

Lake County, Illinois

Statement of Net Position
As of November 30, 2017

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Totals	Unit Forest Preserve District
Assets				
Cash and investments	\$ 380,767,217	\$ 34,390,985	\$ 415,158,202	\$ 95,406,052
Taxes receivable, net	182,511,398	178,845	182,690,243	23,592,895
Accrued interest	2,256,408	195,148	2,451,556	184,515
Accounts receivable, net	20,697,299	8,629,519	29,326,818	641,310
Due from governmental agencies	7,657,895	-	7,657,895	503,948
Notes receivable, net	1,031,957	-	1,031,957	-
Other assets	2,054,756	1,112,150	3,166,906	415,442
Restricted assets:				
Cash and investments	-	35,287,744	35,287,744	-
Capital assets:				
Capital assets not being depreciated	209,553,943	48,550,362	258,104,305	659,213,403
Other capital assets, net of depreciation/amortization	575,999,475	230,272,112	806,271,587	87,745,853
OPEB asset	-	-	-	243,393
Total assets	1,382,530,348	358,616,865	1,741,147,213	867,946,811
Deferred Outflows of Resources				
Deferred loss on refundings	-	-	-	3,716,088
Deferred outflows related to pensions	75,486,547	2,798,148	78,284,695	5,084,801
Accumulated decrease in fair value of hedging derivatives	-	-	-	1,218,588
Total deferred outflows of resources	75,486,547	2,798,148	78,284,695	10,019,477
Total assets and deferred outflows of resources	\$ 1,458,016,895	\$ 361,415,013	\$ 1,819,431,908	\$ 877,966,288
Liabilities				
Accounts payable	\$ 36,546,242	\$ 6,018,281	\$ 42,564,523	\$ 4,033,062
Accrued salaries and wages	9,037,649	421,133	9,458,782	263,752
Other liabilities	3,927,342	-	3,927,342	1,628,146
Due to governmental agencies	2,039,711	-	2,039,711	-
Unearned revenue	1,168,942	-	1,168,942	2,000,034
Restricted accounts payable	-	2,173,564	2,173,564	-
Noncurrent liabilities:				
Due within one year	20,974,017	4,267,944	25,241,961	16,364,744
Due in more than one year	337,353,496	67,097,791	404,451,287	281,246,221
Total liabilities	411,047,399	79,978,713	491,026,112	305,535,959
Deferred Inflows of Resources				
Deferred inflows related to pensions	12,306,566	488,844	12,795,410	1,825,892
Unavailable property taxes	164,656,369	357,123	165,013,492	-
Total deferred inflows of resources	176,962,935	845,967	177,808,902	1,825,892
Net Position				
Net investment in capital assets	604,653,085	210,584,757	815,237,842	488,879,748
Restricted in accordance with:				
Forest preserve	-	-	-	14,328,772
State statutes and enabling legislation	212,559,144	-	212,559,144	2,322,772
Donor requirements	436,338	-	436,338	2,267,675
Debt service	4,127,996	6,976,437	11,104,433	27,276,286
Capital improvements	1,869,201	25,942,502	27,811,703	100,842
Unrestricted	46,360,797	37,086,637	83,447,434	35,428,342
Total net position	870,006,561	280,590,333	1,150,596,894	570,604,437
Total liabilities, deferred inflows of resources, and net position	\$ 1,458,016,895	\$ 361,415,013	\$ 1,819,431,908	\$ 877,966,288

See notes to financial statements.

