
As of December 31, 2019

Special Revenue			Capital Projects		
Farmland Management Fund	Tree Replacement Fund	Donations and Grant Fund	Total	Capital Facilities Improvement Fund	Total Nonmajor Governmental Funds
\$ 342,869	\$ 272,649	\$ 229,364	\$ 7,935,227	\$ 2,597,718	\$ 10,532,945
-	-	-	2,492,985	-	2,492,985
40	-	68	22,228	6,019	28,247
-	-	571,377	571,377	-	571,377
205,924	-	52,819	258,743	-	258,743
<u>\$ 548,833</u>	<u>\$ 272,649</u>	<u>\$ 853,628</u>	<u>\$ 11,280,560</u>	<u>\$ 2,603,737</u>	<u>\$ 13,884,297</u>
\$ 48,025	\$ -	\$ 117,719	278,186	\$ -	\$ 278,186
-	-	-	29,610	-	29,610
6,462	-	16,754	73,641	-	73,641
<u>54,487</u>	<u>-</u>	<u>134,473</u>	<u>381,437</u>	<u>-</u>	<u>381,437</u>
-	-	-	2,487,578	-	2,487,578
-	-	593,505	594,662	-	594,662
-	-	593,505	3,082,240	-	3,082,240
<u>54,487</u>	<u>-</u>	<u>727,978</u>	<u>3,463,677</u>	<u>-</u>	<u>3,463,677</u>
-	272,649	-	1,673,397	-	1,673,397
-	-	-	-	-	-
494,346	-	364,599	6,382,435	2,603,737	8,986,172
-	-	(238,949)	(238,949)	-	(238,949)
<u>494,346</u>	<u>272,649</u>	<u>125,650</u>	<u>7,816,883</u>	<u>2,603,737</u>	<u>10,420,620</u>
<u>\$ 548,833</u>	<u>\$ 272,649</u>	<u>\$ 853,628</u>	<u>\$ 11,280,560</u>	<u>\$ 2,603,737</u>	<u>\$ 13,884,297</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 Period Ended December 31, 2019

	Special Revenue			
	Retirement Fund	State Forfeiture Fund	Easements & Special Projects Fund	Land Preparation Fund
<b>Revenues</b>				
Property taxes	\$ 3,781,867	\$ -	\$ -	\$ -
Investment income	52,843	371	176,705	50,263
Grants & contributions	-	-	-	-
Land and building rentals	-	-	-	285,732
Easements and licenses	-	-	12,374	-
Other revenue	-	1,953	-	20,829
<b>Total revenues</b>	<b>\$ 3,834,710</b>	<b>\$ 2,324</b>	<b>\$ 189,079</b>	<b>\$ 356,824</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	3,696,392	-	20,182	-
Education	-	-	-	-
Maintenance & development	-	-	-	63,191
Natural resources	-	-	-	-
Capital outlay	-	-	2,819	-
<b>Total expenditures</b>	<b>3,696,392</b>	<b>-</b>	<b>23,001</b>	<b>63,191</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>138,318</b>	<b>2,324</b>	<b>166,078</b>	<b>293,633</b>
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>138,318</b>	<b>2,324</b>	<b>166,078</b>	<b>293,633</b>
Fund balances - beginning	1,262,430	13,055	4,072,557	975,843
<b>Fund balances - ending</b>	<b>\$ 1,400,748</b>	<b>\$ 15,379</b>	<b>\$ 4,238,635</b>	<b>\$ 1,269,476</b>

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 Period Ended December 31, 2019

Farmland Management Fund	Special Revenue			Capital Projects Capital Facilities Improvement Fund	Total Nonmajor Governmental Funds
	Tree Replacement Fund	Donations and Grant Fund	Total		
\$ -	\$ -	\$ -	\$ 3,781,867	\$ -	\$ 3,781,867
18,522	12,886	15,270	326,860	151,000	477,860
-	-	1,689,069	1,689,069	-	1,689,069
851,705	-	-	1,137,437	-	1,137,437
-	-	-	12,374	-	12,374
39,119	-	-	61,901	-	61,901
<u>\$ 909,346</u>	<u>\$ 12,886</u>	<u>\$ 1,704,339</u>	<u>\$ 7,009,508</u>	<u>\$ 151,000</u>	<u>\$ 7,160,508</u>
-	-	-	3,716,574	-	3,716,574
-	-	19,101	19,101	-	19,101
-	-	143,238	206,429	-	206,429
871,796	-	58,646	930,442	-	930,442
-	20,593	2,027,439	2,050,851	-	2,050,851
<u>871,796</u>	<u>20,593</u>	<u>2,248,424</u>	<u>6,923,397</u>	<u>-</u>	<u>6,923,397</u>
<u>37,550</u>	<u>(7,707)</u>	<u>(544,085)</u>	<u>86,111</u>	<u>151,000</u>	<u>237,111</u>
-	-	39,768	39,768	-	39,768
-	-	40	40	200,000	200,040
-	-	(40)	(40)	-	(40)
-	-	39,768	39,768	200,000	239,768
37,550	(7,707)	(504,317)	125,879	351,000	476,879
456,796	280,356	629,967	7,691,004	2,252,737	9,943,741
<u>\$ 494,346</u>	<u>\$ 272,649</u>	<u>\$ 125,650</u>	<u>\$ 7,816,883</u>	<u>\$ 2,603,737</u>	<u>\$ 10,420,620</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  
For the Period Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 3,945,310	\$ 3,945,310	\$ 3,781,867	\$ (163,443)
Investment income	15,400	15,400	52,843	37,443
Grants & contributions	14,670	14,670	-	(14,670)
Total revenues	<u>3,975,380</u>	<u>3,975,380</u>	<u>3,834,710</u>	<u>(140,670)</u>
Expenditures				
Current:				
General government	<u>3,972,020</u>	<u>3,972,020</u>	<u>3,696,392</u>	<u>(275,628)</u>
Net change in fund balance	<u>\$ 3,360</u>	<u>\$ 3,360</u>	138,318	<u>\$ 134,958</u>
Fund balances, beginning of period			<u>1,262,430</u>	
Fund balances, end of period			<u>\$ 1,400,748</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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 56,000	\$ 56,000	\$ 176,705	\$ 120,705
Easements and licenses	-	-	12,374	12,374
Total revenues	<u>56,000</u>	<u>56,000</u>	<u>189,079</u>	<u>133,079</u>
<b>Expenditures</b>				
Current:				
General government	10,000	10,000	20,182	10,182
Capital outlay	626,950	2,549,498	2,819	(2,546,679)
Total expenditures	<u>636,950</u>	<u>2,559,498</u>	<u>23,001</u>	<u>(2,536,497)</u>
Net change in fund balance	<u>\$ (580,950)</u>	<u>\$ (2,503,498)</u>	166,078	<u>\$ 2,669,576</u>
Fund balances, beginning of period			<u>4,072,557</u>	
Fund balances, end of period			<u>\$ 4,238,635</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  
For the Period Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 10,000	\$ 10,000	\$ 50,263	\$ 40,263
Land and building rentals	38,100	38,100	285,732	247,632
Other revenue	12,980	12,980	20,829	7,849
Total revenues	<u>61,080</u>	<u>61,080</u>	<u>356,824</u>	<u>295,744</u>
Expenditures				
Current:				
Maintenance & development	<u>100,000</u>	<u>100,000</u>	<u>63,191</u>	<u>(36,809)</u>
Net change in fund balance	<u>\$ (38,920)</u>	<u>\$ (38,920)</u>	293,633	<u>\$ 332,553</u>
Fund balances, beginning of period			<u>975,843</u>	
Fund balances, end of period			<u>\$ 1,269,476</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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 1,500	\$ 1,500	\$ 18,522	\$ 17,022
Land and building rentals	667,116	667,116	851,705	184,589
Other revenue	22,300	22,300	39,119	16,819
Total revenues	<u>690,916</u>	<u>690,916</u>	<u>909,346</u>	<u>218,430</u>
<b>Expenditures</b>				
Current:				
Natural resources	<u>782,160</u>	<u>1,198,730</u>	<u>871,796</u>	<u>(326,934)</u>
Net change in fund balance	<u>(91,244)</u>	<u>(507,814)</u>	37,550	<u>545,364</u>
Fund balances, beginning of period			<u>456,796</u>	
Fund balances, end of period			<u>\$ 494,346</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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 3,000	\$ 3,000	\$ 12,886	\$ 9,886
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>12,886</u>	<u>9,886</u>
Expenditures				
Capital outlay	-	100,703	20,593	(80,110)
Net change in fund balance	<u>\$ 3,000</u>	<u>\$ (97,703)</u>	(7,707)	<u>\$ 89,996</u>
Fund balances, beginning of period			<u>280,356</u>	
Fund balances, end of periods			<u>\$ 272,649</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  
For the Period Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 5,380	\$ 5,380	\$ 15,270	\$ 9,890
Grants & contributions	912,605	513,895	1,689,069	1,175,174
Total revenues	<u>917,985</u>	<u>519,275</u>	<u>1,704,339</u>	<u>1,185,064</u>
<b>Expenditures</b>				
Current:				
Education	6,000	6,000	19,101	13,101
Maintenance & development	219,940	219,940	143,238	(76,702)
Natural resources	-	61,820	58,646	(3,174)
Capital outlay	686,665	2,223,591	2,027,439	(196,152)
Total expenditures	<u>912,605</u>	<u>2,511,351</u>	<u>2,248,424</u>	<u>(262,927)</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	39,768	39,768
Transfers in	-	-	40	40
Transfers out	-	-	(40)	(40)
Total other financing sources (uses)	-	-	39,768	39,768
Net change in fund balance	<u>\$ 5,380</u>	<u>\$ (1,992,076)</u>	(504,317)	<u>\$ 1,487,759</u>
Fund balances, beginning of period			629,967	
Fund balances, end of period			<u>\$ 125,650</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  
For the Period Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 151,000</u>	<u>\$ 91,000</u>
Expenditures				
Capital outlay	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>
Excess (deficiency) of revenues over expenditures	<u>60,000</u>	<u>(150,000)</u>	<u>151,000</u>	<u>301,000</u>
Other financing sources				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 260,000</u></u>	<u><u>\$ 50,000</u></u>	<u>351,000</u>	<u><u>\$ 301,000</u></u>
Fund balances, beginning of period			<u>2,252,737</u>	
Fund balances, end of period			<u><u>\$ 2,603,737</u></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  
As of December 31, 2019

