

KENDALL COUNTY FOREST PRESERVE DISTRICT

KENDALL COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

NOVEMBER 30, 2009

KENDALL COUNTY FOREST PRESERVE DISTRICT

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# ECHOLS, MACK & ASSOCIATES, P.C.

Certified Public Accountants

CARRIE E. ECHOLS, CPA

TAWNIA R. MACK, CPA

## Independent Auditors' Report

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

We have audited the accompanying basic financial statements of Kendall County Forest Preserve District as of and for the year ended November 30, 2009, as listed in the table of contents. We also have audited the financial statements of each of the Forest Preserve's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended November 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 the *Governmental 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 opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Kendall County Forest Preserve District as of November 30, 2009, 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 *Governmental Auditing Standards*, we have also issued our report dated December 30, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the 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 the audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 39 through 46, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kendall County Forest Preserve's basic financial statements. The combining and individual nonmajor fund financial statements 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Echols, Mack & Associates, P.C.*

Echols, Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
December 30, 2009

# KENDALL COUNTY FOREST PRESERVE DISTRICT

## Management's Discussion and Analysis - Unaudited November 30, 2009

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, 2009. Please read it in conjunction with the Kendall County Forest Preserve District's financial statements that begin on page 9.

### FINANCIAL HIGHLIGHTS

- The District's total revenues were less than total expenditures, on the modified accrual basis of accounting, by \$3,498,008 for the year. All of the decreases are attributed to the District's governmental activities, more specifically the Capital Projects Funds- Series 2007 had a net loss of \$3,247,155 due to project fund expenses.
- The District's General Fund ended the year with a balance of \$120,290 and the overall District ended the year with a balance of \$16,301,225.

### 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 the 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*, these statements tell 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  
November 30, 2009

**Other Supplementary Information:** This part of the annual report includes optional financial information such as combining statements for nonmajor 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 governmental-wide financial statements have elected to report information about the District using modified accrual basis of accounting which is generally accepted accounting principles. 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 Governmental-Wide Statement of Net Assets and the Statement of Activities**

Our financial analysis of the District as a whole begins on page 9. The financial statements are presented on pages 9 thru 13. One of the most important questions asked about the Forest Preserve's finances is, "Is the Forest Preserve as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the 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 regardless of when cash is received or paid.

- 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 governmental-wide financial statements, the District activities are categorized as: Government activities. The District's basic services are included here, such as preservation of county land and resources, and administration of the natural heritage of the county. Property Taxes finance most of these activities. The District has received a large grant from the Federal government to help implement the purchase of the Hoover Boy Scouts Camp.

# KENDALL COUNTY FOREST PRESERVE DISTRICT

## Management's Discussion and Analysis - Unaudited November 30, 2009

### The Fund Financial Statements

The fund financial statements begin on page 28 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 the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements. The Forest Preserve considers the General Fund and the Capital Projects Series 2003 Fund to be its significant or major governmental funds. All other governmental funds are aggregated in a single column entitled nonmajor funds.

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, 2009, the Forest Preserve had \$57.95 million invested in capital assets, net of depreciation. This represents a net increase of \$2,921,694 over last year. See notes for more detail.

#### Primary Government Capital Assets (Net of accumulated depreciation)

	2009	2008
Land	\$ 55,375,402	54,390,403
Improvements	2,245,167	399,704
Buildings and improvements	153,872	170,986
Furniture and equipment	174,110	65,764
Artifacts and antiques	-	-
TOTALS	<u>57,948,551</u>	<u>55,026,857</u>



KENDALL COUNTY FOREST PRESERVE DISTRICT

Management's Discussion and Analysis - Unaudited  
November 30, 2009

This year's most significant capital asset additions included:

Land	\$ 985,000
Improvements	\$ 1,993,358
Equipment	\$ 149,549

**Long-Term Debt**

At November 30, 2009, the Forest Preserve had \$49,490,000 in long-term debt compared to \$49,435,000, at November 30, 2008. See notes for more detail.

Primary Government Long-Term Debt

	<u>2009</u>	<u>2008</u>
General Obligation Bonds	\$ 49,490,000	49,435,000
<b>TOTALS</b>	<b><u>\$ 49,490,000</u></b>	<b><u>49,435,000</u></b>

**General Fund Budgetary Highlights**

The Board of Trustees did not amend the original budget during the year. For the year ended November 30, 2009, General Fund expenditures were \$778,559 and budgeted expenditures were \$860,245, making the General Fund under budget by \$81,686.

