

Lake County, Illinois

Notes to Financial Statements

Note 4. Restricted Assets

Certain proceeds of the county Public Works' revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. All revenues of the entire combined system are reserved to meet the requirements of the bond ordinances. Following is a list of restricted cash and investments:

Restricted cash and investments	
Bond interest	\$ 416,226
Bond fund	1,425,401
Bond reserves	3,787,425
Third lien (EPA loan repayment reserve)	1,066,310
Depreciation, extension, and improvement	28,116,066
Construction	195,241
Subordinated ordinance	281,075
Total restricted cash and investments	<u>\$ 35,287,744</u>

Note 5. Capital Assets

Capital asset activity for the year ended November 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated/amortized:				
Land and improvements	\$ 60,211,553	\$ 8,232,005	\$ -	\$ 68,443,558
Construction in progress	161,516,822	87,730,354	108,136,791	141,110,385
Total capital assets not being depreciated amortized	<u>221,728,375</u>	<u>95,962,359</u>	<u>108,136,791</u>	<u>209,553,943</u>
Capital assets being depreciated/amortized:				
Roads and bridges	729,703,480	89,281,906	1,965,363	817,020,023
Buildings and improvements	270,843,575	16,348,645	-	287,192,220
Equipment	86,323,232	28,088,436	325,820	114,085,848
Intangibles	5,170,557	741,864	-	5,912,421
Vehicles	18,472,075	1,965,477	805,973	19,631,579
Total capital assets being depreciated/ amortized	<u>1,110,512,919</u>	<u>136,426,328</u>	<u>3,097,156</u>	<u>1,243,842,091</u>
Less: accumulated depreciation/amortization for:				
Roads and bridges	442,895,378	28,681,009	1,642,931	469,933,456
Buildings and improvements	101,042,169	6,966,452	-	108,008,621
Equipment	65,507,111	6,941,392	325,820	72,122,683
Intangibles	2,625,508	677,910	-	3,303,418
Vehicles	13,350,262	1,930,149	805,973	14,474,438
Total accumulated depreciation/amortization	<u>625,420,428</u>	<u>45,196,912</u>	<u>2,774,724</u>	<u>667,842,616</u>
Total capital assets being depreciated/ amortization, net	<u>485,092,491</u>	<u>91,229,416</u>	<u>322,432</u>	<u>575,999,475</u>
Governmental activities capital assets, net of depreciation/amortization	<u>\$ 706,820,866</u>	<u>\$ 187,191,775</u>	<u>\$ 108,459,223</u>	<u>\$ 785,553,418</u>

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Notes to Financial Statements

Note 5. Capital Assets (Continued)

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:		
General government	\$	4,695,204
Law and judicial		6,847,053
Health and human services		2,783,594
Transportation		30,740,491
Planning and economic development		130,570
Total governmental activities depreciation/amortization expense	<u>\$</u>	<u>45,196,912</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets not being depreciated/amortized:				
Land	\$ 2,577,013	\$ -	\$ -	\$ 2,577,013
Intangible assets	668,177	-	-	668,177
Construction in progress	32,274,212	18,564,007	5,533,047	45,305,172
Total capital assets not being depreciated/ amortized	<u>35,519,402</u>	<u>18,564,007</u>	<u>5,533,047</u>	<u>48,550,362</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	78,159,807	-	-	78,159,807
Improvements other than buildings:				
Water facility	80,213,317	-	-	80,213,317
Sewer facility	192,343,280	-	3,594,170	188,749,110
Completed construction not classified	15,384,868	5,533,047	-	20,917,915
Vehicles, machinery and equipment	18,123,473	-	-	18,123,473
Total capital assets being depreciated/ amortized	<u>384,224,745</u>	<u>5,533,047</u>	<u>3,594,170</u>	<u>386,163,622</u>
Less: accumulated depreciation/amortization for:				
Buildings and improvements	40,578,913	2,048,517	-	42,627,430
Improvements other than buildings:				
Water facility	28,061,631	1,251,665	-	29,313,296
Sewer facility	73,305,088	4,099,618	3,594,170	73,810,536
Completed construction not classified	232,776	571,969	-	804,745
Vehicles, machinery and equipment	8,300,127	1,035,376	-	9,335,503
Total accumulated depreciation/amortization	<u>150,478,535</u>	<u>9,007,145</u>	<u>3,594,170</u>	<u>155,891,510</u>
Total capital assets being depreciated/ amortization, net	<u>233,746,210</u>	<u>(3,474,098)</u>	<u>-</u>	<u>230,272,112</u>
Business-type activities capital assets, net of depreciation/amortization	<u>\$ 269,265,612</u>	<u>\$ 15,089,909</u>	<u>\$ 5,533,047</u>	<u>\$ 278,822,474</u>

Depreciation/amortization expense was charged to functions as follows:

Business-type activities:	
Water and sewer	<u>\$ 9,007,145</u>

Lake County, Illinois

Notes to Financial Statements

Note 13. Lake County Forest Preserve District - Component Unit (Continued)

