

**KENDALL COUNTY FOREST
PRESERVE DISTRICT**

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
NOVEMBER 30, 2011**

Prepared by:

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KENDALL COUNTY FOREST PRESERVE DISTRICT

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

To the Board of Directors
Kendall County Forest Preserve District
Yorkville, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County Forest Preserve District, Illinois, as of and for the year ended November 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Kendall County Forest Preserve District's Board of Directors. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County Forest Preserve District, Illinois as of November 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the Kendall County Forest Preserve District, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 30 through 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kendall County Forest Preserve, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
December 30, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)

KENDALL COUNTY FOREST PRESERVE DISTRICT

Management's Discussion and Analysis - Unaudited For the Year Ended November 30, 2011

Our discussion and analysis of the Kendall County Forest Preserve District's financial performance provides an overview of the District's financial activities for the fiscal year ended November 30, 2011. Please read it in conjunction with the Kendall County Forest Preserve District's financial statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The District's total revenues were greater than total expenditures, on the modified accrual basis of accounting, by \$1,194,837 for the year. The major reason for the increase was the receipt of grant revenues which the District received as reimbursement for projects completed in prior fiscal years.
- The District's net assets increased \$2,066,484 to \$25,313,804 in 2011 from \$23,247,320 in 2010. This is an indicator that the District's financial position improved during the current fiscal year.
- The District's General Fund ended the year with a balance of \$56,341, Major Debt Service Funds balances totaled \$1,555,079, Major Capital Projects Funds balances totaled \$6,582,193, and the overall District ended the year with a balance of \$8,193,613.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified accrual basis of accounting.

Report Components

The report consists of five parts as follows:

Government-wide Financial Statements: The Statement of Net Assets and Statement of Activities provide information about the activities of the Forest Preserve's government-wide (or "as a whole") and present a longer-term view of the Forest Preserve's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the District. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds ("major") funds. For *governmental activities*, the statements present how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: This Management's Discussion and Analysis and the General Fund and Major Governmental Fund Budgetary Comparison Schedule represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

KENDALL COUNTY FOREST PRESERVE DISTRICT

Management's Discussion and Analysis - Unaudited For the Year Ended November 30, 2011

Other Supplementary Information: This part of the annual report includes optional financial information such as combining statements for non-major funds (which are added together and shown in the fund financial statements in a single column). This other supplemental financial information is provided to address certain specific needs of various users of the District's annual report.

Basis of Accounting

The District has elected to report information about the District using the modified accrual basis of accounting which is the generally accepted accounting basis. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues and expenses. Assets and liabilities are recorded when they are incurred.

Reporting the Kendall County Forest Preserve as a Whole

The Forest Preserve District's Entity Presentation

This annual report includes all activities for which the District is fiscally responsible. These activities are defined as the District's reporting entity.

The Government-wide Statement of Net Assets and the Statement of Activities

Our financial analysis of the District begins on page 9. One of the most important questions asked about the Forest Preserve's finances is, "Has the Forest Preserve's financial position as a whole improved or deteriorated as a result of the year's activities?" The Statement of Net Assets and Statement of Activities report information about the Forest Preserve as a whole and about its activities in a way that helps answer this question. These statements include all of the Forest Preserve's assets and liabilities resulting from the use of the modified accrual basis of accounting.

The Statement of Net Assets includes all of the District's net assets and how they have changed. The difference between the District's assets and liabilities are another way to measure the District's overall financial position. All of the current year's revenues and expenses are accounted for in the Statement of Activities.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District additional non-financial factors, such as changes in District's property tax base and the condition of buildings and other facilities should be considered.

In the Government-wide Financial Statements, the District activities are categorized as: Government activities. The District's basic services are included here, such as the preservation of county land and resources, and administration of the natural heritage of the county. Property taxes finance most of these activities. The District receives grant from both state and federal sources to help fund projects for continued growth and improvement to the District.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Management's Discussion and Analysis - Unaudited For the Year Ended November 30, 2011

The Fund Financial Statements -- The fund financial statements begin on page 30 and provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District can also establish other funds to control and manage monies for particular purposes or to show that it is properly using certain revenues.

Governmental Funds—The Forest Preserve's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the Forest Preserve's general government operations and basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Forest Preserve's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

The District currently has no fiduciary funds. *Fiduciary funds* are often used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements, and similar arrangements.

Capital Assets

At November 30, 2011, the Forest Preserve had \$66.09 million invested in capital assets, net of depreciation. This represents a net increase of \$606,647 over last year. See the notes to the financial statements for more detail.

Primary Government Capital Assets (Net of accumulated depreciation)

| | 2011 | 2010 |
|----------------------------|-------------------|-------------------|
| Land | \$ 62,716,402 | 62,606,402 |
| Improvements | 2,718,517 | 2,587,710 |
| Buildings and improvements | 465,343 | 136,757 |
| Furniture and equipment | 191,929 | 154,675 |
| Total | <u>66,092,191</u> | <u>65,485,544</u> |

This year's most significant capital asset additions included:

| | |
|--------------|------------|
| Land | \$ 110,000 |
| Improvements | \$ 320,541 |
| Buildings | \$ 363,895 |
| Equipment | \$ 108,551 |

KENDALL COUNTY FOREST PRESERVE DISTRICT

**Management’s Discussion and Analysis - Unaudited
For the Year Ended November 30, 2011**

Long-Term Debt

At November 30, 2011, the Forest Preserve had \$48,972,000 in long-term debt compared to \$49,237,000, at November 30, 2010. See the notes to the financial statements for more detail.

Primary Government Long-Term Debt

| | <u>2011</u> | <u>2010</u> |
|--------------------------|----------------------|-------------------|
| General Obligation Bonds | \$ 48,972,000 | 49,237,000 |
| Total | <u>\$ 48,972,000</u> | <u>49,237,000</u> |

General Fund Budgetary Highlights

The Board of Trustees did not amend the original budget during the year. For the year ended November 30, 2011, General Fund expenditures were \$909,047 and budgeted expenditures were \$898,097, resulting in the General Fund being over budget by \$10,950. The Capital Projects Fund – Series 2007, Capital Projects Fund – Series 2009, and the Project Fund did not have an adopted budget for the year ended November 30, 2011.

Economic Factors

The State of Illinois is behind on grant money due to the struggling economy.

Contacting District’s Financial Management

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Forest Preserve’s finances and to demonstrate the Forest Preserve’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jason Pettit, Forest Preserve Director, at 630-553-4131.

KENDALL COUNTY FOREST PRESERVE

Management's Discussion and Analysis - Unaudited For the Year Ended November 30, 2011

The District's combined net assets, resulting from modified accrual basis transactions, changed as follows.

| | Governmental Activities | | Total Percentage Change |
|----------------------------------------------------|----------------------------|-------------------|-------------------------------|
| | 2011 | 2010 | 2010-2011 |
| <u>Assets</u> | | | |
| Current and other assets | \$ 13,443,545 | 12,082,018 | 11.27% |
| Capital Assets | 66,092,191 | 65,485,544 | 0.93% |
| Total assets | \$ 79,535,736 | 77,567,562 | 2.54% |
| <u>Liabilities</u> | | | |
| Current liabilities | | | |
| Accounts Payable | \$ 92,725 | 338,240 | -72.59% |
| Accrued Interest | 1,014,998 | 1,018,347 | -0.33% |
| Due to other funds | 11,258 | 11,258 | 0.00% |
| Deferred Revenue | 4,130,951 | 3,715,397 | 11.18% |
| Due within one year | 382,000 | 265,000 | 44.15% |
| Long-term debt outstanding | 48,590,000 | 48,972,000 | -0.78% |
| Total liabilities | 54,221,932 | 54,320,242 | -0.18% |
| <u>Net assets</u> | | | |
| Invested in capital assets, net of related debt | 17,120,191 | 16,248,544 | 5.36% |
| Restricted | 8,137,272 | 6,987,608 | 16.45% |
| Unrestricted | 56,341 | 11,168 | 404.49% |
| Total net assets | \$ 25,313,804 | 23,247,320 | 8.89% |

