

*Lake County Forest Preserve District*  
*A COMPONENT UNIT OF LAKE COUNTY, ILLINOIS*

**Comprehensive Annual Financial Report**  
Fiscal Year Ending June 30, 2014



**Lake County Forest Preserves**

[www.LCFPD.org](http://www.LCFPD.org)



**Lake County Forest Preserve District**  
**(A component unit of Lake County, Illinois)**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2014**

Prepared by:

The Department of Finance

Stephen Neaman  
Director of Finance

and

Sue Grant  
Accounting Manager

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

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2014

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## INTRODUCTORY SECTION





LAKE COUNTY FOREST PRESERVES  
www.LCFPD.org

Preservation, Restoration, Education and Recreation

**December 4, 2014**

**Dear Residents of the Lake County Forest Preserve District:**

The Lake County Forest Preserve District (the “District”) is pleased to submit its comprehensive annual financial report for the fiscal year ended June 30, 2014. Pursuant to statute and in accordance with the Forest Preserve District Rules of Order and Operational Procedures, an annual independent audit of all funds and accounts of the District shall be conducted by certified public accountants licensed to practice public accounting in the State of Illinois. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014. 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.

McGladrey LLP, Certified Public Accountants, have issued an unmodified opinion on the District’s financial statements for the fiscal year ended June 30, 2014. The independent auditors’ report is located at the front of the financial section of this report.

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



## DISTRICT PROFILE

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

The District is a separate body and political subdivision of the State of Illinois. The District has independent taxing powers and its boundaries are the same as those of Lake County. It is governed by a 21-member Board of Commissioners which also serves, by state statute, as the Lake County Board. The District's day-to-day operations and administrative activities are managed by the Executive Director and staffed by 531 full-time, part-time, and seasonal employees organized into seven departments. The District is located in the northeast corner of Illinois adjoining Wisconsin, Lake Michigan, McHenry and Cook Counties (Chicago), and is headquartered in Libertyville, Illinois.

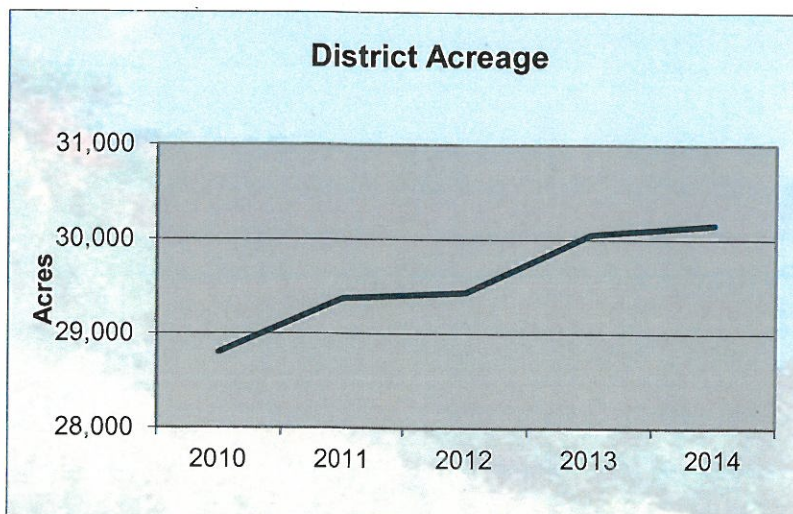
The District provides a full range of services including land preservation, planning and development, conservation, restoration, environmental education, public safety, recreational activities, historical preservation, and cultural events. In addition to governmental activities, the business-type activities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

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

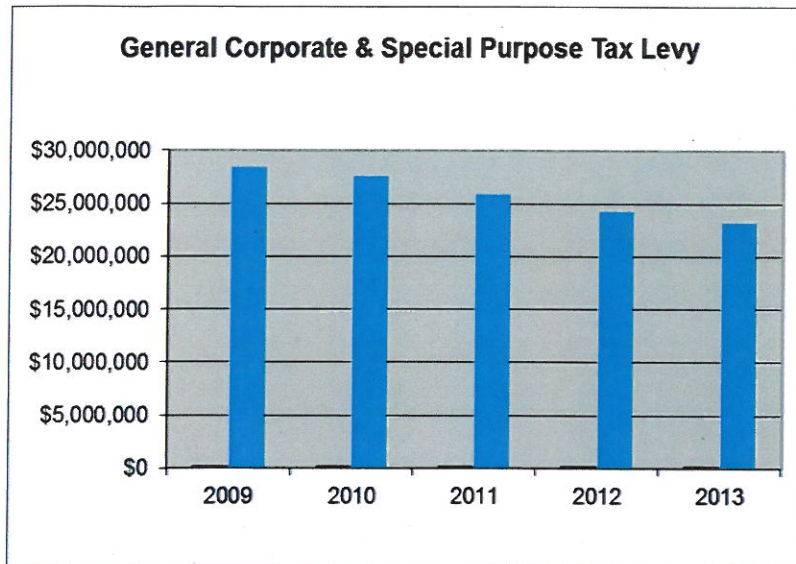
## DISTRICT'S ECONOMIC CONDITION

Our Forest Preserves are at the heart of what makes Lake County such a great place to live, work, and play. As the third largest county in the state, Lake County's market valuation is approximately \$73 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 30,000 acres.

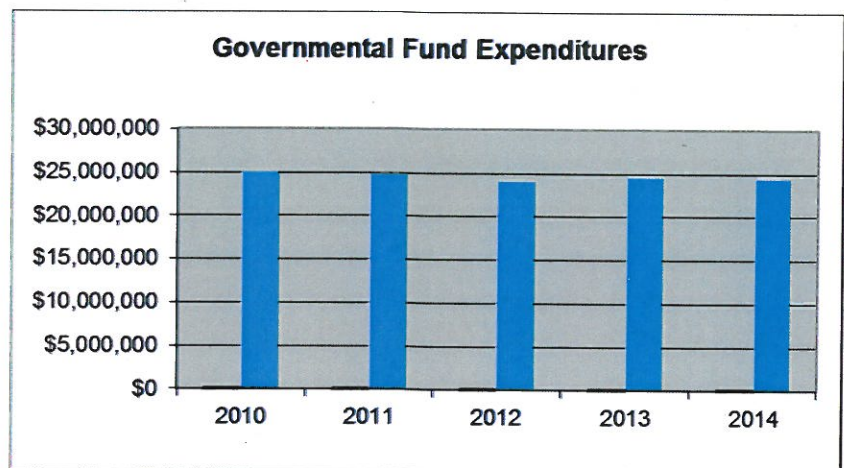






In conjunction with the growth of the District, the voters approved a referendum to increase the operating tax levy rate in November 2002. The general corporate and special purpose tax levies have decreased from \$28.4 million for the 2009 tax levy to \$23.2 million for the 2013 tax levy. Over the past four years the tax levy has decreased \$5.2 million. The decrease has been the result of declining property values brought on by the last recession. During the decline the District has continued conservative budgeting practices and wise use of fiscal resources.

Governmental fund expenditures, including maintenance and development, public safety, education and cultural resources, and general government have declined from \$25 million in 2010 to \$24.4 million in 2014. The District prepares a 5-year operating forecast which projects revenues and expenditures using conservative assumption. The forecast is updated annually and is very helpful in seeing future issues. It is helpful with current decisions that may impact future operations.



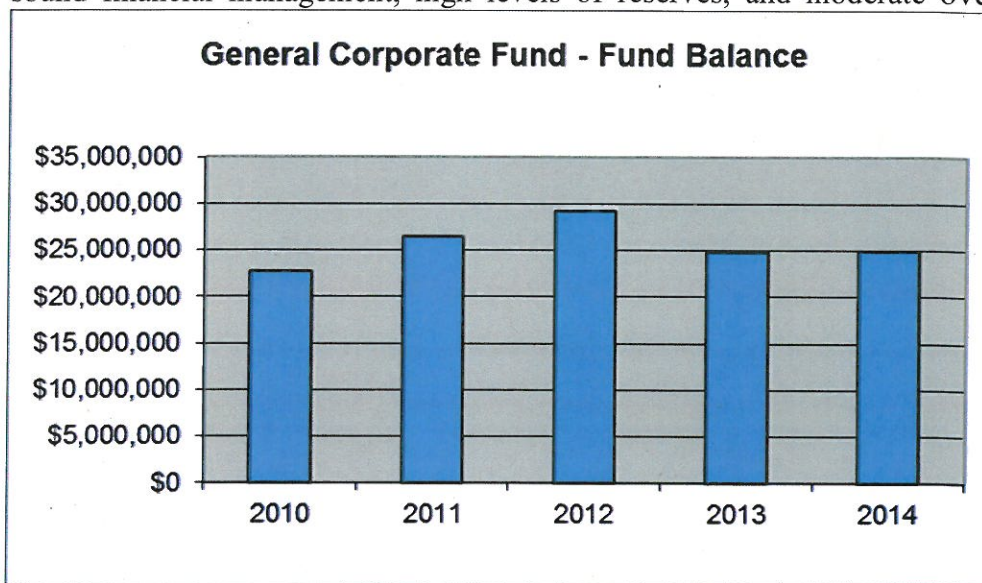
The five-year capital improvement plan is updated during the budget process. The District coordinates development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements are projected and included in operating budget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

On November 4, 2008, 66% of the voters said YES to a \$185 million bond referendum to continue land acquisition, habitat restoration, new trails, and public access improvements. Including the \$185 million, during the past fifteen years, voters have approved referenda totaling \$273 million for new land and \$82 million for habitat restoration, new trails, and public access improvements. \$107 million of additional bond proceeds were issued in 2006 and 2008 under the debt service extension. These



bond proceeds were used for land acquisition and capital development. The District has issued \$145 million of the referendum approved bonds and has until 2018 to issue the remaining \$25 million.

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



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

outstanding debt certificates in 2018 and save taxpayers over \$675,000 in interest expense.

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

- Preserve the strategic financial integrity, well-being, and current AAA bond rating.
- Continue to maintain a high standard of accounting practices, and ensure the use of a good system of financial and accounting controls which records transactions in an appropriate manner.
- Continue to provide adequate funding of all retirement systems.
- Look for ways to maintain long-term financial sustainability following the Districts approved Strategic Plan.





- 
- Evaluate funding sources to address priority capital improvement projects in the five-year capital improvement plan and ensure funding necessary to maintain preserves in a high quality manner.
  - Monitor and plan for changes in the county's equalized assessed valuation.
  - Report year-end financial information in accordance with generally accepted accounting principles, and in accordance with recommended best practices, as promulgated by the Government Finance Officers Association (GFOA).

## **FUTURE CHALLENGES AND LONG RANGE ISSUES**

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

The District continues a long term financial planning program by projecting and evaluating revenue and expenses on a rolling five year basis. Based upon declining EAV projections from the County's Assessor's Office, the District continues to face a reduction in revenues from property taxes. 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. To name a few: The Lake County Discovery Museum was named the **2013 "Best Museum"** in the suburbs by readers of the *Daily Herald*.

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

- Distinguished Budget Presentation Award, Government Finance Officers Association, Annual Budget 2013/14, 20<sup>th</sup> consecutive year.
- Excellence in Financial Reporting, Government Finance Officers Association, Comprehensive Annual Financial Report 2013, 27<sup>th</sup> 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**

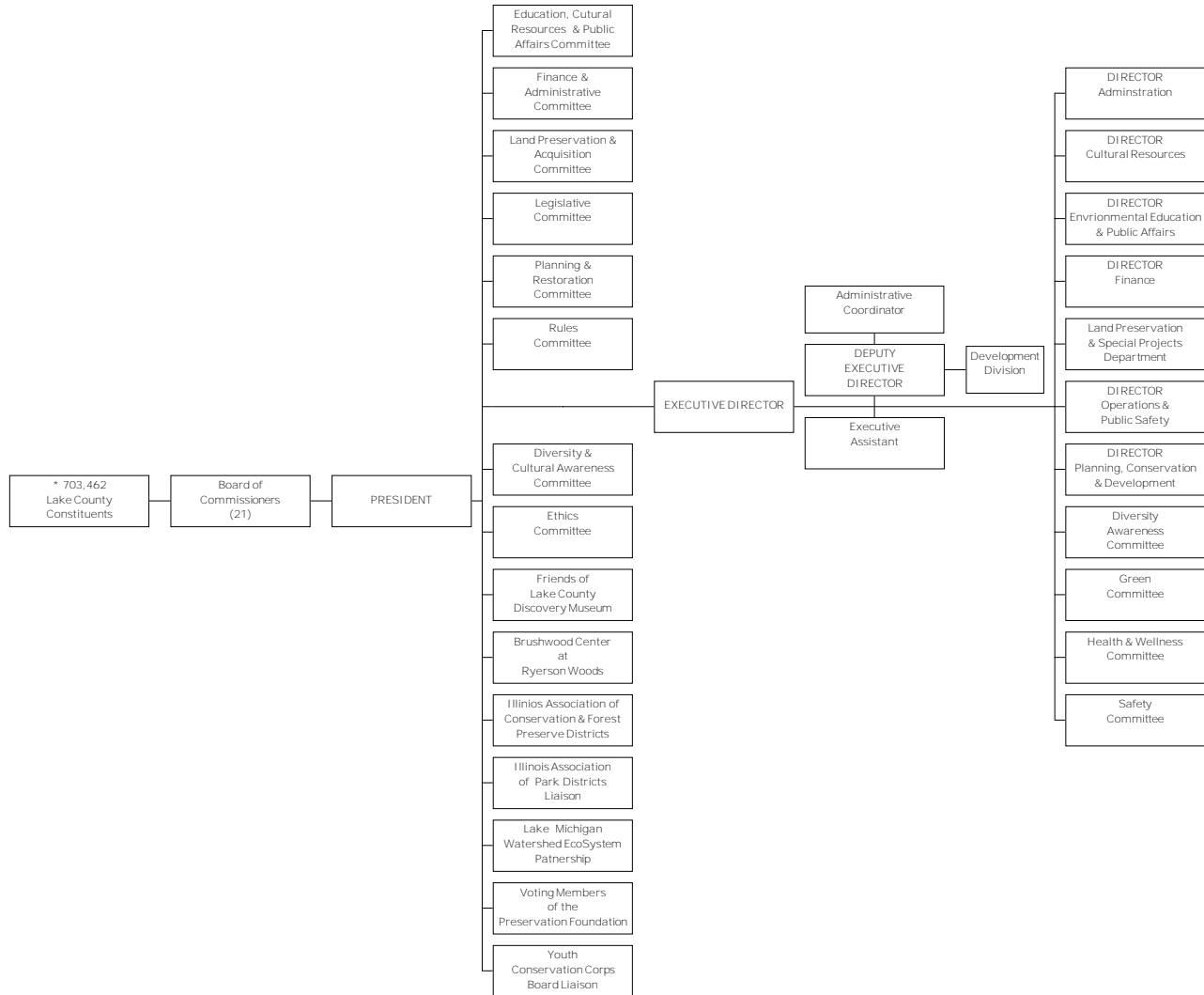
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# LAKE COUNTY FOREST PRESERVE DISTRICT



\* Denotes number of constituents from 2010 Census



**LAKE COUNTY FOREST PRESERVE DISTRICT  
Officers and Officials  
Presidential Appointments  
December 2012 – December 2014**

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**OFFICERS AND OFFICIALS**

**Ann B. Maine**

*PRESIDENT*

S. Michael Rummel

*TREASURER*

Audrey Nixon

*ASSISTANT TREASURER*

Steve Neaman

*DEPUTY TREASURER*

**Linda Pedersen**

*VICE PRESIDENT*

Julie Gragnani

*SECRETARY*

Marie Shields

*ASSISTANT SECRETARY*

Alex Ty Kovach

*EXECUTIVE DIRECTOR*

**STANDING COMMITTEES**

**EDUCATION, CULTURAL RESOURCES  
& PUBLIC AFFAIRS COMMITTEE**

Craig Taylor, *Chair*

Mary Ross Cunningham, *Vice Chair*

Steve Carlson

Diane Hewitt

Audrey Nixon

S. Michael Rummel

Nick Sauer

**LEGISLATIVE COMMITTEE**

Ann B. Maine, *Chair*

Steven W. Mandel, *Vice-Chair*

Mary Ross Cunningham

Brent Paxton

Nick Sauer

David Stolman

Tom Weber

**FINANCE & ADMINISTRATIVE COMMITTEE**

Pat Carey, *Chair*

S. Michael Rummel, *Vice Chair*

Sandra Hart

Aaron Lawlor

Audrey Nixon

Diana O'Kelly

Linda Pedersen

**PLANNING & RESTORATION COMMITTEE**

Bonnie Thomson Carter, *Chair*

Nick Sauer, *Vice Chair*

Carol Calabresa

Steve Carlson

Bill Durkin

Sandra Hart

Craig Taylor

**LAND PRESERVATION &  
ACQUISITION COMMITTEE**

Carol Calabresa, *Chair*

Linda Pedersen, *Vice Chair*

Bonnie Thomson Carter

Steven W. Mandel

Diana O'Kelly

Tom Weber

Terry Wilke

**RULES COMMITTEE**

Linda Pedersen, *Chair*

Mary Ross Cunningham, *Vice Chair*

Carol Calabresa

Steve Carlson

Bonnie Thomson Carter

Bill Durkin

Sandra Hart

S. Michael Rummel

Craig Taylor

## **SPECIAL COMMITTEES AND APPOINTMENTS**

### **DIVERSITY & CULTURAL AWARENESS**

Audrey Nixon, *Chair*  
Mary Ross Cunningham  
Linda Pedersen  
Brent Paxton  
Terry Wilke

### **ETHICS COMMITTEE**

Linda Pedersen, *Chair*  
Nick Sauer, *Vice Chair*  
Steve Carlson  
Bill Durkin  
Audrey Nixon

### **FRIENDS OF LAKE COUNTY DISCOVERY MUSEUM BOARD**

Steve Carlson, *Liaison*

### **BRUSHWOOD CENTER AT RYERSON WOODS BOARD**

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

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

Craig Taylor, *Liaison*

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

Steven W. Mandel, *Representative*

### **OUTSIDE ETHICS ADVISOR**

Ron Mehling

### **PRESERVATION FOUNDATION OF THE LAKE COUNTY**

#### **FOREST PRESERVES BOARD OF DIRECTORS**

Ann B. Maine  
S. Michael Rummel

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

Ann B. Maine  
Carol Calabresa  
Pat Carey  
Bonnie Thomson Carter  
Craig Taylor  
David F. Nelson, *ex-officio*

### **YCC BOARD LIAISON**

Tom Weber

### **CORPORATE COUNSEL**

Holland & Knight, LLP

### **LAND ACQUISITION/ENVIRONMENTAL COUNSEL**

Quarles & Brady, LLP

### **LEGISLATIVE SERVICES**

Kolkmeier Legislative Consulting



## Independent Auditor's Report

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

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. The financial statements of the District's discretely presented component unit, the Preservation Foundation of the Lake County Forest Preserves, were not audited in accordance with *Government Auditing Standards*.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial Position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lake County Forest Preserve District, Illinois, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note O to the financial statements, during the fiscal year the District adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The implementation of GASB Statement No. 65 resulted in a restatement of opening July 1, 2013 net position. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 14), pension and OPEB information (pages 67 - 69) and budgetary comparison information (pages 70 - 72) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information (pages 73 – 92), the Introductory Section and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014 on our consideration of the 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 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 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 District's internal control over financial reporting and compliance.



Chicago, Illinois  
December 4, 2014





## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

The Lake County Forest Preserve District (“*District*”) management discussion and analysis provides a narrative introduction, overview, and analysis of the basic financial statements. Since the management discussion and analysis focuses on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the transmittal letter (*beginning on page i*) and the District’s financial statements (*beginning on page 15*).

### ***FINANCIAL HIGHLIGHTS***

- The District’s net position (see Table 1) increased \$8.2 million during the fiscal year ended June 30, 2014 (FY 2014). Governmental net position increased \$8.6 million and business-type net position decreased \$.4 million.
- The implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), resulted in a restatement of the Districts Net Position as of June 30, 2013. The Net Position was reduced by \$2,996,873 for capitalized bond issuance costs which had previously been required by GASB to be capitalized and amortized over the life of the bonds. See Note O of the financial statements for more information.
- Governmental activities unrestricted net position increased by \$0.8 million during the year.
- Governmental activities revenue decreased \$2.7 million (see Table 2). Charges for services increased \$193,510 due to favorable activity levels. Operating grants increased \$614,014, and property tax revenue decreased \$2.1 million. Property tax revenue fell because of continued declines in assessed equalized property values and the Districts tax rate being at the maximum under State law. Other income fell by \$1.4 million due to investment income. See Note P of the financial statements for more information on investment losses.
- Governmental activities expenses increased \$5.7 million. The change includes an increase in depreciation expense (\$1.4 million), an increase in non-capital habitat restoration expenditures (\$1.2 million). (See Table 2).
- During the year the District refunded the outstanding balance of its 2005A bonds which resulted in a net present value savings of \$1,547,710.
- Business-type activities had \$218,073 of income before depreciation, and before transfers out.
- The District reported a combined fund balance in the governmental funds of \$92.9 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 15) reports the assets, deferred outflows, liabilities, and deferred inflows of the District with the difference reported as net position. This statement combines and consolidates governmental funds' current financial resources (short-term resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources management focus.