**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  
November 30, 2009

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

	Governmental Activities		Totals Percentage Change
	2009	2008	2008-2009
<u>Assets</u>			
Current and other assets	\$ 20,890,731	23,628,594	-11.59%
Capital Assets	57,948,551	55,026,857	5.31%
Total assets	<u>\$ 78,839,282</u>	<u>78,655,451</u>	<u>0.23%</u>
<u>Liabilities</u>			
Current liabilities			
Accounts Payable	\$ 17,468	1,566	1015.45%
Accrued Interest	1,122,004	1,020,601	9.94%
Due to other funds	11,258	11,258	0.00%
Deferred Revenue	3,438,776	3,089,987	11.29%
Due within one year	253,000	245,000	3.27%
Long-term debt outstanding	49,237,000	49,190,000	0.10%
Total liabilities	<u>54,079,506</u>	<u>53,558,412</u>	<u>0.97%</u>
<u>Net assets</u>			
Invested in capital assets, net of related debt	8,458,551	5,591,856	51.27%
Restricted	16,180,935	19,359,970	-16.42%
Unrestricted	120,290	145,213	-17.16%
Total net assets	<u>\$ 24,759,776</u>	<u>25,097,039</u>	<u>-1.34%</u>

KENDALL COUNTY FOREST PRESERVE

Management's Discussion and Analysis - Unaudited  
November 30, 2009

Changes in Net Assets--Modified Accrual Basis

For the year ended November 30, 2009, net assets of the District  
(resulting from modified accrual basis transactions) changed as follows:

	Governmental Activities		Total Percentage Change
	2009	2008	2008-2009
Revenues			
Program revenues			
Fees and charges for services	\$ 61,710	62,059	-0.56%
Operating grants and contributions	-	6,433,400	-100.00%
Capital grants	-	-	0.00%
General revenues			
Taxes	3,158,055	3,921,426	-19.47%
Investment income	54,640	391,532	-86.04%
Donations	105,631	2,814	N/A
Project fund	115,376	1,108,484	N/A
Intergovernmental revenue	-	-	0.00%
Bond Issuance Cost	(5,950)	-	
Miscellaneous	1,010	484	N/A
Total Revenues	3,490,472	11,920,200	-70.72%
Expenses			
General government			
Cultural & Recreation	1,280,816	1,030,122	24.34%
Interest Expense	2,546,919	3,504,328	-27.32%
Total Expenses	3,827,735	4,534,450	-15.59%
Excess (deficiency) before transfers	(337,263)	7,385,750	-104.57%
Transfers	-	-	0.00%
Change in net assets	(337,263)	7,385,750	-104.57%
Beginning net assets	25,097,039	17,711,289	41.70%
Ending net assets	24,759,776	25,097,039	-1.34%

Statement of Net Assets - Modified Accrual Basis  
 Government-Wide Financial Statement  
November 30, 2009

	Primary Government		
	Governmental Activities	2009	Total 2008
<u>Assets</u>			
Cash	\$ 17,451,955	17,451,955	20,538,609
Taxes Receivable	3,438,776	3,438,776	3,089,987
Grant Receivable	-	-	-
Capital Assets			
Land	55,375,402	55,375,402	54,390,403
Improvements	2,957,886	2,957,886	964,529
Buildings	342,288	342,288	342,288
Equipment	409,252	409,252	259,703
Artifacts	30,280	30,280	30,280
Accumulated Depreciation	(1,166,557)	(1,166,557)	(960,346)
<b>Total assets</b>	<b>\$ 78,839,282</b>	<b>78,839,282</b>	<b>78,655,451</b>
<u>Liabilities</u>			
Current liabilities			
Accounts payable	\$ 17,468	17,468	1,566
Accrued interest	1,122,004	1,122,004	1,020,601
Due to other funds	11,258	11,258	11,258
Deferred revenue	3,438,776	3,438,776	3,089,987
Due within one year	253,000	253,000	245,000
Long-Term liabilities			
Due in more than one year	49,237,000	49,237,000	49,190,000
<b>Total liabilities</b>	<b>54,079,506</b>	<b>54,079,506</b>	<b>53,558,412</b>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	8,458,551	8,458,551	5,591,856
Restricted for:			
Capital projects	14,834,617	14,834,617	17,909,551
Debt service	1,346,318	1,346,318	1,417,182
Land acquisition	-	-	33,237
Unrestricted	120,290	120,290	145,213
<b>Total net assets</b>	<b>\$ 24,759,776</b>	<b>24,759,776</b>	<b>25,097,039</b>

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 Year Ended November 30, 2009

Program Activities	Program Revenues			Net (Expenses) Revenue And Changes in Net Assets	
	Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2009	2008
	Expenses				
Governmental activities:					
Cultural & Recreation	\$ 1,280,816	-	-	(1,219,106)	5,465,338
Unallocated Interest expense	2,546,919	-	-	(2,546,919)	(3,504,328)
Total governmental activities	3,827,735	-	-	(3,766,025)	1,961,010
Total government	\$ 3,827,735	-	-	(3,766,025)	1,961,010
General revenues					
Taxes:					
Property taxes		3,158,055		3,158,055	3,921,426
Intergovernmental revenue					
Interest on investments		54,640		54,640	391,532
Donations		105,631		105,631	2,814
Project fund		115,376		115,376	1,108,484
Miscellaneous		1,010		1,010	484
Bond issuance costs		(5,950)		(5,950)	-
Transfers to/(from)					
Total general revenues		3,428,762		3,428,762	5,424,740
Change in net assets				(337,263)	7,385,750
Net assets at beginning of year				25,097,039	17,711,289
Net assets at end of year				24,759,776	25,097,039