KENDALL COUNTY FOREST PRESERVE

**Management's Discussion and Analysis - Unaudited
For the Year Ended November 30, 2011**

Changes in Net Assets--Modified Accrual Basis

For the year ended November 30, 2011, net assets of the District (resulting from modified accrual basis transactions) changed as follows:

| | Governmental Activities | | Total Percentage Change |
|------------------------------------|----------------------------|-------------------|-------------------------------|
| | 2011 | 2010 | 2010-2011 |
| Revenues | | | |
| Program revenues | | | |
| Fees and charges for services | \$ 44,642 | 40,380 | 10.55% |
| Operating grants and contributions | 3,000 | - | 0.00% |
| Capital grants | 1,880,750 | 59,400 | 0.00% |
| General revenues | | | |
| Taxes | 3,300,434 | 3,169,457 | 4.13% |
| Investment income | 6,312 | 9,989 | -36.81% |
| Donations | 583,427 | 5 | 100% |
| Project fund | 221,151 | 215,841 | 2.46% |
| Miscellaneous | 7,237 | 5,349 | 35.30% |
| Total Revenues | <u>6,046,953</u> | <u>3,500,421</u> | <u>72.75%</u> |
| Expenses | | | |
| General government | | | |
| Cultural & Recreation | 1,542,938 | 2,662,432 | -42.05% |
| Interest Expense | 2,437,531 | 2,350,445 | 3.71% |
| Total Expenses | <u>3,980,469</u> | <u>5,012,877</u> | <u>-20.60%</u> |
| Change in net assets | 2,066,484 | (1,512,456) | -236.63% |
| Beginning net assets | <u>23,247,320</u> | <u>24,759,776</u> | <u>-6.11%</u> |
| Ending net assets | <u>\$ 25,313,804</u> | <u>23,247,320</u> | <u>8.89%</u> |

FINANCIAL STATEMENTS

Statement of Net Assets - Modified Accrual Basis
 Government-Wide Financial Statement
 November 30, 2011

| | Primary Government | | |
|----------------------------------------------------|----------------------------|-------------------|-------------------|
| | Governmental Activities | 2011 | Total 2010 |
| <u>Assets</u> | | | |
| Cash | \$ 9,309,584 | 9,309,584 | 8,336,621 |
| Accounts Receivable | 3,010 | 3,010 | 30,000 |
| Taxes Receivable | 4,130,951 | 4,130,951 | 3,715,397 |
| Capital Assets | | | |
| Land | 62,716,402 | 62,716,402 | 62,606,402 |
| Improvements | 3,794,677 | 3,794,677 | 3,474,136 |
| Buildings | 706,183 | 706,183 | 342,288 |
| Equipment | 474,861 | 474,861 | 426,460 |
| Artifacts | 30,280 | 30,280 | 30,280 |
| Accumulated Depreciation | (1,630,212) | (1,630,212) | (1,394,022) |
| Total assets | <u>\$ 79,535,736</u> | <u>79,535,736</u> | <u>77,567,562</u> |
| <u>Liabilities</u> | | | |
| Current liabilities | | | |
| Accounts payable | \$ 92,725 | 92,725 | 338,240 |
| Accrued interest | 1,014,998 | 1,014,998 | 1,018,347 |
| Due to other funds | 11,258 | 11,258 | 11,258 |
| Deferred revenue | 4,130,951 | 4,130,951 | 3,715,397 |
| Due within one year | 382,000 | 382,000 | 265,000 |
| Long-Term liabilities | | | |
| Due in more than one year | 48,590,000 | 48,590,000 | 48,972,000 |
| Total liabilities | <u>54,221,932</u> | <u>54,221,932</u> | <u>54,320,242</u> |
| <u>Net Assets</u> | | | |
| Invested in capital assets, net of related debt | 17,120,191 | 17,120,191 | 16,248,544 |
| Restricted for: | | | |
| Capital projects | 6,582,193 | 6,582,193 | 5,547,626 |
| Debt service | 1,555,079 | 1,555,079 | 1,439,982 |
| Unrestricted | 56,341 | 56,341 | 11,168 |
| Total net assets | <u>\$ 25,313,804</u> | <u>25,313,804</u> | <u>23,247,320</u> |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Statement of Activities - Modified Accrual Basis
 Government-Wide Financial Statement
 For the Year Ended November 30, 2011

| Program Activities | Expenses | Program Revenues | | | Net (Expenses) Revenue And Changes in Net Assets | | |
|---------------------------------|--------------|-------------------------------------|------------------------------------------|----------------------------------------|-----------------------------------------------------|-------------|-------------|
| | | Fees and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | 2011 | 2010 |
| Governmental activities: | | | | | | | |
| Cultural & Recreation | \$ 1,542,938 | 44,642 | 3,000 | 1,880,750 | 385,454 | 385,454 | (2,562,652) |
| Unallocated Interest expense | 2,437,531 | - | - | - | (2,437,531) | (2,437,531) | (2,350,445) |
| Total governmental activities | 3,980,469 | 44,642 | 3,000 | 1,880,750 | (2,052,077) | (2,052,077) | (4,913,097) |
| Total government | \$ 3,980,469 | 44,642 | 3,000 | 1,880,750 | (2,052,077) | (2,052,077) | (4,913,097) |
| General revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | | | |
| | | | | | 3,300,434 | 3,300,434 | 3,169,457 |
| Interest on investments | | | | | | | |
| | | | | | 6,312 | 6,312 | 9,989 |
| Donations | | | | | | | |
| | | | | | 583,427 | 583,427 | 5 |
| Project fund | | | | | | | |
| | | | | | 221,151 | 221,151 | 215,841 |
| Miscellaneous | | | | | | | |
| | | | | | 7,237 | 7,237 | 5,349 |
| Total general revenues | | | | | | | |
| | | | | | 4,118,561 | 4,118,561 | 3,400,641 |
| Change in net assets | | | | | | | |
| | | | | | 2,066,484 | 2,066,484 | (1,512,456) |
| Net assets at beginning of year | | | | | | | |
| | | | | | 23,247,320 | 23,247,320 | 24,759,776 |
| Net assets at end of year | | | | | | | |
| | | | | | \$ 25,313,804 | 25,313,804 | 23,247,320 |

The Notes to Financial Statements are an integral part of this statement.