The *Statement of Activities* (pages 16-17) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. Unlike the operating statement of a private-sector business enterprise, the government-wide statement of activities presents expenses before revenues. This order emphasizes that in the public sector, revenues are generated for the express purpose of providing services. That is, governments do not seek to maximize revenues as such; instead, they identify the service needs of citizens and then raise the resources needed to meet those needs.

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

The District has one component unit that, according to Generally Accepted Accounting Principles (GAAP), is included in the Statement of Net Position and Statement of Activities. The Preservation Foundation of the Lake County Forest Preserves, a 501(c) (3) corporation, has been discretely presented in the FY 2012 statements in accordance with GASB Statements Number 14 and 39. The Preservation Foundation provides funds that help the District accomplish its mission, helping to acquire and restore its lands for the citizens of Lake County.

## **Fund Financial Statements**

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

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

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

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet (pages 18-19) and in the governmental funds statement of revenues, expenditures, and changes in fund balances (pages 20-21) 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 seven governmental funds are combined into a single, aggregated presentation. Detail of the non-major funds is presented in the Supplementary Information beginning on page 76.

*Proprietary funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for golf operations and an internal service funds used to centralize the provision of heavy equipment, vehicles, and computer equipment. Basic proprietary fund financial statements can be found on pages 23-27 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 30-66 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 by \$545,185,761 at June 30, 2014. This was an increase of \$8.2 million over last year's restated net position.

The largest portion of the District's net position, \$452,191,166, 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, \$37,012,888 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 \$55,981,761 which may be used to meet the District's ongoing operations and responsibilities to the residents.

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>District</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$124,150,222	\$131,549,221	\$3,159,922	\$3,284,458	\$127,310,144	\$134,833,679
Capital assets	705,064,612	705,757,217	18,390,800	18,656,267	723,455,412	724,413,484
<b>Total assets</b>	<b>829,214,834</b>	<b>837,306,438</b>	<b>21,550,722</b>	<b>21,940,725</b>	<b>850,765,556</b>	<b>859,247,163</b>
Deferred loss on refundings	2,752,526	0	0	0	2,752,526	0
Accumulated decrease in fair value of hedging derivatives	4,483,157	5,637,029	0	0	4,483,157	5,637,029
<b>Total Deferred Outflow Of Resources</b>	<b>7,235,683</b>	<b>5,637,029</b>	<b>0</b>	<b>0</b>	<b>7,235,683</b>	<b>5,637,029</b>
Current liabilities	25,899,662	11,645,559	638,786	575,464	26,538,448	12,221,023
Noncurrent liabilities	286,154,421	315,546,793	122,609	145,857	286,277,030	315,692,650
<b>Total liabilities</b>	<b>312,054,083</b>	<b>327,192,352</b>	<b>761,395</b>	<b>721,321</b>	<b>312,815,478</b>	<b>327,913,673</b>
Net position:						
Net invested in capital assets	433,800,366	424,561,937	18,390,800	18,656,267	452,191,166	443,218,204
Restricted	36,912,046	38,296,424	100,842	100,842	37,012,888	38,397,266
Unrestricted	53,684,022	52,892,754	2,297,685	2,463,295	55,981,707	55,356,049
<b>Total net position</b>	<b>\$524,396,434</b>	<b>\$515,751,115</b>	<b>\$20,789,327</b>	<b>\$21,220,404</b>	<b>\$545,185,761</b>	<b>\$536,971,519</b>

The District's combined net position increased by \$8.2 million during the fiscal year because governmental activities total revenues exceeded total expenses by \$8.4 million prior to transfers. The business-type activities total expenses exceeded total revenues by \$219,635 before transfers.

During the year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Recorded as Assets and Liabilities (GASB 65). The impact of implementing this statement resulted in a restatement of beginning Net Position for Governmental Activities to remove previously capitalized unamortized bond issuance costs in the amount of \$2,996,873. See footnote "O" on page 65 for further details.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>District</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$4,282,124	\$4,088,614	\$3,870,213	\$3,860,639	\$8,152,337	\$7,949,253
Operating grants and contributions	1,986,083	1,372,069	-	-	1,986,083	1,372,069
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property and replacement taxes	50,877,208	52,935,570	-	-	50,877,208	52,935,570
Other	(637,520)	776,270	172,580	854,938	(464,940)	1,631,208
<b>Total revenues</b>	<b>56,507,895</b>	<b>59,172,523</b>	<b>4,042,793</b>	<b>4,715,577</b>	<b>60,550,688</b>	<b>63,888,100</b>
<b>Expenses:</b>						
General government	14,554,928	8,033,932	-	-	14,554,928	8,033,932
Educational and cultural resources	4,603,866	4,233,592	-	-	4,603,866	4,233,592
Public safety	2,570,971	2,910,119	-	-	2,570,971	2,910,119
Maintenance and development	13,275,338	12,941,342	-	-	13,275,338	12,941,342
Interest	13,068,915	14,302,560	-	-	13,068,915	14,302,560
Golf courses	-	-	4,262,428	5,384,473	4,262,428	5,384,473
<b>Total expenses</b>	<b>48,074,018</b>	<b>42,421,545</b>	<b>4,262,428</b>	<b>5,384,473</b>	<b>52,336,446</b>	<b>47,806,018</b>
Change in net position before transfers	8,433,877	16,750,978	(219,635)	(668,896)	8,214,242	16,082,082
Transfer of capital assets	-	15,680,000	-	(15,680,000)	-	-
Transfers for operating charges	211,442	426,820	(211,442)	(426,820)	-	-
<b>Change in net position</b>	<b>\$8,645,319</b>	<b>\$32,857,798</b>	<b>\$(431,077)</b>	<b>\$(16,775,716)</b>	<b>\$8,214,242</b>	<b>\$16,082,082</b>

## NORMAL IMPACTS TO REVENUES AND EXPENSES

### Revenues:

- *Economic Condition* – The General Corporate Fund and the Land Development Fund have reached their tax rate limit. The equalized assessed valuation of the county decreased 6.15% in 2013 and is projected to decrease another 3% in 2014. When funds reach the tax rate limit, the amount of the levy will be limited to the maximum tax rate times the assessed valuation and may decrease from year to year.

In addition to the assessed valuation impact on revenues, concessionaire and golf revenues are impacted by economic conditions. In 2014 revenues increased for concessionaire activities and golf charges for service. Other revenues for golf declined in FY2014 due to a onetime settlement in FY2013 for damage caused by chemicals used to maintain the course greens and fairways.

- *District Approved Rates* – while certain property tax rates are set by statute, the District Board has authority to set rates for permits, rents, fines, and all business-type activities.
- *Grant Revenue* – nonrecurring grants are less predictable and often distort year-to-year comparisons.
- *Market Impacts on Investment Income* – the District’s investment income will fluctuate based on market conditions, rates, and investable balances.

### Expenses:

- *Programs* – individual programs may be added or deleted to meet changing community needs.
- *Authorized Personnel* – changes in service demand and budget restrictions may cause the District to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 69% of the District’s operating costs and 26% of total expenditures.
- *Salary and wages* – the ability to attract and retain human and intellectual resources requires the District to maintain competitive salary ranges in the marketplace. This may be a challenge when the District is experiencing budget constraints as other employers may already be recovering from the recession.
- *Inflation* – while overall inflation appears to be reasonably modest, the District is a major consumer of certain commodities such as gasoline, utilities, and operating supplies. Some functions may experience unusual commodity-specific increases.

## CURRENT YEAR IMPACTS

### *GOVERNMENTAL ACTIVITIES*

### Revenues:

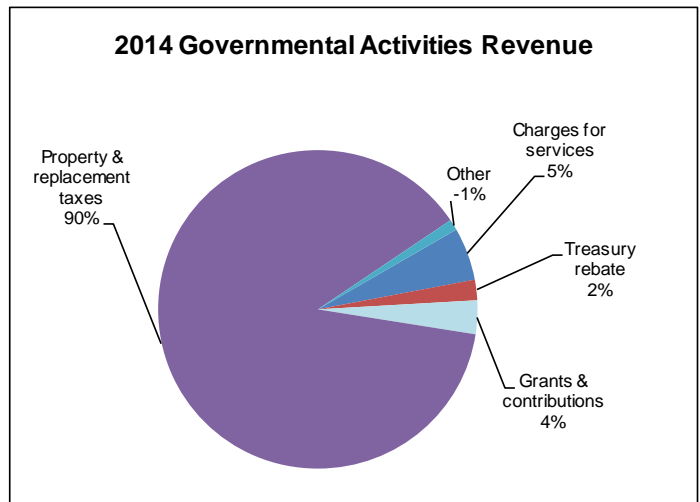
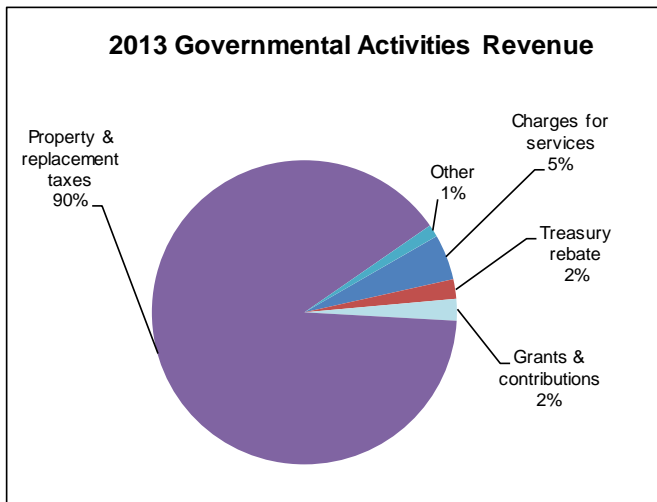
For the fiscal year ended June 30, 2014, total revenues from governmental activities were \$56.5 million which represents a decrease of \$2.7 million from the previous year.

- The District continued to decrease property taxes. In FY 2013/14 property tax revenue was down \$2.1 million. The general fund levy decreased \$1.1 million, the development levy decreased \$497,060, and the debt service levy decreased \$628,466.
- Charges for services, including the US Treasury rebate, were \$4.3 million and represent 7.6% of the total revenue. These charges include permits, program and admission fees, rentals, easements, and



licenses. Revenues were up \$193,510 from the previous year due mostly to increased demand for permits, marina services and facility rentals.

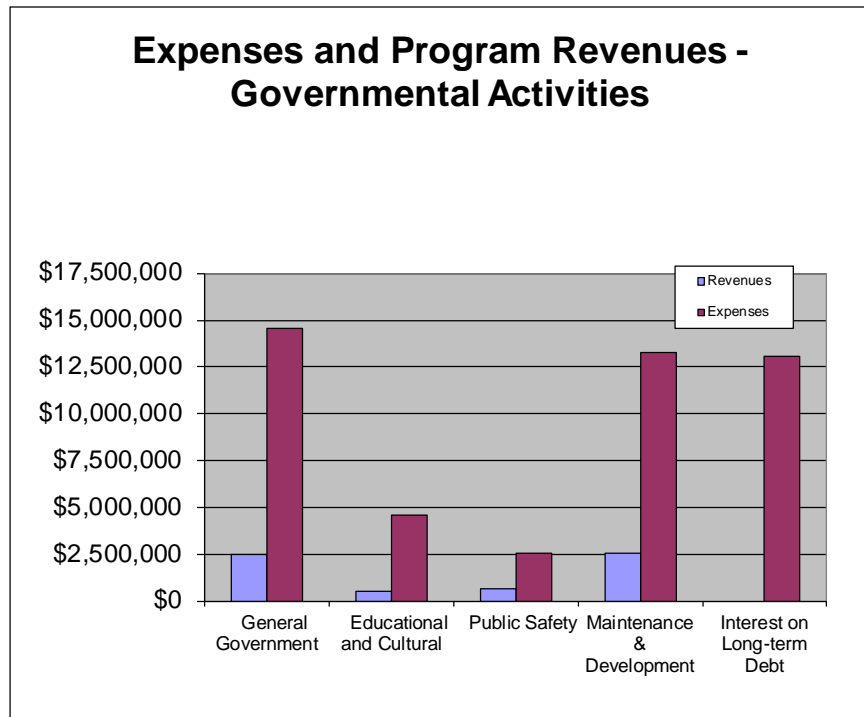
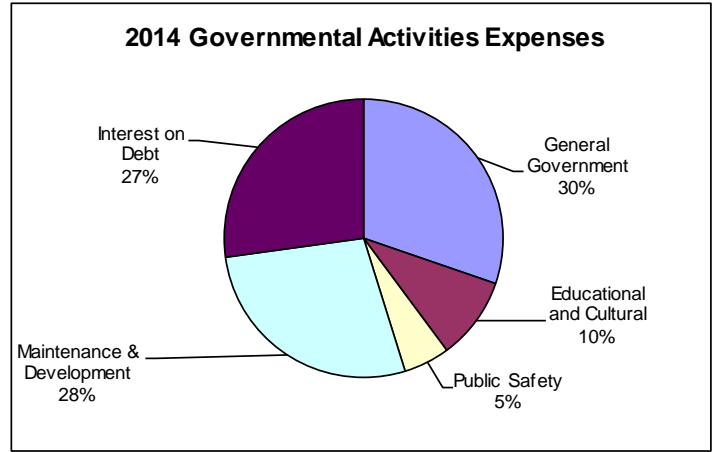
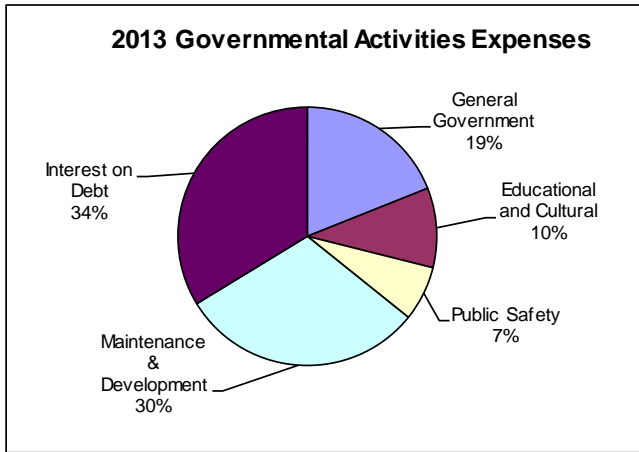
- Grants and contributions increased \$614,014 and represent 3.5% of the revenue.
- Other revenues decreased \$1.4 million and represent -1.1% of revenue. The District had funds invested with the Illinois Metropolitan Investment Trust (IMET) during the year. IMET is a cooperative investment pool governed by its members who are from governmental agencies throughout the State. The District lost \$1.4 million dollars of its investments in IMET from forged loans that were thought to be backed by the USDA. Executives of First Farmers Financial, a preferred lender of the USDA, are believed to have committed fraud and the CEO has been arrested. A large number of assets have been seized and the District does expect to recoup some of its losses, however the amount and time frame are unknown. The District has written off the entire \$1.4 million in fiscal year 2014. See Note P of the financial statements for more information.



### **Expenses:**

Total governmental activity expenses were \$48.1 million for fiscal year 2014, an increase of 13.3% or \$5.6 million. General government activities, including land acquisition, represent 30% of these expenses; and maintenance and development expenses represent 28%. Other functions of the District include education and cultural resources (10%), public safety (5%), and interest on long-term debt (27%). Change is due to:

- General government expenses increased \$6.5 million due to an increase in depreciation expense of \$1.4 million, increased expenditures for non-capitalized habitat restoration work of \$1.2 million and a change in encumbrance accounting impacting capital expenditures by \$3.9 million.
- Maintenance and development costs increased by \$333,996 compared to last year mostly due to expenditures for drain tile locating, project consulting, increased fuel costs and legal fees.
- Public Safety expenses decreased by \$339,148 due to a \$320,769 settlement with a current employee that was reflected in FY2013.
- Interest costs decreased by \$1.2 million due to a decrease in deferred charges related to the refunding of the 2005A bonds issued by the District in FY2014.



***BUSINESS-TYPE ACTIVITIES***

**Revenue:**

Total operating revenues from golf course activities increased \$9,574 or 0.2%. Greens fees and cart rentals declined by 1.34% (\$44,253) compared to last year. This decline was offset by increases in pro-shop sales, driving range fees and food service which increased 9.8% (\$53,857). The District also received additional payments from DuPont over the effect of an herbicide used at two of the courses. The herbicide was lethal to trees and shrubs. The District received \$197,428 in FY2014 and \$835,988 in FY2013 as part of a settlement.

**Expenses:**

Operating expenses for golf decreased by \$1,122,045. This was due to the write-off in FY2013 of capital costs incurred during previous years for the Fort Sheridan golf course. These costs were reclassified to expenses from construction in progress where they had been carried for a number of years. The District operated a course in

the Fort Sheridan Preserve. The District had planned to renovate the entire course and re-open it but decided against it when cost estimates prohibited the idea. The reclassified costs (\$1,328,094) were associated with the initial design and preparation for the new course. Operating expenses actually increased by \$206,049 after taking the reclassification entry into consideration. The cost of fertilizers and plant protectants increased \$73,726 and depreciation expense was higher by \$160,432. Offsetting these increases was a decrease in personnel costs of \$37,004.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

### **Governmental Funds**

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

As of June 30, 2014, the District's governmental funds reported combined ending fund balances of \$92.9 million (pages 18-19), a decrease of \$6.3 million from June 30, 2013. The decrease was attributable to bond proceeds being spent on capital improvements and acquisitions and investment losses. Fund balance is categorized as follows: \$291,503 as non-spendable for inventory; \$64.4 million is subject to externally enforceable legal restrictions and therefore categorized as restricted; \$6.7 million is categorized as committed for special project; \$1.4 million is constrained by limitations the District has imposed and is categorized as assigned; and \$20.2 million constitutes unassigned fund balance in the General Fund.

The *General Fund* is the chief operating fund of the District. As of June 30, 2014, the total fund balance of the General Fund was \$24.7 million, of which \$20.2 million was unassigned, compared to \$24.8 million and \$18.9 million, respectively, at June 30, 2013. The unassigned fund balance provides for cash flow and emergency needs. During the year the fund had a deficiency of revenues under expenditures of \$128,473 and the unassigned fund balance grew by \$1.3 million. Revenues declined by \$1.1 million from last year with property taxes declining by \$1.2 million as a result of falling property values. Investment income declined by \$193,343 from last year. These decline were offset by increases in charges for services and sales \$220,873 and other income \$60,898. Expenditures declined by \$561,719 from last year. Part of that reduction was due to 21 full time staff positions being moved from the General Fund budget to the Land Development Fund budget. In addition several positions that became vacant during the year remained unfilled. The decline in personnel costs were offset by an increase in capital outlay of \$1.2 million over the previous year.

The *Land Development Fund* pays for restoration, improvement, and development of existing preserves. As of June 30, 2014 the total fund balance was \$15.5 million, all of which is restricted for development purposes. This fund provides partial funding for the District's Capital Improvement Plan. During the year the fund had excess revenues of \$110,423 despite the addition of 21 full time staff from the General Fund as mentioned above. Tax revenues in the fund were down from the prior year by \$497,060. Increases in operational expenditures were attributable to the addition of personnel costs as mentioned above in the General Fund discussion. Capital outlay for FY2014 was down \$1.7 million from FY2013 due to project delays.

The *Debt Service Fund* has a total fund balance of \$16.5 million, all of which is restricted for the payment of debt service. The fund balance decreased \$1.2 million from 2013. During the year the District completed all payments on its outstanding 2003 refunding general obligation bonds. There were remaining funds available from the issue due to taxes collected and interest earned. The interest income of \$585,521 was transferred to the Capital Facilities Improvement Fund for future facility improvements. The remaining funds (\$1.1 million) were

transferred to the 2011 bond series and will be used to pay future principal and interest costs. The taxes levied for the 2011 bond series will be reduced by this amount over two years as approved by the Districts' Board of Commissioners. Investment earnings also declined by \$357,434 from the prior year.

The *Land Acquisition Fund* has a total fund balance of \$15.4 million, all of which is restricted for land acquisition. During the year the District purchased nearly 107 acres of land for \$4.1 million. The District still has \$8 million of referendum approved bonds for land acquisition left to issue.

The *Development Bond Projects Fund* has a total fund balance of \$11.4 million, all of which is restricted for development projects. The District still has \$17 million of referendum approved bonds for development to issue.