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

KENDALL COUNTY FOREST PRESERVE DISTRICT

STATEMENT C

Balance Sheet  
Governmental Funds  
November 30, 2009

	General Fund	Debt Service:		Capital Projects:		Non-Major Governmental Funds	Total Governmental Funds	
		Bond and Interest Series 2007	Bond and Interest Series 2003	Capital Projects Series 2007	Capital Projects Series 2009		2009	2008
<u>Assets</u>								
Cash	\$ 134,343	2,096,623	291,095	14,677,069	181,472	71,353	17,451,955	20,538,609
Property taxes receivable	466,271	2,550,000	354,035	-	-	68,470	3,438,776	3,089,987
Grant Receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 600,614</b>	<b>4,646,623</b>	<b>645,130</b>	<b>14,677,069</b>	<b>181,472</b>	<b>139,823</b>	<b>20,890,731</b>	<b>23,628,596</b>
<u>Liabilities and Fund Balances</u>								
<b>Liabilities:</b>								
Accounts payable	\$ 2,795	-	-	14,673	-	-	17,468	1,566
Accrued interest	-	1,048,380	64,373	-	9,251	-	1,122,004	1,020,602
Due to other funds	11,258	-	-	-	-	-	11,258	11,258
Deferred revenue	466,271	2,550,000	354,035	-	-	68,470	3,438,776	3,089,987
<b>Total Liabilities</b>	<b>480,324</b>	<b>3,598,380</b>	<b>418,408</b>	<b>14,673</b>	<b>9,251</b>	<b>68,470</b>	<b>4,589,506</b>	<b>4,123,413</b>
<b>Fund Balances:</b>								
Reserved for								
Debt service funds	-	1,048,243	226,722	-	-	71,353	1,346,318	1,417,182
Capital project funds	-	-	-	14,662,396	172,221	-	14,834,617	17,909,551
Land acquisition	-	-	-	-	-	-	-	33,237
Unreserved, reported in General funds	120,290	-	-	-	-	-	120,290	145,213
<b>Total Fund Balances</b>	<b>120,290</b>	<b>1,048,243</b>	<b>226,722</b>	<b>14,662,396</b>	<b>172,221</b>	<b>71,353</b>	<b>16,301,225</b>	<b>19,505,183</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 600,614</b>	<b>4,646,623</b>	<b>645,130</b>	<b>14,677,069</b>	<b>181,472</b>	<b>139,823</b>		

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 \$59,115,108 (net of accumulated depreciation of \$1,166,557) are not financial resources and, therefore, are not reported in the funds.

57,948,551 55,026,856

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(49,490,000) (49,435,000)

Net assets of governmental activities

24,759,776 25,097,039

KENDALL COUNTY FOREST PRESERVE

STATEMENT D

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended November 30, 2009

	General Fund	Debt Service:			Capital Projects:		Non-Major Governmental Funds	Total Governmental Funds
		Bond and Interest Series 2007	Bond and Interest Series 2003	Capital Projects Series 2007	Capital Projects Series 2009	2009		
<b>Revenues</b>								
Property Taxes	\$ 457,691	2,281,808	351,047	-	-	-	67,509	3,158,055
Grant income	-	-	-	-	-	-	-	6,433,400
Fees and charges for services	20,260	-	-	-	-	-	-	18,054
Investment income	706	10,579	715	41,563	931	-	146	54,640
Rental income	41,450	-	-	-	-	-	-	41,450
Project fund	93,651	-	-	21,725	-	-	-	115,376
Donations	105,631	-	-	-	-	-	-	105,631
Miscellaneous	1,010	-	-	-	-	-	-	1,010
<b>Total Revenues</b>	<b>720,399</b>	<b>2,292,387</b>	<b>351,762</b>	<b>63,288</b>	<b>931</b>	<b>-</b>	<b>67,655</b>	<b>3,496,422</b>
<b>Expenditures</b>								
<b>Current</b>								
Cultural and Recreational	757,909	-	-	350,085	113,509	-	-	1,221,503
Capital outlay	20,650	-	-	2,960,358	-	-	-	2,981,008
Debt service	-	2,382,683	154,869	-	9,251	116	65,000	2,546,919
Interest expense	-	-	180,000	-	-	-	-	245,000
Principal	-	-	-	-	-	-	-	236,602
<b>Total Expenditures</b>	<b>778,559</b>	<b>2,382,683</b>	<b>334,869</b>	<b>3,310,443</b>	<b>122,760</b>	<b>65,116</b>	<b>65,116</b>	<b>6,994,430</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(58,160)</b>	<b>(90,296)</b>	<b>16,893</b>	<b>(3,247,155)</b>	<b>(121,829)</b>	<b>2,539</b>	<b>(3,498,008)</b>	<b>(22,726,310)</b>
<b>Other Financing Sources (Uses):</b>								
Bond proceeds	-	-	-	-	300,000	-	-	300,000
Bond issuance costs	-	-	-	-	(5,950)	-	-	(5,950)
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294,050</b>	<b>-</b>	<b>-</b>	<b>294,050</b>
<b>Net change in fund balances</b>	<b>(58,160)</b>	<b>(90,296)</b>	<b>16,893</b>	<b>(3,247,155)</b>	<b>172,221</b>	<b>2,539</b>	<b>(3,203,958)</b>	<b>(22,726,310)</b>
<b>Fund balances - beginning</b>	<b>178,450</b>	<b>1,138,539</b>	<b>209,829</b>	<b>17,909,551</b>	<b>-</b>	<b>68,814</b>	<b>19,505,183</b>	<b>42,231,493</b>
<b>Fund balances - ending</b>	<b>\$ 120,290</b>	<b>\$ 1,048,243</b>	<b>\$ 226,722</b>	<b>\$ 14,662,396</b>	<b>\$ 172,221</b>	<b>\$ 71,353</b>	<b>\$ 16,301,225</b>	<b>\$ 19,505,183</b>