Lake County, Illinois

Statement of Activities
For the Year Ended November 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals	Component Unit
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 56,431,241	\$ 10,135,352	\$ 2,279,695	\$ -	\$ (44,016,194)	\$ -	\$ (44,016,194)	\$ -
Law and judicial	131,187,893	17,471,956	14,800,707	-	(98,915,230)	-	(98,915,230)	-
Health and human services	85,632,519	5,517,814	46,953,119	-	(33,161,586)	-	(33,161,586)	-
Transportation	53,941,336	1,844,615	7,715,834	10,462,088	(33,918,799)	-	(33,918,799)	-
Planning and economic development	11,440,752	2,507,708	7,237,097	-	(1,695,947)	-	(1,695,947)	-
Interest and fiscal charges	7,510,276	-	-	-	(7,510,276)	-	(7,510,276)	-
Total governmental activities	346,144,017	37,477,445	78,986,452	10,462,088	(219,218,032)	-	(219,218,032)	-
Business-type activities:								
Water and sewer	42,133,046	42,286,641	342,644	8,937,830	-	9,434,069	9,434,069	-
Total business-type activities	42,133,046	42,286,641	342,644	8,937,830	-	9,434,069	9,434,069	-
Total primary government	\$ 388,277,063	\$ 79,764,086	\$ 79,329,096	\$ 19,399,918	(219,218,032)	9,434,069	(209,783,963)	-
Component unit:								
Forest Preserve District	\$ 56,381,947	\$ 8,746,444	\$ 2,813,098	\$ 164,885	-	-	-	(44,657,520)
General revenues:								
Taxes:								
Property taxes					159,945,671	377,347	160,323,018	48,918,789
Sales taxes					60,998,179	-	60,998,179	-
Income taxes					7,578,567	-	7,578,567	-
Personal property replacement taxes					3,467,850	-	3,467,850	-
Other taxes					3,362,519	-	3,362,519	-
Investment income					6,442,101	294,547	6,736,648	308,189
Gain on sale of capital assets					-	22,584	22,584	23,327
Donation of capital assets					-	-	-	(4,628,075)
Miscellaneous					9,185,151	-	9,185,151	58,450
Total general revenues					250,980,038	694,478	251,674,516	44,680,680
Change in net position					31,762,006	10,128,547	41,890,553	23,160
Net position:								
December 1, 2016					838,244,555	270,461,786	1,108,706,341	570,581,277
November 30, 2017					\$ 870,006,561	\$ 280,590,333	\$ 1,150,596,894	\$ 570,604,437

See notes to financial statements.

Lake County, Illinois

**Balance Sheet
Governmental Funds
As of November 30, 2017**

	Major Fund				Nonmajor Governmental Funds	Total Governmental Funds
	General	Health Department	1/4% Sales Tax for Transportation and Public Safety	2015 Bond		
Assets						
Cash and investments	\$ 118,093,284	\$ 34,739,000	\$ 83,102,548	\$ 28,668,904	\$ 103,691,299	\$ 368,295,035
Taxes receivable, net	89,314,857	16,931,686	7,724,605	-	68,540,250	182,511,398
Accrued interest	1,957,166	3,520	-	153,222	139,137	2,253,045
Accounts receivable, net	2,893,393	8,164,518	4,542,792	-	2,810,962	18,411,665
Due from governmental agencies	4,305,655	1,699,378	57,027	-	3,295,213	9,357,273
Due from other funds	1,801,825	401,748	-	-	4,696,751	6,900,324
Notes receivable, net	1,031,957	-	-	-	-	1,031,957
Other assets	-	31,429	-	-	1,993,483	2,024,912
Total assets	\$ 219,398,137	\$ 61,971,279	\$ 95,426,972	\$ 28,822,126	\$ 185,167,095	\$ 590,785,609
Liabilities						
Accounts payable	\$ 8,853,087	\$ 3,259,078	\$ 2,936,472	\$ 9,775,637	\$ 9,238,766	\$ 34,063,040
Accrued salaries and wages	5,685,883	2,318,658	-	-	1,033,108	9,037,649
Other liabilities	441,485	663	-	-	3,485,194	3,927,342
Due to governmental agencies	2,039,711	-	-	-	-	2,039,711
Unearned revenues	-	1,168,942	-	-	-	1,168,942
Due to other funds	-	-	4,542,792	-	2,357,532	6,900,324
Total liabilities	17,020,166	6,747,341	7,479,264	9,775,637	16,114,600	57,137,008
Deferred Inflows of Resources						
Unavailable property tax	80,188,079	16,905,339	-	-	67,562,951	164,656,369
Unavailable other revenue	1,557,839	552,831	1,387,771	-	350,244	3,848,685
Total deferred inflows of resources	81,745,918	17,458,170	1,387,771	-	67,913,195	168,505,054
Fund balances						
Nonspendable for prepaid items	-	31,429	-	-	459,189	490,618
Nonspendable for inventory	-	-	-	-	1,534,294	1,534,294
Nonspendable for notes receivable	1,031,957	-	-	-	-	1,031,957
Restricted	-	37,734,339	86,559,937	19,046,489	99,328,618	242,669,383
Committed	43,373,373	-	-	-	-	43,373,373
Assigned	17,520,485	-	-	-	-	17,520,485
Unassigned (deficit)	58,706,238	-	-	-	(182,801)	58,523,437
Total fund balances	120,632,053	37,765,768	86,559,937	19,046,489	101,139,300	365,143,547
Total liabilities, deferred inflows of resources, and fund balances	\$ 219,398,137	\$ 61,971,279	\$ 95,426,972	\$ 28,822,126	\$ 185,167,095	\$ 590,785,609

See notes to financial statements.