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Government Activities
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,880,632	\$ 1,174,691	\$ 1,674,041	\$ 4,729,364
Interest receivable	10,072	5,164	3,319	18,555
Other receivable	-	-	-	-
Total current assets	<u>1,890,704</u>	<u>1,179,855</u>	<u>1,677,360</u>	<u>4,747,919</u>
Noncurrent assets:				
Vehicles, machinery, and equipment	4,770,951	1,178,649	3,325,575	9,275,175
Less accumulated depreciation	<u>(2,527,091)</u>	<u>(667,676)</u>	<u>(1,817,403)</u>	<u>(5,012,170)</u>
Total noncurrent assets	<u>2,243,860</u>	<u>510,973</u>	<u>1,508,172</u>	<u>4,263,005</u>
Total assets	<u>4,134,564</u>	<u>1,690,828</u>	<u>3,185,532</u>	<u>9,010,924</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	<u>296,324</u>	<u>13,959</u>	<u>158,752</u>	<u>469,035</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,243,860	510,973	1,508,172	4,263,005
Unrestricted	<u>1,594,380</u>	<u>1,165,896</u>	<u>1,518,608</u>	<u>4,278,884</u>
Total net position	<u>\$ 3,838,240</u>	<u>\$ 1,676,869</u>	<u>\$ 3,026,780</u>	<u>\$ 8,541,889</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 Period Ended December 31, 2019

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Operating Revenues				
Equipment replacement charges	\$ 637,739	\$ 348,960	\$ 371,130	\$ 1,357,829
Total operating revenues	<u>637,739</u>	<u>348,960</u>	<u>371,130</u>	<u>1,357,829</u>
Operating expenses				
Commodities	-	60,442	-	60,442
Contractuals	-	100,925	-	100,925
Total operating expenses	<u>-</u>	<u>161,367</u>	<u>-</u>	<u>161,367</u>
Operating income before depreciation	637,739	187,593	371,130	1,196,462
Depreciation	<u>606,133</u>	<u>134,253</u>	<u>351,320</u>	<u>1,091,706</u>
Operating income (loss)	<u>31,606</u>	<u>53,340</u>	<u>19,810</u>	<u>104,756</u>
Nonoperating revenues (expenses)				
Gain on sale capital asset	47,960	(5,468)	120,953	163,445
Investment income (loss)	69,540	50,500	59,904	179,944
Other revenue	28,600	-	-	28,600
Total nonoperating revenues (expenses)	<u>146,100</u>	<u>45,032</u>	<u>180,857</u>	<u>371,989</u>
Income before capital contributions	177,706	98,372	200,667	476,745
Contributions of capital assets	<u>-</u>	<u>165,467</u>	<u>55,681</u>	<u>221,148</u>
Change in net position	177,706	263,839	256,348	697,893
Total net position, beginning of Period	3,660,534	1,413,030	2,770,432	7,843,996
Total net position, end of Period	<u>\$ 3,838,240</u>	<u>\$ 1,676,869</u>	<u>\$ 3,026,780</u>	<u>\$ 8,541,889</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Period Ended June 30, 2018