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 Fiscal Year Ended November 30, 2009

STATEMENT D  
(CONTINUED)

(Continued)

**Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - total governmental funds	\$	(3,203,958)
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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		245,000
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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		(300,000)
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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 capitalized		3,127,907
Depreciation		<u>(206,212)</u>

Change in net assets of governmental activities (Statement B)	\$	<u><u>(337,263)</u></u>
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The Notes to Financial Statements are an integral part of this statement.



# KENDALL COUNTY FOREST PRESERVE DISTRICT

## Notes to Financial Statements

November 30, 2009

### 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 principles 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.

#### A. Financial Reporting Entity

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

Governmental Unit: Kendall County Forest Preserve

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 Commissioners, 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 Commissioners 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

##### Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

##### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund balance, revenues, and expenditures. Funds are organized into one major category: governmental. The Forest Preserve has no fiduciary funds.

# KENDALL COUNTY FOREST PRESERVE DISTRICT

## Notes to Financial Statements November 30, 2009

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fund Financial Statements (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 four debt service funds and two are reported as major funds.

- 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 2007
- Capital Projects Fund - Series 2009

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

C. 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 “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the accrual cash basis of accounting, is used as appropriate.

All governmental funds utilize a “current financial resources: measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their 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 principles (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  
November 30, 2009

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 Forest Preserve modified accrual basis of accounting reports capital assets at cost and reports depreciation where appropriate.

Government-Wide 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.

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 provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

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.

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.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

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

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Fund Balance Classification

Government-Wide 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  
November 30, 2009

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 appropriation ordinance amounts were passed by the District on November 30, 2009. The Bond and Interest Fund- Series 2007 was over budget due to interest. A budget was not adopted for the Capital Projects Funds- Series 2007, Capital Projects Funds- Series 2009, and the Bond and Interest Fund - Series 2009.

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 does not have a deposit policy for custodial credit risk. At November 30, 2009, the carrying amount of the District's deposits was \$17,451,951 and the bank balance was \$17,451,955. The deposits are categorized in accordance with credit risk factors created by governmental reporting standards as follows:

	Carrying Amount	Bank Balance
Category #1	\$ -	-
Category #2	16,701,955	16,701,955
Category #3	750,000	750,000
Total	\$ 17,451,955	17,451,955

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.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 3: Restricted Assets

The amounts reported as restricted assets are composed of amounts held for debt service retirement of the general obligation bonds and for capital projects are as follows:

	<u>Amount Reserved</u>
Debt Service Funds:	
Bond and Interest Fund - Series 2003	\$ 226,722
Bond and Interest Fund - Series 2007	1,048,243
Bond and Interest Fund - Series 2009	<u>71,353</u>
Total	<u>\$ 1,346,318</u>
Capital Project Funds:	
Capital Projects Fund - Series 2001	\$ -
Capital Projects Fund - Series 2007	14,662,396
Capital Projects Fund - Series 2009	<u>172,221</u>
Total	<u>\$ 14,834,617</u>

Note 4: Expenditures Exceeded Appropriations

The Bond & Interest Fund- Series 2007 was under budget for the current fiscal year by \$95,308. The District did not budget enough for interest expense.

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 2.875%. The District's legal debt margin limitation is as follows for the fiscal year ended November 30, 2009:

Assessed valuation (2008)	<u>\$ 3,282,167,380</u>
Statutory debt limitation (2.875%)	\$ 94,362,312
Amount of debt applicable to debt limitation	<u>49,490,000</u>
Legal Debt Margin	<u>\$ 44,872,312</u>

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 6: 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:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land	\$54,390,402	985,000	-	55,375,402
Total non-depreciable assets	54,390,402	985,000	-	55,375,402
Depreciable assets				
Improvements	964,529	1,993,357	-	2,957,886
Buildings	342,288	-	-	342,288
Equipment	259,703	149,549	-	409,252
Artifacts and antiques	30,280	-	-	30,280
Total depreciable assets	1,596,800	2,142,907	-	3,739,706
Accumulated depreciation				
Improvements	564,825	147,894	-	712,719
Buildings	171,301	17,115	-	188,416
Equipment	193,939	41,203	-	235,142
Artifacts and antiques	30,280	-	-	30,280
Total accumulated depreciation	960,345	206,212	-	1,166,557
Net fixed assets	<u>\$55,026,857</u>	<u>2,921,695</u>	<u>-</u>	<u>57,948,551</u>

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



KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 7: Long-Term Debt

The following is a summary of general long-term debt transactions of the District for the year ended November 30, 2009.

