

Lake County, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended November 30, 2018

	Major Fund				
	General Fund	Health Department	1/4% Sales Tax for Transportation and Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 130,672,045	\$ 16,883,224	\$ 31,583,946	\$ 79,329,438	\$ 258,468,653
Charges for services	15,194,190	3,361,938	-	14,845,337	33,401,465
Licenses and permits	3,716,567	2,145,188	-	-	5,861,755
Fines and forfeitures	1,320,412	32,187	-	-	1,352,599
Intergovernmental	13,412,350	44,919,562	2,647,607	17,166,039	78,145,558
Investment income	2,416,332	101,521	263,303	805,356	3,586,512
Miscellaneous	6,164,594	69,450	-	3,247,546	9,481,590
<b>Total revenues</b>	<b>172,896,490</b>	<b>67,513,070</b>	<b>34,494,856</b>	<b>115,393,716</b>	<b>390,298,132</b>
<b>Expenditures:</b>					
Current:					
General government	42,960,468	-	-	7,485,365	50,445,833
Law and judicial	110,984,132	-	-	10,304,509	121,288,641
Health and human services	-	71,462,276	-	8,484,707	79,946,983
Transportation	-	-	37,563	21,486,182	21,523,745
Planning and economic development	3,481,554	-	-	6,497,361	9,978,915
Capital outlay	20,433,105	4,251,220	22,952,320	38,429,950	86,066,595
Debt service:					
Principal	-	-	-	28,570,000	28,570,000
Interest	-	-	-	8,168,020	8,168,020
<b>Total expenditures</b>	<b>177,859,259</b>	<b>75,713,496</b>	<b>22,989,883</b>	<b>129,426,094</b>	<b>405,988,732</b>
Excess (deficiency) of revenues over expenditures	(4,962,769)	(8,200,426)	11,504,973	(14,032,378)	(15,690,600)
<b>Other financing sources (uses):</b>					
Debt issued	-	-	-	20,700,000	20,700,000
Premium on debt	-	-	-	2,660,554	2,660,554
Transfers in	20,208,505	7,357,915	-	17,044,864	44,611,284
Transfers (out)	(8,140,493)	-	(5,290,884)	(31,179,907)	(44,611,284)
Sale of capital assets	185,768	42,560	-	56,908	285,236
<b>Total other financing sources (uses)</b>	<b>12,253,780</b>	<b>7,400,475</b>	<b>(5,290,884)</b>	<b>9,282,419</b>	<b>23,645,790</b>
<b>Change in fund balance</b>	<b>7,291,011</b>	<b>(799,951)</b>	<b>6,214,089</b>	<b>(4,749,959)</b>	<b>7,955,190</b>
<b>Fund balances:</b>					
December 1, 2017	120,632,053	37,765,768	86,559,937	120,185,789	365,143,547
November 30, 2018	\$ 127,923,064	\$ 36,965,817	\$ 92,774,026	\$ 115,435,830	\$ 373,098,737

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  
For the Year Ended November 30, 2018**

Net change in fund balances—total governmental funds \$ 7,955,190

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	(3,848,685)
Current year unavailable balance	5,289,413

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	85,399,340
Depreciation expense	(49,335,281)
Proceeds from sale of capital assets	(285,236)
Loss on disposal of capital assets	(11,091,842)

In governmental funds, issuance of long-term debt is considered other financing sources, but in the statement of net position, debt is reported as a liability. This is the amount of proceeds received in the current period.

General obligation bonds	(20,700,000)
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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	28,405,000
Special service area bond principal retirement	165,000

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.

Premium on bonds	(2,660,554)
Amortization of premium on bonds	1,127,144

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	(48,150,363)
Deferred inflows of resources related to pension expense - Illinois Municipal Retirement Fund	(58,922,039)

Items related to OPEB 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 OPEB expense	(1,557,617)
Deferred inflows of resources related to OPEB expense	(509,606)

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:

Change in compensated absences	(42,653)
Change in net pension liability - Illinois Municipal Retirement Fund	95,950,432
Change in risk management claims and judgments	3,631,940
Change in other post employment benefits	357,365

Internal service funds are used by management to charge insurance costs to individual funds (714,309)

Change in net position of governmental activities \$ 30,462,639

See notes to financial statements.