Lake County, Illinois

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
For the Year Ended November 30, 2017**

Total fund balances - governmental funds	\$ 365,143,547
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.	785,553,418
Certain revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	3,848,685
Premiums on bonds that are other financing sources in the fund financial statements are liabilities that are amortized over the life of the bonds in the government-wide financial statements.	(4,532,475)
Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements. Deferred outflows of resources - Illinois Municipal Retirement Fund	75,486,547
Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements. Deferred inflows of resources - Illinois Municipal Retirement Fund	(12,306,566)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:	
General obligation bonds	(182,235,000)
Special service area bonds	(6,810,000)
Claims and judgments - risk management	(17,520,485)
Compensated absences	(18,640,066)
Net pension liability - Illinois Municipal Retirement Fund	(104,128,892)
Other post employment benefits	(21,740,595)
An internal service fund is used by management to charge the costs of insurance. A portion of the assets and liabilities are included in the governmental activities in the statement of net position	<u>7,888,443</u>
Net position of governmental activities	<u><u>\$ 870,006,561</u></u>

See notes to basic financial statements.

Lake County, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended November 30, 2017

	Major Fund					Total Governmental Funds
	General Fund	Health Department	1/4% Sales Tax for Transportation and Public Safety	2015 Bond	Nonmajor Governmental Funds	
Revenues:						
Taxes	\$ 122,064,124	\$ 16,767,604	\$ 30,776,032	\$ -	\$ 79,574,737	\$ 249,182,497
Charges for services	15,450,618	3,170,739	-	-	10,405,156	29,026,513
Licenses and permits	3,710,935	2,074,418	-	-	-	5,785,353
Fines and forfeitures	1,296,206	30,179	-	-	-	1,326,385
Intergovernmental	13,675,033	41,075,294	5,247,097	-	18,985,628	78,983,052
Investment income	2,073,429	131,259	85,306	502,410	282,074	3,074,478
Miscellaneous	8,185,522	35,958	-	-	967,071	9,188,551
Total revenues	166,455,867	63,285,451	36,108,435	502,410	110,214,666	376,566,829
Expenditures:						
Current:						
General government	40,485,131	-	-	-	9,020,169	49,505,300
Law and judicial	109,194,439	-	-	-	10,055,022	119,249,461
Health and human services	-	70,747,766	-	-	9,343,556	80,091,322
Transportation	-	-	23,362	-	21,260,655	21,284,017
Planning and economic development	3,698,437	-	-	-	7,239,355	10,937,792
Capital outlay	23,876,562	1,561,491	23,890,995	44,211,345	29,360,298	122,900,691
Debt service:						
Principal	-	-	-	-	6,550,000	6,550,000
Interest	-	-	-	-	8,239,248	8,239,248
Total expenditures	177,254,569	72,309,257	23,914,357	44,211,345	101,068,303	418,757,831
Excess (deficiency) of revenues over expenditures	(10,798,702)	(9,023,806)	12,194,078	(43,708,935)	9,146,363	(42,191,002)
Other financing sources (uses):						
Transfers in	19,117,387	7,389,889	-	-	15,953,983	42,461,259
Transfers (out)	(8,139,835)	-	(4,164,724)	-	(30,156,700)	(42,461,259)
Sale of capital assets	161,847	42,821	-	-	82,118	286,786
Total other financing sources (uses)	11,139,399	7,432,710	(4,164,724)	-	(14,120,599)	286,786
Change in fund balance	340,697	(1,591,096)	8,029,354	(43,708,935)	(4,974,236)	(41,904,216)
Fund balances:						
December 1, 2016	120,291,356	39,356,864	78,530,583	62,755,424	106,113,536	407,047,763
November 30, 2017	\$ 120,632,053	\$ 37,765,768	\$ 86,559,937	\$ 19,046,489	\$ 101,139,300	\$ 365,143,547

See notes to financial statements.