	Payable at December 1, 2008	Debt Issued	Bonds Retired/Refunded	Payable at November 30, 2009	Due Within One Year
General Obligation					
Series 2001	\$ 65,000	-	65,000	-	-
Series 2003	4,370,000	-	180,000	4,190,000	195,000
Series 2007	45,000,000	-	-	45,000,000	-
Series 2009	-	300,000	-	300,000	58,000
Total	\$ 49,435,000	300,000	245,000	49,490,000	253,000

A. Bond Series 2001

The Board of Commissioners of the Kendall County Forest Preserve District authorized issuance of \$402,000 in General Obligation Limited Tax Bonds, Series 2001, dated December 10, 2002.

The revenue received from the sale of these bonds will be used for financing acquisition costs of land located in the Fox River watershed and the cost of capital improvements at the Maramech, Newark, Subat, and Baker Forest Preserves and the Route 47 Rest Stop.

Each bond Series 2001 bears interest at the rate of 4.30% per annum beginning on December 15, 2002 and then semi-annually thereafter on each June 15 and December 15.

The bonds matured on December 15, 2008.

B. 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.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 7: Long-Term Debt (Continued)

B. Bond Series 2003 (Continued)

The bonds shall mature each year as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
11/30/10	195,000	151,766	346,766
11/30/11	205,000	145,961	350,961
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>\$4,190,000</u>	<u>1,303,228</u>	<u>5,493,228</u>

C. 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.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 7: Long-Term Debt (Continued)

C. Bond Series 2007 (Continued)

The bonds shall mature each year as follows:

Date	Principal	Interest	Payments
2010	-	2,287,375	2,287,375
2011	-	2,287,375	2,287,375
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>31,467,250</u>	<u>76,467,250</u>

D. 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:

Date	Principal	Interest	Payments
1/15/2010	58,000	10,092	68,092
7/15/2010	-	4,235	4,235
1/15/2011	60,000	4,235	64,235
7/15/2011	-	3,185	3,185
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>300,000</u>	<u>31,092</u>	<u>331,092</u>

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 8: Transfers

The following transfers were made during the current fiscal year:

	Transfers In	Transfers Out
Non-Major Funds:		
Bond and Interest - 2001	-	3,782
Bond and Interest - 2009	3,782	-
Totals	\$ 3,782	3,782

Note 9: 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 2008 property tax levy ordinance was adopted on December 16, 2008. The amount of the 2008 tax levy was \$3,166,103, of which \$3,158,055 was received in the current fiscal year. The 2009 tax levy was adopted December 4<sup>th</sup>, 2009 in the amount of \$3,438,776 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.

Note 10: Employee Pensions and Other Benefits

A. Illinois Municipal Retirement Fund

The County's multiple-employer defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 10: Employee Pensions and Other Benefits (Continued)

A. Illinois Municipal Retirement Fund (Continued)

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The County is required to contribute at an actuarially determined rate. The employer rate for calendar year 2008 was 9.42% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2008 was 24 years.

For December 31, 2008, the County's annual pension cost of \$843,248 was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor. The assumptions for the 2008 annual pension cost were based on the 2002-2004 experience study. However, the 2008 actuarial valuation information is based on the 2005-2007 experience study.

TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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
12/31/00	351,208	100	0
12/31/99	352,083	100	0

KENDALL COUNTY FOREST PRESERVE DISTRICT

Notes to Financial Statements  
November 30, 2009

Note 10: Employee Pensions and Other Benefits (Continued)

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, 2009, there were no accumulated unused vacation and other employee benefits.

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

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: 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.

KENDALL COUNTY FOREST PRESERVE DISTRICT  
GENERAL FUND

SCHEDULE A-1

Balance Sheet  
November 30, 2009

Assets

Cash in bank	\$	134,343
Property tax receivable		<u>466,271</u>
Total assets	\$	<u><u>600,614</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$	2,795
Deferred property tax revenue		466,271
Due to County General Fund		<u>11,258</u>
Total liabilities		480,324

Fund Balance:

Unreserved fund balance		<u>120,290</u>
Total fund balance		<u>120,290</u>
Total liabilities and fund balance	\$	<u><u>600,614</u></u>

KENDALL COUNTY FOREST PRESERVE DISTRICT  
GENERAL FUND

SCHEDULE A-2

Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended November 30, 2009  
(With Comparative Figures for 2008)

	Original & Final Budget	Year Ended <u>November 30,</u>	
		2009	2008
Revenues:			
Property taxes	455,847	457,691	412,781
Interest income	1,500	706	1,430
Grant income - State	-	-	7,000
Grant income - Federal	-	-	-
Program fees	13,000	13,896	12,044
Court House rental	35,000	41,450	44,005
Reservations	5,500	6,364	6,010
Law enforcement	200	506	-
Donations	110,000	105,125	2,814
Farm License Revenue	85,050	79,205	99,526
Hoover Revenue	30,000	9,416	17,555
Ellis Center Revenue	100,000	5,030	-
Other income	-	1,010	484
<b>Total revenue</b>	<b>836,097</b>	<b>720,399</b>	<b>603,649</b>
Expenditures:			
Salaries	377,445	369,515	248,342
IMRF/SS	71,500	67,424	43,631
Equipment and building - maintenance and repairs	8,000	7,317	9,241
Gas for heating	3,500	1,547	3,488
Electricity	2,000	1,760	1,691
Insurance	15,000	13,395	13,395
Telephone	4,100	5,351	4,256
Supplies & postage	7,500	4,568	8,234
Fuel	12,500	11,792	14,696
Dues & Subscriptions	1,250	960	866
Audit	3,150	3,150	3,000
Refuse removal	8,500	8,088	8,303
Capital outlay	15,000	20,650	13,479
Contingency	2,500	-	2,215
Contractual services	10,750	10,748	10,748
Environmental education	22,000	20,806	16,658
Supplies shop	8,250	7,850	9,318
Natural area mgmt supplies	3,500	1,737	2,351