### **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 business-type funds was a decrease of \$431,077. Operating revenues increased by less than 1% over the prior year. Increases in pro shop sales, food and beverage concessions and concessionaire and building rentals were offset by decreases in greens fees and cart rentals. Operating expenses appear to be down when compared to last year however there was a one-time adjustment made in the previous year. \$1,328,094 of construction in progress assets were expensed during the FY2013 for the Fort Sheridan golf course. These costs were reclassified to expenses from construction in progress where they had been carried for a number of years. The District operated a course in the Fort Sheridan Preserve and had planned to renovate the entire course and re-open it but decided against it when cost estimates prohibited the idea. The reclassified costs were associated with the initial design and preparation for the new course. Removing the adjustment reveals that operating expenses increased by \$45,617 or 1.3% over the prior year. This led to a decline in operating income of \$36,043 from the previous year after taking into consideration the adjustment mentioned above.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

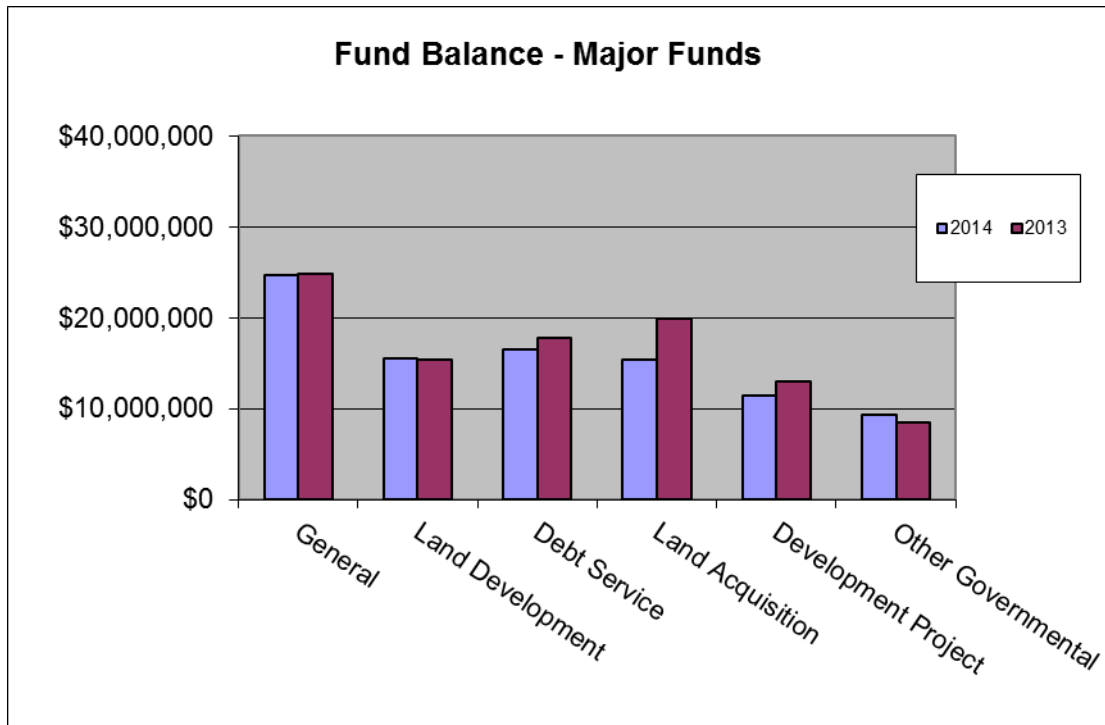
General Fund revenues were over budget \$507,822 for FY 14. Property taxes account for \$431,276. The decline in property values was not as great as had been anticipated in the budget. Charges for sales and services and permits were over budget by \$220,346 and \$43,639 respectively. These increases occurred in revenue categories that would reflect increased health in the overall economy. Interest income (loss) was \$198,625 below budget for the year. The District had funds invested with the Illinois Metropolitan Investment Trust (IMET) during the year. IMET is a cooperative investment pool governed by its members who are from governmental agencies throughout the State. The District lost \$1.4 million dollars of its investments in IMET from forged loans that were thought to be backed by the USDA. Executives of First Farmers Financial, a preferred lender of the USDA, are believed to have committed fraud and the CEO has been arrested. A large number of assets have been seized and the District does expect to recoup some of its losses, however the amount and time frame are unknown. The District has written off the entire \$1.4 million in fiscal year 2014. The General Fund portion of this loss was \$271,525. See note P of the financial statements for more information.

The District spent \$18.5 million or only 85.1% of its \$21.7 million budget. General government is under budget \$341,875 due to legal fees, consulting, operating supplies, computer services and risk management costs being lower than expected. Education and cultural resources were under budget \$631,739 due to vacant positions, supplies, printing, consulting fees, and website costs being lower than expected. The Public Safety function was under budget by \$135,140 due to vacant positions throughout the year. The maintenance and development function is under budget \$281,752 as a result of insect management, 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 were delayed and are currently underway.

### GOVERNMENTAL FUND BALANCES

Total governmental fund balances decreased by \$6.3 million. The decline was the result of bond funds being spent for land acquisition, capital projects and investment losses. The Land Acquisition fund balance declined by \$4.3 million and the Development Bond fund balance declined by \$1.7 million. The General Fund balance decreased slightly by \$123,622 due to investment losses. The Land Development Fund increased fund balance by \$110,423 with excess revenues to be used for planned projects. The Debt Service fund balance declined by \$1.2 million as a result of excess funds (\$543,668) from the 2003 bond issue being transferred to the Capital Facilities Improvement Fund (Non-major). The 2003 bonds were retired during the year. Investment losses also accounted for \$357,434 of the decline in Debt Service fund balance. Non-major funds increased by \$956,998 in large part due to the transfer from Debt Service mentioned above. The Retirement Fund balance increased (\$309,513) due to vacant positions remaining unfilled during the year. The Easements and Special Projects (\$206,949) and Land Preparation (\$166,378) fund balances increased due to expected revenue inflows being made with no major expenditures being budgeted.



### CAPITAL ASSET AND DEBT MANAGEMENT

At the end of fiscal year 2014 the District has invested \$784.1 million in a variety of capital assets as reflected on the following schedule. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, artifacts and collectibles, and construction in progress. The total increase in the District’s investment in capital assets for the current fiscal year was \$6.6 million before the effects of depreciation.

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>District</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land and land rights	\$ 561,525,231	\$ 557,459,808	\$ 6,818,464	\$ 6,818,464	\$568,343,695	\$ 564,278,272
Land/course improvements	46,977,357	48,427,192	7,447,373	7,447,373	54,424,730	55,874,565
Buildings	65,932,957	64,622,842	6,957,367	6,735,497	72,890,324	71,358,339
Other improvements	7,100,956	6,786,659	-	-	7,100,956	6,786,659
Vehicles, machinery, and eqpmt	11,238,387	10,984,161	3,278,865	3,171,267	14,517,252	14,155,428
Furniture and fixtures	632,287	632,287	44,987	44,987	677,274	677,274
Roads, trails, and bridges	45,654,359	39,840,250	1,566,152	1,351,195	47,220,511	41,191,445
Museum artifacts and collectibles	6,129,787	6,129,787	-	-	6,129,787	6,129,787
Construction in progress	12,799,046	16,813,717	-	199,603	12,799,046	17,013,320
<b>Total Capital Assets</b>	<b>757,990,367</b>	<b>751,696,703</b>	<b>26,113,208</b>	<b>25,768,386</b>	<b>784,103,575</b>	<b>777,465,089</b>
Less Accumulated						
Depreciation	52,925,755	45,939,486	7,722,408	7,112,119	60,648,163	53,051,605
Capital Assets net of						
Depreciation	<b>\$ 705,064,612</b>	<b>\$ 705,757,217</b>	<b>\$ 18,390,800</b>	<b>\$ 18,656,267</b>	<b>\$723,455,412</b>	<b>\$ 724,413,484</b>

The additions to capital assets in governmental fund activities include land and land rights of \$4.1 million – representing the transfer of the Fort Sheridan golf course to governmental activities and the purchase of an additional nearly 107 acres of land. More detailed information on capital asset activity can be found in the notes to the financial statements on pages 42-44.

### **Debt Outstanding**

At the end of the current fiscal year, the District has \$296.3 million of general obligation bonds outstanding. Under the 2008 \$185 million bond referendum, \$25 million remained authorized but unissued on June 30, 2014.

	<b>Governmental</b>		<b>Total</b>	
	<b>Activities</b>		<b>District</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
General Obligation Bonds	\$296,250,000	\$313,540,000	\$296,250,000	\$313,540,000
<b>Total</b>	<b>\$296,250,000</b>	<b>\$313,540,000</b>	<b>\$296,250,000</b>	<b>\$313,540,000</b>

The District had one general obligation refunding bond issue in fiscal year 2014. On September 30, 2013 the District issued \$18.9 million in General Obligation Refunding Bonds. These bonds refunded the outstanding portion of the 2005A General Obligation Bonds. The bonds received the highest rating of Aaa from Moody's and AAA from Standard and Poor's. These ratings are a result of the District's solid tax base growth and strong financial operations. The ratings also credit the Forest Preserve District's diversified and expanding economic base, high wealth and income levels, sound financial management, high level of reserves, and moderate debt burden. The net present value savings from the refunding was \$1.5 million.

The legal debt limit for the District is 2.30% of assessed valuation. The current debt limitation is \$528.3 million which significantly exceeds the District's current outstanding general obligation debt of \$296.3 million. Additional information on the District's long-term debt can be found in Note H, pages 48-56.

## **ECONOMIC FACTORS**

Lake County is facing the same economic challenges as are all parts of the country; unemployment is improving slowly and real estate values continue to decline. The 2013 Equalized Assessed Valuation (EAV) declined 6.15% from the previous year, following a decline in 2012 of 8.38%. As the third largest county in the state, Lake County has a market valuation of \$68.9 billion. The EAV is projected to decline an additional 3% in 2014.

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.

### **Requests for Information**

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



## FINANCIAL SECTION

## BASIC FINANCIAL STATEMENTS

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Net Position  
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 97,627,847	\$ 2,997,304	\$ 100,625,151	\$ 680,456
Property taxes receivable, net	25,016,648	-	25,016,648	-
Interest receivable	173,729	2,688	176,417	93
Grant receivable	720,515	-	720,515	-
Other receivable	319,980	46,840	366,820	32,735
Inventory	291,503	105,590	397,093	-
Other assets	-	7,500	7,500	-
Total current assets	<u>124,150,222</u>	<u>3,159,922</u>	<u>127,310,144</u>	<u>713,284</u>
Noncurrent assets:				
Capital assets ( not being depreciated)	627,431,421	14,265,837	641,697,258	456,000
Capital assets (net of acc. deprec.)	77,633,191	4,124,963	81,758,154	-
Total noncurrent assets	<u>705,064,612</u>	<u>18,390,800</u>	<u>723,455,412</u>	<u>456,000</u>
Total assets	<u>829,214,834</u>	<u>21,550,722</u>	<u>850,765,556</u>	<u>1,169,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refundings	2,752,526	-	2,752,526	-
Accumulated decrease in fair value of hedging derivatives	4,483,157	-	4,483,157	-
Total deferred outflows of resources	<u>7,235,683</u>	<u>-</u>	<u>7,235,683</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,989,650	241,456	2,231,106	-
Accrued payroll and payroll taxes	609,028	106,841	715,869	-
Other unearned revenue	1,705,329	251,675	1,957,004	-
Interest payable	564,777	-	564,777	-
Derivative instrument-swap agreement	4,483,157	-	4,483,157	-
Other liabilities	389,418	32,462	421,880	-
Due within one year	16,158,303	6,352	16,164,655	-
Total current liabilities	<u>25,899,662</u>	<u>638,786</u>	<u>26,538,448</u>	<u>-</u>
Noncurrent liabilities:				
Due in more than one year	286,154,421	122,609	286,277,030	-
Total noncurrent liabilities	<u>286,154,421</u>	<u>122,609</u>	<u>286,277,030</u>	<u>-</u>
Total liabilities	<u>312,054,083</u>	<u>761,395</u>	<u>312,815,478</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	433,800,366	18,390,800	452,191,166	-
Restricted for:				
Temporarily-culture and recreation	-	-	-	980,764
State statutes and enabling legislation-Audit and insurance	2,810,629	-	2,810,629	-
Capital improvements	-	100,842	100,842	-
Debt service	15,621,153	-	15,621,153	-
Land and development	17,078,409	-	17,078,409	-
State statutes and enabling legislation-FICA and IMRF related costs	1,401,855	-	1,401,855	-
Unrestricted	53,684,022	2,297,685	55,981,707	188,520
Total net position	<u>\$ 524,396,434</u>	<u>\$ 20,789,327</u>	<u>\$ 545,185,761</u>	<u>\$ 1,169,284</u>

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

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 14,554,928	\$ 1,855,676	\$ 628,054
Education & cultural resources	4,603,866	417,543	92,893
Public safety	2,570,971	679,740	-
Maintenance & development	13,275,338	1,329,165	1,265,136
Interest	13,068,915	-	-
Total governmental activities	<u>48,074,018</u>	<u>4,282,124</u>	<u>1,986,083</u>
Business-type activities:			
Golf Courses	4,262,428	3,870,213	-
Total business-type activities	<u>4,262,428</u>	<u>3,870,213</u>	<u>-</u>
Total primary government	<u>\$ 52,336,446</u>	<u>\$ 8,152,337</u>	<u>\$ 1,986,083</u>
<b>Component units:</b>			
Preservation Foundation of the Lake County Forest Preserve	508,623	-	1,156,229
Total component units	<u>\$ 508,623</u>	<u>\$ -</u>	<u>\$ 1,156,229</u>

General revenues:

- Property and replacement taxes
- Investment income
- Litigation proceeds
- Insurance Claim
- Gain on disposal of fixed assets
- Other

Transfers

- Total general revenues and transfers
- Change in net position

Net position, beginning of year restated (note O)

Net position, end of year

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

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Activities  
For the Year Ended June 30, 2014

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
\$ -	\$ (12,071,198)	\$ -	\$ (12,071,198)	\$ -
-	(4,093,430)	-	(4,093,430)	-
-	(1,891,231)	-	(1,891,231)	-
-	(10,681,037)	-	(10,681,037)	-
-	(13,068,915)	-	(13,068,915)	-
-	(41,805,811)	-	(41,805,811)	-
-	-	(392,215)	(392,215)	-
-	-	(392,215)	(392,215)	-
\$ -	(41,805,811)	(392,215)	(42,198,026)	-
-	-	-	-	647,606
\$ -	-	-	-	\$ 647,606
	50,877,208	-	50,877,208	-
	(734,871)	(48,436)	(783,307)	327
	-	197,428	197,428	-
	92,255	-	92,255	-
	5,096	-	5,096	-
	-	23,588	23,588	-
	211,442	(211,442)	-	-
	50,451,130	(38,862)	50,412,268	327
	8,645,319	(431,077)	8,214,242	647,933
	515,751,115	21,220,404	536,971,519	521,351
	\$ 524,396,434	\$ 20,789,327	\$ 545,185,761	\$ 1,169,284

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General Fund	Land Development Fund	Debt Service Fund
<b>ASSETS</b>			
Cash and investments	\$ 25,272,575	\$ 15,707,143	\$ 16,408,093
Property taxes receivable, net	7,346,838	2,849,969	13,337,857
Interest receivable	55,679	43,898	7,435
Grant receivable	-	614,774	-
Other receivable	193,171	28,551	-
Inventory	291,503	-	-
<b>Total assets</b>	<u>\$ 33,159,766</u>	<u>\$ 19,244,335</u>	<u>\$ 29,753,385</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,087,454	\$ 316,528	\$ -
Accrued payroll & payroll tax	448,056	91,826	-
Unearned revenue	1,602	-	594,500
Other liabilities	179,142	24,677	-
<b>Total liabilities</b>	<u>1,716,254</u>	<u>433,031</u>	<u>594,500</u>
 <b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	6,789,612	2,694,291	12,609,280
Unavailable grant revenue	-	614,774	-
<b>Total deferred inflows of resources</b>	<u>6,789,612</u>	<u>3,309,065</u>	<u>12,609,280</u>
 <b>Fund Balances</b>			
Nonspendable - inventory	291,503	-	-
Restricted	2,810,629	15,502,238	16,549,605
Committed	-	-	-
Assigned	1,361,027	-	-
Unassigned	20,190,741	-	-
<b>Total fund balances</b>	<u>24,653,900</u>	<u>15,502,238</u>	<u>16,549,605</u>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <u>\$ 33,159,766</u>	 <u>\$ 19,244,334</u>	 <u>\$ 29,753,385</u>

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

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

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

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

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

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

Net position of governmental activities

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

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Balance Sheet  
Governmental Funds  
June 30, 2014

Land Acquisition Fund	Development Bond Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 15,437,638	\$ 11,667,698	\$ 9,670,017	\$ 94,163,164
-	-	1,481,984	25,016,648
22,143	14,746	21,781	165,682
-	-	105,741	720,515
34,848	51,920	5,730	314,220
-	-	-	291,503
<u>\$ 15,494,629</u>	<u>\$ 11,734,364</u>	<u>\$ 11,285,253</u>	<u>\$ 120,671,732</u>
\$ 13,609	\$ 359,404	\$ 212,655	\$ 1,989,650
3,116	-	66,030	609,028
-	-	-	596,102
50,851	868	132,584	388,122
<u>67,576</u>	<u>360,272</u>	<u>411,269</u>	<u>3,582,902</u>
-	-	1,401,031	23,494,214
-	-	105,741	720,515
<u>-</u>	<u>-</u>	<u>1,506,772</u>	<u>24,214,729</u>
-	-	-	291,503
15,427,054	11,374,092	2,701,256	64,364,874
-	-	6,662,481	6,662,481
-	-	3,475	1,364,502
-	-	-	20,190,741
<u>15,427,054</u>	<u>11,374,092</u>	<u>9,367,212</u>	<u>92,874,101</u>
<u>\$ 15,494,630</u>	<u>\$ 11,734,364</u>	<u>\$ 11,285,253</u>	<u>\$ 120,671,732</u>
			701,968,272
			24,214,729
			(303,986,728)
			2,752,526
			6,573,534
			<u>\$ 524,396,434</u>



Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Land Development Fund</u>	<u>Debt Service Fund</u>
<b>Revenues</b>			
Property taxes	\$ 14,904,791	\$ 5,891,593	\$ 27,117,629
Replacement taxes	971,506	-	-
Investment income (loss)	(94,125)	(35,753)	(404,049)
Grants & contributions	79,653	474,364	-
Treasury rebate	-	-	1,194,731
Land and building rentals	310,148	-	-
Charges for services and sales	1,027,406	-	-
Permits	622,939	-	-
Easements and licenses	12,000	-	-
Programs and admissions	321,589	-	-
Other revenue	221,380	13,358	-
Total revenues	<u>18,377,287</u>	<u>6,343,562</u>	<u>27,908,311</u>
<b>Expenditures</b>			
Current:			
General government	4,281,311	-	-
Education & cultural resources	3,112,171	-	-
Public safety	2,291,130	-	-
Maintenance & development	6,372,098	4,773,082	-
Debt service:			
Principal	370,000	-	15,030,000
Interest	353,944	-	13,651,503
Bond issuance costs	-	-	129,254
Paying agent fees	-	-	6,154
Capital outlay	1,725,106	1,460,057	-
Total expenditures	<u>18,505,760</u>	<u>6,233,139</u>	<u>28,816,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,473)</u>	<u>110,423</u>	<u>(908,600)</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale fixed asset	-	-	-
Issuance of debt	-	-	18,855,000
Premium on issuance of debt	-	-	2,220,864
Payment to escrow agent	-	-	(20,745,000)
Transfers out	-	-	(2,471,916)
Transfers in	4,851	-	1,888,248
Total other financing sources (uses)	<u>4,851</u>	<u>-</u>	<u>(252,804)</u>
Net change in fund balances	(123,622)	110,423	(1,161,404)
Fund balances, beginning of year	24,777,522	15,391,815	17,711,009
Fund balances, ending of year	<u>\$ 24,653,900</u>	<u>\$ 15,502,238</u>	<u>\$ 16,549,605</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

Land Acquisition Fund	Development Bond Projects Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,836,116	\$ 50,750,129
-	-	-	971,506
(63,866)	(47,125)	(71,137)	(716,055)
-	9,500	702,051	1,265,568
-	-	-	1,194,731
-	-	580,294	890,442
-	-	-	1,027,406
-	-	-	622,939
-	-	-	12,000
-	-	-	321,589
-	-	70,534	305,272
<u>(63,866)</u>	<u>(37,625)</u>	<u>4,117,858</u>	<u>56,645,527</u>
211,762	9,000	3,029,770	7,531,843
-	-	117,779	3,229,950
-	-	-	2,291,130
-	-	165,604	11,310,784
-	-	-	15,400,000
-	-	-	14,005,447
-	-	-	129,254
-	-	-	6,154
4,112,222	1,612,860	643,061	9,553,306
<u>4,323,984</u>	<u>1,621,860</u>	<u>3,956,214</u>	<u>63,457,868</u>
<u>(4,387,850)</u>	<u>(1,659,485)</u>	<u>161,644</u>	<u>(6,812,341)</u>
-	-	5,095	5,095
-	-	-	18,855,000
-	-	-	2,220,864
-	-	-	(20,745,000)
-	-	(6,704)	(2,478,620)
-	-	796,963	2,690,062
-	-	<u>795,354</u>	<u>547,401</u>
(4,387,850)	(1,659,485)	956,998	(6,264,940)
19,814,904	13,033,577	8,410,214	99,139,041
<u>\$ 15,427,054</u>	<u>\$ 11,374,092</u>	<u>\$ 9,367,212</u>	<u>\$ 92,874,101</u>

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**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2014

---

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

Net change in fund balances - total governmental funds.	\$ (6,264,940)
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 outlays in the current period.	(589,907)
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.	(123,912)
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.	15,069,136
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.	1,109,314
Internal service funds are reported separately in the fund financial statements.	<u>(554,372)</u>
Change in net position of governmental activities.	<u>\$ 8,645,319</u>

The accompanying notes 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  
June 30, 2014