Balance Sheet
Governmental Funds
November 30, 2011

| | General Fund | Debt Service: | | | Capital Projects: | | | Total Governmental Funds | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|----------------|------------------------------|--------------------------|-------------------|
| | | Bond and Interest Series 2007 | Bond and Interest Series 2003 | Bond and Interest Series 2009 | Capital Projects Series 2007 | Project Fund | Capital Projects Series 2009 | 2011 | 2010 |
| Assets | | | | | | | | | |
| Cash | \$ 75,188 | 2,260,248 | 254,508 | 55,321 | 5,988,073 | 608,152 | 68,094 | 9,309,584 | 8,336,621 |
| Accounts Receivable | 3,010 | - | - | - | - | - | - | 3,010 | 30,000 |
| Property taxes receivable | 491,686 | 3,200,000 | 371,065 | 68,200 | - | - | - | 4,130,951 | 3,715,397 |
| Total Assets | \$ 569,884 | 5,460,248 | 625,573 | 123,521 | 5,988,073 | 608,152 | 68,094 | 13,443,545 | 12,082,018 |
| Liabilities and Fund Balances | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 10,599 | - | - | - | 82,126 | - | - | 92,725 | 338,240 |
| Accrued interest | - | 953,073 | 59,536 | 2,389 | - | - | - | 1,014,998 | 1,018,347 |
| Due to other funds | 11,258 | - | - | - | - | - | - | 11,258 | 11,258 |
| Deferred revenue | 491,686 | 3,200,000 | 371,065 | 68,200 | - | - | - | 4,130,951 | 3,715,397 |
| Total liabilities | 513,543 | 4,153,073 | 430,601 | 70,589 | 82,126 | - | - | 5,249,932 | 5,083,242 |
| Fund Balances: | | | | | | | | | |
| Restricted for | | | | | | | | | |
| Debt service funds | - | 1,307,175 | 194,972 | 52,932 | - | - | - | 1,555,079 | 1,439,982 |
| Capital project funds | - | - | - | - | 5,905,947 | 608,152 | 68,094 | 6,582,193 | 5,547,626 |
| Unassigned, reported in | | | | | | | | | |
| General funds | 56,341 | - | - | - | - | - | - | 56,341 | 11,168 |
| Total Fund Balances | 56,341 | 1,307,175 | 194,972 | 52,932 | 5,905,947 | 608,152 | 68,094 | 8,193,613 | 6,998,776 |
| Total Liabilities and Fund Balances | \$ 569,884 | 5,460,248 | 625,573 | 123,521 | 5,988,073 | 608,152 | 68,094 | | |
| Reconciliation to Statement of Net Assets: | | | | | | | | | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | | | | | |
| Capital assets used in governmental activities of \$67,722,403 (net of accumulated depreciation of \$1,630,212) are not financial resources and, therefore, are not reported in the funds. | | | | | | | | 66,092,191 | 65,485,544 |
| Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | | | | (48,972,000) | (49,237,000) |
| Net assets of governmental activities | | | | | | | | 25,313,804 | 23,247,320 |

The Notes to Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended November 30, 2011

| | General Fund | Debt Service: | | | Capital Projects: | | | Total Governmental Funds | |
|---------------------------------------------------|-----------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-----------------|---------------------------------|--------------------------------|-------------|
| | | Bond and Interest Series 2007 | Bond and Interest Series 2003 | Bond and Interest Series 2009 | Capital Projects Series 2007 | Project Fund | Capital Projects Series 2009 | 2011 | 2010 |
| <u>Revenues</u> | | | | | | | | | |
| Property Taxes | \$ 484,035 | 2,450,267 | 309,804 | 56,328 | - | - | - | 3,300,434 | 3,169,457 |
| Grant income | 3,000 | - | - | - | 1,880,750 | - | - | 1,883,750 | 59,400 |
| Fees and charges for services | 44,332 | - | - | - | - | - | - | 44,332 | 31,562 |
| Investment income | 25 | 1,131 | 96 | 2 | 4,949 | - | 109 | 6,312 | 9,989 |
| Rental income | 310 | - | - | - | - | - | - | 310 | 8,818 |
| Project fund | 190,979 | - | - | - | 30,172 | - | - | 221,151 | 215,841 |
| Donations | 275 | - | - | - | - | 583,152 | - | 583,427 | 5 |
| Miscellaneous | 1,264 | - | - | - | - | - | 5,973 | 7,237 | 5,349 |
| | | | - | | | | | | |
| Total Revenues | 724,220 | 2,451,398 | 309,900 | 56,330 | 1,915,871 | 583,152 | 6,082 | 6,046,953 | 3,500,421 |
| <u>Expenditures</u> | | | | | | | | | |
| Current | | | | | | | | | |
| Cultural and Recreational | 909,047 | - | - | - | 330,175 | - | 7,376 | 1,246,598 | 2,968,425 |
| Capital outlay | - | - | - | - | 802,450 | - | 100,537 | 902,987 | 7,231,000 |
| Debt service | | | | | | | | | |
| Interest expense | - | 2,287,375 | 143,398 | 6,758 | - | - | - | 2,437,531 | 2,350,445 |
| Principal | - | - | 205,000 | 60,000 | - | - | - | 265,000 | 253,000 |
| Total Expenditures | 909,047 | 2,287,375 | 348,398 | 66,758 | 1,132,625 | - | 107,913 | 4,852,116 | 12,802,870 |
| Excess (deficiency) of revenues over expenditures | (184,827) | 164,023 | (38,498) | (10,428) | 783,246 | 583,152 | (101,831) | 1,194,837 | (9,302,449) |
| <u>Other Financing Sources (Uses):</u> | | | | | | | | | |
| Transfers in | 230,000 | - | - | - | - | - | - | 230,000 | - |
| Transfers out | - | - | - | - | (230,000) | - | - | (230,000) | - |
| Total Other Financing Sources (Uses) | 230,000 | - | - | - | (230,000) | - | - | - | - |
| Net change in fund balances | 45,173 | 164,023 | (38,498) | (10,428) | 553,246 | 583,152 | (101,831) | 1,194,837 | (9,302,449) |
| Fund balances - beginning | 11,168 | 1,143,152 | 233,470 | 63,360 | 5,352,701 | 25,000 | 169,925 | 6,998,776 | 16,301,225 |
| Fund balances - ending | \$ 56,341 | 1,307,175 | 194,972 | 52,932 | 5,905,947 | 608,152 | 68,094 | 8,193,613 | 6,998,776 |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended November 30, 2011

(Continued)

Reconciliation to the Statement of Activities:

| | | |
|--------------------------------------------------------|----|-----------|
| Net Change in Fund Balances - total governmental funds | \$ | 1,194,837 |
|--------------------------------------------------------|----|-----------|

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

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

| | | |
|--------------------------------------------|--|---------|
| Capital debt obligation principal payments | | 265,000 |
|--------------------------------------------|--|---------|

Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Assets:

| | | |
|-----------------------|--|---|
| Capital debt proceeds | | - |
|-----------------------|--|---|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The change in fund balance must be increased by capital purchase and decreased by depreciation expense.

| | | |
|----------------------------------------|--|-----------|
| Capital asset purchases (dispositions) | | 902,987 |
| Capital asset dispositions | | (60,150) |
| Depreciation, net of dispositions | | (236,190) |

| | | |
|---------------------------------------------------------------|----|------------------|
| Change in net assets of governmental activities (Statement B) | \$ | <u>2,066,484</u> |
|---------------------------------------------------------------|----|------------------|

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements

For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a modified accrual basis of accounting. The accrual basis of accounting is the accounting basis generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the forest preserve financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

The District implemented GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation for GASB Statement No. 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures* which changes note disclosure requirements for governmental entities.

A. Financial Reporting Entity

The Forest Preserve's financial reporting entity is composed of the following:

In determining the financial reporting entity, the Forest Preserve District complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. The District is governed by a Board of Directors, which has exclusive responsibility and accountability for the decisions it makes. The District has the statutory authority to adopt its own budget, to levy taxes, and to issue bonded debt without the approval of another government. However, the Board of Directors of the District includes the same members as those of the Kendall County, Illinois Board and is therefore considered to be a component unit of Kendall County, Illinois.