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  
Year Ended November 30, 2009  
(With Comparative Figures for 2008)

	Original & Final Budget	Year Ended <u>November 30,</u>	
		2009	2008
Expenditures: (Cont.)			
Medical insurance reimb	40,200	36,894	31,394
Medical insurance reimb- Ellis	8,800	5,128	-
Contractual recorder	1,050	411	-
Volunteer expenses	1,000	874	957
NHC - Salaries	53,250	49,982	47,843
NHC expenses	400	-	-
NHC contingency	400	-	-
Conferences	2,000	2,041	1,600
Legal publications	500	379	230
Promotion and publicity	8,500	6,133	5,608
John Phillips Memorial	-	-	-
Contributions	1,500	1,610	1,500
Preserve improvement	9,000	4,232	8,728
Preserve improvement-grant	6,000	5,953	650
Hoover Utilities and Maintenance	32,000	32,056	40,666
Ellis Utilities and Maintenance	17,700	26,941	-
Memberships- Ellis	250	250	-
Supplies- Ellis	27,250	18,476	-
Uniforms- Ellis	800	1,460	-
Veterinarian & farrier- Ellis	8,500	3,714	-
Volunteer expenses- Ellis	300	267	-
Horse Acquisition & Track- Ellis	27,600	23,708	-
Other- Ellis	1,650	437	-
Credit card fee	-	684	-
Law enforcement	150	-	-
Court house	35,000	271	1,488
Total expenditures	860,245	778,559	554,576
Excess of revenues over (under) expenditures	(24,148)	(58,160)	49,073
Other financing sources (uses)			
Transfers	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balance	<u>\$ (24,148)</u>	(58,160)	49,073
Fund balance, beginning of year		178,450	129,377
Fund balance, end of year		<u>120,290</u>	<u>178,450</u>

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, 2009

Assets

Cash in bank	\$	2,096,623
Property taxes receivable		<u>2,550,000</u>
Total assets	\$	<u><u>4,646,623</u></u>

Liabilities and Fund Balance

Liabilities		
Deferred property tax revenue	\$	2,550,000
Accrued Interest		<u>1,048,380</u>
Total Liabilities		3,598,380
Fund balance		<u>1,048,243</u>
Total liabilities and fund balance	\$	<u><u>4,646,623</u></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  
Year Ended November 30, 2009  
(With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Property Tax	\$ 2,287,375	2,281,808	3,106,555
Interest income	-	10,579	8,021
Total revenue	<u>2,287,375</u>	<u>2,292,387</u>	<u>3,114,576</u>
Expenditures:			
Interest	2,287,375	2,382,683	3,342,108
Capital projects	-	-	-
Total expenditures	<u>2,287,375</u>	<u>2,382,683</u>	<u>3,342,108</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	(90,296)	(227,532)
Other financing sources (uses)			
Transfer in		-	-
Net change in fund balance		(90,296)	(227,532)
Fund balance, beginning of year		<u>1,138,539</u>	<u>1,366,071</u>
Fund balance, end of year		<u>1,048,243</u>	<u>1,138,539</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, 2009

<u>Assets</u>	
Cash in bank	\$ 291,095
Property taxes receivable	<u>354,035</u>
Total assets	<u>\$ 645,130</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accrued interest	\$ 64,373
Deferred property tax revenue	<u>354,035</u>
Total liabilities	418,408
Fund balance	
Reserve for debt service	<u>226,722</u>
Total liabilities and fund balance	<u>\$ 645,130</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  
Year Ended November 30, 2009  
 (With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Property taxes	\$ 346,765	351,047	335,777
Interest income	-	715	2,112
Total revenue	346,765	351,762	337,889
Expenditures:			
Debt service - principal	180,000	180,000	170,000
Debt service - interest	156,745	154,869	159,314
Total expenditures	336,745	334,869	329,314
Excess of revenues over (under) expenditures	\$ 10,020	16,893	8,575
Fund balance, beginning of year		209,829	201,254
Fund balance, end of year		226,722	209,829