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Cash flows from operating activities:				
Receipts customers and users	14,200	-	-	14,200
Receipts from interfund services provided	637,739	348,960	371,130	1,357,829
Payments to suppliers of goods and services	296,325	(166,412)	158,752	288,665
Net cash provided by operating activities	<u>948,264</u>	<u>182,548</u>	<u>529,882</u>	<u>1,660,694</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(736,057)	(145,941)	(746,794)	(1,628,792)
Proceeds from sale of capital assets	83,527	1,313	122,336	207,176
Settlement received from loss of capital asset	28,600	-	-	28,600
Net cash provided (used) by capital and related financing activities	<u>(623,930)</u>	<u>(144,628)</u>	<u>(624,458)</u>	<u>(1,393,016)</u>
Cash flows from investing activities:				
Interest received	43,080	33,538	7,366	83,984
Proceeds from sale of investments	939,962	727,439	1,571,116	3,238,517
Purchase of investments	(992,534)	(840,384)	(1,701,886)	(3,534,804)
Net cash provided (used) by investing activities	<u>(9,492)</u>	<u>(79,407)</u>	<u>(123,404)</u>	<u>(212,303)</u>
Increase (decrease) in cash and cash equivalents	314,842	(41,487)	(217,980)	55,375
Cash and cash equivalents at beginning of year	<u>(137,002)</u>	<u>109,551</u>	<u>252,334</u>	<u>224,883</u>
Cash and cash equivalents at end of year	<u>\$ 177,840</u>	<u>\$ 68,064</u>	<u>\$ 34,354</u>	<u>\$ 280,258</u>
Cash and cash equivalents per statement of cash flow	\$ 177,840	\$ 68,064	\$ 34,354	\$ 280,258
Investments	1,702,792	1,106,627	1,639,687	4,449,106
Cash and investments per statement of net position	<u>\$ 1,880,632</u>	<u>\$ 1,174,691</u>	<u>\$ 1,674,041</u>	<u>\$ 4,729,364</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 31,607	\$ 53,339	\$ 19,810	\$ 104,756
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	606,133	134,253	351,320	1,091,706
Changes in assets and liabilities:				
Accounts receivable	14,200	-	-	14,200
Accounts payable	296,324	(5,045)	158,752	450,032
Net cash provided (used) by operating activities	<u>\$ 948,264</u>	<u>\$ 182,548</u>	<u>\$ 529,882</u>	<u>\$ 1,660,694</u>
Noncash investing, capital, and financing activities				
Contribution of capital assets from other funds	\$ -	\$ 165,467	\$ 55,681	\$ 221,148
Decrease in fair value of investments	\$ 26,460	\$ 16,961	\$ 52,538	\$ 95,960

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Enterprise Golf Courses  
For the Period Ended December 31, 2019

	Countryside Golf Course	Brae Loch Golf Course	Thunderhawk Golf Course	2019 Total Golf Courses
Operating revenues				
Season passes	\$ 35,800	\$ 17,900	\$ -	\$ 53,700
Greens fees	1,578,079	395,548	1,196,323	3,169,950
Gas cart rental	588,760	123,864	353,977	1,066,601
Hand cart rental	2,919	1,015	240	4,174
Club rental	3,465	1,038	10,978	15,481
Permanent starts	8,280	2,280	7,800	18,360
Practice range	168,771	-	66,609	235,380
Pro shop	57,394	9,071	179,404	245,869
Food & beverage concessions	353,865	113,353	-	467,218
Concessionaire and other	-	-	100,007	100,007
Land and building rentals	-	22,275	-	22,275
Miscellaneous	5,105	1,514	(1,105)	5,514
Total operating revenues	<u>2,802,438</u>	<u>687,858</u>	<u>1,914,233</u>	<u>5,404,529</u>
Operating expenses				
Personal services	1,513,971	490,172	1,059,946	3,064,090
Commodities	433,549	98,243	310,522	842,314
Contractuals	523,188	207,095	336,565	1,066,848
Food & beverage concessions	98,201	27,502	-	125,703
Merchandise	34,535	3,932	113,966	152,432
Total operating expenses	<u>2,603,444</u>	<u>826,944</u>	<u>1,820,999</u>	<u>5,251,387</u>
Operating income before depreciation	198,994	(139,086)	93,234	153,142
Depreciation	<u>219,922</u>	<u>120,509</u>	<u>290,414</u>	<u>630,845</u>
Operating loss	<u>(20,928)</u>	<u>(259,595)</u>	<u>(197,180)</u>	<u>(477,703)</u>
Nonoperating revenues				
Gain on sale of capital assets	2,374	1,354	188	3,916
Investment income	76,959	13,606	-	90,565
Total nonoperating revenues	<u>79,333</u>	<u>14,960</u>	<u>188</u>	<u>94,481</u>
Change in net position	58,405	(244,635)	(196,992)	(383,222)
Total net position - beginning	9,956,073	2,195,981	5,568,197	17,720,251
Total net position - ending	<u>\$ 10,014,478</u>	<u>\$ 1,951,346</u>	<u>\$ 5,371,205</u>	<u>\$ 17,337,029</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>
<b><i>Financial Trends</i></b> These schedules contain trend information to help the reader understand how the government's financial performance has changed over time.	104 - 109
<b><i>Revenue Capacity</i></b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	110 - 114
<b><i>Debt Capacity</i></b> 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.	115 - 118
<b><i>Demographic and Economic Information</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	119 - 120
<b><i>Operating Information</i></b> 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.	121 - 123

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Government Activities</b>										
Net investment in capital assets	\$ 510,540,422	\$ 481,937,893	\$ 471,475,617	\$ 465,679,539	\$ 451,716,433	\$ 431,029,147	\$ 424,561,937	\$ 391,810,639	\$ 350,693,993	\$ 282,908,856
Restricted	15,467,163	47,026,359	44,458,730	49,881,710	31,154,167	36,912,046	38,296,424	34,612,354	43,578,309	78,841,058
Unrestricted	26,995,994	34,491,151	34,699,865	34,394,147	57,355,174	53,684,022	52,892,754	59,467,197	54,472,556	33,872,265
Total Governmental activities net position	<u>\$ 553,003,579</u>	<u>\$ 563,455,403</u>	<u>\$ 550,634,212</u>	<u>\$ 549,955,396</u>	<u>\$ 540,225,774</u>	<u>\$ 521,625,215</u>	<u>\$ 515,751,115</u>	<u>\$ 485,890,190</u>	<u>\$ 448,744,858</u>	<u>\$ 395,622,179</u>
<b>Business Activities</b>										
Net investment in capital assets	\$ 17,435,409	\$ 17,106,509	\$ 17,404,131	\$ 17,812,663	\$ 18,231,845	\$ 18,390,800	\$ 18,656,267	\$ 35,672,025	\$ 56,178,296	\$ 56,393,498
Restricted	-	-	100,842	100,842	100,842	100,842	100,842	100,842	100,842	169,042
Unrestricted	(98,380)	613,742	594,433	990,708	1,076,308	2,297,685	2,463,295	2,223,253	2,604,430	2,972,384
Total Business-Type activities net position	<u>\$ 17,337,029</u>	<u>\$ 17,720,251</u>	<u>\$ 18,099,406</u>	<u>\$ 18,904,213</u>	<u>\$ 19,408,995</u>	<u>\$ 20,789,327</u>	<u>\$ 21,220,404</u>	<u>\$ 37,996,120</u>	<u>\$ 58,883,568</u>	<u>\$ 59,534,924</u>
<b>Total Government</b>										
Net investment in capital assets	\$ 527,975,831	\$ 499,044,402	\$ 488,879,748	\$ 483,492,202	\$ 469,948,278	\$ 449,419,947	\$ 443,218,204	\$ 427,482,664	\$ 406,872,289	\$ 339,302,354
Restricted	15,467,163	47,026,359	44,559,572	49,982,552	31,255,009	37,012,888	38,397,266	34,713,196	43,679,151	79,010,100
Unrestricted	26,897,614	35,104,893	35,294,298	35,384,855	58,431,482	55,981,707	55,356,049	61,690,450	57,076,986	36,844,649
Total Government activities net position	<u>\$ 570,340,608</u>	<u>\$ 581,175,654</u>	<u>\$ 568,733,618</u>	<u>\$ 568,859,609</u>	<u>\$ 559,634,769</u>	<u>\$ 542,414,542</u>	<u>\$ 536,971,519</u>	<u>\$ 523,886,310</u>	<u>\$ 507,628,426</u>	<u>\$ 455,157,103</u>
<b>Component Unit</b>										
Restricted	\$ 3,455,125	\$ 1,703,799	\$ 1,736,775	\$ 1,571,339	\$ 1,933,021	\$ 980,764	\$ 368,887	\$ 168,555	\$ 95,945	
Unrestricted	182,069	180,947	134,044	150,328	214,799	188,520	152,464	92,150	53,572	
Total Component Unit	<u>\$ 3,637,194</u>	<u>\$ 1,884,746</u>	<u>\$ 1,870,819</u>	<u>\$ 1,721,667</u>	<u>\$ 2,147,820</u>	<u>\$ 1,169,284</u>	<u>\$ 521,351</u>	<u>\$ 260,705</u>	<u>\$ 149,517</u>	

Note: Fiscal year 2019 was an 18 month Fiscal Year for the transition to a Calendar Year.

