

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

Change in net position of governmental activities \$ 31,762,006

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><u>\$ 32,945,121</u></u>
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Liabilities

Due to governmental agencies	\$ 11,648,243
Amounts available for distributions	<u>21,296,878</u>

Total liabilities	<u><u>\$ 32,945,121</u></u>
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See notes to financial statements.