Lake County, Illinois

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2017**

Net change in fund balances—total governmental funds \$ (41,904,216)

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

State grant revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.

Prior year unavailable balance	(2,509,491)
Current year unavailable balance	3,848,685

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlays	124,251,896
Depreciation expense	(45,196,912)
Proceeds from sale of capital assets	(286,786)
Loss on disposal of capital assets	(35,646)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond principal retirement	4,115,000
Special service area bond principal retirement	2,435,000

Premium on bonds are recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position and is amortized over the life of the bonds. These are the amounts in the current period.

Amortization of premium on bonds	728,972
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Items related to pension expense are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to pension expense - Illinois Municipal Retirement Fund	(19,459,696)
Deferred inflows of resources related to pension expense - Illinois Municipal Retirement Fund	(9,035,272)

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. These activities consist of:

Decrease in compensated absences	657,689
Decrease in net pension liability - Illinois Municipal Retirement Fund	15,318,639
Change in risk management claims and judgments	(298,789)
(Increase) in other post employment benefits	(913,838)

Internal service funds are used by management to charge insurance costs to individual funds	46,771
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Change in net position of governmental activities	\$ 31,762,006
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See notes to financial statements.

Lake County, Illinois

Statement of Net Position - Proprietary Funds
As of November 30, 2017

	Business-type Activities - <u>Enterprise Fund</u> Public Works	Governmental Activities - Internal Service Fund
Assets		
Current assets:		
Cash and investments	\$ 34,390,985	\$ 12,472,182
Accrued interest	195,148	3,363
Taxes receivable, net	178,845	-
Accounts receivable, net of allowance for uncollectibles	8,629,519	586,256
Restricted assets:		
Cash and investments	1,841,627	-
Other assets	1,112,150	29,844
Total current assets	<u>46,348,274</u>	<u>13,091,645</u>
Noncurrent assets:		
Restricted assets:		
Cash and investments	33,446,117	-
Capital assets:		
Land	2,577,013	-
Intangible assets	668,177	-
Construction in progress	45,305,172	-
Other capital assets, net of depreciation	230,272,112	-
Total noncurrent assets	<u>312,268,591</u>	<u>-</u>
Total assets	<u>358,616,865</u>	<u>13,091,645</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	2,798,148	-
Total deferred outflows of resources	<u>2,798,148</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 361,415,013</u>	<u>\$ 13,091,645</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 6,018,281	\$ 2,483,202
Claims and judgments	-	2,720,000
Accrued salaries and wages	421,133	-
Compensated absences	310,119	-
Liabilities payable from restricted assets:		
Current maturities of revenue bonds payable	3,957,825	-
Accounts Payable - Depreciation, extension and improvement account	2,173,564	-
Total current liabilities	<u>12,880,922</u>	<u>5,203,202</u>
Noncurrent liabilities:		
Revenue bonds payable, net	62,370,969	-
Other post employment benefits	868,682	-
Net pension liability	3,300,091	-
Compensated absences	558,049	-
Total noncurrent liabilities	<u>67,097,791</u>	<u>-</u>
Total liabilities	<u>79,978,713</u>	<u>5,203,202</u>
Deferred inflows of resources:		
Unavailable property taxes	357,123	-
Deferred inflows related to pension	488,844	-
Total deferred inflows of resources	<u>845,967</u>	<u>-</u>
Net position:		
Net investment in capital assets	210,584,757	-
Restricted for debt service	6,976,437	-
Restricted for depreciation, extension and improvement	25,942,502	-
Unrestricted	37,086,637	7,888,443
Total net position	<u>280,590,333</u>	<u>7,888,443</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 361,415,013</u>	<u>\$ 13,091,645</u>

