Note 6. Long-Term Obligations (Continued)

	Business-Type Activities Bonds Payable	
Years	Principal	Interest
2018	$ 3,957,825	$ 2,270,045
2019	4,026,858	2,120,433
2020	4,221,634	1,969,092
2021	4,352,172	1,809,040
2020	2,878,487	1,643,268
2023-2027	14,400,586	6,902,025
2028-2032	16,585,333	4,502,756
2033-2037	14,795,245	1,339,196
2038-2039	135,000	8,795
Totals	$ 65,353,140	$ 22,564,650

Other Debt Information
Estimated payments of compensated absences, other post-employment benefits, and claims and judgments are not included in the debt service requirement schedules.

Note 7. Employees' Retirement System

Illinois Municipal Retirement Fund

Plan Description: The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided: The County participates in the Regular Plan (RP) and the Sheriff's Law Enforcement Personnel (SLEP) plan. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Note 7. Employees' Retirement System (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employee Covered by Benefit Terms: As of December 31, 2016, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries	1,881	214
Inactive, non-retired members	1,285	36
Active members	2,202	158
Total	5,368	408

Contributions: As set by statute, County employees participating in IMRF's Regular and SLEP Plans are required to contribute 4.50 percent and 7.50 percent of their annual covered salary, respectively. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's Regular Plan annual contribution rates for calendar years 2017 and 2016 were 10.43 percent and 10.52 percent, respectively. The County's SLEP Plan annual contribution rates for calendar years 2017 and 2016 were 24.92 percent and 26.31 percent, respectively. For the fiscal year ended November 30, 2017, the County contributed $13,956,522 and $3,880,383 to the Regular and SLEP Plan, respectively. The County also contributes 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.

Total contributions of $17,836,905 are reported in the financial statements as follows:

Governmental activities	$	17,192,536
Business-type activities and Public Works Fund		644,369
	$	17,836,905

Net pension liability: The County's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net position liability was determined by an actuarial valuation as of that date.

Note 7. Employees' Retirement System (Continued)

Actuarial assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75 percent.
- **Salary Increases** were expected to be 3.75 percent to 14.50 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality (for non-disabled retirees)** were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38.0 %	6.85 %
International equity	17.0	6.75
Fixed income	27.0	3.00
Real estate	8.0	5.75
Alternative investments	9.0	2.65 - 7.35
Cash equivalents	1.0	2.25
	100.0 %	

Note 7. Employees' Retirement System (Continued)

Discount Rate: A single discount rate of 7.50 percent was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50 percent and the resulting single discount rate is 7.50 percent.

Note 7. Employees' Retirement System (Continued)

Changes in the Net Pension Liability: The following tables shows the components of the County's annual pension liability and related plan fiduciary net position as of the measurement date, December 31, 2016:

Regular Plan:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2015	$ 755,305,849	$ 668,961,589	$ 86,344,260
Changes for the year:			
Service cost	14,840,176	-	14,840,176
Interest on the total pension liability	55,787,352	-	55,787,352
Differences between expected and actual experience	(10,781,526)	-	(10,781,526)
Changes of assumptions	(1,884,102)	-	(1,884,102)
Contributions - employer	-	14,522,058	(14,522,058)
Contributions - employee	-	6,321,618	(6,321,618)
Net investment income	-	45,922,526	(45,922,526)
Benefit payments, including refunds of employee contributions	(33,811,444)	(33,811,444)	-
Other	-	3,113,253	(3,113,253)
Balances at December 31, 2016	$ 779,456,305	$ 705,029,600	$ 74,426,705

SLEP Plan:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2015	$ 193,717,438	$ 156,675,799	$ 37,041,639
Changes for the year:			
Service cost	3,160,353	-	3,160,353
Interest on the total pension liability	14,176,218	-	14,176,218
Differences between expected and actual experience	(306,683)	-	(306,683)
Changes of assumptions	(722,440)	-	(722,440)
Contributions - employer	-	4,535,729	(4,535,729)
Contributions - employee	-	1,261,936	(1,261,936)
Net investment income	-	10,814,529	(10,814,529)
Benefit payments, including refunds of employee contributions	(11,044,544)	(11,044,544)	-
Other	-	3,734,615	(3,734,615)
Balances at December 31, 2016	$ 198,980,342	$ 165,978,064	$ 33,002,278

Note 7. Employees' Retirement System (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the plans' net pension liability (asset), calculated using a single discount rate of 7.50 percent, as well as what the plans' net pension liability (asset) would be if it were calculated using a single discount rate that is 1.0 percent lower or 1.0 percent higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability/(asset) - Regular Plan	$ 176,589,678	$ 74,426,705	$ (8,634,159)
Net pension liability - SLEP Plan	59,013,967	33,002,278	11,640,092
Total	$ 235,603,645	$ 107,428,983	$ 3,005,933

The total net pension liability of $107,428,983 is reported in the financial statements as follows:

Governmental activities	$ 104,128,892
Business-type activities and Public Works Fund	3,300,091
	$ 107,428,983