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, 2009

Assets

Cash in bank	\$ 14,677,069
Total assets	<u>\$ 14,677,069</u>

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 14,673
Total liabilities	14,673
Fund balance	<u>14,662,396</u>
Total liabilities and fund balance	<u>\$ 14,677,069</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  
Year Ended November 30, 2009  
(With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
<b>Revenues:</b>			
Project fund revenue	\$ -	21,725	991,403
Grant revenue	-	-	6,426,400
Interest income	-	41,563	379,012
<b>Total revenue</b>	<b>-</b>	<b>63,288</b>	<b>7,796,815</b>
<b>Expenditures:</b>			
Land acquisition	-	985,000	29,830,000
Capital outlay	-	1,975,358	166,894
Project fund expense	-	350,085	358,711
<b>Total expenditures</b>	<b>-</b>	<b>3,310,443</b>	<b>30,355,605</b>
Excess of revenues over (under) expenditures	-	(3,247,155)	(22,558,790)
<b>Other financing sources (uses)</b>			
Bond proceeds	-	-	-
Transfer in (out)	-	-	121,284
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>121,284</b>
Net change in fund balance	\$ -	(3,247,155)	(22,437,506)
Fund balance, beginning of year		17,909,551	40,347,057
Fund balance, end of year		14,662,396	17,909,551

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

KENDALL COUNTY FOREST PRESERVE DISTRICT  
CAPITAL PROJECTS FUND - SERIES 2009

SCHEDULE C-3

Balance Sheet  
November 30, 2009

Assets

Cash in bank	\$	181,472
Property tax receivable		<u>-</u>
Total assets	\$	<u><u>181,472</u></u>

Liabilities and Fund Balance

Liabilities:		
Accrued interest	\$	9,251
Deferred property tax revenue		<u>-</u>
Total liabilities		9,251
Fund Balance:		
Reserve for capital projects		<u>172,221</u>
Total liabilities and fund balance	\$	<u><u>181,472</u></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-4

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
Year Ended November 30, 2009  
 (With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Project fund deposit	\$ -	-	-
Interest income	-	931	-
Total revenue	-	931	-
Expenditures:			
Project fund expenses	-	113,509	-
Interest expense	-	9,251	-
Bond issuance costs	-	5,950	-
Total expenditures	-	128,710	-
Excess of revenues over (under) expenditures	\$ -	(127,779)	-
Other financing sources (uses)			
Transfer out		-	-
Bond Proceeds		300,000	-
Net change in fund balance		172,221	-
Fund balance, beginning of year		-	-
Fund balance, end of year		172,221	-

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

KENDALL COUNTY FOREST PRESERVE DISTRICT  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-1

Combining Balance Sheet  
November 30, 2009

	Debt Service		Capital Projects:	Total Non-Major Governmental Funds	
	Bond and Interest Series 2001	Bond and Interest Series 2009	Series 2001	2009	2008
<u>Assets</u>					
Cash in bank	\$ -	\$ 71,353	-	71,353	70,096
Property taxes receivable	-	68,470	-	68,470	-
Total assets	-	139,823	-	139,823	70,096
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accrued interest	\$ -	\$ -	-	-	1,282
Deferred property tax revenue	-	68,470	-	68,470	-
Total liabilities	-	68,470	-	68,470	1,282
Fund balance:					
Reserve for debt service	-	71,353	-	71,353	68,814
Reserve for capital projects	-	-	-	-	-
Total fund balance	-	71,353	-	71,353	68,814
Total liabilities and fund balance	\$ -	\$ 139,823	-	139,823	70,096

KENDALL COUNTY FOREST PRESERVE DISTRICT  
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE D-2

Combined Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Year Ended November 30, 2009

	Debt Service		Capital Projects:	Total	2008
	Bond and Interest Series 2001	Bond and Interest Series 2009	Series 2001	Non-Major Governmental Funds 2009	
Revenues:					
Property taxes	\$ -	\$ 67,509	-	67,509	66,313
Interest income	84	62	-	146	957
Total revenue	84	67,571	-	67,655	67,270
Expenditures:					
Principal	65,000	-	-	65,000	62,000
Interest	116	-	-	116	2,906
Total expenditures	65,116	-	-	65,116	64,906
Excess of revenues over (under) expenditures	(65,032)	67,571	-	2,539	2,364
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(3,782)	3,782	-	-	(121,284)
Total other financing sources and uses	(3,782)	3,782	-	-	(121,284)
Net change in fund balance	(68,814)	71,353	-	2,539	(118,920)
Fund balance, beginning of year	68,814	-	-	68,814	187,734
Fund balance, end of year	\$ -	\$ 71,353	-	71,353	68,814

KENDALL COUNTY FOREST PRESERVE DISTRICT  
BOND AND INTEREST FUND - SERIES 2001

SCHEDULE D-3

Balance Sheet  
November 30, 2009

Assets

Cash in bank	\$	-
Property tax receivable		-
		<hr/>
Total assets	\$	-
		<hr/> <hr/>

Liabilities and Fund Balance

Liabilities:

Accrued interest	\$	-
Deferred property tax revenue		-
		<hr/>
Total liabilities		-

Fund Balance:

Reserve for debt service		-
		<hr/>
Total liabilities and fund balance		-
		<hr/> <hr/>