Note: Fiscal year 2018 GASB 75 was implemented.

Note: Fiscal year 2014 shows restated net asset amount.

Note: Fiscal year 2013 shows restated net asset amount.

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

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Government activities:										
General government	\$ 16,546,983	\$ 10,372,661	\$ 13,619,975	\$ 13,445,895	\$ 11,380,328	\$ 14,554,928	\$ 8,033,932	\$ 11,929,450	\$ 9,489,224	\$ 7,409,288
Education	4,835,737	3,097,194	3,676,388	3,029,456	3,117,454	4,603,866	4,233,592	4,188,552	5,060,967	5,249,465
Public safety	4,567,231	2,939,687	3,251,044	3,255,082	2,756,093	2,570,971	2,910,119	2,525,746	2,508,055	2,758,995
Recreation	3,637,794	2,003,614	1,988,067	2,049,972	2,605,463	-	-	-	-	-
Natural resources	11,873,719	5,325,332	3,131,785	2,805,038	3,281,471	-	-	-	-	-
Maintenance and development	16,232,806	10,300,076	11,216,471	11,562,175	11,518,483	13,275,338	12,941,342	13,040,659	10,311,294	12,774,971
Interest	15,986,191	10,111,139	14,045,456	11,666,122	12,637,812	13,068,915	14,302,560	13,970,117	13,814,330	11,749,056
Total governmental activities expenses	\$ 73,680,461	\$ 44,149,703	\$ 50,929,186	\$ 47,813,740	\$ 47,297,104	\$ 48,074,018	\$ 42,421,545	\$ 45,654,524	\$ 41,183,870	\$ 39,941,775
Business-type activities:										
Golf courses	\$ 5,882,232	\$ 3,913,242	\$ 4,455,137	\$ 4,371,272	\$ 4,382,538	\$ 4,262,428	\$ 5,384,473	\$ 4,165,194	\$ 4,209,516	\$ 4,514,159
Fox River Recreational Area	-	-	-	-	-	-	-	-	403,777	282,918
Total business-type activities expenses	5,882,232	3,913,242	4,455,137	4,371,272	4,382,538	4,262,428	5,384,473	4,165,194	4,613,293	4,797,077
Total government expenses	\$ 79,562,693	\$ 48,062,944	\$ 55,384,323	\$ 52,185,012	\$ 51,679,642	\$ 52,336,446	\$ 47,806,018	\$ 49,819,718	\$ 45,797,163	\$ 44,738,852
Component unit:	\$ 849,745	\$ 1,179,444	\$ 997,626	\$ 1,466,212	\$ 481,294	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053	
Total component unit expenses	\$ 849,745	\$ 1,179,444	\$ 997,626	\$ 1,466,212	\$ 481,294	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053	
<b>Program Revenue</b>										
Government activities:										
Charges for services										
General government	\$ 2,245,574	\$ 1,440,921	\$ 1,506,264	\$ 1,432,615	\$ 1,488,705	\$ 1,855,676	\$ 1,914,725	\$ 1,852,911	\$ 2,589,873	\$ 1,684,887
Education	329,156	184,893	193,259	223,164	235,101	417,543	390,317	461,300	414,919	475,185
Public safety	1,101,570	798,484	903,797	841,925	714,236	679,740	661,238	628,147	623,165	612,529
Recreation	2,275,241	1,459,749	1,454,170	1,488,305	1,411,869	-	-	-	-	-
Natural resources	896,641	454,357	971,571	513,379	469,308	-	-	-	-	-
Maintenance and development	88,080	66,204	72,460	62,469	76,221	1,329,165	1,122,334	1,275,353	890,912	223,998
Operating grants and contributions	1,028,112	993,995	1,669,670	858,079	1,539,483	1,986,083	1,372,069	1,506,804	1,568,036	1,514,747
Capital grants and contributions	1,956,470	1,456,894	164,885	1,498,914	-	-	-	-	638,546	490,040
Total government activities program revenues	\$ 9,920,844	\$ 6,855,497	\$ 6,936,076	\$ 6,918,850	\$ 5,934,923	\$ 6,268,207	\$ 5,460,683	\$ 5,724,515	\$ 6,725,451	\$ 5,001,386
Business-type activities:										
Charges for services										
Golf courses	\$ 5,404,529	\$ 3,577,968	\$ 3,644,923	\$ 3,835,294	\$ 3,704,524	\$ 3,870,213	\$ 3,860,639	\$ 4,284,472	\$ 4,011,583	\$ 4,408,887
Fox River Recreational Area	-	-	-	-	-	-	-	-	179,027	248,771
Total business-type activities program revenues	5,404,529	3,577,968	3,644,923	3,835,294	3,704,524	3,870,213	3,860,639	4,284,472	4,190,610	4,657,658
Total government program revenues	\$ 15,325,373	\$ 10,433,465	\$ 10,580,999	\$ 10,754,144	\$ 9,639,447	\$ 10,138,420	\$ 9,321,322	\$ 10,008,987	\$ 10,916,061	\$ 9,659,044
Component unit:	\$ 2,015,183	\$ 1,189,549	\$ 1,143,428	\$ 1,039,242	\$ 1,451,448	\$ 1,156,229	\$ 579,438	\$ 399,415	\$ 438,785	
Total component unit revenues	\$ 2,015,183	\$ 1,189,549	\$ 1,143,428	\$ 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense)/revenue										
Government activities	\$ (63,759,617)	\$ (37,294,206)	\$ (43,993,110)	\$ (40,894,890)	\$ (41,362,181)	\$ (41,805,811)	\$ (36,960,862)	\$ (39,930,009)	\$ (34,458,419)	\$ (34,940,389)
Business-type activities	(477,703)	(335,274)	(810,214)	(535,978)	(678,014)	(392,215)	(1,523,834)	119,278	(422,683)	(139,419)
Total government net expenses	\$ (64,237,320)	\$ (37,629,480)	\$ (44,803,324)	\$ (41,430,868)	\$ (42,040,195)	\$ (42,198,026)	\$ (38,484,696)	\$ (39,810,731)	\$ (34,881,102)	\$ (35,079,808)
Component unit net expenses	\$ 1,165,438	\$ 10,105	\$ 145,802	\$ (426,970)	\$ 970,154	\$ 647,606	\$ 260,394	\$ 107,205		
<b>General Revenues and Other Changes in Net Position</b>										
Government activities:										
Property and replacement taxes	\$ 49,786,745	\$ 49,443,288	\$ 48,918,789	\$ 49,671,082	\$ 48,475,881	\$ 50,877,208	\$ 52,935,570	\$ 54,670,750	\$ 57,801,955	\$ 61,260,618
Investment income (loss)	3,442,166	956,473	301,998	934,459	597,546	(734,871)	163,852	374,524	839,431	1,111,140
Gain on sale of capital assets	62,873	381,089	20,762	18,971	200	5,096	250	35,755	83,474	-
Insurance claim	16,009	162,981	35,050	-	36,554	-	-	-	-	-
Donation of capital assets	-	-	-	-	10,042,565	-	-	-	-	-
Litigation proceeds	-	-	23,400	-	-	-	-	-	-	-
Other	-	-	-	-	-	92,255	612,168	944,747	-	-
Contributions of capital assets	-	-	-	-	-	-	15,680,000	20,390,725	-	(28,846)
Transfers	-	-	-	-	809,994	211,442	426,820	658,840	248,942	248,942
Total government activities	\$ 53,307,793	\$ 50,943,831	\$ 49,299,999	\$ 50,624,512	\$ 59,962,740	\$ 50,451,130	\$ 69,818,660	\$ 77,075,341	\$ 58,973,802	\$ 62,591,854
Business-type activities:										
Investment income (loss)	90,565	27,574	2,841	16,994	13,627	(48,436)	11,696	11,042	14,585	25,617
Transfers of capital assets	-	-	-	-	1,467	-	(15,680,000)	(20,390,725)	-	28,846
Gain on sale of capital assets	3,916	4,868	2,565	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	-	5,981	-	-	65,422	23,588	-	-	-	-
Transfers	-	-	-	-	(809,994)	(211,442)	(426,820)	(658,840)	(248,942)	(248,942)
Total business-type activities	94,481	38,423	5,406	31,196	(703,218)	(38,862)	(15,251,882)	(21,006,726)	(228,673)	187,021
Total government general revenues	\$ 53,402,274	\$ 50,982,254	\$ 49,305,405	\$ 50,655,708	\$ 59,259,522	\$ 50,412,268	\$ 54,566,778	\$ 56,068,615	\$ 58,745,129	\$ 62,778,875
Component unit										
Investment income	\$ 21,204	\$ 3,822	\$ 3,350	\$ 817	\$ 8,382	\$ 327	\$ 252	\$ 3,983	\$ 3,448	
Total component unit activities	\$ 21,204	\$ 3,822	\$ 3,350	\$ 817	\$ 8,382	\$ 327	\$ 252	\$ 3,983	\$ 3,448	
<b>Special Item - Government activities</b>										
			(4,628,075)							
<b>Change in Net Position</b>										
Government activities	\$ (10,451,824)	\$ 13,649,625	\$ 678,814	\$ 9,729,622	\$ 18,600,559	\$ 8,645,319	\$ 32,857,798	\$ 37,145,332	\$ 24,515,383	\$ 27,651,465
Business-type activities	(383,222)	(296,851)	(804,808)	(504,782)	(1,381,232)	(431,077)	(16,775,716)	(20,887,448)	(651,356)	47,602
Total government	\$ (10,835,046)	\$ 13,352,774	\$ (125,994)	\$ 9,224,840	\$ 17,219,327	\$ 8,214,242	\$ 16,082,082	\$ 16,257,884	\$ 23,864,027	\$ 27,699,067
Component unit	\$ 1,186,642	\$ 13,927	\$ 149,152	\$ (426,153)	\$ 978,536	\$ 647,933	\$ 260,646	\$ 111,188	\$ 3,448	