	Business-type	Governmental
	Activities	Activities
	Enterprise Golf Courses	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,997,304	\$ 3,464,683
Interest receivable	2,688	8,047
Other receivable	46,840	5,760
Inventories	105,590	-
Other assets	7,500	-
Total current assets	<u>3,159,922</u>	<u>3,478,490</u>
Noncurrent assets:		
Land	6,818,464	-
Construction in progress	-	96,912
Land and course improvements	7,447,373	-
Buildings and improvements	6,957,367	-
Vehicles, machinery, and equipment	3,278,865	7,181,021
Furniture and fixtures	44,987	-
Roads, trails and bridges	1,566,152	-
Less accumulated depreciation	<u>(7,722,408)</u>	<u>(4,181,593)</u>
Total noncurrent assets	<u>18,390,800</u>	<u>3,096,340</u>
Total assets	<u>21,550,722</u>	<u>6,574,830</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	241,456	-
Accrued payroll and payroll tax	106,841	-
Compensated absences payable	6,352	-
Unearned revenue	251,675	-
Other liabilities	32,462	1,296
Total current liabilities	<u>638,786</u>	<u>1,296</u>
Noncurrent liabilities:		
Compensated absences payable	<u>122,609</u>	-
Total noncurrent liabilities	<u>122,609</u>	-
Total liabilities	<u>761,395</u>	<u>1,296</u>
<b>NET POSITION</b>		
Net investment in capital assets	18,390,800	3,096,340
Restricted for:		
capital improvements	100,842	-
Unrestricted	<u>2,297,685</u>	<u>3,477,194</u>
Total net position	<u>\$ 20,789,327</u>	<u>\$ 6,573,534</u>

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 Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Golf Courses	Internal Service Funds
Operating revenues		
Season passes	\$ 80,263	\$ -
Greens fees	2,356,076	-
Equipment replacement charges	-	106,451
Gas cart rental	772,405	-
Hand cart rental	4,941	-
Club rental	6,715	-
Permanent starts	43,950	-
Practice range	122,583	-
Pro shop	136,416	-
Food & beverage concessions	281,548	-
Concessionaire and other	52,404	-
Land and building rentals	3,100	-
Miscellaneous	9,811	-
Total operating revenues	<u>3,870,212</u>	<u>106,451</u>
Operating expenses		
Personal services	2,037,474	-
Commodities	649,579	50,431
Contractuals	786,150	32,553
Food & beverage concessions	94,808	-
Merchandise	84,128	-
Total operating expenses	<u>3,652,139</u>	<u>82,984</u>
Operating income before depreciation	218,073	23,467
Depreciation	<u>610,289</u>	<u>682,026</u>
Operating loss	<u>(392,216)</u>	<u>(658,559)</u>

(continued)

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 Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Golf Courses	Internal Service Funds
Nonoperating revenues		
Gain on sale of capital assets	-	91,917
Investment income (loss)	(48,436)	(18,816)
Other revenue	221,017	14,692
Total nonoperating revenues	<u>172,581</u>	<u>87,793</u>
Loss before transfers and contributions	(219,635)	(570,766)
Transfers out	(211,442)	-
Capital contributions	-	16,394
Change in net position	(431,077)	(554,372)
Total net position - beginning	21,220,404	7,127,906
Total net position - ending	<u>\$ 20,789,327</u>	<u>\$ 6,573,534</u>

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



Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Golf Courses	Internal Service Funds
Cash flows from operating activities		
Receipts from customers and users	\$ 3,845,636	\$ -
Receipts from interfund services provided	-	106,451
Payments for interfund services provided	(3,150)	-
Payments to employees	(2,061,186)	-
Payments to suppliers of goods and services	(1,533,434)	(83,302)
Net cash provided by operating activities	<u>247,866</u>	<u>23,149</u>
Cash flows from noncapital financing activities		
Transfers out	(211,442)	-
Net cash (used by) noncapital financing activities	<u>(211,442)</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(344,822)	(562,934)
Settlement received from loss of capital assets	221,017	-
Proceeds from sale of capital assets	-	100,849
Net cash (used by) capital and related financing activities	<u>(123,805)</u>	<u>(462,085)</u>
Cash flows from investing activities		
Interest paid	(41,079)	(21,816)
Proceeds from sale of investments	2,644,467	3,301,758
Purchase of investments	(2,512,970)	(3,078,566)
Net cash provided by investing activities	<u>90,418</u>	<u>201,376</u>
Net increase (decrease) in cash and cash equivalents	3,037	(237,560)
Cash and cash equivalents at beginning of year	<u>366,065</u>	<u>261,771</u>
Cash and cash equivalents at end of the year	<u>\$ 369,102</u>	<u>\$ 24,211</u>
Cash and cash equivalents per cash flow statements	\$ 369,102	\$ 24,211
Investments	<u>2,628,202</u>	<u>3,440,472</u>
Cash and investments per statement of net position	<u>\$ 2,997,304</u>	<u>\$ 3,464,683</u>

(continued)

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Golf Courses	Internal Service Funds
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (392,216)	\$ (658,559)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	610,289	682,026
Changes in assets and liabilities:		
Accounts payable	62,687	(1,175)
Compensated absences	(16,896)	-
Other receivables	(24,576)	-
Unearned revenue	5,269	-
Other liabilities	(18,125)	857
Inventories	13,295	-
Accrued payroll and payroll taxes	8,139	-
Net cash provided by operating activities	\$ 247,866	\$ 23,149
 Noncash investing, capital and financing activities:		
Contribution of capital assets from other funds		\$ 16,394

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

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

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**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Reporting Entity (Continued)

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

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

2. Government-wide and Fund Financial Statements

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

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

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

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

**Unrestricted net position** consist of net position that do not meet the criteria of the two preceding categories.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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, government funds report up to five components of fund balance: nonspendable, restricted, committed, assigned and unassigned which are explained in further detail in Note A-11.

3. Fund Accounting

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

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

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

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

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

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

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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  
June 30, 2014

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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 effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

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

5. Cash Equivalents

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

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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 at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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 \$20,000 and president or director approval for amounts under \$20,000. Unassigned fund balance in the General Fund is the net resources in excess of what can properly be classified in one of the above four categories described.

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

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Interfund Transactions

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

13. Use of Estimates

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

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

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

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

Bonds payable	\$ (296,250,000)
Add: Discount/Premium on bond issues (to be amortized as interest expense)	(4,429,325)
Accrued interest payable	(564,777)
Other unearned revenue	(1,829,742)
Accrued other postemployment benefits	(98,794)
Compensated absences	<u>(1,534,605)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 \$ <u><u>(304,707,243)</u></u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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

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

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 6,228,126
Depreciation expense	<u>(6,818,033)</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>(589,907)</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:

Issuance of general obligation bonds	\$ (18,855,000)
Premium received on bond issue	(2,220,864)
Principal repayments on general obligation debt	<u>36,145,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	\$ <u><u>15,069,136</u></u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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)	\$	144,790
Accrued interest		21,205
Accrued other postemployment benefits		21,837
Amortization of deferred charges on refunding and bond accounting loss		(21,941)
Amortization of interest rate swap premium		170,650
Amortization of issuance premium/discount		<u>772,773</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>1,109,314</u></u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE C - DEPOSITS AND INVESTMENTS**

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

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Funds authorized by the Public Funds Investment Act.

As of June 30, 2014, the District's cash and investments consisted of the following:

	<b>Government - Wide</b>
Cash and investments	\$ <u><u>100,625,151</u></u>

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

	<b>Total</b>
Cash on hand	\$ 11,410
Deposits with financial institutions	26,764,029
Investments	73,849,712
	\$ <u><u>100,625,151</u></u>

As of June 30, 2014, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>More than 10 years</u>
1-3 year public investing fund	\$ 844	\$ -	\$ 844	\$ -
Municipal bonds	26,999,104	7,617,613	19,381,491	-
Federal Government Agencies	8,585,137	-	-	8,585,137
	35,585,085	<u>\$ 7,617,613</u>	<u>\$ 19,382,335</u>	<u>\$ 8,585,137</u>
Institutional Government Money Market	<u>38,264,629</u>			
Total fair value	<u>\$ 73,849,714</u>			

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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 June 30, 2014, Illinois Metropolitan Investment Convenience Fund and Illinois Park Distinct Liquid Asset Funds were rated AAA by Standard and Poor's. The District's investment in FHLMC and GNMA were rated Aaa by Moody's and the District's investment in Municipal Bonds were rated AAA (\$7,372,052), AA (\$11,517,972), A (\$8,109,080) by Standard and Poor's and Moody's Investor Services.

*Custodial Credit Risk.* In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy states that the investments should have a collateralization ratio of 110%. As of June 30, 2014, 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. As of June 30, 2014, the District had approximately 26% of its investment portfolio in municipal bonds.

**NOTE D - RECEIVABLES - TAXES**

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

Since the 2013 tax levy is levied to finance the operations of the fiscal year beginning July 1, 2013, the levy is considered earned as of June 30, 2014.



**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 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	\$ 557,459,808	\$ 4,065,423	\$ -	\$ 561,525,231
Land improvements	48,427,192	-	1,449,835	46,977,357
Museum artifacts and collectibles	6,129,787	-	-	6,129,787
Construction in progress	<u>16,813,717</u>	<u>4,131,784</u>	<u>8,146,455</u>	<u>12,799,046</u>
Total capital assets not being depreciated	<u>628,830,504</u>	<u>8,197,207</u>	<u>9,596,290</u>	<u>627,431,421</u>
Capital assets being depreciated				
Buildings and improvements	64,622,842	1,369,392	59,277	65,932,957
Other improvements	6,786,659	314,297	-	7,100,956
Vehicles, machinery, and equipment	10,984,161	766,160	511,933	11,238,387
Furniture and fixtures	632,287	-	-	632,287
Roads, trails, bridges and	<u>39,840,250</u>	<u>5,814,109</u>	<u>-</u>	<u>45,654,359</u>
Total capital assets being depreciated	<u>122,866,199</u>	<u>8,263,957</u>	<u>571,210</u>	<u>130,558,946</u>
Less accumulated depreciation for:				
Buildings and improvements	13,392,704	1,824,478	1,856	15,215,327
Other improvements	4,012,647	534,078	-	4,546,725
Vehicles, machinery, and equipment	6,665,296	943,798	466,977	7,142,118
Furniture and fixtures	244,822	119,449	-	364,271
Roads, trails, and bridges	<u>21,624,017</u>	<u>4,033,298</u>	<u>-</u>	<u>25,657,315</u>
Total accumulated depreciation	<u>45,939,486</u>	<u>7,455,102</u>	<u>468,832</u>	<u>52,925,755</u>
Total capital assets being depreciated, net	<u>76,926,713</u>	<u>808,856</u>	<u>102,378</u>	<u>77,633,191</u>
Governmental activities capital assets, net	<u>\$ 705,757,217</u>	<u>\$ 9,006,063</u>	<u>\$ 9,698,668</u>	<u>\$ 705,064,612</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE E - CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<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
Construction in progress	<u>199,603</u>	<u>590</u>	<u>200,192</u>	<u>0</u>
	<u>14,465,440</u>	<u>590</u>	<u>200,192</u>	<u>14,265,837</u>
Capital assets being depreciated				
Buildings and improvements	6,735,497	221,870	-	6,957,367
Vehicles, machinery, and equipment	3,171,267	107,598	-	3,278,865
Furniture and fixtures	44,987	-	-	44,987
Roads, trails, and bridges	<u>1,351,195</u>	<u>214,957</u>	<u>-</u>	<u>1,566,152</u>
Total capital assets being depreciated	<u>11,302,946</u>	<u>544,425</u>	<u>-</u>	<u>11,847,371</u>
Less accumulated depreciation for:				
Buildings and improvements	4,425,615	391,860	-	4,817,475
Vehicles, machinery, and equipment	2,419,251	116,037	-	2,535,288
Furniture and fixtures	44,160	827	-	44,987
Roads, trails, and bridges	<u>223,093</u>	<u>101,566</u>	<u>-</u>	<u>324,659</u>
Total accumulated depreciation	<u>7,112,119</u>	<u>610,289</u>	<u>-</u>	<u>7,722,408</u>
Total capital assets being depreciated, net	<u>4,190,827</u>	<u>(65,864)</u>	<u>-</u>	<u>4,124,963</u>
Business-type activities capital assets, net	<u>\$ 18,656,267</u>	<u>\$ (65,275)</u>	<u>\$ 200,192</u>	<u>\$ 18,390,800</u>

**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	\$ 4,902,879
Education and cultural	1,120,062
Public safety	12,713
Maintenance and development	782,379
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>637,069</u>
Total depreciation expense - governmental activities	<u>\$ 7,455,102</u>
Business-type activities	
Golf courses	<u>\$ 610,289</u>
Total depreciation expense - business-type activities	<u>\$ 610,289</u>

**4. Construction Commitments**

The District had certain contracts in its funds for the construction of various projects which were in process at June 30, 2014. The remaining commitments under these contracts approximate:

<u>Function</u>	
General government	\$ 3,151,790
Maintenance and development	1,731,379
Education and cultural	<u>24,900</u>
	<u>\$ 4,908,069</u>

**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 June 30, 2014.

The following transfers were made during fiscal year 2014:

To Fund:	From Fund:	Amount
Nonmajor Governmental Funds (Capital Facilities Improvement)	Debt Service Fund	\$ 543,668
<i>Reason: Transfer of Surplus fund balance from 2003 GOB series</i>		
Debt Service Fund	Debt Service Fund	811,548
<i>Reason: Transfer of Surplus fund balance from 2006 GOB series</i>		
Debt Service Fund	Debt Service Fund	1,076,700
<i>Reason: Transfer of Surplus fund balance from 2003 GOB series</i>		
Nonmajor Governmental Funds (Capital Facilities Improvement)	Nonmajor Governmental Funds (OPS & Public Safety Building Fund)	1,853
<i>Reason: Transfer of Surplus fund balance from OPS &amp; Public Safety Building Fund</i>		
General Fund	Nonmajor Governmental Funds (Grants and Donations)	4,851
<i>Reason: Transfer program fees to cover program costs</i>		
Nonmajor Governmental Funds (Capital Facilities Improvement)	Debt Service Fund	40,000
<i>Reason: Annual transfer of interest earnings.</i>		
Nonmajor Governmental Funds (Easements & Special Projects)	Enterprise Fund (Golf Courses)	211,442
<i>Reason: Repayment of loan from Land Acquisition to Golf Enterprise for construction of the Thunderhawk Golf Club.</i>		
Total transfers to governmental funds		\$ 2,690,062
Total transfers from governmental funds		\$ 2,478,620
Total transfers from enterprise funds		\$ 211,442

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**NOTE G - LEASES AND CONTRACTS**

The golf courses and Independence Grove lease their golf carts under an operating lease. Rent expense was \$227,175 for the year ended June 30, 2014. Future minimum lease payments are:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 239,992
2016	239,992
2017	<u>239,992</u>
	<u>\$ 719,976</u>

The District has numerous agreements for the leasing of District land for farming. Rental income for the year ended June 30, 2014 was \$425,570. Scheduled future minimum rental income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 245,069
2016	127,766
2017	1,287
2018	<u>1,287</u>
	<u>\$ 375,409</u>

The District assumed a cellular tower lease agreement on March 14, 2007, with the purchase of Four Winds golf course. The lease agreement has nine years remaining and ends in 2022. Rental income for the year ended June 30, 2014 was \$31,969. Scheduled future minimum lease income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 32,725
2016	34,034
2017	35,395
2018	36,811
2019	38,283
2020-2022	<u>124,285</u>
	<u>\$ 301,533</u>

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**NOTE G - LEASES AND CONTRACTS - (Continued)**

The District assumed a body shop lease agreement on March 23, 2011, with the purchase of the Grossich property. The lease agreement ends in fiscal year 2014. Rental income for the year ended June 30, 2014 was \$152,682. Scheduled future minimum lease income is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 152,390
2016	152,390
2017	152,390
2018	152,390
2019	38,098
	<u>\$ 647,658</u>

The District lease their copiers under an operating lease. Rent expense was \$30,548 for the year ended June 30, 2014. Future minimum lease payments are:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 39,812
2016	35,699
2017	35,699
2018	8,171
2019	1,488
	<u>\$ 120,869</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 year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 313,540,000	\$ 18,855,000	\$ 36,145,000	\$ 296,250,000	\$ 15,470,000
Add deferred amounts:					
For issuance premium	3,063,886	2,220,864	777,103	4,507,647	506,227
For issuance discount	<u>(82,652)</u>	<u>-</u>	<u>(4,330)</u>	<u>(78,322)</u>	<u>(4,330)</u>
Total bonds payable	316,521,234	21,075,864	36,917,773	300,679,325	15,971,897
OPEB obligations	120,631	-	21,837	98,794	-
Compensated absences	<u>1,679,395</u>	<u>89,925</u>	<u>234,715</u>	<u>1,534,605</u>	<u>186,406</u>
Governmental activity long-term liabilities	<u>\$ 318,321,260</u>	<u>\$ 21,165,789</u>	<u>\$ 37,174,325</u>	<u>\$ 302,312,724</u>	<u>\$ 16,158,303</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Compensated absences	\$ <u>145,857</u>	\$ <u>10,953</u>	\$ <u>27,849</u>	\$ <u>128,961</u>	\$ <u>6,352</u>
Business-type activity long-term liabilities	<u>\$ 145,857</u>	<u>\$ 10,953</u>	<u>\$ 27,849</u>	<u>\$ 128,961</u>	<u>\$ 6,352</u>

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

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

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

**2. General Obligation Bonds**

Debt outstanding as of June 30, 2014 consisted of the following:

	Interest Rate (%)	Final Maturity Date	Amounts	
			Issued	Outstanding
General obligation bonds:				
Series 2006A	5.00	2025	\$45,000,000	\$34,720,000
Series 2007A	4.52	2021	52,555,000	41,350,000
Series 2008A	3.25 - 5.00	2027	35,000,000	30,615,000
Series 2008B	3.25 - 5.00	2028	27,605,000	23,455,000
Series 2008C	3.25 - 5.00	2028	9,500,000	7,755,000
Series 2009A	3.75 - 4.75	2028	35,000,000	23,780,000
Series 2010A	4.71 - 6.00	2034	35,000,000	31,025,000
Series 2010B	4.20 - 5.51	2034	40,000,000	37,500,000
Series 2011	3.00 - 4.00	2035	24,995,000	24,545,000
Series 2013	2.00 - 3.00	2035	24,995,000	22,650,000
Series 2013B	5.00	2034	18,855,000	18,855,000
				\$296,250,000

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 June 30, 2014 \$22,335,678 remains unspent.



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

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

On November 30, 2011, the District issued \$24,995,000 in General Obligation Land Acquisition and Development Bonds, Series 2011, with interest rates ranging from 3.00% to 4.00%. The net proceeds of \$24,717,923 (including a reoffering premium of \$253,018 and payment of \$530,095 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education and historical facilities; and to pay all related costs incidental to the issuance of bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2012. This represents the fourth issue authorized by the November 4, 2008, \$185 million bond referendum. As of June 30, 2014 \$450,273 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.

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. As of June 30, 2014 \$2,536,045 remains unspent.

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

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

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

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

On December 16, 2008, the District issued \$27,605,000 in General Obligation Land Acquisition and Development Bonds, Series 2008B, with interest rates ranging from 3.25% to 5.00%. The net proceeds of \$27,314,966 (including a discount of \$32,329 and payment of \$257,705 in underwriting fees and other issuance costs) will be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education, and historical facilities; and to pay all related costs incidental to the issuance of the bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2009. As of June 30, 2014, \$839,232 remains unspent.

On May 1, 2008, the District issued \$35,000,000 in General Obligation Land Acquisition Bonds, Series 2008A, with interest rates ranging from 3.25% to 5.00%. The net proceeds of \$35,273,963 (including a reoffering premium of \$614,031 and payment of \$340,068 in underwriting fees and other issuance costs) will be used to acquire forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; and to pay all related costs incidental to the issuance of the bonds. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on June 15, 2008. As of June 30, 2014, \$367,313 remains unspent.

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.

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NOTE H - LONG-TERM DEBT (Continued)

2. General Obligation Bonds (Continued)

On May 15, 2006, the District issued \$45,000,000 in General Obligation Land Acquisition and Development Bonds, Series 2006A, with an interest rate of 5.00%. The net proceeds of \$47,106,171 (including a reoffering premium of \$2,399,847 and payment of \$293,676 in underwriting fees, insurance, and other issuance costs) are to be used to acquire and improve forest preserve lands in order to preserve and restore wildlife habitat, trail and greenway corridors, wetlands, prairies, and forests; to provide flood control; to create and improve public use areas for recreation, education, and historic facilities, to pay all related costs incidental to the issuance of the bonds, and \$5,756,250 is reserved to pay capitalized interest. Interest on the bonds will be payable semiannually on each December 15 and June 15, commencing on December 15, 2006. Principal payments are due each December 15, commencing on December 15, 2009. As of June 30, 2014, \$134,012 remains unspent.