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended November 30, 2017, the County recognized pension expense of $12,960,186 and $113,793 for the Regular and SLEP Plan, respectively. Total pension expense of $13,073,979 is reported in the financial statements as follows:

Governmental activities	$ 12,551,020
Business-type activities and Public Works Fund	522,959
	$ 13,073,979

At November 30, 2017, the County reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular Plan:		
Differences between expected and actual experience	$ 6,405,783	$ 9,922,528
Changes of assumptions	8,946,623	1,468,791
Net difference between projected and actual investment earnings	34,987,677	-
Contributions subsequent to the measurement date	12,247,500	-
Totals	$ 62,587,583	$ 11,391,319

Note 7. Employees' Retirement System (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
SLEP Plan:		
Differences between expected and actual experience	$ 2,791,588	$ 833,195
Changes of assumptions	1,415,339	570,896
Net difference between projected and actual investment earnings	8,108,060	-
Contributions subsequent to the measurement date	3,382,125	-
Totals	$ 15,697,112	$ 1,404,091

For the Regular and SLEP Plan, the County reported $12,247,500 and $3,382,125, respectively, as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date and will be recognized as a reduction in the net pension liability for the year ending November 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal year:	Regular Plan	SLEP Plan	Total
2018	$ 16,092,162	$ 4,003,477	$ 20,095,639
2019	14,518,297	3,925,118	18,443,415
2020	9,060,420	2,972,030	12,032,450
2021	(722,115)	10,271	(711,844)
	$ 38,948,764	$ 10,910,896	$ 49,859,660

Note 8. Other Postemployement Benefits

The County's group health insurance plan is a single-employer self-insured health care plan administered by the County. 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. The plan does not issue a stand-alone financial report.

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the County's net OPEB obligation to the Retiree Health Plan:

Note 8. Other Postemployement Benefits (Continued)

Annual required contribution (ARC)	$	1,964,000
Interest on net OPEB obligation		866,360
Adjustment to ARC		(792,000)
Annual OPEB cost		2,038,360
Contributions made		1,088,000
Increase in net OPEB obligation		950,360
Net OPEB obligation - beginning of year		21,658,917
Net OPEB obligation - end of year	$	22,609,277

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contribution	Net OPEB Obligation
11/30/2017	$ 2,038,360	53.38%	$ 22,609,277
11/30/2016	2,002,000	54.35%	21,658,917
11/30/2015	3,268,000	25.30%	20,745,000

Funded Status and Funding Progress. As of December 1, 2015, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was $21,755,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial liability (UAAL) of $21,755,000. The covered payroll (annual payroll of active employees covered by the plan) was $147,131,683 and the ratio of the UAAL to the covered payroll was 14.79 percent.

Actuarial valuations of an ongoing plan involve estimates for 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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Note 8. Other Postemployement Benefits (Continued)

In the December 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 7.75% initially, reduced by decrements to an ultimate rate of 4.25% after 15 years. Both rates include a 3% salary inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of pay, including interest on an open basis. The amortization period at November 30, 2017, was 29 years.

Note 9. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; worker's compensation; and health care of its employees. The County is self-insured for all of these risks. These activities are accounted for and financed by the risk and liability insurance activities in the general fund and health, life, and dental internal service fund.

The County is covered by commercial insurers for losses in excess of the following limits through November 30, 2017:

Property	$100,000 retained, up to $250,000,000
Worker's compensation	$500,000 retained, up to statutory limits
General liability	$2,000,000 retained, up to $1,000,000
Medical professional	$0 retained, up to $ infinite
Umbrella liability	$19,000,000 retained, up to $19,000,000

All funds of the County participate in the risk management program. Amounts transferred to the risk fund are based on third-party actuarial estimates based on total expected cost of claims, of possible exposure for claims and judgments, and estimates from legal counsel on pending and threatened litigation. Settled claims have not exceeded the commercial coverage in any of the past three years.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	Risk Management		Health, Life, and Dental	
	Prior Year	Current Year	Prior Year	Current Year
Unpaid claims - beginning of year	$ 16,347,206	$ 17,221,696	$ 3,015,000	$ 2,910,000
Current year claims and changes in estimates	4,678,113	3,972,784	40,019,786	39,798,101
Claim payments	(3,803,623)	(3,673,995)	(40,124,786)	(39,988,101)
Unpaid claims - end of year	$ 17,221,696	$ 17,520,485	$ 2,910,000	$ 2,720,000

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

Debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities Principal	Interest
2018	$ 15,295,000	$ 10,580,802
2019	15,975,000	9,910,379
2020	15,695,000	9,249,545
2021	16,315,000	8,599,188
2022	16,875,000	7,931,513
2023-2027	93,845,000	29,512,029
2028-2032	73,095,000	13,864,742
2033-2036	30,230,000	2,256,568
	$ 277,325,000	$ 91,904,766

e. Long-Term Obligations

Illinois Municipal Retirement Fund

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.