Note: Fiscal year 2019 was an 18 month Fiscal Year for the transition to a Calendar Year.

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	299,320	298,262	286,667	311,120	290,083	291,503	333,412	335,382	306,637	323,556
Restricted	1,828,790	2,128,609	2,322,772	3,217,596	2,604,645	2,810,629	3,197,392	3,504,205	3,661,583	3,557,560
Committed	301,368	322,582	-	-	-	-	-	-	-	-
Assigned	8,927,643	8,832,774	10,974,613	1,118,096	1,213,078	1,361,027	2,375,770	676,476	993,367	637,821
Unassigned	15,416,223	15,559,916	12,684,731	20,778,151	20,481,708	20,190,741	18,870,948	24,653,981	21,511,431	18,281,959
Total general fund	<u>\$ 26,773,344</u>	<u>\$ 27,142,143</u>	<u>\$ 26,268,783</u>	<u>\$ 25,424,963</u>	<u>\$ 24,589,514</u>	<u>\$ 24,653,900</u>	<u>\$ 24,777,522</u>	<u>\$ 29,170,044</u>	<u>\$ 26,473,018</u>	<u>\$ 22,800,896</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	23,689,403	48,193,835	50,740,045	53,992,836	51,000,419	61,554,245	68,366,184	63,423,644	47,085,263	83,132,600
Committed	-	3,941	7,907,849	8,698,357	8,411,922	6,662,481	2,603,836	2,511,107	969,275	-
Assigned	8,986,172	8,095,555	-	-	-	3,475	3,391,499	3,983,125	2,325,997	2,818,856
Unassigned	(238,949)	-	12,825	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 32,436,626</u>	<u>\$ 56,293,331</u>	<u>\$ 58,660,719</u>	<u>\$ 62,691,193</u>	<u>\$ 59,412,341</u>	<u>\$ 68,220,201</u>	<u>\$ 74,361,519</u>	<u>\$ 69,917,876</u>	<u>\$ 50,380,535</u>	<u>\$ 85,951,456</u>

Note: Fiscal year 2019 was an 18 month Fiscal Year for the transition to a Calendar Year.