The annual requirements to amortize general obligation debt outstanding as of June 30, 2014, including interest payments as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 15,470,000	\$ 13,232,022
2016	13,790,000	12,595,396
2017	14,425,000	11,948,215
2018	15,085,000	11,265,458
2019	15,805,000	10,548,411
2020-2024	77,655,000	42,673,633
2025-2029	91,470,000	24,058,764
2030-2034	42,640,000	7,815,566
2035-2036	9,910,000	332,775
	<u>\$ 296,250,000</u>	<u>\$ 134,470,240</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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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 June 30, 2014, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2014 financial statements are as follows:

<b>Cash Flow Hedges:</b>	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2014</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Pay fixed interest rate swaps	Deferred outflow	\$ 1,153,872	Liability	\$ (4,483,157)	\$ 41,350,000

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

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

Details of the derivative instruments still outstanding are as follows:

<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 6/30/2014</u>
2007A	16,140,000	5/1/2007	12/15/2016	4.5200%	A+-/Aa3	\$ (904,083)
2007A	25,210,000	5/1/2007	12/15/2020	4.5200%	A+-/Aa3	(3,579,074)
<b>Totals</b>	<u>\$ 41,350,000</u>					<u>\$ (4,483,157)</u>

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

**3. Derivative Instruments (Continued)**

The notional amounts of the swaps match the outstanding principal amounts of the associated bonds. The District's swaps contain scheduled reductions to notional amounts that match the scheduled reductions in the associated "bonds payable" category. For the 2007A bonds, the District pays the counterparties a fixed rate of 4.520% and receives a variable payment as follows:

Bond Series	Current Notional Amount	Pay Fixed	Receive Variable
2007A	\$ 16,140,000	4.5200%	67% of 3 Mo USD LIBOR + 0.45%
2007A	25,210,000	4.5200%	67% of 3 Mo USD LIBOR + 0.48%
Totals	<u>\$ 41,350,000</u>		

Interest rate swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market values of the swaps were calculated by a financial advisor of the District using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions, and based on accepted industry standards and methodologies. The valuations provided as of June 30, 2014 are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
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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 June 30, 2014 because the negative market values of each swap would render no payments owing by the counterparties in the event of a termination. If changes in interest rates were to create positive market values for the swaps in the future, the District would be exposed to counterparty credit risk in the amount of those positive market values. The swaps require full collateralization from the counterparty of any positive market value of the swaps in the event the counterparty's credit rating falls below a Standard & Poor's rating of A- or a Moody's Investor Services' rating of A3. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury or debt issued by federally sponsored agencies. The two swaps outstanding as of June 30, 2014 are 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 .45% for the principal portion maturing on December 15, 2016 and plus .48% for the principal portion maturing on December 15, 2020. The variable rate interest payments received from the swap counterparties are equal to the variable rate interest payments owed to bondholders, which renders this swap to be currently without basis risk.

*Termination Risk*

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

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

3. Derivative Instruments (Continued)

*Interest Rate Risk*

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

*Rollover Risk*

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

**DERIVATIVE INSTRUMENT PAYMENTS AND HEDGED DEBT**

As of June 30, 2014 total projected debt service requirements of the District's hedged debt and net receipts/payments on associated hedging derivative instruments are presented below. The projected amounts assume that the interest rates on variable-rate debt and reference rates on associated hedging derivative instruments as of June 30, 2014 will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the associated hedging derivative instruments will vary. The hedging derivative instruments column reflects only the net receipts/payments on derivative instruments that qualify for hedge accounting. All of the District's derivative instruments as of June 30, 2014 qualified for hedge accounting.

Fiscal Year Ending June 30,	Hedged Debt Principal	Interest Paid to Bondholders	Hedging Derivative Instruments - Net (Receipts)/Payments	Total
2015	\$5,140,000	\$303,687	\$1,449,169	\$6,892,856
2016	5,375,000	263,914	1,251,303	6,890,217
2017	5,625,000	221,204	1,045,413	6,891,617
2018	5,875,000	176,787	829,930	6,881,717
2019	6,165,000	129,024	605,589	6,899,613
2020-2021	13,170,000	105,759	495,853	13,771,612
	<u>\$41,350,000</u>	<u>\$1,200,375</u>	<u>\$5,677,257</u>	<u>\$48,227,632</u>

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE I - FUND BALANCE CLASSIFICATIONS**

The District reported the following fund balance restrictions, commitments and assignments at June 30, 2014:

<b>Restricted for:</b>		<b>Fund :</b>
Audit and insurance costs	\$ 2,810,629	General Fund
Land acquisition and development	42,303,384	Land Development, Land Acquisition and Development Bond Projects
Debt service	16,549,605	Debt Service Fund
FICA and IMRF costs	1,263,678	Nonmajor governmental funds (Retirement Fund)
Grant programs	1,437,578	Nonmajor governmental funds
Total restricted	<u>\$ 64,364,874</u>	
<b>Committed for:</b>		<b>Fund :</b>
Special projects	\$ 703,602	Nonmajor governmental funds (Tree Replacement)
Special projects	3,004,523	Nonmajor governmental funds (Easements & Special Projects)
Land management and preparation	833,697	Nonmajor governmental funds (Land Preparation & Farmland Management )
Building improvements	<u>2,120,659</u>	Nonmajor governmental funds ( Capital Facilities Improvement )
Total committed	<u>\$ 6,662,481</u>	
<b>Assigned for:</b>		<b>Fund :</b>
Grant programs	3,475	Nonmajor governmental funds (Grants and Donations)
Website redesign	86,250	General Fund
Wetlands	428,315	General Fund
Comfort and pump stations	365,600	General Fund
Trails	26,000	General Fund
Architectural services	27,150	General Fund
Arbovirus surveillance	19,500	General Fund
Building improvements	26,464	General Fund
Fort Sheridan Cemetery (operating costs)	381,748	General Fund
Total assigned	<u>\$ 1,364,502</u>	

Additionally, the Preservation Foundation had \$980,764 in temporary restricted assets.



**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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, 2014 to January 1, 2015, 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, 2013, and the statement of revenues and expenses for the period ended December 31, 2013. The District's portion of the overall equity of the pool is 4.004%, or \$1,612,840.

Assets	\$	60,509,769
Liabilities		20,225,423
Member balances		40,284,346
Revenues		20,737,466
Expenditures		17,177,774

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE J - RISK MANAGEMENT (Continued)

Since 97% of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

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

NOTE K - CONTINGENT LIABILITIES AND COMMITMENTS

1. Litigation

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

2. Grants

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

3. Encumbrances

The District had the following encumbrances outstanding as of June 30, 2014:

General Fund	\$	581,335
Land Development Fund		1,373,172
Development Bond Projects Fund		1,797,845
Nonmajor Governmental Funds		1,032,506
Internal Service Funds		123,211

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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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. Funding Policy

As set by statute, the District's Regular and SLEP plan members are required to contribute 4.5% and 7.5%, respectively, of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2014 and 2013 was 12.13% and 12.66%, respectively, of annual covered payroll for the regular IMRF plan and 18.70% and 19.42%, respectively, of the annual covered payroll for the SLEP plan. The rate includes the District's contributions for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

3. Annual Pension Cost

For June 30, 2014, the District's annual pension cost of \$1,430,092 for the IMRF plan and \$265,771 for the SLEP plan were equal to the District's required and actual contributions. The required contributions were determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.0% annually. The actuarial value of regular IMRF and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.0% corridor between the actuarial and market value of the assets. The District's regular IMRF and SLEP plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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

3. Annual Pension Cost (Continued)

TREND INFORMATION					
<u>Regular IMRF</u>					
Fiscal Year		Annual Required Contribution (ARC) and Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/2014	\$	1,430,092	100%	\$	-
6/30/2013		1,466,946	100%		-
6/30/2012		1,384,274	100%		-

See schedule of funding progress on page 67.

TREND INFORMATION					
<u>SLEP</u>					
Fiscal Year		Annual Required Contribution (ARC) and Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/2014	\$	265,771	100%	\$	-
6/30/2012		305,717	100%		-
6/30/2011		244,967	100%		-

See schedule of funding progress on page 68.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE L - DEFINED BENEFIT PENSION PLANS (Continued)

4. Funding Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Regular IMRF plan was 79.46% funded and the SLEP plan was 77.67% funded. The actuarial accrued liability for Regular IMRF benefits was \$34,860,854 and the actuarial value of the assets was \$27,699,351, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,161,503. The covered payroll (annual payroll of active employees covered by the plan) was \$11,725,454 and the ratio of the UAAL to the covered payroll was 61.08%. The actuarial accrued liability for the SLEP benefits was \$4,185,474 and the actuarial value of the assets was \$3,250,818 resulting in an unfunded actuarial accrued liability (UAAL) of \$934,666. The covered payroll (annual payroll of active employees covered by the plan) was \$1,429,152 and the ratio of the UAAL to the covered payroll was 65.40%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. Plan Description

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

2. Funding Policy

The contribution requirements for retired plan members and the District are established and may be amended by the Finance and Administration Committee. The required contribution is based on projected pay-as-you-go funding requirements. For fiscal year 2013/14, the District's contribution, which was 100% implicit, was \$69,747.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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

**3. Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for this year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the District's Health Insurance Plan.

	<u>June 30, 2014</u>
Annual required contribution (ARC)	\$ 47,105
Interest on net OPEB obligation	4,825
Adjustment to annual required contribution	<u>(4,020)</u>
Annual OPEB cost	47,910
Contribution made	<u>(69,747)</u>
Increase in net OPEB obligation	(21,837)
Net OPEB obligation at beginning of year	<u>120,631</u>
Net OPEB obligation at end of year	<u><u>\$ 98,794</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/2014	\$ 47,910	145.60%	\$ 98,794
6/30/2013	50,215	56.30%	120,631
6/30/2012	32,296	56.30%	94,416

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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

**4. Funding Policy and Actuarial Assumptions**

Contribution Rates:		Actuarial Assumptions:		
Forest Preserve	N/A	Investment rate of return	*	4.00%
Plan Members	0	Projected salary increases		4.00%
Actuarial valuation date	6/30/2012	Healthcare inflation rate		7.5% initial
Actuarial cost method	Entry Age			5.5% ultimate
	Level % of pay	Mortality, turnover, disability		Same rates as
Amortization period	Open	and retirement ages		IMRF
Remaining amortization		Employer provided benefits		
period	30 years			
Asset valuation method	Market	Explicit:		None
		Implicit:	50% of premium to	
			age 65	

\* Includes inflation at 3.00%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. Benefits are 100% implicit. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**5. Funding Status and Funding Process**

As of June 30, 2012, the most recent actuarial valuation date, the OPEB plan was 100% unfunded. The actuarial accrued liability for benefits was \$584,784 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$584,784. The covered payroll was \$12,058,812 and the ratio of the UAAL to the covered payroll was 4.85%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

See schedule of funding progress on page 69.

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE N - NEW ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the District beginning with its year ended June 30, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*, will be effective for the District beginning with its year ending June 30, 2015. This Statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entries.

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

**NOTE O - RESTATEMENT**

The Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the District for the year ended June 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65, the District now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. In addition, the impact of implementing this statement resulted in a restatement of beginning Net Position for Governmental Activities to remove previously capitalized unamortized bond issuance costs. The restatement is as follows:

	Governmental Activities
Net position, June 30, 2013	\$ 518,747,988
Previously capitalized unamortized bond issuance costs	(2,996,873)
Net Position, June 30, 2013, as restated	\$ 515,751,115



**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE P - SUBSEQUENT EVENTS

On July 2, 2014, the District issued \$28,920,000 Series 2014A General Obligation Refunding Bonds, which were authorized on May 5, 2014 to payoff the Series 2006A Bonds resulting in a net present value savings of \$2,382,371. The net proceeds of \$30,126,954 (including a reoffering premium of \$1,378,964 and payment of \$172,010 in underwriting fees and issuance costs) from the District were placed in an irrevocable trust with an escrow agent and will be used to call the remaining 2006A bond principal of \$34,720,000 on December 15, 2014.

On September 29, 2014, the Illinois Metropolitan Investment Trust (IMET) was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund in the amount of \$50,442,143 caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. As of June 30, 2014, the amount of fraudulent FFF loans in the Convenience Fund was \$43,878,202, or 4.09%. This resulted in a decrease in the value of the District's IMET Investment in the amounts of \$1,411,649, as of June 30, 2014.

## REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Funding Progress - Unaudited  
Illinois Municipal Retirement Fund  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2014

IMRF Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 27,699,351	\$ 34,860,854	\$ 7,161,503	79.46%	\$ 11,725,454	61.08%
12/31/2012	26,708,264	34,748,103	8,039,839	76.86%	11,731,773	68.53%
12/31/2011	24,286,573	33,227,555	8,940,982	73.09%	11,741,436	76.15%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$32,749,951. On a market value basis, the funded ratio would be 93.94%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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

Schedule of Funding Progress - Unaudited  
Illinois Municipal Retirement Fund  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2014

Sheriff's Law Enforcement Personnel Plan						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 3,250,818	\$ 4,185,474	\$ 934,666	77.67%	\$ 1,429,152	65.40%
12/31/2012	2,928,444	4,227,448	1,299,004	69.27%	1,328,962	97.75%
12/31/2011	2,367,589	3,846,871	1,479,282	61.55%	1,322,593	111.85%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$3,808,431. On a market value basis, the funded ratio would be 90.99%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Schedule of Funding Progress-Unaudited  
Other Postemployment Benefits  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2014

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<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/2014	\$ -	\$ 584,784	\$ 584,784	0.00%	\$ 12,058,812	4.85%
6/30/2013	-	611,601	611,601	0.00%	12,658,281	4.83%
6/30/2012	-	584,784	584,784	0.00%	12,152,446	4.81%

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

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 14,473,515	\$ 14,473,515	\$ 14,904,791	\$ 431,276
Replacement taxes	940,000	940,000	971,506	31,506
Investment income (loss)	104,500	104,500	(94,125)	(198,625)
Grants & contributions	67,060	67,060	79,653	12,593
Land and building rentals	299,840	299,840	310,148	10,308
Charges for services and sales	807,060	807,060	1,027,406	220,346
Permits	579,300	579,300	622,939	43,639
Easements and licenses	12,000	12,000	12,000	-
Programs and admissions	379,490	379,490	321,589	(57,901)
Other revenue	206,700	206,700	221,380	14,680
Total revenues	<u>17,869,465</u>	<u>17,869,465</u>	<u>18,377,287</u>	<u>507,822</u>
<b>Expenditures</b>				
Current:				
General government	4,612,980	4,623,186	4,281,311	341,875
Education & cultural resources	3,741,050	3,743,910	3,112,171	631,739
Public safety	2,426,270	2,426,270	2,291,130	135,140
Maintenance & development	6,653,850	6,653,850	6,372,098	281,752
Debt service:				
Principal	370,000	370,000	370,000	-
Interest	353,950	353,950	353,944	6
Capital outlay	2,257,210	3,537,382	1,697,274	1,840,108
Total expenditures	<u>20,415,310</u>	<u>21,708,548</u>	<u>18,477,928</u>	<u>3,230,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,545,845)</u>	<u>(3,839,083)</u>	<u>(100,641)</u>	<u>3,738,442</u>
Other financing sources (uses)				
Transfers out	(152,040)	(152,040)	-	152,040
Transfers in	-	-	4,851	4,851
Total other financing sources (uses)	<u>(152,040)</u>	<u>(152,040)</u>	<u>4,851</u>	<u>156,891</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	<u>\$ (2,697,885)</u>	<u>\$ (3,991,123)</u>	(95,790)	<u>\$ 3,895,333</u>
Fund balances, beginning of year-budgetary basis			24,777,522	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds				
Effect of encumbrances			(27,832)	
Fund balances, end of year			<u>\$ 24,653,900</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Land Development Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 5,743,440	\$ 5,743,440	\$ 5,891,593	\$ 148,153
Investment income (loss)	30,000	30,000	(35,753)	(65,753)
Grants & contributions	1,448,650	1,448,650	474,364	(974,286)
Other revenue	1,000	1,000	13,358	12,358
Total revenues	<u>7,223,090</u>	<u>7,223,090</u>	<u>6,343,562</u>	<u>(879,528)</u>
Expenditures				
Current:				
Maintenance & development	5,150,630	5,207,208	4,773,082	434,126
Capital outlay	7,810,560	9,039,297	1,366,442	7,672,855
Total expenditures	<u>12,961,190</u>	<u>14,246,505</u>	<u>6,139,524</u>	<u>8,106,981</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,738,100)</u>	<u>\$ (7,023,415)</u>	204,038	<u>\$ 7,227,453</u>
Fund balances, beginning of year-budgetary basis			15,391,815	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds			(93,615)	
Effect of encumbrances				
Fund balances, end of year			<u>\$ 15,502,238</u>	

**LAKE COUNTY FOREST PRESERVE DISTRICT**  
(A component unit of Lake County, Illinois)  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2014

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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

- a. In May, the Finance and Administrative Committee, after reviewing the recommendations of the three Standing Committees, submits to the President and Board a proposed capital and operating budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them. The Board adopts the budget at its regular May meeting.
- b. The budget is legally enacted through the passage of the Annual Appropriation Ordinance, pursuant to statute and the District's Rules of Order and Operational Procedures, prior to the last day of the first quarter of the fiscal year. This Ordinance includes additional available funds for contingencies that may arise during the fiscal year and all bond proceeds.
- c. After adoption of the Annual Appropriation Ordinance, no further appropriations may be made, except by a two-thirds majority vote of the Board. The Board may make appropriations in excess of those authorized by the Appropriations Ordinance in order to meet an immediate emergency. The legal level of control is at the individual fund level. Total expenditures may not exceed total appropriations. Unencumbered appropriations lapse at fiscal year-end for all fund types.
- d. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Enterprise Funds.
- e. As of June 30, 2014, there was one budget amendment for \$7,246,024 to reflect carryover projects budgeted but not completed in fiscal year 2013.
- f. Encumbrance accounting is employed in the governmental funds to reserve that portion of the applicable appropriation for the future expenditure of resources under purchase orders, contracts, and other commitments. For budgetary comparison purposes, encumbrances are treated as expenditures. Encumbrances outstanding at year-end are reported as restricted or assigned fund balances and do not constitute expenditures or liabilities.

**NOTE B - LEGAL COMPLIANCE AND ACCOUNTABILITY**

For the year ended June 30, 2014, the following funds that had an excess of actual budgetary expenditures over the final budget of:

Debt Service Fund	\$ 370,541 *
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- \* Issuance of 2013B Refunding Bonds not anticipated during budget process.



## SUPPLEMENTARY INFORMATION

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

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 27,129,470	\$ 27,129,470	\$ 27,117,629	\$ (11,841)
Investment income (loss)	95,200	95,200	(404,049)	(499,249)
Treasury rebate	1,175,420	1,175,420	1,194,731	19,311
Total revenues	<u>28,400,090</u>	<u>28,400,090</u>	<u>27,908,311</u>	<u>(491,779)</u>
<b>Expenditures</b>				
Debt service:				
Principal	15,030,000	15,030,000	15,030,000	-
Interest	13,409,690	13,409,690	13,651,503	(241,813)
Bond issuance costs	-	-	129,254	(129,254)
Paying agent fees	6,680	6,680	6,154	526
Total expenditures	<u>28,446,370</u>	<u>28,446,370</u>	<u>28,816,911</u>	<u>(370,541)</u>
(Deficiency) of revenues over (under) expenditures	<u>(46,280)</u>	<u>(46,280)</u>	<u>(908,600)</u>	<u>(121,238)</u>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	-	18,855,000	18,855,000
Premium on issuance of debt	-	-	2,220,864	2,220,864
Payment to escrow agent	-	-	(20,745,000)	(20,745,000)
Transfers out	(1,113,350)	(1,113,350)	(2,471,916)	(1,358,566)
Transfers in	538,350	538,350	1,888,248	1,349,898
Total other financing sources (uses)	<u>(575,000)</u>	<u>(575,000)</u>	<u>(252,804)</u>	<u>322,196</u>
Deficiency of revenues and other financing sources (uses) under expenditures	<u>\$ (621,280)</u>	<u>\$ (621,280)</u>	<u>(1,161,404)</u>	<u>\$ 200,958</u>
Fund balances, beginning of year-budgetary basis			17,711,009	
Fund balances, end of year			<u>\$ 16,549,605</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Land Acquisition Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$ 53,350	\$ 53,350	\$ (63,866)	\$ (117,216)
Total revenues	<u>53,350</u>	<u>53,350</u>	<u>(63,866)</u>	<u>(117,216)</u>
Expenditures				
Current:				
General government	361,870	361,870	211,762	150,108
Capital outlay	<u>18,476,000</u>	<u>18,476,000</u>	<u>4,112,222</u>	<u>14,363,778</u>
Total expenditures	<u>18,837,870</u>	<u>18,837,870</u>	<u>4,323,984</u>	<u>14,513,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (18,784,520)</u>	<u>\$ (18,784,520)</u>	(4,387,850)	<u>\$ 14,396,670</u>
Fund balances, beginning of year-budgetary basis			19,814,904	
Fund balances, end of year			<u>\$ 15,427,054</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Development Bond Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$ 55,440	\$ 55,440	\$ (47,125)	\$ (102,565)
Grants & contributions	-	-	9,500	9,500
Total revenues	<u>55,440</u>	<u>55,440</u>	<u>(37,625)</u>	<u>(93,065)</u>
Expenditures				
Current:				
General government	-	-	9,000	(9,000)
Capital outlay	8,614,600	11,993,772	1,580,674	10,413,098
Total expenditures	<u>8,614,600</u>	<u>11,993,772</u>	<u>1,589,674</u>	<u>10,404,098</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (8,559,160)</u>	<u>\$ (11,938,332)</u>	(1,627,299)	<u>\$ 10,311,033</u>
Fund balances, beginning of year-budgetary basis			13,033,577	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds				
Effect of encumbrances			(32,187)	
Fund balances, end of year			<u>\$ 11,374,092</u>	

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

#### ***Retirement Fund***

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

#### ***Easements and Special Projects Fund***

To account for easements and special projects.