Lake County, Illinois

**Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended November 30, 2017**

	Business-Type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services	\$ 41,576,594	\$ 42,663,474
Miscellaneous	710,047	17,669
Total operating revenues	<u>42,286,641</u>	<u>42,681,143</u>
Operating expenses:		
Personal services	8,189,910	131,706
Commodities	1,854,807	2,678
Contractual	22,459,481	42,513,439
Depreciation	9,007,145	-
Total operating expenses	<u>41,511,343</u>	<u>42,647,823</u>
Operating income	<u>775,298</u>	<u>33,320</u>
Nonoperating revenues (expenses):		
Property tax revenue	377,347	-
Investment income	294,547	13,451
Gain on disposal of capital assets	22,584	-
Interest rate subsidy	342,644	-
Interest expense	(878,932)	-
Amortization of bond premium	257,229	-
Total nonoperating revenues (expenses)	<u>415,419</u>	<u>13,451</u>
Income before contributions	<u>1,190,717</u>	<u>46,771</u>
Contributions:		
Capital contributions	2,903,885	-
Capital contributions - connection fees	6,033,945	-
Total contributions	<u>8,937,830</u>	<u>-</u>
Change in net position	10,128,547	46,771
Net position - beginning	<u>270,461,786</u>	<u>7,841,672</u>
Net position - ending	<u>\$ 280,590,333</u>	<u>\$ 7,888,443</u>

See notes to financial statements.

Lake County, Illinois

Statement of Cash Flows
Proprietary Funds
For the Year Ended November 30, 2017

	Business-Type Activities - <u>Enterprise Fund</u> Public Works	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Received from customers	\$ 40,858,423	\$ -
Received from insured and county departments	-	42,635,231
Paid to suppliers and employees	<u>(31,556,259)</u>	<u>(42,540,597)</u>
Net cash flows from operating activities	<u>9,302,164</u>	<u>94,634</u>
Cash flows from noncapital and related financing activities:		
Property tax revenue	<u>216,076</u>	-
Net cash flows from noncapital financing activities	<u>216,076</u>	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(18,040,875)	-
Principal paid on revenue bonds	(2,749,943)	-
Interest paid	(1,640,196)	-
Debt proceeds	13,118,700	-
Proceeds for sale of capital assets	22,584	-
Capital contributions	2,903,885	-
Interest rate subsidy	342,644	-
Connection charges	<u>6,033,945</u>	-
Net cash flows from capital and related financing activities	<u>(9,256)</u>	-
Cash flows from investing activities:		
Investment income received	222,966	13,451
Proceeds from sale of investments	47,067,000	-
Purchase of investments	<u>(50,567,000)</u>	-
Net cash flows from investing activities	<u>(3,277,034)</u>	<u>13,451</u>
Net change in cash and cash equivalents	6,231,950	108,085
Cash and cash equivalents:		
Beginning	<u>8,058,624</u>	<u>12,364,097</u>
Ending	<u>\$ 14,290,574</u>	<u>\$ 12,472,182</u>
Noncash capital and related financing activities:		
Interest charged to construction	<u>\$ 523,132</u>	<u>\$ -</u>

(Continued)

Lake County, Illinois

Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Year Ended November 30, 2017

	Business-Type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 775,298	\$ 33,320
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	9,007,145	-
Changes in assets and liabilities:		
Accounts receivable	(1,428,218)	(45,912)
Other assets	(281,448)	34,561
Accounts payable	535,409	262,665
Claims payable	-	(190,000)
Accrued salaries and wages	76,037	-
Compensated absences	32,405	-
Deferred amounts related to pension	1,187,291	-
Net pension liability	(638,277)	-
Accrued other postemployment benefit obligation	36,522	-
Net cash provided by operating activities	\$ 9,302,164	\$ 94,634
Reconciliation of cash and cash equivalents to the statement of net position - proprietary funds:		
Cash and investments - statement of net position	\$ 34,390,985	\$ 12,472,182
Restricted cash and investments - statement of net position - current	1,841,627	-
Restricted cash and investments - statement of net position - noncurrent	33,446,117	-
Less: Noncash equivalents	(55,567,000)	-
Total cash and cash equivalents	\$ 14,111,729	\$ 12,472,182

See notes to financial statements.

Lake County, Illinois

Statement of Fiduciary Assets and Liabilities
Agency Funds
As of November 30, 2017

Assets	
Cash and investments	\$ 32,804,109
Accounts receivable, net of allowance for uncollectibles	<u>141,012</u>
Total assets	<u>\$ 32,945,121</u>
Liabilities	
Due to governmental agencies	\$ 11,648,243
Amounts available for distributions	<u>21,296,878</u>
Total liabilities	<u>\$ 32,945,121</u>

See notes to financial statements.