Lake County, Illinois

Statement of Net Position - Proprietary Funds  
As of November 30, 2018

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash	\$ 4,641,426	\$ 11,647,445
Investments	32,791,505	-
Accrued interest	745,010	3,531
Taxes receivable, net	178,845	-
Accounts receivable, net	8,438,354	343,214
Restricted assets:		
Cash	54,954	-
Investments	1,786,673	-
Other assets	1,238,049	29,844
<b>Total current assets</b>	<b>49,874,816</b>	<b>12,024,034</b>
Noncurrent assets:		
Restricted assets:		
Cash	569,895	-
Investments	30,488,822	-
Capital assets:		
Land	2,577,013	-
Intangible assets	668,177	-
Construction in progress	46,920,844	-
Other capital assets, net	229,759,820	-
<b>Total noncurrent assets</b>	<b>310,984,571</b>	<b>-</b>
<b>Total assets</b>	<b>360,859,387</b>	<b>12,024,034</b>
Deferred outflows of resources:		
Deferred outflows related to pensions	1,403,226	-
<b>Total deferred outflows of resources</b>	<b>1,403,226</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 362,262,613</b>	<b>\$ 12,024,034</b>

Lake County, Illinois

Statement of Net Position - Proprietary Funds (Continued)  
As of November 30, 2018

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 2,707,804	\$ 2,454,633
Claims and judgments	-	2,395,267
Accrued salaries and wages	166,951	-
Compensated absences	273,759	-
Liabilities payable from restricted assets:		
Current maturities of revenue bonds payable	4,249,786	-
Accounts Payable - Depreciation, extension and improvement account	1,359,446	-
<b>Total current liabilities</b>	<b>8,757,746</b>	<b>4,849,900</b>
Noncurrent liabilities:		
Revenue bonds payable, net	60,363,634	-
Net OPEB liability	834,767	-
Net pension liability	294,162	-
Compensated absences	518,344	-
<b>Total noncurrent liabilities</b>	<b>62,010,907</b>	<b>-</b>
<b>Total liabilities</b>	<b>70,768,653</b>	<b>4,849,900</b>
Deferred inflows of resources:		
Deferred property taxes	1,361,863	-
Deferred inflows related to pension	2,596,032	-
Deferred inflows related to OPEB	69,458	-
<b>Total deferred inflows of resources</b>	<b>4,027,353</b>	<b>-</b>
Net position:		
Net investment in capital assets	214,217,629	-
Restricted for debt service	8,471,418	-
Restricted for depreciation, extension and improvement	22,874,239	-
Unrestricted	41,903,321	7,174,134
<b>Total net position</b>	<b>287,466,607</b>	<b>7,174,134</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 362,262,613</b>	<b>\$ 12,024,034</b>

See notes to financial statements.

Lake County, Illinois

**Statement of Revenues, Expenses and Changes in  
Net Position - Proprietary Funds  
For the Year Ended November 30, 2018**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Public Works	
Operating revenues:		
Charges for services	\$ 41,950,253	\$ 42,430,306
Miscellaneous	320,889	-
Total operating revenues	<u>42,271,142</u>	<u>42,430,306</u>
Operating expenses:		
Personal services	7,889,713	158,855
Commodities	1,819,698	3,482
Contractual	22,598,101	42,996,234
Depreciation	9,035,350	-
Total operating expenses	<u>41,342,862</u>	<u>43,158,571</u>
Operating income (expense)	<u>928,280</u>	<u>(728,265)</u>
Nonoperating revenues (expenses):		
Property tax revenue	178,974	-
Investment income	331,612	13,956
Gain on disposal of capital assets	72,564	-
Interest rate subsidy	337,215	-
Interest expense	(2,930,215)	-
Amortization of bond premium	243,913	-
Total nonoperating revenues (expenses)	<u>(1,765,937)</u>	<u>13,956</u>
Income before contributions	<u>(837,657)</u>	<u>(714,309)</u>
Contributions:		
Capital contributions	2,742,438	-
Capital contributions - connection fees	4,947,299	-
Total contributions	<u>7,689,737</u>	<u>-</u>
<b>Change in net position</b>	<b>6,852,080</b>	<b>(714,309)</b>
Net position - beginning, as restated	<u>280,614,527</u>	<u>7,888,443</u>
Net position - ending	<u>\$ 287,466,607</u>	<u>\$ 7,174,134</u>