#### ***Land Preparation Fund***

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

#### ***Farmland Management Fund***

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

#### ***Tree Replacement Fund***

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

#### ***Donations and Grants Fund***

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

### **CAPITAL PROJECTS FUND**

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

#### ***Capital Facilities Improvement Fund***

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

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

	Special Revenue			
	Retirement Fund	Easements & Special Projects Fund	Land Preparation Fund	Farmland Management Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,274,211	\$ 3,109,528	\$ 439,291	\$ 429,961
Property taxes receivable, net	1,481,984	-	-	-
Interest receivable	1,737	13,830	10	-
Grant receivable	-	-	-	-
Other receivable	-	-	-	-
Total assets	<u>\$ 2,757,932</u>	<u>\$ 3,123,358</u>	<u>\$ 439,301</u>	<u>\$ 429,961</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 57,353	\$ -	\$ -	\$ 22,612
Accrued payroll & payroll tax	35,870	-	-	-
Other liabilities	-	118,835	12,953	-
Total liabilities	<u>93,223</u>	<u>118,835</u>	<u>12,953</u>	<u>22,612</u>
Deferred Inflow of Resources				
Unavailable property tax revenue	1,401,031	-	-	-
Unavailable grant revenue	-	-	-	-
Total deferred inflows of resources	<u>1,401,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted	1,263,678	-	-	-
Committed	-	3,004,523	426,348	407,349
Assigned	-	-	-	-
Total fund balances	<u>1,263,678</u>	<u>3,004,523</u>	<u>426,348</u>	<u>407,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,757,932</u>	<u>\$ 3,123,358</u>	<u>\$ 439,301</u>	<u>\$ 429,961</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

Special Revenue			Capital Projects	
Tree Replacement Fund	Donations and Grant Fund	Total	Capital Facilities Improvement Fund	Total Nonmajor Governmental Funds
\$ 705,258	\$ 1,539,270	\$ 7,497,519	\$ 2,172,498	\$ 9,670,017
-	-	1,481,984	-	1,481,984
36	1,552	17,165	4,616	21,781
-	105,741	105,741	-	105,741
-	5,730	5,730	-	5,730
<u>\$ 705,294</u>	<u>\$ 1,652,293</u>	<u>\$ 9,108,139</u>	<u>\$ 2,177,114</u>	<u>\$ 11,285,253</u>
\$ 896	\$ 75,339	\$ 156,200	\$ 56,455	\$ 212,655
-	30,160	66,030	-	66,030
796	-	132,584	-	132,584
<u>1,692</u>	<u>105,499</u>	<u>354,814</u>	<u>56,455</u>	<u>411,269</u>
-	-	1,401,031	-	1,401,031
-	105,741	105,741	-	105,741
<u>-</u>	<u>105,741</u>	<u>1,506,772</u>	<u>-</u>	<u>1,506,772</u>
-	1,437,578	2,701,256	-	2,701,256
703,602	-	4,541,822	2,120,659	6,662,481
-	3,475	3,475	-	3,475
<u>703,602</u>	<u>1,441,053</u>	<u>7,246,553</u>	<u>2,120,659</u>	<u>9,367,212</u>
<u>\$ 705,294</u>	<u>\$ 1,652,293</u>	<u>\$ 9,108,139</u>	<u>\$ 2,177,114</u>	<u>\$ 11,285,253</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

	Special Revenue			
	Retirement Fund	Easements & Special Projects Fund	Land Preparation Fund	Farmland Management Fund
<b>Revenues</b>				
Property taxes	\$ 2,836,116	\$ -	\$ -	\$ -
Investment income (loss)	(45,262)	17,474	(16,224)	(7,336)
Grants & contributions	-	-	-	-
Land and building rentals	-	-	154,724	425,570
Other revenue	-	-	31,969	10,718
Total revenues	<u>2,790,854</u>	<u>17,474</u>	<u>170,469</u>	<u>428,952</u>
<b>Expenditures</b>				
Current:				
General government	2,481,341	5,712	4,091	344,499
Education and cultural resources	-	-	-	-
Maintenance and development	-	-	-	-
Capital outlay	-	16,255	-	-
Total expenditures	<u>2,481,341</u>	<u>21,967</u>	<u>4,091</u>	<u>344,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>309,513</u>	<u>(4,493)</u>	<u>166,378</u>	<u>84,453</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of fixed assets	-	-	-	-
Transfers out	-	-	-	-
Transfers in	-	211,442	-	-
Total other financing sources (uses)	<u>-</u>	<u>211,442</u>	<u>-</u>	<u>-</u>
Net change in fund balances	309,513	206,949	166,378	84,453
Fund balances - beginning	954,165	2,797,574	259,970	322,896
Fund balances - ending	<u>\$ 1,263,678</u>	<u>\$ 3,004,523</u>	<u>\$ 426,348</u>	<u>\$ 407,349</u>



Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2014

Special Revenue			Capital Projects			Total Nonmajor Governmental Funds
Tree Replacement Fund	Donations and Grant Fund	Total	Capital Facilities Improvement Fund	Operations & Public Safety Building Fund	Total	
\$ -	\$ -	\$ 2,836,116	\$ -	\$ -	\$ -	\$ 2,836,116
(11,241)	(3,419)	(66,008)	(5,151)	22	(5,129)	(71,137)
-	702,051	702,051	-	-	-	702,051
-	-	580,294	-	-	-	580,294
-	27,847	70,534	-	-	-	70,534
<u>(11,241)</u>	<u>726,479</u>	<u>4,122,987</u>	<u>(5,151)</u>	<u>22</u>	<u>(5,129)</u>	<u>4,117,858</u>
-	-	2,835,643	194,127	-	194,127	3,029,770
-	117,779	117,779	-	-	-	117,779
-	165,604	165,604	-	-	-	165,604
79,130	494,120	589,505	44,328	9,228	53,556	643,061
<u>79,130</u>	<u>777,503</u>	<u>3,708,531</u>	<u>238,455</u>	<u>9,228</u>	<u>247,683</u>	<u>3,956,214</u>
<u>(90,371)</u>	<u>(51,024)</u>	<u>414,456</u>	<u>(243,606)</u>	<u>(9,206)</u>	<u>(252,812)</u>	<u>161,644</u>
-	5,095	5,095	-	-	-	5,095
-	(4,851)	(4,851)	-	(1,853)	(1,853)	(6,704)
-	-	211,442	585,521	-	585,521	796,963
-	244	211,686	585,521	(1,853)	583,668	795,354
(90,371)	(50,780)	626,142	341,915	(11,059)	330,856	956,998
793,973	1,491,833	6,620,411	1,778,744	11,059	1,789,803	8,410,214
<u>\$ 703,602</u>	<u>\$ 1,441,053</u>	<u>\$ 7,246,553</u>	<u>\$ 2,120,659</u>	<u>\$ -</u>	<u>\$ 2,120,659</u>	<u>\$ 9,367,212</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Retirement Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,527,110	\$ 2,527,110	\$ 2,836,116	\$ 309,006
Investment income (loss)	3,000	3,000	(45,262)	(48,262)
Total revenues	<u>2,530,110</u>	<u>2,530,110</u>	<u>2,790,854</u>	<u>260,744</u>
Expenditures				
Current:				
General government	<u>2,600,410</u>	<u>2,600,410</u>	<u>2,481,341</u>	<u>119,069</u>
Total expenditures	<u>2,600,410</u>	<u>2,600,410</u>	<u>2,481,341</u>	<u>119,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (70,300)</u>	<u>\$ (70,300)</u>	309,513	<u>\$ 379,813</u>
Fund balances, beginning of year-budgetary basis			954,165	
Fund balances, end of year			<u>\$ 1,263,678</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Easements & Special Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 4,870	\$ 4,870	\$ 17,474	\$ 12,604
Total revenues	<u>4,870</u>	<u>4,870</u>	<u>17,474</u>	<u>12,604</u>
Expenditures				
Current:				
General government	10,000	10,000	5,712	4,288
Capital outlay	<u>193,000</u>	<u>193,000</u>	<u>16,255</u>	<u>176,745</u>
Total expenditures	<u>203,000</u>	<u>203,000</u>	<u>21,967</u>	<u>181,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(198,130)</u>	<u>(198,130)</u>	<u>(4,493)</u>	<u>193,637</u>
Other financing sources				
Transfers in	<u>211,440</u>	<u>211,440</u>	<u>211,442</u>	<u>2</u>
Total other financing sources	<u>211,440</u>	<u>211,440</u>	<u>211,442</u>	<u>2</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 13,310</u>	<u>\$ 13,310</u>	206,949	<u>\$ 193,639</u>
Fund balances, beginning of year- budgetary basis			<u>2,797,574</u>	
Fund balances, end of year			<u>\$ 3,004,523</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Land Preparation Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$ 150	\$ 150	\$ (16,224)	\$ (16,374)
Land and building rentals	156,180	156,180	154,724	(1,456)
Other revenue	31,470	31,470	31,969	499
Total revenues	<u>187,800</u>	<u>187,800</u>	<u>170,469</u>	<u>(17,331)</u>
Expenditures				
Current:				
General government	-	259,970	4,091	255,879
Total expenditures	<u>-</u>	<u>259,970</u>	<u>4,091</u>	<u>255,879</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 187,800</u>	<u>\$ (72,170)</u>	166,378	<u>\$ 238,548</u>
Fund balances, beginning of year-budgetary basis			<u>259,970</u>	
Fund balances, end of year			<u>\$ 426,348</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Farmland Management Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$ 50	\$ 50	\$ (7,336)	\$ (7,386)
Land and building rentals	431,250	431,250	425,570	(5,680)
Other revenue	25,160	25,160	10,718	(14,442)
Total revenues	<u>456,460</u>	<u>456,460</u>	<u>428,952</u>	<u>(27,508)</u>
Expenditures				
Current:				
General government	372,580	602,847	340,463	262,384
Total expenditures	<u>372,580</u>	<u>602,847</u>	<u>340,463</u>	<u>262,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 83,880</u>	<u>\$ (146,387)</u>	88,489	<u>\$ 234,876</u>
Fund balances, beginning of year-budgetary basis			322,896	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds				
Effect of encumbrances			(4,036)	
Fund balances, end of year			<u>\$ 407,349</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Tree Replacement Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$ 3,000	\$ 3,000	\$ (11,241)	\$ (14,241)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>(11,241)</u>	<u>(14,241)</u>
Expenditures				
Capital outlay	175,000	299,135	79,130	220,005
Total expenditures	<u>175,000</u>	<u>299,135</u>	<u>79,130</u>	<u>220,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (172,000)</u>	<u>\$ (296,135)</u>	(90,371)	<u>\$ 205,764</u>
Fund balances, beginning of year-budgetary basis			793,973	
Fund balances, end of year			<u>\$ 703,602</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Donations and Grant Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income (loss)	\$ 5,550	\$ 5,550	\$ (3,419)	\$ (8,969)
Grants & contributions	2,785,060	2,785,060	702,051	(2,083,009)
Other revenue	750	750	27,847	27,097
Total revenues	<u>2,791,360</u>	<u>2,791,360</u>	<u>726,479</u>	<u>(2,064,881)</u>
<b>Expenditures</b>				
Current:				
Education & cultural resources	299,940	299,940	117,779	182,161
Maintenance & development	182,490	221,115	165,604	55,511
Capital outlay	<u>2,579,010</u>	<u>3,065,752</u>	<u>477,073</u>	<u>2,588,679</u>
Total expenditures	<u>3,061,440</u>	<u>3,586,807</u>	<u>760,456</u>	<u>2,826,351</u>
Excess (deficiency) of revenues over (under)expenditures	<u>(270,080)</u>	<u>(795,447)</u>	<u>(33,977)</u>	<u>761,470</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale fixed asset	-	-	5,095	5,095
Transfers out	-	-	<u>(4,851)</u>	<u>(4,851)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>244</u>	<u>244</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	<u>\$ (270,080)</u>	<u>\$ (795,447)</u>	<u>(33,733)</u>	<u>\$ 761,714</u>
Fund balances, beginning of year-budgetary basis			1,491,833	
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances - governmental funds				
Effect of encumbrances			(17,047)	
Fund balances, end of year			<u>\$ 1,441,053</u>	

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Capital Facilities Improvement Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ 2,000	\$ 2,000	\$ (5,151)	\$ (7,151)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>54</u>	<u>(7,151)</u>
Expenditures				
Current:				
General government	250,000	250,000	194,127	55,873
Capital outlay	<u>535,000</u>	<u>535,000</u>	<u>44,328</u>	<u>490,672</u>
Total expenditures	<u>785,000</u>	<u>785,000</u>	<u>238,455</u>	<u>546,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(783,000)</u>	<u>(783,000)</u>	<u>(238,401)</u>	<u>539,394</u>
Other financing sources				
Transfers in	<u>727,040</u>	<u>727,040</u>	<u>585,521</u>	<u>(141,519)</u>
Total other financing sources	<u>727,040</u>	<u>727,040</u>	<u>585,521</u>	<u>(141,519)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ (55,960)</u>	<u>\$ (55,960)</u>	347,120	<u>\$ 397,875</u>
Fund balances, beginning of year-budgetary basis			1,778,744	
Fund balances, end of year			<u>\$ 2,125,864</u>	



Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
OPS & PS Building  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$ -	\$ -	\$ 22	\$ 22
Total revenues	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
Expenditures				
Capital outlay	-	10,583	9,228	1,355
Total expenditures	<u>-</u>	<u>10,583</u>	<u>9,228</u>	<u>1,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(10,583)</u>	<u>(9,206)</u>	<u>1,377</u>
Other financing sources				
Transfers out	-	-	(1,853)	(1,853)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(1,853)</u>	<u>(1,853)</u>
Deficiency of revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (10,583)</u>	(11,059)	<u>\$ (476)</u>
Fund balances, beginning of year-budgetary basis			<u>11,059</u>	
Fund balances, end of year			<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  
June 30, 2014

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,386,403	\$ 854,703	\$ 1,223,577	\$ 3,464,683
Interest receivable	1,005	663	6,379	8,047
Other receivable	2,910	-	2,850	5,760
Total current assets	<u>1,390,318</u>	<u>855,366</u>	<u>1,232,806</u>	<u>3,478,490</u>
Noncurrent assets:				
Construction in progress	-	96,912	-	96,912
Vehicles, machinery, and equipment	3,845,498	634,662	2,700,861	7,181,021
Less accumulated depreciation	<u>(1,994,146)</u>	<u>(548,802)</u>	<u>(1,638,645)</u>	<u>(4,181,593)</u>
Total noncurrent assets	<u>1,851,352</u>	<u>182,772</u>	<u>1,062,216</u>	<u>3,096,340</u>
Total assets	<u>\$ 3,241,670</u>	<u>\$ 1,038,138</u>	<u>\$ 2,295,022</u>	<u>\$ 6,574,830</u>
<b>LIABILITIES</b>				
Current liabilities:				
Other liabilities	\$ -	\$ 1,296	\$ -	\$ 1,296
Total current liabilities	<u>-</u>	<u>1,296</u>	<u>-</u>	<u>1,296</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,851,352	182,772	1,062,216	3,096,340
Unrestricted	<u>1,390,318</u>	<u>854,070</u>	<u>1,232,806</u>	<u>3,477,194</u>
Total net position	<u>\$ 3,241,670</u>	<u>\$ 1,036,842</u>	<u>\$ 2,295,022</u>	<u>\$ 6,573,534</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Revenues, Expenditures, and Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2014

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Operating Revenues				
Equipment replacement charges	\$ -	\$ 106,451	\$ -	\$ 106,451
Total operating revenues	<u>-</u>	<u>106,451</u>	<u>-</u>	<u>106,451</u>
Operating expenses				
Commodities	-	50,431	-	50,431
Contractuals	-	32,553	-	32,553
Total operating expenses	<u>-</u>	<u>82,984</u>	<u>-</u>	<u>82,984</u>
Operating income before depreciation	-	23,467	-	23,467
Depreciation	<u>351,493</u>	<u>94,325</u>	<u>236,208</u>	<u>682,026</u>
Operating loss	<u>(351,493)</u>	<u>(70,858)</u>	<u>(236,208)</u>	<u>(658,559)</u>
Nonoperating revenues				
Gain on sale fixed asset	88,911	156	2,850	91,917
Investment income (loss)	(12,669)	(6,487)	340	(18,816)
Other revenue	14,692	-	-	14,692
Total nonoperating revenues	<u>90,934</u>	<u>(6,331)</u>	<u>3,190</u>	<u>87,793</u>
Loss before capital contributions and transfers	(260,559)	(77,189)	(233,018)	(570,766)
Contribution of capital assets	<u>-</u>	<u>-</u>	<u>16,394</u>	<u>16,394</u>
Change in net position	(260,559)	(77,189)	(216,624)	(554,372)
Total net position, beginning of year	<u>3,502,229</u>	<u>1,114,031</u>	<u>2,511,646</u>	<u>7,127,906</u>
Total net position, end of year	<u>\$ 3,241,670</u>	<u>\$ 1,036,842</u>	<u>\$ 2,295,022</u>	<u>\$ 6,573,534</u>

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2014

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Cash flows from operating activities				
Receipts from interfund services provided	\$ -	\$ 106,451	\$ -	\$ 106,451
Payments to suppliers of goods and services	-	(83,302)	-	(83,302)
Net cash provided by operating activities	<u>-</u>	<u>23,149</u>	<u>-</u>	<u>23,149</u>
Cash flows from capital and related financing sources				
Acquisition of capital assets	(512,449)	(18,809)	(31,676)	(562,934)
Proceeds from sale of capital assets	100,693	156	-	100,849
Net cash (used in) capital and related financing activities	<u>(411,756)</u>	<u>(18,653)</u>	<u>(31,676)</u>	<u>(462,085)</u>
Cash flows from investing activities				
Interest received	(12,829)	(7,238)	(1,749)	(21,816)
Proceeds from sale of investments	2,348,175	595,468	358,115	3,301,758
Purchase of investments	<u>(1,927,951)</u>	<u>(576,000)</u>	<u>(574,615)</u>	<u>(3,078,566)</u>
Net cash provided by (used in) investing activities	<u>407,395</u>	<u>12,230</u>	<u>(218,249)</u>	<u>201,376</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,361)</u>	<u>16,726</u>	<u>(249,925)</u>	<u>(237,560)</u>
Cash and cash equivalents at beginning of year	<u>4,974</u>	<u>3,140</u>	<u>253,657</u>	<u>261,771</u>
Cash and cash equivalents at end of year	<u>\$ 613</u>	<u>\$ 19,866</u>	<u>\$ 3,732</u>	<u>\$ 24,211</u>
Cash and cash equivalents per statement of cash flows	\$ 613	\$ 19,866	\$ 3,732	\$ 24,211
Investments	<u>1,385,790</u>	<u>834,837</u>	<u>1,219,845</u>	<u>3,440,472</u>
Cash and investments per Statement of Net Position	<u>\$ 1,386,403</u>	<u>\$ 854,703</u>	<u>\$ 1,223,577</u>	<u>\$ 3,464,683</u>

(continued)

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2014

	Vehicle Replacement Fund	IT Replacement Fund	Equipment Replacement Fund	Total Governmental Activities
Reconciliation of operating loss to net cash provided by operating activities:				
Net operating loss	\$ (351,493)	\$ (70,858)	\$ (236,208)	\$ (658,559)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	351,493	94,325	236,208	682,026
Changes in assets and liabilities:				
Accounts payable	-	(1,175)	-	(1,175)
Other liabilities	-	857	-	857
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 23,149</u>	<u>\$ -</u>	<u>\$ 23,149</u>
Noncash investing, capital and financing activities:				
Contribution of capital assets from other funds	\$ -	\$ -	\$ 16,394	\$ 16,394

Lake County Forest Preserve District  
(A component unit of Lake County, Illinois)  
Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2014

	Countryside Golf Course	Brae Loch Golf Course	Thunderhawk Golf Course	2014 Total Golf Courses
Operating revenues				
Season passes	\$ 53,768	\$ 26,495	\$ -	\$ 80,263
Greens fees	1,110,646	332,737	912,693	2,356,076
Gas cart rental	416,903	101,465	254,037	772,405
Hand cart rental	3,684	1,082	175	4,941
Club rental	2,105	870	3,740	6,715
Permanent starts	14,520	3,080	26,350	43,950
Practice range	93,709	-	28,874	122,583
Pro shop	36,260	8,582	91,574	136,416
Food & beverage concessions	205,477	76,071	-	281,548
Concessionaire and other	-	-	52,404	52,404
Land and building rentals	-	3,100	-	3,100
Miscellaneous	9,074	658	79	9,811
Total operating revenues	<u>1,946,146</u>	<u>554,140</u>	<u>1,369,926</u>	<u>3,870,212</u>
Operating expenses				
Personal services	1,154,489	323,582	559,403	2,037,474
Commodities	279,982	96,593	273,004	649,579
Contractuals	364,170	155,690	266,290	786,150
Food & beverage concessions	70,047	24,761	-	94,808
Merchandise	21,776	4,269	58,083	84,128
Total operating expenses	<u>1,890,464</u>	<u>604,895</u>	<u>1,156,780</u>	<u>3,652,139</u>
Operating income (loss) before depreciation	55,682	(50,755)	213,146	218,073
Depreciation	252,908	68,476	288,905	610,289
Operating loss	<u>(197,226)</u>	<u>(119,231)</u>	<u>(75,759)</u>	<u>(392,216)</u>
Nonoperating revenues (expenses)				
Gain on disposal of capital assets	-	-	-	-
Investment income (loss)	(38,103)	(10,333)	-	(48,436)
Other revenue	195,082	25,935	-	221,017
Total nonoperating revenues (expenses)	<u>156,979</u>	<u>15,602</u>	<u>-</u>	<u>172,581</u>
Income (loss) before contributions and transfers	(40,247)	(103,629)	(75,759)	(219,635)
Capital transfer	-	-	-	-
Transfers out	-	-	(211,442)	(211,442)
Total capital contributions and transfers	<u>-</u>	<u>-</u>	<u>(211,442)</u>	<u>(211,442)</u>
Change in net position	(40,247)	(103,629)	(287,201)	(431,077)
Total net position - beginning	11,308,523	2,762,968	7,148,913	21,220,404
Total net position - ending	<u>\$ 11,268,276</u>	<u>\$ 2,659,339</u>	<u>\$ 6,861,712</u>	<u>\$ 20,789,327</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.	93 - 98
<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.	99 - 103
<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.	104 - 107
<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.	108 - 109
<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.	110 - 112