Benefits provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired ***before*** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement. Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in the amount equal to 1- 2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

- 3 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension

At December 31, 2016, the measurement date, membership in the plan was as follows:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	173	8
Inactive plan members entitled to but not yet receiving	226	6
Active plan members	205	19
Total	604	33

Contributions: As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent for IMRF and 7.5 percent for SLEP of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 12.40 percent for IMRF and 15.70 percent for SLEP. The District's annual contribution rate for calendar year 2017 was 12.50 percent for IMRF and 15.72 percent for SLEP. For the fiscal year ended 2017, the District contributed $1,507,162 for IMRF and $245,042 for SLEP to the plan. The District also contributes 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net pension liability: The District's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was 5 year smoothed market; 20 percent corridor
- The **Inflation Rate** was assumed to be 2.75 percent.
- **Salary Increases** were expected to be 3.75 percent to 14.50 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- For **Non-disabled Retirees**, the IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38.0 %	6.85 %
International equity	17.0	6.75
Fixed income	27.0	3.00
Real estate	8.0	5.75
Alternative investments	9.0	2.65 - 7.35
Cash equivalents	1.0	2.25
	100.0 %	

Discount rate: A Single Discount Rate of 7.50 percent for IMRF and 7.50 percent for SLEP was used to measure the total pension liability. The projections of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50 percent and the resulting single discount rate is 7.50 percent.

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

***Changes in net pension liability*:** The District's changes in net pension liability as of the measurement date December 31, 2016 was as follows:

Regular Plan:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2015	$ 66,746,214	$ 55,568,050	$ 11,178,164
Changes for the year:			
Service cost	1,291,502	-	1,291,502
Interest on the total pension liability	4,950,228	-	4,950,228
Differences between expected and actual experience	(1,775,155)	-	(1,775,155)
Changes of assumptions	(261,369)	-	(261,369)
Contributions - employer	-	1,433,385	(1,433,385)
Contributions - employee	-	523,115	(523,115)
Net investment income	-	3,860,273	(3,860,273)
Benefit payments, including refunds of employee contributions	(2,247,711)	(2,247,711)	-
Other	-	(88,016)	88,016
Balances at December 31, 2016	$ 68,703,709	$ 59,049,096	$ 9,654,613

SLEP Plan:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances at December 31, 2015	$ 7,482,506	$ 6,499,571	$ 982,935
Changes for the year:			
Service cost	301,447	-	301,447
Interest on the total pension liability	565,718	-	565,718
Differences between expected and actual experience	(251,481)	-	(251,481)
Changes of assumptions	(10,575)	-	(10,575)
Contributions - employer	-	232,838	(232,838)
Contributions - employee	-	111,214	(111,214)
Net investment income	-	458,218	(458,218)
Benefit payments, including refunds of employee contributions	(160,492)	(160,492)	-
Other	-	9,612	(9,612)
Balances at December 31, 2016	$ 7,927,123	$ 7,150,961	$ 776,162

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

Discount rate sensitivity: The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50 percent for IMRF and 7.50 percent for SLEP, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability - Regular Plan	$ 19,072,839	$ 9,654,613	$ 1,927,943
Net pension liability/(asset) - SLEP Plan	$ 1,924,182	$ 776,162	$ (155,360)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2017, the District recognized pension expense of $1,616,941. At June 30, 2017, the District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular Plan:		
Differences between expected and actual experience	$ 521,561	$ 1,264,113
Changes of assumptions	410,227	186,125
Net difference between projected and actual investment earnings	2,865,948	-
Contributions subsequent to the measurement date	763,651	-
Totals	$ 4,561,387	$ 1,450,238

	Deferred Outflows of Resources	Deferred Inflows of Resources
SLEP Plan:		
Differences between expected and actual experience	$ 69,306	$ 366,577
Changes of assumptions	49,840	9,077
Net difference between projected and actual investment earnings	331,597	-
Contributions subsequent to the measurement date	72,671	-
Totals	$ 523,414	$ 375,654

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Regular	SLEP
2017	$ 1,159,516	$ 65,815
2018	569,760	65,813
2019	559,600	49,256
2020	28,622	(40,507)
2021	-	(28,132)
Thereafter	-	(37,156)
	$ 2,317,498	$ 75,089

Note 14. Subsequent Events

On April 23, 2018, the County issued $20,700,000 in Series 2018 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source) to advance refund the Series 2008 Bond. Principal payments are due on November 30, 2018 through November 30, 2027. Interest on the bonds is payable semi-annually beginning November 30, 2018 through November 30, 2027. The annual interest rate is 5.00 percent.

Note 15. Pronouncements Issued But Not Yet Adopted

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the County beginning with its year ending November 30, 2018. This statement outlines accounting and financial reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the County beginning with its year ending November 30, 2018. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB No. 67, No. 68, and No. 73,* will be effective for the County beginning with its year ending November 30, 2018 except for the requirement of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the County beginning with its year ending November 30, 2020. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.