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Property taxes	\$ 67,278,021	\$ 51,361,000	\$ 48,205,964	\$ 48,940,332	\$ 48,613,020	\$ 50,750,129	\$ 52,965,213	\$ 55,449,558	\$ 58,340,185	\$ 60,472,752
Replacement taxes	1,464,206	869,664	1,056,457	956,518	1,044,818	971,506	960,346	939,909	1,021,720	787,866
Investment income (loss)	3,262,222	909,057	295,710	900,562	564,760	(716,055)	151,612	360,089	804,206	1,036,786
Grants and contributions	2,775,926	2,008,927	1,379,274	2,958,978	1,444,091	1,265,568	1,372,069	1,506,804	1,891,012	2,004,787
Treasury rebate	1,813,340	1,202,456	1,198,594	1,199,881	1,193,444	1,194,731	1,231,423	1,291,801	1,211,776	225,428
Land and building rental	1,550,054	807,692	829,589	832,665	897,861	890,442	847,335	878,676	643,052	601,223
Charges for services and sales	1,668,169	1,087,617	1,124,647	1,115,365	1,032,403	1,027,406	806,533	878,133	586,548	587,809
Permits	1,051,706	763,831	817,042	766,286	637,718	622,939	594,944	578,879	588,748	573,329
Easements and licenses	66,026	62,728	55,636	13,000	13,049	12,000	12,500	41,092	1,004,248	194,327
Programs and admissions	441,160	280,108	300,291	319,953	322,335	321,589	302,957	399,422	407,353	393,416
Other revenue	356,523	773,956	834,173	333,679	335,186	305,272	905,091	1,094,455	117,505	417,777
<b>Total revenue</b>	<b>\$ 81,727,353</b>	<b>\$ 60,127,036</b>	<b>\$ 56,097,377</b>	<b>\$ 58,337,219</b>	<b>\$ 56,098,685</b>	<b>\$ 56,645,527</b>	<b>\$ 60,150,023</b>	<b>\$ 63,418,818</b>	<b>\$ 66,616,353</b>	<b>\$ 67,295,500</b>
<b>Expenditures</b>										
General government	\$ 13,863,054	\$ 8,761,389	\$ 8,381,502	\$ 8,210,300	\$ 7,790,496	\$ 7,531,843	\$ 7,463,797	\$ 7,280,101	\$ 7,675,859	\$ 7,511,785
Education	3,357,563	2,182,027	2,643,302	1,912,345	2,144,845	3,229,950	3,436,225	3,398,107	3,766,151	4,060,282
Public safety	4,260,608	2,724,436	2,631,381	2,549,104	2,365,078	2,291,130	2,488,251	2,132,924	2,186,454	2,127,797
Recreation	2,072,450	1,225,829	1,194,374	1,310,157	1,745,869					
Natural resources	3,565,151	2,270,450	2,304,931	2,177,197	2,039,432					
Maintenance and development	14,181,718	9,115,398	8,992,783	9,027,881	9,359,617	11,310,784	11,079,573	11,199,964	11,184,966	11,290,090
Debt service										
Principal	36,900,000	15,295,000	15,330,000	15,240,000	15,770,000	15,400,000	15,210,000	16,560,000	20,430,000	21,185,000
Interest	14,424,677	10,588,179	10,971,407	12,492,115	12,658,502	14,005,447	13,953,924	14,011,680	13,817,684	11,759,428
Bond issuance costs	-	-	1,077,844	212,136	172,010	129,254	520,817	530,095	439,980	248,976
Paying agent fees	-	-	6,725	6,586	6,391	6,154	6,267	6,085	6,735	6,035
Capital outlay	13,792,889	9,839,445	6,856,636	27,027,793	11,895,470	9,553,306	31,880,071	12,008,108	79,238,414	50,952,701
<b>Total expenditures</b>	<b>\$ 106,418,110</b>	<b>\$ 62,002,153</b>	<b>\$ 60,390,885</b>	<b>\$ 80,165,614</b>	<b>\$ 65,947,710</b>	<b>\$ 63,457,868</b>	<b>\$ 86,038,925</b>	<b>\$ 67,127,064</b>	<b>\$ 138,746,243</b>	<b>\$ 109,142,094</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (24,690,757)	\$ (1,875,117)	\$ (4,293,508)	\$ (21,828,395)	\$ (9,849,025)	\$ (6,812,341)	\$ (25,888,902)	\$ (3,708,246)	\$ (72,129,890)	\$ (41,846,594)

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	\$ 22,060,000	\$ -	\$ 68,115,000	\$ 25,010,000	\$ 28,920,000	\$ 18,855,000	\$ 24,995,000	\$ 24,995,000	\$ 40,000,000	\$ 35,000,000
Premium on bonds issued	2,790,828	-	5,306,563	932,697	1,378,964	2,220,864	517,953	253,018	-	50,045
Discount on bonds issued	-	-	-	-	-	-	-	-	(60,963)	-
Payments to escrow agent	(24,448,448)	-	(72,335,470)	-	(30,120,599)	(20,745,000)	-	-	-	-
Litigation proceeds	-	-	-	-	-	-	-	-	-	-
Capital contributions	-	-	20,761	-	-	-	-	-	-	-
Transfers in	200,040	200,000	200,000	275,508	1,006,657	2,690,062	6,335,786	2,298,904	2,211,080	3,489,146
Transfers out	(200,040)	(200,000)	(200,000)	(275,508)	(208,443)	(2,478,620)	(5,908,966)	(1,640,064)	(1,962,138)	(3,240,204)
Proceeds from sale of capital assets	62,873	381,089	-	-	200	5,095	250	35,755	43,112	3,290
Total other financing sources (uses)	465,253	381,089	1,106,854	25,942,697	976,779	547,401	25,940,023	25,942,613	40,231,091	35,302,277
Net change in fund balance	(\$24,225,504)	(\$1,494,028)	(\$3,186,654)	\$4,114,302	(\$8,872,246)	(\$6,264,940)	\$51,121	\$22,234,367	(\$31,898,799)	(\$6,544,317)
Debt service as a percentage of non-capital expenditures	52.1%	47.9%	49.1%	50.2%	49.9%	51.4%	55.6%	54.5%	61.1%	56.4%

Note: Fiscal year 2019 was an 18 month Fiscal Year for the transition to a Calendar Year.

**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 (1)	Industrial Property Equalized Assessed Value (1)	Farm Property Equalized Assessed Value (1)	Equalized Assessed Value (1)					
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%
2016	19,966,206,603	3,773,485,288	986,650,294	139,161,272	36,302,923	1,444,106,290	24,901,806,380	0.193	74,706,166,202	33.33%
2017	20,878,953,110	3,929,059,353	1,015,701,290	147,083,702	34,266,936	1,493,526,776	26,005,064,391	0.187	78,015,973,333	33.33%
2018	21,325,634,097	4,026,016,892	1,040,911,135	153,897,431	35,973,403	1,548,301,869	26,582,432,958	0.182	79,748,096,355	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.

**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		
	<u>Operating</u>	<u>Debt</u>															
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	
2016	0.095	0.098	0.632	0.016-6.170	1.329-5.060	4.437-9.598	1.367-9.150	0.285-0.407	0.034-0.465	0.031-0.397	0.050-0.236	0.029-1.186	0.220-0.680	0.116-1.207	0.012-0.014	0.046	
2017	0.093	0.094	0.622	0.016-5.735	1.314-4.879	4.372-9.080	1.355-8.703	0.281-0.385	0.034-0.421	0.031-0.383	0.050-0.233	0.029-1.119	0.217-0.642	0.093-1.165	0.011-0.014	0.041	
2018	0.094	0.088	0.061	0.017-5.170	1.311-4.060	4.336-8.798	1.354-8.705	0.280-0.386	0.034-0.421	0.031-0.384	0.050-0.234	0.029-1.120	0.219-0.644	0.117-1.212	0.012-0.015	0.000	
<b>Tax Levies as Extended (000s Omitted)</b>																	
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	<u>Total</u> 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
2016	23,589	24,447	157,389	215,470	533,974	284,142	704,239	72,522	27,783	224,683	13,993	73,750	60,878	84,441	587	3,369	2,505,256
2017	24,236	24,472	161,687	208,300	543,806	291,482	720,416	74,324	28,667	24,673	14,296	76,074	59,126	80,239	590	3,356	2,335,744
2018	21,059	2,349	162,598	231,578	547,787	297,286	736,490	76,158	29,169	25,078	14,568	77,693	60,859	87,056	607	-	2,370,335