KENDALL COUNTY FOREST PRESERVE DISTRICT  
 BOND AND INTEREST FUND - SERIES 2001

SCHEDULE D-4

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
Year Ended November 30, 2009  
 (With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Property taxes	-	-	66,313
Interest income	-	84	602
Total revenue	-	84	66,915
Expenditures:			
Debt service - principal	66,398	65,000	62,000
Debt service - interest	-	116	2,906
Total expenditures	66,398	65,116	64,906
Excess of revenues over (under) expenditures	<u>\$ (66,398)</u>	(65,032)	2,009
Other financing sources (uses)			
Transfer in (out)	-	(3,782)	-
Total other financing sources (uses)	-	(3,782)	-
Fund balance, beginning of year		68,814	66,805
Fund balance, end of year		<u>-</u>	<u>68,814</u>

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

SCHEDULE D-5

Balance Sheet  
November 30, 2009

Assets

Cash in bank	\$	71,353
Property tax receivable		<u>68,470</u>
Total assets	\$	<u><u>139,823</u></u>

Liabilities and Fund Balance

Liabilities:

Accrued interest	\$	-
Deferred property tax revenue		<u>68,470</u>
Total liabilities		68,470

Fund Balance:

Reserve for debt service		<u>71,353</u>
Total liabilities and fund balance	\$	<u><u>139,823</u></u>

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

SCHEDULE D-6

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Year Ended November 30, 2009  
 (With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Property tax	\$ -	67,509	-
Interest income	-	62	-
Total revenue	-	67,571	-
Expenditures:			
Lease interest expense	-	-	-
Project fund expense	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	67,571	-
Other financing sources (uses)			
Transfer to Capital Projects 2007	-	-	-
Transfer from Debt Service 2001	-	3,782	-
Total other financing sources (uses)	-	3,782	-
Net change in fund balance	<u>\$ -</u>	71,353	-
Fund balance, beginning of year		-	-
Fund balance, end of year		<u>71,353</u>	-

KENDALL COUNTY FOREST PRESERVE DISTRICT  
CAPITAL PROJECTS FUND - SERIES 2001

SCHEDULE D-7

Balance Sheet  
November 30, 2009

Assets

Cash in bank	\$	-
Property tax receivable		-
		<hr/>
Total assets	\$	-
		<hr/> <hr/>

Liabilities and Fund Balance

<b>Liabilities:</b>		
Accrued interest	\$	-
Deferred property tax revenue		-
		<hr/>
Total liabilities		-
<b>Fund Balance:</b>		
Reserve for debt service		-
		<hr/>
Total liabilities and fund balance	\$	-
		<hr/> <hr/>



KENDALL COUNTY FOREST PRESERVE DISTRICT  
 CAPITAL PROJECTS FUND - SERIES 2001

SCHEDULE D-8

Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
Year Ended November 30, 2009  
 (With Comparative Figures for 2008)

	Original & Final Budget	Year Ended November 30,	
		2009	2008
Revenues:			
Property tax	\$ -	-	-
Interest income	-	-	355
Total revenue	-	-	355
Expenditures:			
Lease interest expense	-	-	-
Project fund expense	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	355
Other financing sources (uses)			
Transfer to Capital Projects 2007	-	-	(121,284)
Transfer from Debt Service 2001	-	-	-
Total other financing sources (uses)	-	-	(121,284)
Net change in fund balance	<u>\$ -</u>	-	(120,929)
Fund balance, beginning of year		-	120,929
Fund balance, end of year		<u>-</u>	<u>-</u>

## 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)
12/31/2008	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%
12/31/2000	8,668,524	7,840,489	(828,035)	110.56%	4,036,877	0.00%
12/31/1999	7,236,463	6,775,371	(461,092)	106.81%	3,648,536	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$10,234,302. On a market basis, the funded ration would be 56.29%.

**\*Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

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

SCHEDULE 1

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed valuations	<u>1,821,907,832</u>	<u>2,132,577,040</u>	<u>2,562,012,897</u>	<u>3,044,564,911</u>	<u>3,282,167,380</u>
Tax rates:					
General	0.0154	0.0151	0.0144	0.0136	0.0140
Bond and interest	<u>0.0213</u>	<u>0.0184</u>	<u>0.0155</u>	<u>0.1156</u>	<u>0.0826</u>
Totals	<u>0.03679</u>	<u>0.03350</u>	<u>0.02994</u>	<u>0.1292</u>	<u>0.0966</u>
Tax extensions:					
General	281,401	322,027	369,373	414,061	458,855
Bond and interest	<u>388,836</u>	<u>392,394</u>	<u>397,589</u>	<u>3,519,517</u>	<u>2,707,248</u>
Totals	<u>670,237</u>	<u>714,421</u>	<u>766,962</u>	<u>3,933,578</u>	<u>3,166,103</u>
Tax collections	<u>670,594</u>	<u>707,820</u>	<u>765,654</u>	<u>3,921,426</u>	<u>3,158,055</u>

# ECHOLS, MACK & ASSOCIATES, P.C.

Certified Public Accountants

CARRIE E. ECHOLS, CPA

TAWNYA R. MACK, CPA

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 Kendall County Forest Preserve District as of and for the year ended November 30, 2009, and have issued our report thereon dated December 30, 2009. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kendall County Forest Preserve's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Kendall County Forest Preserve District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal that might be 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's 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*.

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.

*Echols, Mack & Associates, P.C.*

Echols, Mack & Associates, P.C.  
Certified Public Accountants

Morris, Illinois  
December 30, 2009

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