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements including a Statement of Net Assets and Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements: The Statement of Net Assets and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, grants, and other revenues.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - (Continued)

The Statement of Net Assets presents the financial condition of the governmental activities of the District at year end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements: During the year, the District segregates transaction related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

C. Fund Accounting

The accounts of the District are organized on the basis of funds. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. The District maintains individual funds required by the State of Illinois. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the Forest Preserve District or meets the following criteria:

- a. At least 10 percent of the corresponding total for all funds of total assets, liabilities, revenues, or expenditures of that individual governmental fund are at that category or type, and
- b. Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Kendall County Forest Preserve District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Debt Service Funds

The Bond and Interest Funds is the debt service funds of the District. They are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The District has three debt service funds and two are reported as major funds:

- Bond and Interest Fund—Series 2009
- Bond and Interest Fund—Series 2007
- Bond and Interest Fund—Series 2003

Capital Project Funds

Capital project funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The District has three capital project funds. The reporting entity includes the following capital project funds that are reported as major funds:

- Capital Projects Fund - Series 2009
- Capital Projects Fund - Series 2007
- Project Fund

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

Measurement Focus

In the Government-wide Statement of Net Assets and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the accrual basis of accounting.

In the fund financial statements, the governmental activities are presented using the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the accrual cash basis of accounting.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as a measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the Government-wide Statement of Net Assets and Statement of Activities and fund financial statements, the governmental activities are presented using a modified accrual basis of accounting, which is the generally accepted accounting basis (GAAP) used in the United States of America. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. Included are certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are recorded* in these financial statements. However, all of the funds are maintained during the year by the District on a cash basis. At the end of the year, the financial statements are converted to the modified accrual basis by journal entries.

Property tax revenues are recognized in accordance with the requirements of Interpretation 3 issued by the National Council on Governmental Accounting (NCGA) which requires that (a) taxes relating to the current budget and collected within 60 days after the end of the fiscal year be recognized as revenue currently; and (b) a property tax assessment made during the current year for the purpose of financing the budget of the following fiscal period be recorded as receivable and the related revenue deferred to the period for which it was levied.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements
For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balance

Investments

Investments classified in the financial statements consist entirely of certificates of deposit whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

Capital Assets

The District's modified accrual basis of accounting reports capital assets at cost and reports depreciation where appropriate.

Government-wide Financial Statements

In the Government-wide Financial Statements, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at fair market value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is computed using the straight-line method over the following useful lives:

| | |
|-------------------------------------|-----------|
| Buildings | 20 years |
| Improvements, other than buildings | 20 years |
| Machinery, furniture, and equipment | 5-7 years |

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balance (Continued)

Long-term Debt

All long-term debt arising from cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide statements. In the fund financial statements, debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Fund Balance Classification

Government-wide Financial Statements

Fund Balance is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets—All other net assets that do not meet the definitions of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Revenues and Expenditures

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the District’s taxpayers are reported as program revenues. The District has the following program revenues in each activity:

Culture and Recreation

Licenses, permits, rental income, recreation fees,
and specific donations.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Use of Estimates

The preparation of financial statements in conformity with the modified accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

G. Budgets and Budgetary Accounting

The District utilizes the estimated revenues and appropriation ordinance as a management control device. The 2011 budget and appropriation ordinance amounts were passed by the District Board on November 29, 2010 and were not amended. The General Fund was over budget by \$10,950. A budget was not adopted for the Capital Projects Funds- Series 2007, Capital Projects Funds- Series 2009, and the Project Fund. The 2012 budget and appropriation ordinance was passed by the District Board on November 28, 2011 and will be used in the subsequent fiscal year.

H. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of these assets. Net assets are reported as restricted when there are limitation imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 2: CASH AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the government to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

Custodial Credit Risk - is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's custodial credit risk policy is included in a formal written investment and cash management plan policy.

The District's deposits and certificates of deposits are required to be covered by federal depository insurance (FDIC) or by securities held by the pledging financial institution. The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. Effective December 31, 2010 through December 31, 2012, the FDIC will insure 100% of all non-interest bearing accounts. Deposit balances over \$250,000 are collateralized with securities held by the pledging financial institution.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements

For the Year Ended November 30, 2011

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

At November 30, 2011, the carrying amount of the District's deposits was \$9,309,584 and the bank balance was \$9,309,644. The deposits are categorized in accordance with credit risk factors created by governmental reporting standards as follows:

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|-------------|------------------------|---------------------|
| Category #1 | \$ - | - |
| Category #2 | 9,059,584 | 9,059,644 |
| Category #3 | <u>250,000</u> | <u>250,000</u> |
| Total | <u>\$ 9,309,584</u> | <u>9,309,644</u> |

Category #1 Uncollateralized;

Category #2 Collateralized with securities held by the pledging financial institution;

Category #3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

NOTE 3: FUND BALANCE - GASB 54 IMPLEMENTATION

According to Government Auditing Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The District's fund balance is categorized as shown below:

| | |
|----------------------------------------------------|---------------------|
| <u>Restricted for Debt Service:</u> | |
| Bond and Interest Fund - Series 2003 | \$ 194,972 |
| Bond and Interest Fund - Series 2007 | 1,307,175 |
| Bond and Interest Fund - Series 2009 | <u>52,932</u> |
| Total Fund Balance Restricted for Debt Service | <u>\$ 1,555,079</u> |
| <u>Restricted for Capital Projects:</u> | |
| Capital Projects Fund - Series 2007 | \$ 5,905,947 |
| Capital Projects Fund - Series 2009 | 68,094 |
| Project Revenue Fund | <u>608,152</u> |
| Total Fund Balance Restricted for Capital Projects | <u>\$ 6,582,193</u> |
| <u>Unassigned Fund Balance:</u> | |
| Forest Preserve General Fund | <u>\$ 56,341</u> |
| Total Fund Balance as of November 30, 2011 | <u>\$ 8,193,613</u> |

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements

For the Year Ended November 30, 2011

NOTE 4: EXPENDITURES EXCEEDED APPROPRIATIONS

The General Fund was over budget for the current fiscal year by \$10,950. During the current fiscal year, a budget was not adopted for the Capital Projects Fund – Series 2007, Capital Projects Fund – Series 2009, and the Project Fund.

NOTE 5: LEGAL DEBT MARGIN

Legal debt margin is the percent of the District's assessed valuation which is subject to debt limitation. The statutory debt limitation for the District is 2.3%. The District's legal debt margin limitation is as follows for the fiscal year ended November 30, 2011:

| | |
|----------------------------------------------|-------------------------|
| Assessed valuation (2010) | <u>\$ 3,172,454,510</u> |
| Statutory debt limitation (2.3%) | \$ 72,966,454 |
| Amount of debt applicable to debt limitation | <u>48,972,000</u> |
| Legal Debt Margin | <u>\$ 23,994,454</u> |

NOTE 6: PROPERTY TAXES

Property taxes are levied and attach as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The 2010 property tax levy ordinance was adopted on November 29, 2010. The amount of the 2010 tax levy was \$3,715,397, of which \$3,169,457 was received in the current fiscal year. The 2011 tax levy was adopted November 28th, 2011 in the amount of \$4,130,951 will be received in subsequent tax year. A significant amount of these taxes are received in June and September.

Under current procedures, the County Treasurer distributes all property taxes received to the District including amounts paid by the taxpayers that have filed tax objections in the circuit that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from the future property tax distributions that are due to the District.