See notes to financial statements.

Lake County, Illinois

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended November 30, 2018**

	Business-Type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Received from customers	\$ 42,462,307	\$ -
Received from interfund services provided	-	42,673,348
Paid to suppliers and employees	(36,332,335)	(43,511,873)
<b>Net cash flows from operating activities</b>	<u>6,129,972</u>	<u>(838,525)</u>
Cash flows from noncapital and related financing activities:		
Property tax revenue	1,183,714	-
<b>Net cash flows from noncapital financing activities</b>	<u>1,183,714</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(10,138,730)	-
Principal paid on revenue bonds	(3,397,278)	-
Interest paid	(2,930,215)	(168)
Debt proceeds	1,925,817	-
Proceeds for sale of capital assets	72,564	-
Capital contributions	2,742,438	-
Interest rate subsidy	337,215	-
Connection charges	4,947,299	-
<b>Net cash flows from capital and related financing activities</b>	<u>(6,440,890)</u>	<u>(168)</u>
Cash flows from investing activities:		
Investment income received	(218,250)	13,956
Proceeds from sale of investments	42,500,000	-
Purchase of investments	(52,000,000)	-
<b>Net cash flows from investing activities</b>	<u>(9,718,250)</u>	<u>13,956</u>
<b>Net change in cash and cash equivalents</b>	(8,845,454)	(824,737)
Cash and cash equivalents:		
Beginning	<u>14,111,729</u>	<u>12,472,182</u>
Ending	<u>\$ 5,266,275</u>	<u>\$ 11,647,445</u>

(Continued)

Lake County, Illinois

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 For the Year Ended November 30, 2018

	Business-Type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Fund
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 928,280	\$ (728,265)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation expense	9,035,350	-
Changes in assets and liabilities:		
Accounts receivable	191,165	243,042
Other assets	(125,899)	-
Accounts payable	(4,124,595)	(28,569)
Claims payable	-	(324,733)
Accrued salaries and wages	(254,182)	-
Compensated absences	(76,065)	-
Deferred amounts related to pension	3,502,110	-
Deferred amounts related to OPEB	69,458	-
Net pension liability	(3,005,929)	-
Net OPEB liability	(9,721)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 6,129,972</b>	<b>\$ (838,525)</b>
Reconciliation of cash and cash equivalents to the statement of net position - proprietary funds:		
Cash and investments - statement of net position	\$ 4,641,426	\$ 11,647,445
Restricted cash and investments - statement of net position - current	54,954	-
Restricted cash and investments - statement of net position - noncurrent	569,895	-
<b>Total cash and cash equivalents</b>	<b>\$ 5,266,275</b>	<b>\$ 11,647,445</b>

See notes to financial statements.

Lake County, Illinois

Statement of Fiduciary Assets and Liabilities  
Agency Funds  
As of November 30, 2018

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<b>Assets</b>	
Cash and investments	\$ 32,603,695
Accounts receivable, net of allowance for uncollectibles	<u>513,702</u>
Total assets	<u>\$ 33,117,397</u>
<b>Liabilities</b>	
Due to governmental agencies	\$ 10,637,791
Amounts available for distributions	<u>22,479,606</u>
Total liabilities	<u>\$ 33,117,397</u>

See notes to financial statements.