As of June 30, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Maturity (In Years)	
		Less Than One Year	1-5
Negotiable certificates of deposits	\$ 6,614,966	\$ 6,614,966	\$ -
Money market mutual funds	7,912,483	7,911,628	855
Municipal bonds	32,451,368	11,964,461	20,486,907
U.S. treasuries securities	5,774,785		5,774,785
U.S. agency securities	5,279,001	-	5,279,001
Totals	\$ 58,032,603	\$ 26,491,055	\$ 31,541,548

a. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land and land rights	\$ 574,000,729	\$ 216,407	\$ -	\$ 574,217,136
Land improvements	46,985,567	2,326,829	3,959	49,308,437
Museum artifact and collectibles	6,158,587	-	4,632,465	1,526,122
Construction in progress	20,285,934	4,181,071	4,571,134	19,895,871
Total capital assets not being depreciated	647,430,817	6,724,307	9,207,558	644,947,566
Capital assets being depreciated:				
Buildings and improvements	73,006,750	598,400	66,490	73,538,660
Other improvements	12,944,219	89,879	-	13,034,098
Vehicles, machinery and equipment	11,473,640	971,049	444,746	11,999,943
Furniture and fixtures	652,232	2,379	-	654,611
Roads, trails, and bridges	56,257,505	1,781,104	-	58,038,609
Total capital assets being depreciated	154,334,346	3,442,811	511,236	157,265,921
Less: accumulated depreciation for:				
Buildings and improvements	19,087,942	2,054,088	66,490	21,075,540
Other improvements	5,713,350	683,001	-	6,396,351
Vehicles, machinery and equipment	8,073,268	739,872	428,167	8,384,973
Furniture and fixtures	581,175	56,763	-	637,938
Roads, trails, and bridges	32,619,004	3,544,556	-	36,163,560
Total accumulated depreciation	66,074,739	7,078,280	494,657	72,658,362
Total capital assets being depreciated, net	88,259,607	(3,635,469)	16,579	84,607,559
Governmental activities capital assets, net of depreciation	\$ 735,690,424	\$ 3,088,838	\$ 9,224,137	\$ 729,555,125

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Note 13. Lake County Forest Preserve District - Component Unit (Continued)

Business-type activities

Capital assets not being depreciated:

Land and land rights	\$ 6,818,464	\$ -	\$ -	\$ 6,818,464
Land improvements	7,447,373	-	-	7,447,373
Total capital assets not being depreciated	<u>14,265,837</u>	<u>-</u>	<u>-</u>	<u>14,265,837</u>

Capital assets being depreciated:

Buildings and improvements	6,987,246	-	-	6,987,246
Vehicles, machinery and equipment	3,265,716	98,158	-	3,363,874
Roads, trails and bridges	44,987	-	-	44,987
Furniture and fixtures	1,566,152	-	-	1,566,152
Total capital assets being depreciated	<u>11,864,101</u>	<u>98,158</u>	<u>-</u>	<u>11,962,259</u>

Less: accumulated depreciation:

Buildings and improvements	5,367,903	265,571	-	5,633,474
Vehicles, machinery and equipment	2,366,970	147,624	-	2,514,594
Roads, trails and bridges	44,987	-	-	44,987
Furniture and fixtures	537,417	93,493	-	630,910
Total accumulated depreciation	<u>8,317,277</u>	<u>506,688</u>	<u>-</u>	<u>8,823,965</u>

Total capital assets being depreciated, net	<u>3,546,824</u>	<u>(408,530)</u>	<u>-</u>	<u>3,138,294</u>
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Business-type activities capital assets, net of depreciation

\$ 17,812,661	\$ (408,530)	\$ -	\$ 17,404,131
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d. Long-Term Obligations

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities					
General obligation bonds	\$ 291,590,000	\$ 68,115,000	\$ 82,380,000	\$ 277,325,000	\$ 15,295,000
Add deferred amount:					
For issuance premium	4,486,439	5,306,563	1,699,274	8,093,728	990,892
For issuance discount	(69,662)	-	(21,592)	(48,070)	(4,330)
Total bonds payable	<u>296,006,777</u>	<u>73,421,563</u>	<u>84,057,682</u>	<u>285,370,658</u>	<u>16,281,562</u>
Compensated absences	1,587,239	119,274	15,999	1,690,514	75,848
Net pension liability	11,128,672	-	1,807,328	9,321,344	-
Governmental activities long-term liability	<u>\$ 308,722,688</u>	<u>\$ 73,540,837</u>	<u>\$ 85,881,009</u>	<u>\$ 296,382,516</u>	<u>\$ 16,357,410</u>
Business-type activities					
Compensated absences	\$ 141,685	\$ -	\$ 22,667	\$ 119,018	\$ 7,334
Net pension liability	1,032,428	77,003	-	1,109,431	-
Business-type activities long-term liabilities	<u>\$ 1,174,113</u>	<u>\$ 77,003</u>	<u>\$ 22,667</u>	<u>\$ 1,228,449</u>	<u>\$ 7,334</u>