KENDALL COUNTY FOREST PRESERVE DISTRICT

**Notes to Financial Statements
For the Year Ended November 30, 2011**

NOTE 7: CHANGE IN FIXED ASSETS

During the fiscal year the District compiled records relating to general fixed assets. A summary of changes in general fixed assets follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|------------------|------------------|---------------------------|
| Non-depreciable assets | | | | |
| Land | \$62,606,402 | 110,000 | - | 62,716,402 |
| Total non-depreciable assets | 62,606,402 | 110,000 | - | 62,716,402 |
| Depreciable assets | | | | |
| Improvements | 3,474,136 | 320,541 | - | 3,794,677 |
| Buildings | 342,288 | 363,895 | - | 706,183 |
| Equipment | 426,460 | 108,551 | 60,150 | 474,861 |
| Artifacts and antiques | 30,280 | - | - | 30,280 |
| Total depreciable assets | 4,273,164 | 792,987 | 60,150 | 5,006,001 |
| Accumulated depreciation | | | | |
| Improvements | 886,426 | 189,734 | - | 1,076,160 |
| Buildings | 205,530 | 35,309 | - | 240,839 |
| Equipment | 271,786 | 68,354 | 57,207 | 282,933 |
| Artifacts and antiques | 30,280 | - | - | 30,280 |
| Total accumulated depreciation | 1,394,022 | 293,397 | 57,207 | 1,630,212 |
| Net fixed assets | <u>\$65,485,544</u> | <u>609,590</u> | <u>2,943</u> | <u>66,092,191</u> |

All current year depreciation is allocated to cultural and recreation expenditures.

KENDALL COUNTY FOREST PRESERVE DISTRICT

**Notes to Financial Statements
For the Year Ended November 30, 2011**

NOTE 8: LONG-TERM DEBT

The following is a summary of general long-term debt transactions of the District for the year ended November 30, 2011.

| | <u>Payable at December 1, 2010</u> | <u>Debt Issued</u> | <u>Bonds Retired/Refunded</u> | <u>Payable at November 30, 2011</u> | <u>Due Within One Year</u> |
|--------------------|----------------------------------------|--------------------|-----------------------------------|---------------------------------------------|--------------------------------|
| General Obligation | | | | | |
| Series 2003 | 3,995,000 | - | 205,000 | 3,790,000 | 220,000 |
| Series 2007 | 45,000,000 | - | - | 45,000,000 | 100,000 |
| Series 2009 | 242,000 | - | 60,000 | 182,000 | 62,000 |
| Total | <u>\$ 49,237,000</u> | <u>-</u> | <u>265,000</u> | <u>48,972,000</u> | <u>382,000</u> |

A. Bond Series 2003

The Board of Commissioners of the Kendall County Forest Preserve District authorized issuance of \$5,000,000 in General Obligation Limited Tax Bonds, Series 2003, dated May 21, 2003. The revenue received from the sale of these bonds will be used for financing acquisition costs of land located in the Fox River.

The bonds shall mature each year as follows:

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Payments</u> |
|-------------|--------------------|------------------|------------------|
| 11/30/12 | 220,000 | 139,476 | 359,476 |
| 11/30/13 | 235,000 | 132,306 | 367,306 |
| 11/30/14 | 250,000 | 124,358 | 374,358 |
| 11/30/15 | 265,000 | 115,665 | 380,665 |
| 11/30/16 | 280,000 | 106,260 | 386,260 |
| 11/30/17 | 300,000 | 95,960 | 395,960 |
| 11/30/18 | 320,000 | 84,640 | 404,640 |
| 11/30/19 | 335,000 | 71,843 | 406,843 |
| 11/30/20 | 360,000 | 57,606 | 417,606 |
| 11/30/21 | 385,000 | 42,333 | 427,333 |
| 11/30/22 | 405,000 | 26,138 | 431,138 |
| 11/30/23 | 435,000 | 8,918 | 443,918 |
| | <u>\$3,790,000</u> | <u>1,005,503</u> | <u>4,795,503</u> |

KENDALL COUNTY FOREST PRESERVE DISTRICT

**Notes to Financial Statements
For the Year Ended November 30, 2011**

NOTE 8: LONG-TERM DEBT (CONTINUED)

B. Bond Series 2007

The Board of Commissioners of the Kendall County Forest Preserve District authorized issuance of \$45,000,000 in General Obligation Limited Tax Bonds, Series 2007, dated July 15, 2007. The revenue received from the sale of these bonds will be used to acquire and develop land.

The bonds shall mature each year as follows:

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Payments</u> |
|-------------|-------------------|-------------------|-------------------|
| 2012 | 100,000 | 2,287,375 | 2,387,375 |
| 2013 | 300,000 | 2,283,125 | 2,583,125 |
| 2014 | 500,000 | 2,270,375 | 2,770,375 |
| 2015 | 1,000,000 | 2,249,125 | 3,249,125 |
| 2016 | 1,500,000 | 2,204,125 | 3,704,125 |
| 2017 | 1,700,000 | 2,136,625 | 3,836,625 |
| 2018 | 2,100,000 | 2,060,125 | 4,160,125 |
| 2019 | 2,500,000 | 1,955,125 | 4,455,125 |
| 2020 | 2,750,000 | 1,830,125 | 4,580,125 |
| 2021 | 3,000,000 | 1,692,625 | 4,692,625 |
| 2022 | 3,500,000 | 1,542,625 | 5,042,625 |
| 2023 | 4,000,000 | 1,367,625 | 5,367,625 |
| 2024 | 5,000,000 | 1,157,625 | 6,157,625 |
| 2025 | 5,100,000 | 895,125 | 5,995,125 |
| 2026 | 5,600,000 | 627,375 | 6,227,375 |
| 2027 | 6,350,000 | 333,375 | 6,683,375 |
| | <u>45,000,000</u> | <u>26,892,500</u> | <u>71,892,500</u> |

C. Bond Series 2009

The Board of Commissioners of the Kendall County Forest Preserve District authorized issuance of \$300,000 in General Obligation Limited Tax Bonds, Series 2009, dated January 20, 2009. The revenue received from the sale of these bonds will be used to acquire and develop land. The bonds shall mature each year as follows:

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Payments</u> |
|-------------|------------------|-----------------|-----------------|
| 1/15/2012 | 62,000 | 3,185 | 65,185 |
| 7/15/2012 | - | 2,100 | 2,100 |
| 1/15/2013 | 64,000 | 2,100 | 66,100 |
| 7/15/2013 | - | 980 | 980 |
| 1/15/2014 | 56,000 | 980 | 56,980 |
| | <u>182,000</u> | <u>9,345</u> | <u>191,345</u> |

KENDALL COUNTY FOREST PRESERVE DISTRICT

**Notes to Financial Statements
For the Year Ended November 30, 2011**

NOTE 9: EMPLOYEE PENSIONS AND OTHER BENEFITS

A. Illinois Municipal Retirement Fund

Plan Description: The Kendall County Forest Preserve District is included in the County's defined benefit pension plan for Regular employees which provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The County 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 financial report that includes financial statements and required supplementary information. The report may be obtained online at www.imrf.org.

Funding Policy: As set by statute, the County Regular plan members are required to contribute 4.50 percent 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 County annual required contribution rate for calendar year 2010 was 10.99 percent. 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.