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Government Activities</b>										
Net investment in capital assets	\$ 433,800,366	\$ 424,561,937	\$ 391,810,639	\$ 350,693,993	\$ 282,908,856	\$ 263,075,279	\$ 284,864,303	\$ 244,299,920	\$ 226,314,847	\$ 188,472,051
Restricted	36,912,046	38,296,424	34,612,354	43,578,309	78,841,058	82,492,672	42,432,831	43,464,451	31,974,989	57,687,120
Unrestricted	53,684,022	52,892,754	59,467,197	54,472,556	33,872,265	29,813,809	22,198,892	31,817,623	32,814,874	18,989,216
Total Governmental activities net position	\$ 524,396,434	\$ 515,751,115	\$ 485,890,190	\$ 448,744,858	\$ 395,622,179	\$ 375,381,760	\$ 349,496,026	\$ 319,581,994	\$ 291,104,710	\$ 265,148,387
<b>Business Activities</b>										
Net investment in capital assets	\$ 18,390,800	\$ 18,656,267	\$ 35,672,025	\$ 56,178,296	\$ 56,393,498	\$ 56,943,761	\$ 56,308,447	\$ 55,830,396	\$ 55,182,996	\$ 52,847,994
Restricted	100,842	100,842	100,842	100,842	169,042	178,713	903,607	903,607	800,000	715,226
Unrestricted	2,297,685	2,463,295	2,223,253	2,604,430	2,972,384	2,364,848	2,256,284	1,980,918	1,788,012	1,546,548
Total Business-Type activities net position	\$ 20,789,327	\$ 21,220,404	\$ 37,996,120	\$ 58,883,568	\$ 59,534,924	\$ 59,487,322	\$ 59,468,338	\$ 58,714,921	\$ 57,771,008	\$ 55,109,768
<b>Total Government</b>										
Net investment in capital assets	\$ 452,191,166	\$ 443,218,204	\$ 427,482,664	\$ 406,872,289	\$ 339,302,354	\$ 320,019,040	\$ 341,172,750	\$ 300,130,316	\$ 281,497,843	\$ 241,320,045
Restricted	37,012,888	38,397,266	34,713,196	43,679,151	79,010,100	82,671,385	43,336,438	44,368,058	32,774,989	58,402,346
Unrestricted	55,981,707	55,356,049	61,690,450	57,076,986	36,844,649	32,178,657	24,455,176	33,798,541	34,602,886	20,535,764
Total Government activities net position	\$ 545,185,761	\$ 536,971,519	\$ 523,886,310	\$ 507,628,426	\$ 455,157,103	\$ 434,869,082	\$ 408,964,364	\$ 378,296,915	\$ 348,875,718	\$ 320,258,155
<b>Component Unit</b>										
Restricted	\$ 980,764	\$ 368,887	\$ 168,555	\$ 95,945						
Unrestricted	188,520	152,464	92,150	53,572						
Total Component Unit	\$ 1,169,284	\$ 521,351	\$ 260,705	\$ 149,517						

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

Note: Fiscal year 2013 shows restated net asset amount

Note: Fiscal year 2010 shows restated net asset amount.

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

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Government activities:										
General government	\$ 14,554,928	\$ 8,033,932	\$ 11,929,450	\$ 9,489,224	\$ 7,409,288	\$ 10,763,460	\$ 7,403,322	\$ 8,137,120	\$ 9,030,334	\$ 7,524,220
Education and cultural resources	4,603,866	4,233,592	4,188,552	5,060,967	5,249,465	5,654,384	5,110,906	4,594,585	4,478,304	4,519,129
Public safety	2,570,971	2,910,119	2,525,746	2,508,055	2,758,995	2,688,627	2,359,884	2,057,434	1,541,016	1,566,745
Maintenance and development	13,275,338	12,941,342	13,040,659	10,311,294	12,774,971	12,779,216	11,499,969	10,180,587	9,684,091	9,600,889
Interest	13,068,915	14,302,560	13,970,117	13,814,330	11,749,056	10,543,850	9,400,690	9,423,538	9,608,982	10,546,607
Total governmental activities expenses	\$ 48,074,018	\$ 42,421,545	\$ 45,654,524	\$ 41,183,870	\$ 39,941,775	\$ 42,429,537	\$ 35,774,771	\$ 34,393,264	\$ 34,342,727	\$ 33,757,590
Business-type activities:										
Golf courses	\$ 4,262,428	\$ 5,384,473	\$ 4,165,194	\$ 4,209,516	\$ 4,514,159	\$ 4,363,137	\$ 4,165,757	\$ 4,278,023	\$ 4,216,116	\$ 4,254,628
Fox River Recreational Area	-	-	-	403,777	282,918	293,619	291,862	279,942	282,408	287,061
Total business-type activities expenses	4,262,428	5,384,473	4,165,194	4,613,293	4,797,077	4,656,756	4,457,619	4,557,965	4,498,524	4,541,689
Total government expenses	\$ 52,336,446	\$ 47,806,018	\$ 49,819,718	\$ 45,797,163	\$ 44,738,852	\$ 47,086,293	\$ 40,232,390	\$ 38,951,229	\$ 38,841,251	\$ 38,299,279
Component unit:										
Total component unit expenses	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053						
	\$ 508,623	\$ 319,044	\$ 292,210	\$ 335,053						
<b>Program Revenue</b>										
Government activities:										
Charges for services										
General government	\$ 1,855,676	\$ 1,914,725	\$ 1,852,911	\$ 2,589,873	\$ 1,684,887	\$ 1,450,580	\$ 1,293,513	\$ 1,002,060	\$ 1,017,125	\$ 1,909,927
Education and cultural resources	417,543	390,317	461,300	414,919	475,185	509,833	575,846	716,534	533,064	620,613
Public safety	679,740	661,238	628,147	623,165	612,529	567,000	550,509	528,491	514,095	478,174
Maintenance and development	1,329,165	1,122,334	1,275,353	890,912	223,998	243,042	236,227	340,288	239,312	393,378
Operating grants and contributions	1,986,083	1,372,069	1,506,804	1,568,036	1,514,747	1,171,012	1,303,181	987,427	1,085,359	884,025
Capital grants and contributions	-	-	-	638,546	490,040	-	-	664,094	2,767,060	2,244,530
Total government activities program revenue	\$ 6,268,207	\$ 5,460,683	\$ 5,724,515	\$ 6,725,451	\$ 5,001,386	\$ 3,941,467	\$ 3,959,276	\$ 4,238,894	\$ 6,156,015	\$ 6,530,647
Business-type activities:										
Charges for services										
Golf courses	\$ 3,870,213	\$ 3,860,639	\$ 4,284,472	\$ 4,011,583	\$ 4,408,887	\$ 4,644,378	\$ 4,732,357	\$ 4,829,390	\$ 4,961,486	\$ 5,328,732
Fox River Recreational Area	-	-	-	179,027	248,771	219,129	212,414	269,295	238,807	223,177
Total business-type activities program revenue	\$ 3,870,213	\$ 3,860,639	\$ 4,284,472	\$ 4,190,610	\$ 4,657,658	\$ 4,863,507	\$ 4,944,771	\$ 5,098,685	\$ 5,200,293	\$ 5,551,909
Total government program revenues	\$ 10,138,420	\$ 9,321,322	\$ 10,008,987	\$ 10,916,061	\$ 9,659,044	\$ 8,804,974	\$ 8,904,047	\$ 9,337,579	\$ 11,356,308	\$ 12,082,556
Component unit:										
Operating grants and contributions	\$ 1,156,229	\$ 579,438	\$ 399,415	\$ 438,785						
Total component unit revenues	\$ 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)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (expense)/revenue										
Government activities	\$ (41,805,811)	\$ (36,960,862)	\$ (39,930,009)	\$ (34,458,419)	\$ (34,940,389)	\$ (38,488,070)	\$ (31,815,495)	\$ (30,154,370)	\$ (28,186,712)	\$ (27,226,943)
Business-type activities	(392,215)	(1,523,834)	119,278	(422,683)	(139,419)	206,751	487,152	540,720	701,769	1,010,220
Total government net expenses	\$ (42,198,026)	\$ (38,484,696)	\$ (39,810,731)	\$ (34,881,102)	\$ (35,079,808)	\$ (38,281,319)	\$ (31,328,343)	\$ (29,613,650)	\$ (27,484,943)	\$ (26,216,723)
Component unit net expenses	\$ 647,606	\$ 260,394	\$ 107,205	\$ 103,732						
<b>General Revenues and Other Changes in Net Position</b>										
Government activities:										
Property and replacement taxes	\$ 50,877,208	\$ 52,935,570	\$ 54,670,750	\$ 57,801,955	\$ 61,260,618	\$ 60,753,092	\$ 58,393,220	\$ 53,974,327	\$ 52,911,235	\$ 50,678,614
Investment income (loss)	(734,871)	163,852	374,524	839,431	1,111,140	1,637,583	3,454,830	4,885,764	2,987,521	2,290,431
Gain on sale of capital assets	5,096	250	35,755	83,474	-	-	-	-	-	-
Litigation proceeds	-	-	-	-	-	1,750,000	-	-	-	-
Other	92,255	612,168	944,747	-	-	-	-	-	-	-
Contributions of capital assets	-	15,680,000	20,390,725	-	(28,846)	(15,813)	(237,123)	(322,037)	(1,849,321)	(247,752)
Transfers	211,442	426,820	658,840	248,942	248,942	248,942	118,600	93,600	93,600	162,200
Total government activities	\$ 50,451,130	\$ 69,818,660	\$ 77,075,341	\$ 58,973,802	\$ 62,591,854	\$ 64,373,804	\$ 61,729,527	\$ 58,631,654	\$ 54,143,035	\$ 52,883,493
Business-type activities:										
Investment income (loss)	(48,436)	11,696	11,042	14,585	25,617	45,362	147,742	174,757	169,191	75,324
Transfers of capital assets	-	(15,680,000)	(20,390,725)	-	28,846	15,813	237,123	322,037	1,849,321	247,752
Gain on sale of capital assets	-	7,254	4,534	5,684	-	-	-	-	-	-
Proceeds from loss of capital assets	197,428	835,988	27,263	-	381,500	-	-	-	-	-
Other	23,588	-	-	-	-	-	-	-	-	-
Transfers	(211,442)	(426,820)	(658,840)	(248,942)	(248,942)	(248,942)	(118,600)	(93,600)	(93,600)	(162,200)
Total business-type activities	(38,862)	(15,251,882)	(21,006,726)	(228,673)	187,021	(187,677)	266,265	403,194	1,924,912	160,876
Total government general revenues	\$ 50,412,268	\$ 54,566,778	\$ 56,068,615	\$ 58,745,129	\$ 62,778,875	\$ 64,186,037	\$ 61,995,792	\$ 59,034,848	\$ 56,067,947	\$ 53,044,369
Component unit										
Investment income	\$ 327	\$ 252	\$ 3,983	\$ 3,448						
Total component unit activities	\$ 327	\$ 252	\$ 3,983	\$ 3,448						
<b>Change in Net Position</b>										
Government activities	\$ 8,645,319	\$ 32,857,798	\$ 37,145,332	\$ 24,515,383	\$ 27,651,465	\$ 25,885,734	\$ 29,914,032	\$ 28,477,284	\$ 25,956,323	\$ 25,656,550
Business-type activities	(431,077)	(16,775,716)	(20,887,448)	(651,356)	47,602	18,984	753,417	943,914	2,626,681	1,171,096
Total government	\$ 8,214,242	\$ 16,082,082	\$ 16,257,884	\$ 23,864,027	\$ 27,699,067	\$ 25,904,718	\$ 30,667,449	\$ 29,421,198	\$ 28,583,004	\$ 26,827,646
Component unit	\$ 647,933	\$ 260,646	\$ 111,188	\$ 107,180						

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,277,649	\$ 2,124,270	\$ 522,166	\$ 531,731
Unreserved	-	-	-	-	-	-	13,844,982	13,491,931	12,567,003	9,536,670
Nonspendable	291,503	333,412	335,382	306,637	323,556	290,461	-	-	-	-
Restricted	2,810,629	3,197,392	3,504,205	3,661,583	3,557,560	3,595,227	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,361,027	2,375,770	676,476	993,367	637,821	866,980	-	-	-	-
Unassigned	20,190,741	18,870,948	24,653,981	21,511,431	18,281,959	14,390,323	-	-	-	-
Total general fund	\$ 24,653,900	\$ 24,777,522	\$ 29,170,044	\$ 26,473,018	\$ 22,800,896	\$ 19,142,991	\$ 18,122,631	\$ 15,616,201	\$ 13,089,169	\$ 10,068,401

All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,459,840	\$ 70,463,908	\$ 89,740,330	\$ 57,864,577
Unreserved	-	-	-	-	-	-	5,428,783	5,821,977	5,321,559	4,184,374
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	61,554,245	68,366,184	63,423,644	47,085,263	83,132,600	93,800,115	-	-	-	-
Committed	6,662,481	2,603,836	2,511,107	969,275	-	-	-	-	-	-
Assigned	3,475	3,391,499	3,983,125	2,325,997	2,818,856	2,353,563	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds:	\$ 68,220,201	\$ 74,361,519	\$ 69,917,876	\$ 50,380,535	\$ 85,951,456	\$ 96,153,678	\$ 58,888,623	\$ 76,285,885	\$ 95,061,889	\$ 62,048,951

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

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

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Property taxes	\$ 50,750,129	\$ 52,965,213	\$ 55,449,558	\$ 58,340,185	\$ 60,472,752	\$ 59,779,205	\$ 57,264,077	\$ 52,949,960	\$ 51,989,623	\$ 49,960,793
Replacement taxes	971,506	960,346	939,909	1,021,720	787,866	973,887	1,129,143	1,024,367	921,612	717,821
Investment income (loss)	(716,055)	151,612	360,089	804,206	1,036,786	1,577,462	3,278,814	4,670,029	2,837,030	2,235,411
Grants and contributions	1,265,568	1,372,069	1,506,804	1,891,012	2,004,787	1,171,012	1,303,181	1,651,521	3,852,419	3,128,556
Treasury rebate	1,194,731	1,231,423	1,291,801	1,211,776	225,428	-	-	-	-	-
Land and building rental	890,442	847,335	878,676	643,052	601,223	553,997	745,546	484,508	690,002	725,023
Charges for services and sales	1,027,406	806,533	878,133	586,548	587,809	750,690	366,415	490,064	470,679	567,011
Permits	622,939	594,944	578,879	588,748	573,329	526,619	563,692	644,904	497,238	698,139
Easements and licenses	12,000	12,500	41,092	1,004,248	194,327	108,657	-	-	-	-
Programs and admissions	321,589	302,957	399,422	407,353	393,416	382,659	-	-	-	-
Other revenue	305,272	905,091	1,094,455	117,505	417,777	444,637	978,767	752,117	645,677	1,411,918
<b>Total revenue</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>\$ 66,268,825</b>	<b>\$ 65,629,635</b>	<b>\$ 62,667,470</b>	<b>\$ 61,904,280</b>	<b>\$ 59,444,672</b>
<b>Expenditures</b>										
General government	\$ 7,531,843	\$ 7,463,797	\$ 7,280,101	\$ 7,675,859	\$ 7,511,785	\$ 7,790,804	\$ 6,939,066	\$ 6,970,471	\$ 6,593,184	\$ 6,600,229
Education and cultural resources	3,229,950	3,436,225	3,398,107	3,766,151	4,060,282	4,251,123	4,074,114	3,885,495	3,710,008	3,817,340
Public safety	2,291,130	2,488,251	2,132,924	2,186,454	2,127,797	2,083,124	1,903,523	1,692,077	1,351,111	1,223,074
Maintenance and development	11,310,784	11,079,573	11,199,964	11,184,966	11,290,090	10,672,927	10,252,729	9,018,990	8,703,960	8,151,291
Debt service										
Principal	15,400,000	15,210,000	16,560,000	20,430,000	21,185,000	16,694,438	17,075,929	16,026,362	15,805,123	15,132,314
Interest	14,005,447	13,953,924	14,011,680	13,817,684	11,759,428	19,843,863	16,001,304	14,570,489	12,617,243	12,633,849
Bond issuance costs	129,254	520,817	530,095	439,980	248,976	616,605	340,068	614,214	293,676	211,497
Paying agent fees	6,154	6,267	6,085	6,735	6,035	6,070	5,555	8,418	3,038	4,203
Capital outlay	9,553,306	31,880,071	12,008,108	79,238,414	50,952,701	40,130,080	59,662,485	29,264,044	24,286,679	11,282,353
<b>Total expenditures</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>	<b>\$ 102,089,034</b>	<b>\$ 116,254,773</b>	<b>\$ 82,050,560</b>	<b>\$ 73,364,022</b>	<b>\$ 59,056,150</b>
Excess (deficiency) of revenues over (under) expenditures	(6,812,341)	(25,888,902)	(3,708,246)	(72,129,890)	(41,846,594)	(35,820,209)	(50,625,138)	(19,383,090)	(11,459,742)	388,522

**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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	18,855,000	24,995,000	24,995,000	40,000,000	35,000,000	72,105,000	35,000,000	52,555,000	45,000,000	35,275,000
Premium on swap	-	-	-	-	-	-	-	2,318,000	-	-
Premium on bonds issued	2,220,864	517,953	253,018	-	50,045	9,032	614,031	-	2,399,847	613,160
Discount on bonds issued	-	-	-	(60,963)	-	(10,546)	-	-	-	-
Payments to escrow agent	(20,745,000)	-	-	-	-	-	-	(52,048,261)	-	(35,676,663)
Litigation proceeds	-	-	-	-	-	1,750,000	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Transfers in	2,690,062	6,335,786	2,298,904	2,211,080	3,489,146	5,255,576	14,147,059	3,064,505	640,568	567,999
Transfers out	(2,478,620)	(5,908,966)	(1,640,064)	(1,962,138)	(3,240,204)	(5,006,634)	(14,028,459)	(2,970,905)	(546,968)	(805,799)
Proceeds from sale of capital assets	5,095	250	35,755	43,112	3,290	3,196	1,675	215,780	-	-
Total other financing sources (uses)	547,401	25,940,023	25,942,613	40,231,091	35,302,277	74,105,624	35,734,306	3,134,119	47,493,447	(26,303)
Net change in fund balance	(\$6,264,940)	\$51,121	\$22,234,367	(\$31,898,799)	(\$6,544,317)	\$38,285,415	(\$14,890,832)	(\$16,248,971)	\$36,033,705	\$362,219

Debt service as a percentage of non-capital expenditures 51.4% 55.6% 54.5% 61.1% 56.4% 55.2% 57.6% 56.7% 55.0% 56.2%

**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 Taxable Value (2)	Actual Value	Percentage Total Assessed Value to Total Estimated Actual Value
	Residential Property Equalized Assessed Value (1)	Commercial Property Equalized Assessed Value	Industrial Property Equalized Assessed Value	Farm Property Equalized Assessed Value (1)	Equalized Assessed Value (1)	Equalized Assessed Value						
2004	\$ 20,058,543,864	\$ 3,156,968,066	\$ 864,965,359	\$ 122,983,205	\$ 10,281,709	\$ 1,215,054,180	\$ 22,998,688,023	0.219	\$ 72,648,491,458	33.33%		
2005	22,028,603,597	3,371,972,295	898,569,795	130,842,924	10,370,237	1,270,637,207	25,169,721,641	0.210	79,329,009,445	33.33%		
2006	24,059,821,968	3,560,027,731	945,748,957	138,325,080	11,480,843	1,396,156,864	27,319,247,715	0.204	86,154,799,217	33.33%		
2007	25,707,055,762	3,896,237,047	1,009,514,103	138,725,008	12,734,654	1,396,156,860	29,368,109,714	0.201	92,302,029,937	33.33%		
2008	26,692,708,236	4,080,157,970	1,070,167,624	148,207,853	14,408,385	1,519,276,839	30,486,373,229	0.199	96,026,552,859	33.33%		
2009	26,444,355,479	4,076,868,901	1,078,670,211	130,000,960	15,632,006	1,594,160,150	30,170,722,053	0.200	95,304,177,027	33.33%		
2010	25,050,610,799	3,958,617,907	1,053,939,231	145,507,804	21,734,420	1,545,711,200	28,684,698,965	0.198	90,700,300,525	33.33%		
2011	21,563,532,150	3,935,653,823	1,047,870,275	143,531,351	21,759,448	1,445,186,184	26,712,347,047	0.201	80,137,842,519	33.33%		
2012	19,571,566,537	3,744,050,296	1,000,984,225	135,988,122	20,087,547	1,372,484,102	24,472,676,727	0.212	73,418,764,369	33.33%		
2013	18,250,837,046	3,596,005,257	963,290,033	131,972,701	25,834,371	1,357,654,581	22,967,939,408	0.218	68,904,507,269	33.33%		

Sources:

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

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

n/a Not available



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

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

Tax Year	Lake County Forest Preserve District Tax Rates (per \$100)	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	
																Operating
2004	0.090	0.129	0.465	0.004-1.605	1.003-3.223	3.401-5.941	1.051-4.137	-	0.028-0.355	0.011-0.167	0.032-0.198	0.019-0.730	0.170-0.452	0.142-0.709	0.012-0.014	-
2005	0.090	0.120	0.454	0.004-2.060	0.965-3.197	3.246-5.872	1.013-4.166	0.197	0.029-0.359	0.010-0.132	0.031-0.191	0.019-0.711	0.155-0.438	0.136-0.690	0.012-0.013	0.049
2006	0.090	0.114	0.450	0.012-2.130	0.961-3.136	3.386-5.834	0.964-4.296	0.195-0.320	0.016-0.375	0.020-0.277	0.030-0.187	0.019-0.728	0.161-0.436	0.128-0.674	0.012	0.046
2007	0.090	0.111	0.444	0.013-2.446	0.959-3.013	3.023-5.639	0.944-4.330	0.192-0.269	0.028-0.368	0.015-0.271	0.031-0.186	0.019-0.707	0.152-0.433	0.121-0.652	0.011-0.042	0.042
2008	0.092	0.109	0.453	0.012-2.491	1.001-3.066	3.064-5.691	0.965-4.403	0.196-0.278	0.029-0.372	0.019-0.275	0.032-0.192	0.019-0.707	0.150-0.447	0.124-0.677	0.010-0.042	0.042
2009	0.094	0.106	0.464	0.012-2.616	1.069-3.195	3.272-5.986	0.998-4.423	0.200-0.312	0.031-0.364	0.007-0.193	0.032-0.194	0.020-0.703	0.161-0.452	0.127-0.688	0.011-0.012	0.042
2010	0.096	0.102	0.505	0.013-2.721	1.101-3.497	3.438-6.921	1.095-4.879	0.218-0.305	0.033-0.372	0.008-0.206	0.035-0.216	0.022-0.767	0.170-0.450	0.111-0.754	0.011-0.013	0.045
2011	0.097	0.104	0.554	0.014-3.236	1.910-3.824	3.661-8.175	1.168-5.818	0.240-0.340	0.033-0.397	0.006-0.321	0.039-0.241	0.024-0.894	0.185-0.475	0.129-0.875	0.012-0.014	0.047
2012	0.099	0.113	0.308	0.016-3.554	1.322-4.556	4.22-10.136	1.322-7.302	0.272-0.427	0.025-0.434	0.029-0.315	0.044-0.250	0.027-1.101	0.213-0.581	0.132-0.941	0.014-0.015	0.073
2013	0.101	0.117	0.663	0.018-4.616	1.420-5.228	4.607-9.418	1.424-8.762	0.296-0.436	0.027-0.049	0.032-0.421	0.049-0.250	0.030-1.260	0.228-0.656	0.126-1.093	0.007-0.015	0.055

Tax Year	Tax Levies as Extended (\$000s Omitted)	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	Total
2004	\$ 20,699	\$ 29,668	\$ 107,933	\$ 155,332	\$ 360,570	\$ 205,373	\$ 478,010	\$ 46,862	\$ 22,005	\$ 18,319	\$ 11,769	\$ 51,581	\$ 42,761	\$ 45,868	\$ 496	\$ 3,219
2005	\$ 22,652	\$ 30,204	\$ 115,256	\$ 141,556	\$ 384,526	\$ 218,116	\$ 512,753	\$ 50,604	\$ 23,685	\$ 8,437	\$ 12,218	\$ 54,796	\$ 44,060	\$ 50,734	\$ 561	\$ 3,212
2006	\$ 24,587	\$ 31,144	\$ 123,887	\$ 170,484	\$ 411,535	\$ 234,635	\$ 552,042	\$ 54,947	\$ 25,589	\$ 9,140	\$ 12,683	\$ 58,953	\$ 46,950	\$ 56,295	\$ 615	\$ 3,273
2007	\$ 26,431	\$ 32,599	\$ 131,606	\$ 182,468	\$ 434,771	\$ 240,621	\$ 580,403	\$ 57,498	\$ 27,108	\$ 22,642	\$ 13,142	\$ 62,026	\$ 48,969	\$ 60,583	\$ 611	\$ 3,223
2008	\$ 28,048	\$ 32,620	\$ 139,241	\$ 195,289	\$ 457,612	\$ 254,721	\$ 612,314	\$ 60,993	\$ 28,611	\$ 23,984	\$ 13,804	\$ 65,200	\$ 52,547	\$ 66,557	\$ 623	\$ 3,357
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
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
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
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
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

Source : Based upon data compiled from records of the Lake County Clerk.  
n/a Not available

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Property Tax Rates and Tax Extensions  
Last Ten Levy Years

FUND	Current Limit	Tax Levy Year													
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004				
Comparative Tax Rates															
General corporate	.060	0.060	0.060	0.059	0.059	0.059	0.057	0.055	0.051	0.051	0.051	0.051	0.051	0.051	0.051
Audit fund	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Liability insurance	no limit	0.003	0.003	0.003	0.004	0.003	0.004	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Land development levy	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Retirement fund - IMRF/FICA	no limit	0.013	0.011	0.010	0.008	0.007	0.006	0.005	0.008	0.008	0.008	0.008	0.008	0.008	0.008
Subtotal (subject to tax cap)		0.101	0.099	0.097	0.096	0.094	0.092	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090
Debt service	no limit	0.117	0.113	0.104	0.102	0.106	0.107	0.111	0.114	0.114	0.120	0.120	0.120	0.120	0.129
<b>Total tax rates</b>		<b>0.218</b>	<b>0.212</b>	<b>0.201</b>	<b>0.198</b>	<b>0.200</b>	<b>0.199</b>	<b>0.201</b>	<b>0.204</b>	<b>0.201</b>	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>	<b>0.219</b>
Comparative tax extensions															
General corporate		\$13,780,764	\$14,683,606	\$15,760,285	\$16,923,972	\$17,800,726	\$17,377,233	\$16,152,460	\$13,932,811	\$12,836,558	\$11,729,331	\$12,836,558	\$11,729,331	\$11,729,331	\$11,729,331
Audit fund		-	-	-	-	-	-	-	273,192	251,697	229,987	251,697	229,987	229,987	229,987
Liability insurance		689,038	734,180	801,370	1,147,388	905,122	1,219,455	1,468,405	1,365,962	1,258,486	1,149,934	1,258,486	1,149,934	1,149,934	1,149,934
Land development levy		5,741,985	6,118,169	6,678,087	7,171,175	7,542,681	7,621,593	7,342,028	6,829,809	6,292,430	5,749,672	6,292,430	5,749,672	5,749,672	5,749,672
Retirement fund - IMRF/FICA		2,985,832	2,691,994	2,671,235	2,294,776	2,111,951	1,829,182	1,468,405	2,185,539	2,013,578	1,839,895	2,013,578	1,839,895	1,839,895	1,839,895
Subtotal (subject to tax cap)		23,197,619	24,227,950	25,910,977	27,537,311	28,360,479	28,047,463	26,431,298	24,587,313	22,652,749	20,698,819	22,652,749	20,698,819	20,698,819	20,698,819
Debt service		26,872,489	27,654,125	27,780,841	29,258,393	31,980,965	32,620,419	32,598,602	31,143,931	30,203,666	29,668,308	30,203,666	29,668,308	29,668,308	29,668,308
<b>Total tax extensions</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>	<b>\$60,667,882</b>	<b>\$59,029,900</b>	<b>\$55,731,244</b>	<b>\$52,856,415</b>	<b>\$50,367,127</b>	<b>\$52,856,415</b>	<b>\$50,367,127</b>	<b>\$50,367,127</b>	<b>\$50,367,127</b>

**LAKE COUNTY FOREST PRESERVE DISTRICT**

(A component unit of Lake County, Illinois)

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2014			2005		
		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	\$178,453	0.78	1	\$154,020	0.71
Gurnee Mill/Gurnee Properties Associate: Retail Outlet Mall		2	48,715	0.21	3	42,182	0.20
Discover Properties LLC	Real Estate Brokerage	3	41,413	0.18	-	-	-
Midwest Family Housing	Real Estate Developers	4	40,775	0.18	-	-	-
Property Tax Services Co.	Amusements	5	35,963	0.16	9	27,354	0.13
Arden Realty Inc.	Real Estate Landlord	6	35,703	0.16	-	-	-
Wal-Mart	Discount Department Store	7	35,095	0.15	-	-	-
Scott Dressing	Pharmaceuticals	8	28,149	0.12	-	-	-
Baxter Healthcare Corporation	Pharmaceuticals	9	28,081	0.12	6	33,285	0.15
Van Vlissingen & Company	Real Estate Developers	10	24,295	0.11	5	42,043	0.20
LaSalle National Bank	Bank	-	-	-	4	42,174	0.20
Motorola	Electronics	-	-	-	7	30,316	0.14
W.W. Grainger, Inc.	Industrial Supplier	-	-	-	8	28,617	0.13
Carr Office Park, LLC	Real Estate Developers	-	-	-	2	53,033	0.25
Allegiance Healthcare Corporation	Pharmaceuticals	-	-	-	10	26,812	0.12
<b>Totals</b>			<b>\$496,642</b>	<b>2.17</b>		<b>\$479,836</b>	<b>2.23</b>

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	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
			Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2005	2004	\$ 50,367,127	\$ 27,800,300	55.20%	\$ 22,400,505	\$ 50,200,805	99.67%	
2006	2005	52,856,415	29,359,535	55.55%	23,291,195	52,650,730	99.61%	
2007	2006	55,731,245	29,568,519	53.06%	26,071,021	55,639,540	99.84%	
2008	2007	59,029,901	31,134,843	52.74%	27,734,281	58,869,124	99.73%	
2009	2008	60,667,883	31,134,843	51.32%	28,514,725	59,649,568	98.32%	
2010	2009	60,341,444	31,734,147	52.59%	28,482,494	60,216,641	99.79%	
2011	2010	56,795,704	28,177,978	49.61%	26,902,683	55,080,661	96.98%	
2012	2011	53,691,818	28,363,188	52.83%	25,250,480	53,613,668	99.85%	
2013	2012	51,882,075	27,543,433	53.09%	24,116,258	51,659,691	99.57%	
2014	2013	50,070,108	26,575,894 (1)	53.08%	n/a	26,575,894	53.08%	

Sources: Lake County Illinois Tax Extension Division.

(1) Collections through August 14, 2014. Second installment of 2013 levy is due September 5, 2014.

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

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit	\$528,262,606	\$562,871,565	\$614,383,982	\$659,748,076	\$693,926,607	\$701,186,584	\$675,466,523	\$628,342,467	\$578,903,598	\$528,969,825
Total net debt applicable to limit	279,140,637	295,828,991	291,993,138	282,115,206	260,190,363	243,221,363	192,194,551	181,865,765	200,708,607	176,290,005
Legal debt margin	249,121,969	267,042,574	322,390,844	377,632,870	433,736,244	457,965,221	483,271,972	446,476,702	378,194,991	352,679,819
Total net debt applicable to the limit as a percentage of debt limit	52.84%	52.56%	47.53%	42.76%	37.50%	34.69%	28.45%	28.94%	34.67%	33.33%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Net Assessed Value (2013)	\$22,967,939,408
Debt limit (2.3% of net assessed valuation)	<u>528,262,606</u>
Amount of debt applicable to debt limit	296,250,000
Less: Amount in Debt Service Fund available for payment of principal	<u>(17,109,363)</u>
Total amount of debt applicable to debt limit	<u>279,140,637</u>
Legal debt margin	<u><u>\$249,121,969</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						
2005	\$ 197,188,106	\$ 1,587,000	\$ -	\$ 198,775,106	\$ 34,706,386	0.57%	692,895	287	
2006	225,229,038	1,084,000	-	226,313,038	37,263,297	0.61%	702,682	322	
2007	207,719,289	555,000	-	208,274,289	39,199,483	0.53%	723,591	288	
2008	219,456,413	-	-	219,456,413	39,488,486	0.56%	723,591	303	
2009	266,875,437	-	-	266,875,437	39,789,801	0.67%	723,591	369	
2010	274,823,238	-	-	274,823,238	37,515,642	0.73%	728,086	377	
2011	294,444,006	-	-	294,444,006	37,975,785	0.78%	703,462	419	
2012	303,245,171	-	-	303,245,171	39,305,689	0.77%	706,260	429	
2013	316,521,234	-	-	316,521,234	n/a	n/a	711,155	445	
2014	300,679,325	-	-	300,679,325	n/a	n/a	711,155	423	

**Sources:**

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

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

n/a Not available

## LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

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

Fiscal Year	Net General Bonded Debt	Equalized Assessed Value	Percentage of Debt to Equalized Assessed Value of Property	Population (1)	Net General Bonded Debt Per Capita
2005	\$ 197,188,106	\$ 22,998,688,023	0.857%	692,895	\$ 285
2006	225,229,038	25,169,721,641	0.895%	702,682	321
2007	207,719,289	27,319,237,715	0.760%	723,591	287
2008	219,456,413	29,368,109,714	0.747%	723,591	303
2009	266,875,437	30,486,373,229	0.875%	723,591	369
2010	274,823,238	30,170,722,053	0.911%	728,086	377
2011	294,444,006	28,684,698,965	1.026%	703,462	419
2012	303,245,171	26,712,347,047	1.135%	706,260	429
2013	316,521,234	24,472,676,727	1.293%	711,155	445
2014	300,679,325	22,967,939,408	1.309%	711,155	423

Sources:

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

## LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

### Direct and Overlapping Bonded Debt (1)

As of September 9, 2013

	<b>Amount Applicable</b>	<b>Ratio to</b>		<b>Per Capita (2010 Census 703,462)</b>
		<b>Equalized Assessed</b>	<b>Estimated Actual</b>	
District EAV of taxable property, 2012	\$ 24,472,676,727	100.00%	33.33%	\$ 34,789
Estimated actual value, 2012	73,418,030,181	300.00%	100.00%	104,367
Direct bonded debt (2)	305,695,000	1.25%	0.42%	\$ 435
Series 2008C Debt Certificates	8,125,000	0.03%	0.01%	12
Leases	179,678	0.00%	0.00%	0
Total applicable debt	\$ 313,999,678	1.28%	0.43%	\$ 446
Overlapping bonded debt				
Schools	1,005,840,214	4.11%	1.37%	1,430
All others	870,055,891	3.56%	1.19%	1,237
Total direct and overlapping bonded debt	\$ 1,875,896,105	7.67%	2.56%	\$ 2,667
Total applicable and overlapping bonded debt	\$ 2,189,895,783	8.95%	2.99%	\$ 3,113

Sources:

- (1) The County of Lake, Illinois. Based on data calculated by the county.
- (2) Excludes leases and debt certificates.
- (3) As of September 9, 2013.



## 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>
2004	\$ 692,895	\$32,853,953	\$ 47,417	34.1	150,737	5.50%
2005	702,682	34,706,386	48,906	34.5	137,629	4.50%
2006	723,591	37,263,297	53,626	34.8	138,296	4.20%
2007	723,591	39,199,483	40,393	35.0	140,341	4.60%
2008	723,591	39,488,486	40,573	35.1	139,369	8.30%
2009	728,086	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	n/a	34,980	36.8	137,143	7.70%
2013	711,155	n/a	37,122	36.6	135,714	9.00%

Sources:

- (1) U.S. Census, Economic Development Intelligence System, Northeastern Illinois Planning Commission and U.S. Department of Commerce.
- (2) Sales & Marketing Management Survey of Buying Power and Bureau of Economic Analysis and Lake County Partners.
- (3) Market Profile prepared by Lake County Partners and Economic Development Intelligence System.
- (4) Lake County Regional Office of Education.
- (5) Illinois Department of Employment Security.

n/a Not Available

# LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

## Principal Employers

Current year and Nine Years Ago

June 30, 2014

	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Abbott Laboratories	16,000	1	4.85%	5,700	3	1.46%
Walgreen Company	6,100	2	1.85%	2,500	9	0.64%
Medline Industries Inc.	5,000	3	1.51%	-	-	-
Aon Hewitt	4,000	4	1.21%	-	-	-
Baxter Healthcare Corporation	4,000	4	1.21%	2,100	10	0.54%
Discover Financial Services	3,000	5	0.91%	-	-	-
Hospira Inc.	3,000	5	0.91%	-	-	-
Six Flags Great America	3,000	5	0.91%	3,000	5	0.77%
Naval Training Center	2,500	6	0.76%	11,000	1	2.81%
Medcrest	2,000	7	0.61%	-	-	-
VA Medical Center-North Chicago	2,000	7	0.61%	-	-	-
Baxter International Inc.	1,900	8	0.58%	-	-	-
CDW Corporation	1,800	9	0.55%	-	-	-
Northwestern Lake Forest Hospital	1,800	9	0.55%	-	-	-
Advocate Good Shepard Hospital	1,710	10	0.52%	-	-	-
Cardinal Health				2,750	7	0.70%
Hewitt Associates Inc.				6,000	2	1.54%
Lake County				2,944	6	0.75%
Gurnee Mills	-	-	-	5,000	4	1.28%
Condell Medical Center	-	-	-	2,600	8	0.67%
<b>Totals</b>	<b>57,810</b>		<b>24.22%</b>	<b>43,594</b>		<b>11.16%</b>

Source: Lake County Partners

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

Full-Time Equivalent Employees by Function  
 Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government	29.00	29.00	30.75	43.30	39.30	39.10	38.85	38.85	35.62	37.32
Education and cultural resources	49.99	49.99	49.99	51.71	54.04	53.83	52.42	49.18	46.67	44.09
Public safety	27.49	25.96	25.96	25.96	25.96	24.96	23.96	23.96	23.96	19.96
Maintenance and development	130.17	130.31	130.81	118.94	118.94	119.25	117.13	115.17	116.24	109.92
Golf courses	58.09	62.27	62.82	62.92	62.92	65.73	64.48	68.04	71.75	73.47
Fox River Recreational Area	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.77</u>	<u>1.77</u>	<u>1.77</u>	<u>2.47</u>	<u>2.47</u>	<u>2.47</u>	<u>2.37</u>
<b>Total</b>	<u>294.74</u>	<u>297.53</u>	<u>300.33</u>	<u>304.60</u>	<u>302.93</u>	<u>304.64</u>	<u>299.31</u>	<u>297.67</u>	<u>296.71</u>	<u>287.13</u>

Source: Lake County Forest Preserve Annual Budget

# LAKE COUNTY FOREST PRESERVE DISTRICT

(A component unit of Lake County, Illinois)

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government	20	25	24	24	14	25	25	25	25	26
Employee Safety Training Sessions	3	5	5	3	8	7	8	8	8	8
Environmental Mitigation Projects	199	206	189	195	188	184	189	191	189	225
Computers Supported										
Education and cultural resources										
Program Registrations	28,500	21,960	21,960	20,380	25,595	23,740	23,840	26,300	21,952	27,391
Program and Event Attendance	129,650	117,770	117,770	119,158	122,150	120,400	141,300	135,100	139,474	138,600
Community Use Rentals	150	145	145	42	183	266	251	261	272	297
Public safety										
Public Safety Service Calls	18,000	15,800	15,800	14,000	13,000	12,000	11,000	9,000	1,872	1,241
Public Access Areas Patrolled	123	123	123	120	118	116	113	99	98	97
Permits Processed	26,730	26,605	26,405	25,115	24,451	22,578	21,345	18,061	16,835	16,919
Maintenance and development										
Preserve Work Orders Completed	4,468	4,330	4,330	2,692	2,765	2,619	2,910	2,645	2,500	2,524
Prairie, Woodland, Wetlands Seeded	197	285	226	120	600	420	168	250	189	145
Prescribed Burn Management Acres	3,000	3,200	2,568	5,713	4,000	2,467	2,811	2,400	1,900	1,800
Golf courses										
Daily Golf Rounds	85,239	88,135	91,835	90,327	110,766	113,592	113,500	116,610	99,394	109,800
Rounds of Cart Rentals	59,667	61,695	73,607	65,487	72,076	78,239	79,512	82,793	83,650	77,410
Season Passes Sold	98	102	113	126	149	169	180	259	368	486
Fox River Recreational Area										
Boat Slip Leases	70	75	72	99	103	95	98	108	92	90
Winter Storage Leases	93	89	89	118	116	120	117	126	109	115

n/a Not available

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

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Total Acres	30,156	30,037	29,334	29,281	28,114	27,114	26,550	25,492	25,195	25,142
Building and Structures	315	398	398	394	400	400	393	388	388	386
Miles of Trails	182	159	157	148	145	141	131	126	123	121
Education and cultural resources										
Historical/Cultural Sites	4	4	4	4	4	4	4	4	4	4
Public safety										
Patrol Units	17	19	18	18	27	27	27	25	25	22
Ranger Stations	7	7	7	7	7	7	7	7	7	7
Maintenance and development										
Vehicles and Equipment	452	437	507	521	486	492	491	488	486	484
Farmland Management Acres	2,298	2,617	2,527	1,820	1,700	1,588	1,689	1,710	1,800	2,053
Golf courses										
Number of Golf Courses	3	3	4	4	4	4	4	4	4	4
Fox River Recreational Area										
Number of Boat Slips	169	169	169	169	169	169	169	169	169	169
Trails in miles	2	2	2	2	2	2	2	2	1.5	1.5

Source: Lake County Forest Preserve Annual Budget