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



**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									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparative Tax Rates											
General corporate	.060	0.056	0.057	0.057	0.059	0.059	0.060	0.060	0.059	0.059	0.059
Audit fund	0.005	0.001	0.001	0.001	0.001	0.001	0.000	0.000	0.000	0.000	0.000
Liability insurance	no limit	0.003	0.003	0.003	0.004	0.004	0.003	0.003	0.003	0.004	0.003
Land development levy	0.025	0.023	0.023	0.024	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Retirement fund - IMRF/FICA	no limit	0.011	0.009	0.010	0.011	0.010	0.013	0.011	0.010	0.008	0.007
Subtotal (subject to tax cap)		0.094	0.093	0.095	0.100	0.099	0.101	0.099	0.097	0.096	0.094
Debt service	no limit	0.088	0.094	0.098	0.108	0.112	0.117	0.113	0.104	0.102	0.106
<b>Total tax rates</b>		<b>0.182</b>	<b>0.187</b>	<b>0.193</b>	<b>0.208</b>	<b>0.211</b>	<b>0.218</b>	<b>0.212</b>	<b>0.201</b>	<b>0.198</b>	<b>0.200</b>
Comparative tax extensions											
General corporate		\$ 14,914,872	\$ 14,737,330	\$ 14,272,956	\$ 13,860,001	\$ 13,367,526	\$ 13,780,764	\$ 14,683,606	\$ 15,760,285	\$ 16,923,972	\$ 17,800,726
Audit fund		129,722	118,063	118,941	107,575	222,845	-	-	-	-	-
Liability insurance		832,296	893,794	885,637	935,593	891,380	689,038	734,180	801,370	1,147,388	905,122
Land development levy		6,144,796	6,140,316	5,947,065	5,775,040	5,569,765	5,741,985	6,118,169	6,678,087	7,171,175	7,542,681
Retirement fund - IMRF/FICA		2,877,548	2,347,217	2,364,553	2,634,755	2,167,982	2,985,832	2,691,994	2,671,235	2,294,776	2,111,951
Subtotal (subject to tax cap)		24,899,234	24,236,720	23,589,152	23,312,964	22,219,498	23,197,619	24,227,950	25,910,977	27,537,311	28,360,479
Debt service		23,490,364	24,471,546	24,446,631	25,417,581	25,339,554	26,872,489	27,654,125	27,780,841	29,258,393	31,980,965
<b>Total tax extensions</b>		<b>\$ 48,389,598</b>	<b>\$ 48,708,266</b>	<b>\$ 48,035,783</b>	<b>\$ 48,730,545</b>	<b>\$ 47,559,052</b>	<b>\$ 50,070,108</b>	<b>\$ 51,882,075</b>	<b>\$ 53,691,818</b>	<b>\$ 56,795,704</b>	<b>\$ 60,341,444</b>

**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>	2018			2009		
		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	\$165,093	0.62 %	1	\$177,509	0.59 %
Gurnee Mill/Gurnee Properties Associates	Retail Outlet Mall	2	51,079	0.19	3	58,008	0.19
Discover Properties LLC	Real Estate Brokerage	3	44,697	0.17			
Marvin F. Poer & Company	Real Estate Developers	4	32,507	0.12			
Wal-Mart Stores Inc.	Discount Department Store	5	30,893	0.12	5	33,196	0.11
Scott Dressing Sr Mgr Taxation	Pharmaceutical	6	27,389	0.10			
Baxter Healthcare Corporation	Pharmaceutical	7	25,571	0.10	9	30,381	0.10
Hawthorn LP	Retail Mall	8	25,052	0.09			
Kemper Lake Business Center	Real Estate Management Company	9	24,811	0.09			
HP Woodland Falls II Inc.	Real Estate Development & Investment	10	24,635	0.09			
Midwest Family Housing LLC	Real Estate Developers				2	66,354	0.22
Van Vlissingen & Company	Real Estate Developers				4	38,697	0.13
WW Grainger / Marvin F. Poer & Company	Property Tax Consultants				7	32,132	0.11
JBC Funds Parkway North LLC	Real Estate Service & Advisory				6	32,956	0.11
Hewitt Associates	Real Estate Developers				8	31,786	0.11
Long Ridge Office Portfolio	Non Residential Building Operator				10	30,221	0.10
			<u>\$451,727</u>	<u>1.69 %</u>		<u>\$531,240</u>	<u>1.77 %</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	Total Tax Levy for Fiscal Year	<u>Collection within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>	
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
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	54.68%	21,953,371	48,597,427	99.73%
2017	2016	48,036,830	26,293,972	54.74%	21,534,601	47,828,573	99.57%
2018	2017	48,708,266	29,752,785	(1) 61.08%	18,792,323	48,545,108	99.67%
2019	2018	48,389,598	48,248,541	(2) 99.71%	n/a	48,248,541	99.71%

Sources: Lake County Illinois Tax Extension Division.

(1) Collections through August 16, 2018. Second installment of 2017 levy due September 1, 2018.

\*\*\*

(2) New Calendar year, received both installments from January to December, 2019.

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$611,395,958	\$598,116,481	\$572,741,547	\$539,044,329	\$520,877,414	\$528,262,606	\$562,871,655	\$614,383,982	\$659,748,076	\$693,926,607
Total net debt applicable to limit	222,645,000	262,030,000	277,325,000	275,314,516	265,677,803	279,700,395	295,828,991	291,993,138	282,115,206	260,190,363
Legal debt margin	<u>\$ 388,750,958</u>	<u>\$ 336,086,481</u>	<u>\$ 295,416,547</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	36.42%	43.81%	48.42%	51.07%	51.01%	52.95%	52.56%	47.53%	42.76%	37.50%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Net Assessed Value (2018)	\$26,582,432,958
Debt limit (2.3% of net assessed valuation)	<u>611,395,958</u>
Amount of debt applicable to debt limit	<u>222,645,000</u>
Legal debt margin	<u><u>\$388,750,958</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					
2010	274,823,238	-	-	274,823,238	39,789,801	0.69%	728,086	377
2011	294,444,006	-	-	294,444,006	37,515,642	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	258,667,445	-	-	258,667,445	46,069,226	0.56%	706,327	366
2016	268,555,143	-	-	268,555,143	49,151,975	0.55%	707,461	380
2017	252,497,321	-	-	252,497,321	51,291,371	0.49%	710,368	355
2018	262,030,000	-	-	262,030,000	53,627,217	47.00%	709,599	369
2019	222,645,000	-	-	222,645,000	n/a	n/a	708,719	310

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

<b>Fiscal Year</b>	<b>Net General Bonded Debt</b>	<b>Equalized Assessed Value</b>	<b>Percentage of Debt to Equalized Assessed Value of Property</b>	<b>Population (1)</b>	<b>Net General Bonded Debt Per Capita</b>
2010	274,823,238	30,486,373,229	0.901%	728,086	377
2011	294,444,006	30,170,722,053	0.976%	703,462	419
2012	303,245,171	28,684,698,965	1.057%	706,260	429
2013	316,521,234	26,712,347,047	1.185%	711,155	445
2014	300,679,325	24,472,676,727	1.229%	703,019	428
2015	258,667,445	22,646,844,107	1.142%	706,327	366
2016	268,555,143	23,402,263,963	1.148%	707,461	380
2017	252,497,321	24,865,503,380	1.015%	710,368	355
2018	262,030,000	25,970,797,692	1.009%	709,599	345
2019	222,645,000	26,582,432,958	0.838%	708,719	310

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)

Schedule Direct and Overlapping Bonded Debt (1)

As of May 14, 2019 (\*)

	Gross Debt	Percentage of Debt Applicable to District (1)	District's Share of Debt
Lake County Forest Preserve District	<u>\$ 222,645,000</u>	100.00%	<u>\$ 222,645,000</u>
<b>Overlapping Debt (2)</b>			
Lake County	174,530,000	100.00%	174,530,000
School Districts	901,906,768	100.00%	901,906,768
College Districts	66,255,522	100.00%	66,255,522
Municipalities	509,685,640	100.00%	509,685,640
Park Districts	95,007,404	100.00%	95,007,404
Public Library Districts	23,013,121	100.00%	23,013,121
Sanitary Districts	4,065,000	100.00%	4,065,000
CLCJAWA	-	100.00%	-
Special Service Areas (County and Municipal)	125,903,514	100.00%	125,903,514
Fire Districts	7,225,000	100.00%	7,225,000
Total Overlapping Debt	<u>\$ 1,907,591,969</u>		<u>\$ 1,907,591,969</u>
Total Direct and Overlapping Debt	<u>\$ 2,130,236,969</u>		<u>\$ 2,130,236,969</u>

\*Data Source: Speer Financial . Most recent data available.