Annual Pension Cost: The required contribution for calendar year 2010 was \$1,085,975.

| Actuarial Valuation Date | TREND INFORMATION | | |
|--------------------------------|---------------------------------|-------------------------------------|------------------------------|
| | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| 12/31/10 | \$1,085,975 | 100 | \$0 |
| 12/31/09 | 874,696 | 100 | 0 |
| 12/31/08 | 843,248 | 100 | 0 |
| 12/31/07 | 769,716 | 100 | 0 |
| 12/31/06 | 739,235 | 100 | 0 |
| 12/31/05 | 626,375 | 100 | 0 |
| 12/31/04 | 573,161 | 100 | 0 |
| 12/31/03 | 388,908 | 100 | 0 |
| 12/31/02 | 336,131 | 100 | 0 |
| 12/31/01 | 309,350 | 100 | 0 |

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements

For the Year Ended November 30, 2011

NOTE 9: EMPLOYEE PENSIONS AND OTHER BENEFITS (CONTINUED)

A. *Illinois Municipal Retirement Fund (Continued)*

The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period with a 20% corridor between the actuarial and market value of assets. The County Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 72.61 percent funded. The actuarial accrued liability for benefits was \$20,202,219 and the actuarial value of assets was \$14,669,573, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,532,646. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$9,881,486 and the ratio of the UAAL to the covered payroll was 56 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. *Accumulated Unpaid Vacations and Other Employee Benefits*

Accumulated unpaid vacation and other employee benefits are not accrued in governmental funds. As of November 30, 2011, there were no accumulated unused vacation and other employee benefits.

NOTE 10: TRANSFERS

The District transferred \$230,000 to the General Fund from the Capital Project Series 2007 Fund. The transfer was made to assist in covering Forest Preserve operation costs.

NOTE 11: RISK MANAGEMENT

The District's risk management activities are part of Kendall County's insurance contract. The County administers the property and casualty, liability, worker's compensation, and unemployment insurance programs of the District. The District is allocated a portion of the insurance premium as determined by the insurance carrier.

For all major programs, significant losses are covered by Illinois Counties Risk Management Trust (a local government risk pool) under a year-by-year contract (12/1 –12/1). There are three broad categories of coverage:

- Legal Liability
- Worker's Compensation
- Property and Boiler and Machinery

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 11: RISK MANAGEMENT (CONTINUED)

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12: FARM LICENSE AGREEMENTS

The District issues licenses for the purpose of farming unused land owned by the District. The licensee is responsible for maintaining the soil according to the methods adopted in the farming plan approved by the Kendall County Soil & Water Conservation District. The District receives rent payments based upon annual agreements approved by the District board. The revenue is based upon the number of tillable acres used for farming and the amount per tillable acre signed in each individual agreement. During the current fiscal year, the District received \$124,289 in farm license revenue, an increase of \$25,500 from the \$98,789 received in the prior fiscal year.

NOTE 13: GRANT REVENUE

The District received the following grant awards during the current fiscal year as a reimbursement for Forest Preserve projects completed:

1. The District received \$3,000 from the State of Illinois Comptroller for the employment of Illinois youth to operate and instruct in recreational programs managed and administered by the local sponsor pursuant to the grant program. The District reimbursed \$1,627 to the State of Illinois as a result of only applying \$1,373 toward the program.
2. The District received \$11,750 from the U.S. Department of Agriculture as part of the Emergency Watershed Protection Program – FloodPlain Easement. The District received an initial payment of \$59,400 in the 2010 fiscal year.
3. The District received \$750,000 from the State of Illinois Department of Natural Resources from the Open Space Lands Acquisition & Development Grant Program. The grant program was executed as assistance for the District to purchase the Waish Kee Shaw (Henneberry) property.
4. The District received payments of \$218,000 (Federal Award) and \$532,000 (State Award) from the State of Illinois Department of Natural Resources from the Open Lands Acquisition and Development Grant Program. The grant reimbursements were received as assistance for the acquisition of the Fox River – Lee Property.
5. The District received payments of \$369,000 from the State of Illinois Department of Natural Resources from the Open Lands Acquisition and Development Grant Program. The grant reimbursements were received as assistance for the development of the Jay Woods Property.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements For the Year Ended November 30, 2011

NOTE 14: CONTINGENCIES

Grant Program Involvement

In the normal course of operations, the Forest Preserves participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

NOTE 15: DONATIONS

During the current fiscal year, the District received a donation in the amount of \$583,152 from the trust of John & Mary Subat to be used for a nature preserve building at Subat Forest Preserve. The donation will be kept in a dedicated fund until the time is right for the District to build as requested.

NOTE 16: SUBSEQUENT EVENTS

The Forest Preserve has been awarded grants which will be completed in subsequent fiscal years. The grant funds are received as reimbursement once the projects are completed. The Forest Preserve currently has been awarded the following grants:

| | |
|--------------------------------------------------|-----------|
| Recreational Trails Program Grant | \$200,000 |
| DCEO Capital Improvement Grant | \$650,000 |
| Open Space Lands Acquisition & Development Grant | \$400,000 |

**KENDALL COUNTY FOREST PRESERVE DISTRICT
GENERAL FUND**

SCHEDULE A-1

**Balance Sheet
November 30, 2011**

| <u>Assets</u> | |
|---------------------------------------------|-------------------|
| Cash in bank | \$ 75,188 |
| Accounts receivable | 3,010 |
| Property tax receivable | <u>491,686</u> |
| Total assets | <u>\$ 569,884</u> |
| <u>Liabilities and Fund Balance</u> | |
| Liabilities: | |
| Accounts payable | \$ 10,599 |
| Deferred property tax revenue | 491,686 |
| Due to County General Fund | <u>11,258</u> |
| Total liabilities | 513,543 |
| Fund Balance: | |
| Unassigned fund balance | <u>56,341</u> |
| Total fund balance | <u>56,341</u> |
| Total liabilities and fund balance | <u>\$ 569,884</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
GENERAL FUND**

SCHEDULE A-2

**Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-----------------------------------------------------|----------------------------|----------------------------|----------------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Property taxes | 484,142 | 484,035 | 465,397 |
| Interest income | 100 | 25 | 46 |
| Grant income | - | 3,000 | 59,400 |
| Program fees | 23,000 | 38,203 | 25,858 |
| Courthouse rental | - | 310 | 8,818 |
| Reservations | 7,000 | 6,129 | 5,704 |
| Law enforcement | - | - | 5 |
| Donations | - | 275 | - |
| Farm License Revenue | 125,793 | 124,289 | 96,675 |
| Hoover Revenue | 25,000 | 20,752 | 15,278 |
| Ellis Center Revenue | 50,000 | 45,938 | 26,227 |
| Bond Interest | 230,000 | - | - |
| Other income | - | 1,264 | 5,349 |
| Total revenue | 945,035 | 724,220 | 708,757 |
| Expenditures: | | | |
| Salaries | 423,984 | 406,431 | 410,297 |
| IMRF/SS | 86,906 | 88,370 | 89,713 |
| Equipment and building - maintenance and repairs | 11,250 | 7,989 | 9,722 |
| Gas for heating | 2,000 | 2,670 | 2,197 |
| Electricity | 3,000 | 1,985 | 2,515 |
| Insurance | 51,000 | 51,000 | 16,500 |
| Telephone | 8,400 | 7,318 | 8,084 |
| Supplies & postage | 5,500 | 6,413 | 6,056 |
| Fuel | 16,000 | 15,722 | 15,204 |
| Dues & Subscriptions | 1,100 | 1,526 | 1,099 |
| Audit | 3,150 | 3,250 | 3,150 |
| Refuse removal | 6,800 | 6,792 | 9,013 |
| Contingency | 1,000 | 19,935 | 466 |
| Contractual services | - | 17 | 113 |
| Environmental education | 23,000 | 31,777 | 22,031 |
| Supplies shop | 5,000 | 5,154 | 4,433 |
| Uniforms | 1,250 | 951 | 65 |
| Natural area management supplies | 3,000 | 1,481 | 973 |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE DISTRICT
GENERAL FUND

SCHEDULE A-2
(CONTINUED)

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|------------------|
| | | 2011 | 2010 |
| Expenditures: (Cont.) | | | |
| Medical insurance reimbursements | 49,000 | 45,096 | 34,624 |
| Medical insurance reimbursements- Ellis | 16,000 | 11,219 | 7,363 |
| Contractual recorder | 1,050 | 376 | 1,006 |
| Volunteer expenses | 5,400 | 3,841 | 1,488 |
| NHC - Salaries | 72,907 | 67,509 | 71,477 |
| NHC expenses | 400 | 357 | 111 |
| NHC contingency | 400 | 90 | 165 |
| Conferences | 2,000 | 2,755 | 2,003 |
| Legal publications | 250 | 44 | 135 |
| Prairie Exhibit Expense | - | 4,413 | 1,302 |
| Promotion and publicity | 1,250 | 2,206 | 7,981 |
| Newsletter | 6,000 | - | - |
| John Phillips Memorial | - | 2,279 | 594 |
| Preserve improvement | 4,250 | 2,506 | 1,593 |
| Hoover Utilities and Maintenance | 32,000 | 38,196 | 35,609 |
| Ellis Utilities and Maintenance | 27,000 | 38,489 | 25,185 |
| Memberships- Ellis | 300 | 125 | 215 |
| Supplies- Ellis | 16,800 | 22,103 | 16,950 |
| Uniforms- Ellis | 600 | 861 | 456 |
| Veterinarian & farrier- Ellis | 4,500 | 1,707 | 4,246 |
| Volunteer expenses- Ellis | 300 | 899 | 308 |
| Horse Acquisition & Track- Ellis | 1,500 | - | (66) |
| Other- Ellis | 2,200 | 929 | 2,301 |
| Credit card fee | 1,500 | 1,204 | 972 |
| Law enforcement | 150 | - | - |
| Salaries - Grant | - | 1,373 | - |
| Unused grant funds | - | 1,627 | - |
| Historic courthouse | - | 62 | 230 |
| Total expenditures | 898,097 | 909,047 | 817,879 |
| Excess of revenues over (under) expenditures | 46,938 | (184,827) | (109,122) |
| Other financing sources (uses) | | | |
| Transfer (to) from | - | 230,000 | - |
| Total other financing sources (uses) | - | 230,000 | - |
| Net Change in Fund Balance | \$ 46,938 | 45,173 | (109,122) |
| Fund balance, beginning of year | | 11,168 | 120,290 |
| Fund balance, end of year | | 56,341 | 11,168 |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
BOND AND INTEREST FUND - SERIES 2007**

**Balance Sheet
November 30, 2011**

| <u>Assets</u> | |
|-----------------------------------------|---------------------|
| Cash in bank | \$ 2,260,248 |
| Property taxes receivable | <u>3,200,000</u> |
| Total assets | <u>\$ 5,460,248</u> |
| <u>Liabilities and Fund Balance</u> | |
| Liabilities | |
| Deferred property tax revenue | \$ 3,200,000 |
| Accrued Interest | <u>953,073</u> |
| Total liabilities | 4,153,073 |
| Restricted fund balance | <u>1,307,175</u> |
| Total liabilities and fund balance | <u>\$ 5,460,248</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
BOND AND INTEREST FUND - SERIES 2007**

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|-------------------------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Property Tax | \$ 2,800,000 | 2,450,267 | 2,284,931 |
| Interest income | - | 1,131 | 2,046 |
| Total revenue | <u>2,800,000</u> | <u>2,451,398</u> | <u>2,286,977</u> |
| Expenditures: | | | |
| Interest | 2,287,375 | 2,287,375 | 2,192,068 |
| Capital projects | - | - | - |
| Total expenditures | <u>2,287,375</u> | <u>2,287,375</u> | <u>2,192,068</u> |
| Excess of revenues over (under) expenditures | <u>\$ 512,625</u> | 164,023 | 94,909 |
| Other financing sources (uses) | | | |
| Transfer in | | - | - |
| Net change in fund balance | | 164,023 | 94,909 |
| Fund balance, beginning of year | | <u>1,143,152</u> | <u>1,048,243</u> |
| Fund balance, end of year | | <u><u>1,307,175</u></u> | <u><u>1,143,152</u></u> |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE DISTRICT
BOND AND INTEREST FUND - SERIES 2003

SCHEDULE B-3

Balance Sheet
November 30, 2011

| | <u>Assets</u> | |
|------------------------------------|-------------------------------------|-------------------|
| Cash in bank | | \$ 254,508 |
| Property taxes receivable | | <u>371,065</u> |
| Total assets | | <u>\$ 625,573</u> |
| | | |
| | <u>Liabilities and Fund Balance</u> | |
| Liabilities | | |
| Accrued interest | | \$ 59,536 |
| Deferred property tax revenue | | <u>371,065</u> |
| Total liabilities | | 430,601 |
| Fund balance | | |
| Restricted for debt service | | <u>194,972</u> |
| Total liabilities and fund balance | | <u>\$ 625,573</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
BOND AND INTEREST FUND - SERIES 2003**

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|---------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Property taxes | \$ 362,885 | 309,804 | 351,528 |
| Interest income | - | 96 | 220 |
| Total revenue | 362,885 | 309,900 | 351,748 |
| Expenditures: | | | |
| Debt service - principal | 205,000 | 205,000 | 195,000 |
| Debt service - interest | 145,960 | 143,398 | 150,000 |
| Total expenditures | 350,960 | 348,398 | 345,000 |
| Excess of revenues over (under) expenditures | \$ 11,925 | (38,498) | 6,748 |
| Fund balance, beginning of year | | 233,470 | 226,722 |
| Fund balance, end of year | | 194,972 | 233,470 |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE DISTRICT
BOND & INTEREST FUND - SERIES 2009

SCHEDULE B-5

Balance Sheet
November 30, 2011

| <u>Assets</u> | |
|---------------------------------------------|-------------------|
| Cash in bank | \$ 55,321 |
| Property tax receivable | <u>68,200</u> |
| Total assets | <u>\$ 123,521</u> |
| <u>Liabilities and Fund Balance</u> | |
| Liabilities: | |
| Accrued interest | \$ 2,389 |
| Deferred property tax revenue | <u>68,200</u> |
| Total liabilities | 70,589 |
| Fund Balance: | |
| Restricted for debt service | <u>52,932</u> |
| Total liabilities and fund balance | <u>\$ 123,521</u> |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE DISTRICT
 BOND & INTEREST FUND - SERIES 2009

SCHEDULE B-6

Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended November 30, 2011
 (With Comparative Figures for 2010)

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|---------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Property tax | \$ 68,370 | 56,328 | 67,601 |
| Interest income | - | 2 | 34 |
| Total revenue | 68,370 | 56,330 | 67,635 |
| Expenditures: | | | |
| Fees | - | 125 | 125 |
| Debt Service - Interest | 7,420 | 6,633 | 8,252 |
| Debt Service - Principal | 60,000 | 60,000 | 58,000 |
| Total expenditures | 67,420 | 66,758 | 66,377 |
| Excess of revenues over (under) expenditures | 950 | (10,428) | 1,258 |
| Other financing sources (uses) | | | |
| Transfer to Capital Projects 2007 | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | \$ 950 | (10,428) | 1,258 |
| Fund balance, beginning of year | | 63,360 | 71,353 |
| Prior Period Adjustment | | - | (9,251) |
| Fund balance, end of year | | 52,932 | 63,360 |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
CAPITAL PROJECTS FUND - SERIES 2007**