Notes:

- (1) Debt percentage to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in Lake County. Percentages have been rounded to the nearest hundredth.
- (2) Represents general obligation debt, as reported by various governments. Overlapping governments without general obligation debt are not shown. Data presented was obtained from the Lake County Clerk.
- (3) As of May 14, 2019.

## LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Fiscal</u>	<u>Population(1)</u>	<u>Personal Income(2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>
2009	780,086	39,789,801	38,042	35.2	139,235	11.60%
2010	703,462	37,515,642	37,724	35.3	138,317	9.60%
2011	706,260	39,305,689	35,828	36.7	137,929	9.50%
2012	711,155	41,191,114	34,980	36.8	137,143	7.70%
2013	703,019	42,780,828	36,470	37.0	136,127	9.00%
2014	706,327	46,069,226	39,306	37.3	135,330	5.60%
2015	707,461	49,151,975	40,549	37.5	134,336	5.90%
2016	710,368	51,291,371	40,719	37.5	133,433	4.70%
2017	709,599	53,627,217	42,770	37.8	132,179	3.90%
2018	708,719	n/a	43,702	37.8	130,310	4.10%

Sources:

- (1) U.S. Census, Economic Development Intelligence System, Northeastern Illinois Planning Commission Esri Business Analyst and Lake County Partners
- (2) Northeastern Planning Commission, 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 - December Rate - Not Seasonally Adjusted
- n/a Not Available



## LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Principal Employers  
Current year and Nine Years Ago

<u>Employers</u>	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
AbbVie Inc	11,000	1	3.00%			
Baxter Healthcare Corporation	5,900	2	1.61%			
Walgreen Company	5,000	3	1.36%			
Abbott Laboratoies	4,000	4	1.09%	15,700	2	4.57%
Alight	4,000	5	1.09%			
CDW Corporation	3,600	6	98.00%	2,800	8	81.00%
Discover Financial Svc Ins	2,976	7	81.00%	4,000	5	1.16%
Medline Industries, Inc.	2,000	8	54.00%	2,000	10	58.00%
Visual Pak	2,000	9	54.00%			
Advocate Condell Medical Center	1,800	10	49.00%	2,500	9	73.00%
Lake County Government				3,100	7	90.00%
Department of the Navy				25,000	1	7.27%
Hewitt Associates Inc.				6,000	3	1.75%
Motorola				4,600	4	1.34%
HSBC				3,500	6	1.02%
Totals	42,276		11.51%	69,200		20.13%

Source: Lake County Partners

Note: 2018 is the most current available.

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Full-Time Equivalent Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	36.47	39.42	36.42	36.19	24.65	29.00	29.00	30.75	43.30	39.30
Education	29.50	26.42	26.42	26.42	39.90	49.99	49.99	49.99	51.71	54.04
Public safety	29.53	28.49	28.49	28.49	28.49	27.49	25.96	25.96	25.96	25.96
Maintenance and development	122.30	121.90	121.61	123.88	123.15	130.17	130.31	130.81	118.94	118.94
Golf courses	50.95	51.29	58.09	58.09	58.34	58.09	62.27	62.82	62.92	62.92
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>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.77</u>	<u>1.77</u>
<b>Total</b>	268.75	267.52	271.03	273.07	274.53	294.74	297.53	300.33	304.60	302.93

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

Function (18 mos.)	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Employee Safety Training Sessions	47	7	11	17	18	20	25	24	24	14
Environmental Mitigation Projects	4	4	3	3	3	3	5	5	3	8
Computers Supported	195	194	203	201	204	199	206	189	195	188
Education and cultural resources										
Program Registrations	n/a	n/a	n/a	n/a	22,650	28,500	21,960	21,960	20,380	25,595
Museum, Program, & Event Attendance**	131,200	66,540	69,357	92,900	123,950	129,650	117,770	117,770	119,158	122,150
Community Use Rentals	52	62	49	126	130	150	145	145	42	183
Public safety										
Public Safety Service Calls***	18,200	12,000	12,000	23,000	19,000	18,000	15,800	15,800	14,000	13,000
Public Access Areas Patrolled	130	130	130	130	130	130	123	123	120	118
Permits Processed	50,800	33,960	32,155	30,890	28,260	26,730	26,605	26,405	25,115	24,451
Maintenance and development										
Preserve Work Orders Completed	5,115	3,338	3,657	3,914	4,489	4,468	4,330	4,330	2,692	2,765
Prairie, Woodland, Wetlands Seeded	876	446	438	471	435	197	285	226	120	600
Prescribed Burn Management Acres		4,448	3,355	2,551	2,391	3,000	3,200	2,568	5,713	4,000
Golf courses										
Daily Golf Rounds	N/A	69,971	69,748	75,997	79,955	85,239	88,135	91,835	90,327	110,766
Rounds of Cart Rentals	N/A	56,079	58,030	62,533	57,581	59,667	61,695	73,607	65,487	72,076
Season Passes Sold	N/A	41	51	59	79	98	102	113	126	149
Fox River Recreational Area										
Boat Slip Leases	63	83	73	73	72	70	75	72	99	103
Winter Storage Leases	116	125	131	118	123	93	89	89	118	116

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

\*\*includes transition period for the Lakewood facility

\*\*\* numbers are reduced due to new procedures.

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Function</b>										
General government										
Total Acres	30,967	30,865	30,865	31,015	30,235	30,156	30,037	29,334	29,281	28,114
Building and Structures	<b>283</b>	283	292	292	303	315	398	398	394	400
Miles of Trails	206	203	203	192	189	182	159	157	148	145
Education and cultural resources										
Historical/Cultural Sites	4	4	4	4	4	4	4	4	4	4
Public safety										
Patrol Units	17	17	17	17	17	17	19	18	18	27
Ranger Stations	2	2	2	2	5	7	7	7	7	7
Maintenance and development										
Vehicles and Equipment	463	461	463	451	438	452	437	507	521	486
Farmland Management Acres	2,283	2,514	2,514	2,227	2,220	2,298	2,617	2,527	1,820	1,700
Golf courses										
Number of Golf Courses	3	3	3	3	3	3	3	4	4	4
Fox River Recreational Area										
Number of Boat Slips	169	169	169	169	169	169	169	169	169	169
Trails in miles	2	2	2	2	2	2	2	2	2	2

Source: Lake County Forest Preserve Annual Budget