**Balance Sheet
November 30, 2011**

| <u>Assets</u> | |
|-----------------------------------------|---------------------|
| Cash in bank | \$ 5,988,073 |
| Accounts Receivable | - |
| | <hr/> |
| Total assets | <u>\$ 5,988,073</u> |
| <u>Liabilities and Fund Balance</u> | |
| Liabilities | |
| Accounts payable | \$ 82,126 |
| | <hr/> |
| Total liabilities | 82,126 |
| Restricted fund balance | <hr/> 5,905,947 |
| Total liabilities and fund balance | <u>\$ 5,988,073</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
CAPITAL PROJECTS FUND - SERIES 2007**

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|-------------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Project fund revenue | \$ - | 1,910,922 | 51,661 |
| Interest income | - | 4,949 | 7,395 |
| Total revenue | - | 1,915,871 | 59,056 |
| Expenditures: | | | |
| Salaries | - | 3,562 | 5,278 |
| Land acquisition | - | - | 7,231,000 |
| Capital outlay | - | 802,450 | - |
| Project fund expense | - | 326,613 | 2,132,473 |
| Total expenditures | - | 1,132,625 | 9,368,751 |
| Excess of revenues over (under) expenditures | - | 783,246 | (9,309,695) |
| Other financing sources (uses) | | | |
| Transfer in (out) | - | (230,000) | - |
| Total other financing sources (uses) | - | (230,000) | - |
| Net change in fund balance | \$ - | 553,246 | (9,309,695) |
| Fund balance, beginning of year | | 5,352,701 | 14,662,396 |
| Fund balance, end of year | | 5,905,947 | 5,352,701 |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
PROJECT FUND**

SCHEDULE C-3

**Balance Sheet
November 30, 2011**

Assets

| | |
|--------------|-------------------|
| Cash in bank | \$ 608,152 |
| Total assets | <u>\$ 608,152</u> |

Fund Balance

| | |
|--------------------------|-------------------|
| Restricted fund balance: | <u>608,152</u> |
| Total fund balance | <u>\$ 608,152</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
PROJECT FUND**

SCHEDULE C-4

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|--------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Receipts | - | 583,152 | 25,000 |
| Interest income | - | - | - |
| Total revenue | - | 583,152 | 25,000 |
| Expenditures | - | - | - |
| Total expenditures | - | - | - |
| Excess of revenues over (under) expenditures | - | 583,152 | 25,000 |
| Other financing sources (uses) | | | |
| Transfer in (out) | - | - | - |
| Total other financing sources (uses) | \$ - | - | - |
| Fund balance, beginning of year | | 25,000 | - |
| Fund balance, end of year | | 608,152 | 25,000 |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
CAPITAL PROJECTS FUND - SERIES 2009**

SCHEDULE C-5

**Balance Sheet
November 30, 2011**

Assets

| | | |
|--------------|----|---------------|
| Cash in bank | \$ | 68,094 |
| Total assets | \$ | <u>68,094</u> |

Fund Balance

| | | |
|------------------------------------|----|---------------|
| Fund Balance: | | |
| Restricted for capital projects | | <u>68,094</u> |
| Total liabilities and fund balance | \$ | <u>68,094</u> |

The Notes to Financial Statements are an integral part of this statement.

**KENDALL COUNTY FOREST PRESERVE DISTRICT
CAPITAL PROJECTS FUND - SERIES 2009**

SCHEDULE C-6

**Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended November 30, 2011
(With Comparative Figures for 2010)**

| | Original & Final Budget | Year Ended November 30, | |
|-------------------------------------------------|----------------------------|----------------------------|-----------------|
| | | 2011 | 2010 |
| Revenues: | | | |
| Project fund deposit | \$ - | - | 1,000 |
| Insurance reimbursement | - | 5,973 | - |
| Interest income | - | 109 | 248 |
| Total revenue | - | 6,082 | 1,248 |
| Expenditures: | | | |
| Project fund expenses | - | 107,913 | 12,795 |
| Bond issuance costs | - | - | - |
| Total expenditures | - | 107,913 | 12,795 |
| Excess of revenues over (under) expenditures | \$ - | (101,831) | (11,547) |
| Other financing sources (uses) | | | |
| Transfer out | | - | - |
| Net change in fund balance | | (101,831) | (11,547) |
| Fund balance, beginning of year | | 169,925 | 172,221 |
| Prior Period Adjustment | | - | 9,251 |
| Fund balance, end of year | | 68,094 | 169,925 |

The Notes to Financial Statements are an integral part of this statement.

KENDALL COUNTY FOREST PRESERVE

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ration (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c)) |
|--------------------------------|----------------------------------|--------------------------------------------------------------|------------------------------------|---------------------------|----------------------------|-----------------------------------------------------------------|
| 12/31/2010 | 14,669,573 | 20,202,219 | 5,532,646 | 72.61% | 9,881,486 | 55.99% |
| 12/31/2009 | 14,657,959 | 19,880,318 | 5,222,359 | 73.73% | 9,622,618 | 54.27% |
| 12/31/2008 | 13,960,740 | 18,180,460 | 4,219,720 | 76.79% | 8,951,676 | 47.14% |
| 12/31/2007 | 15,000,035 | 16,048,726 | 1,048,691 | 93.47% | 8,312,265 | 12.62% |
| 12/31/2006 | 13,288,021 | 14,613,167 | 1,325,146 | 90.93% | 7,474,569 | 17.73% |
| 12/31/2005 | 11,980,541 | 12,904,896 | 924,355 | 92.84% | 6,699,197 | 13.80% |
| 12/31/2004 | 11,252,734 | 12,594,920 | 1,342,186 | 89.34% | 6,469,086 | 20.75% |
| 12/31/2003 | 10,352,748 | 11,129,363 | 776,615 | 93.02% | 5,804,593 | 13.38% |
| 12/31/2002 | 9,818,254 | 9,986,416 | 168,162 | 98.32% | 5,301,753 | 3.17% |
| 12/31/2001 | 9,826,122 | 8,984,415 | (841,707) | 109.37% | 4,535,927 | 0.00% |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$15,722,949. On a market basis, the funded ratio would be 77.83%.

KENDALL COUNTY FOREST PRESERVE DISTRICT
Assessed Valuations, Tax Rates, Tax Extensions,
and Tax Collections

SCHEDULE 1

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------|------------------|------------------|------------------|------------------|
| Assessed valuations | \$ 3,044,564,911 | 3,277,539,459 | 3,365,125,621 | 3,172,454,510 |
| Tax rates: | | | | |
| General | 0.0136 | 0.0140 | 0.0139 | 0.0153 |
| Bond and interest | 0.1156 | 0.0826 | 0.0805 | 0.0889 |
| Totals | <u>0.1292</u> | <u>0.0966</u> | <u>0.0944</u> | <u>0.1041</u> |
| Tax extensions: | | | | |
| General | 414,061 | 458,855 | 466,406 | 484,434 |
| Bond and interest | 3,519,517 | 2,707,248 | 2,709,936 | 2,818,726 |
| Totals | <u>3,933,578</u> | <u>3,166,103</u> | <u>3,176,342</u> | <u>3,303,160</u> |
| Tax collections | \$ 3,921,426 | 3,158,055 | 3,169,457 | 3,300,434 |



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Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance with *Government Auditing Standards*

To the Board of Directors
Kendall County Forest Preserve District
Yorkville, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kendall County Forest Preserve District, Illinois as of and for the year ended November 30, 2011, which collectively comprise the Kendall County Forest Preserve District, Illinois' basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Kendall County Forest Preserve District, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kendall County Forest Preserve, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Kendall County Forest Preserve District, Illinois' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kendall County Forest Preserve District, Illinois' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Kendall County Forest Preserve District, Illinois, in a separate letter dated December 30, 2011.

This report is intended solely for the information and use of management, the Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
December 30, 2011