

FOREST PRESERVE DISTRICT OF
KANE COUNTY, ILLINOIS
(A COMPONENT UNIT OF KANE COUNTY)

ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2011



Certified Public Accountants & Advisors

FOREST PRESERVE DISTRICT OF
KANE COUNTY, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	9
Proprietary Funds	
Statement of Net Assets	10
Statement of Revenues, Expenses, and Changes in Net Assets	11
Statement of Cash Flows	12-13
Notes to Financial Statements	14-38

FOREST PRESERVE DISTRICT OF
 KANE COUNTY, ILLINOIS
 TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
(Continued)	
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	39
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	40
Other Postemployment Benefits Plan	41
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	42
Other Postemployment Benefits Plan	43
Notes to Required Supplementary Information	44
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
MAJOR GOVERNMENTAL FUNDS	
General Fund	
Schedule of Revenues - Budget and Actual	45
Schedule of Expenditures - Budget and Actual	46-47
Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	48
Capital Projects Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Construction and Development Fund	49
Land Acquisition Fund	50
 NONMAJOR GOVERNMENTAL FUNDS	
Special Revenue Funds	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	52
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Illinois Municipal Retirement Fund	53
Insurance Liability Fund	54
Social Security Fund	55

FOREST PRESERVE DISTRICT OF
KANE COUNTY, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
MAJOR ENTERPRISE FUND	
Cultural and Events Center Fund	
Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual	56
Schedule of Operating Expenses - Budget and Actual	57
SUPPLEMENTAL DATA	
Long-Term Debt Requirements	
General Obligation Limited Tax Bonds, Series 2003.....	58
General Obligation Refunding Bonds, Series 2004.....	59
General Obligation Bonds, Series 2005.....	60
General Obligation Limited Tax (Capital Appreciation) Bonds, Series 2006.....	61
General Obligation Bonds, Series 2007.....	62
Taxable General Obligation Bonds (Alternate Revenue Source), Series 2008	63
Taxable General Obligation Bonds, Series 2011A	64
Property Tax Assessed Valuations, Rates, and Extensions.....	65-66



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Commissioners
Forest Preserve District of Kane County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Forest Preserve District of Kane County, Illinois, as of and for the year ended June 30, 2011, which collectively comprise the Forest Preserve District of Kane County, Illinois' basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Forest Preserve District of Kane County, Illinois' nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Forest Preserve District of Kane County, Illinois' management. 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. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Forest Preserve District of Kane County, Illinois, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Forest Preserve District of Kane County, Illinois, as of June 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.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Forest Preserve District of Kane County, Illinois' financial statements. The individual fund schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic, combining, and individual fund financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements and each of the combining and individual fund financial statements taken as a whole.

We have also previously audited, in accordance with auditing standards general accepted in the United States of America, the basic financial statements of the Forest Preserve District of Kane County, Illinois, as of and for the year ended June 30, 2010 (none of which is presented herein), and we expressed an unqualified opinion on those basic financial statements. In our opinion, the information related to fiscal year 2010 as presented on pages 39, 45 to 50, 53 to 55, and 56 to 57 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.



Naperville, Illinois
October 24, 2011

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

**FOREST PRESERVE DISTRICT OF KANE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The Forest Preserve District of Kane County (the District) discussion and analysis is designed to (1) assist the reader in the examination of District financial statements, (2) provide an overview of the District's financial activity for the current and past year, (3) identify changes in District's financial position, (4) discuss budget variances, and (5) identify individual fund issues and concerns.

While the above indicated items focus on the actual financial statements, the reader will want to review the notes to the financial statements for a complete analysis of the District's finances.

1a) Government-Wide Financial Statements: The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add up to a total for the Primary Government. The focus of the Statement of Net Assets is designed to be similar to bottom line results for the District and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities, government and business, which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of governmental services and business services.

The Governmental Activities reflect the District's reason for existing, the protection and preservation of natural areas in Kane County and the passive recreational use of these properties. This includes the purchase, maintenance and protection of the properties the District owns in Kane County, Illinois. The Business-Type Activities reflect private sector type operations, which for the District is the operation of the Kane County Events Center, the home of the Kane County Cougars, a professional minor league baseball team. The activities of the business-type operations of the District are covered entirely by the fees earned from this operation.

1b) Fund Financial Statements: Traditional users of governmental financial statements will find the Fund Financial Statements presentation familiar. Major Fund categories include the General, Capital Projects, Debt Service and Other Governmental Funds.

The General Fund is the main operating fund of the District, and contains the receipt and expenditure of 83% of the annual corporate aggregate levy. (Corporate Aggregate Levy means the annual corporate levy of the taxing district and those special purpose levies, which are made annually, other than debt service). Starting in the 2009-2010 fiscal year, all personnel costs and almost all of the maintenance costs are being funded in the General Fund.

(See Independent Auditor's Report)

District Capital Project Funds are of two types, Construction and Development and Land Acquisition. Construction and Development fund contains those expenditures associated with major renovation or construction projects on the property of the District. This fund receives revenue from both tax levy and bond sales. Land Acquisition fund is a special purpose fund designated for the acquisition of land by the District. It receives revenue from bond sales and other governmental grants. It has no tax levy and receives no tax revenue. The District passed a \$30 million dollar bond referendum in April 2011. This referendum passed by 53% of those voting. This represents the fourth time in the previous twelve years the District succeeded in passing a land acquisition and improvement referendum. This bond issue was divided between the Construction and Development Fund and the Land Acquisition Fund, with Construction and Development receiving \$4.5 million and Land Acquisition receiving \$25.5 million. The continued support of District voters indicates the current District policy of acquiring open space meets the approval of the majority of the Citizens of Kane County. Since 1999 the District has acquired an additional 10,929 acres of open space, for a total cost of \$305 million dollars. The District currently has \$21.2 million dollars in bond proceeds on hand to acquire additional land. The District's Land Acquisition Committee is working with District Staff to get the most they can from these referendum approved funds. Any additional land acquisition funds will need to be provided by another referendum at a future date.

The District Debt Service Fund receives the Debt Service Levy, solely for the purpose of paying off the District outstanding bond debt. This past year the District acquired an additional \$30 million in debt service from the referendum approved bond sale. These bonds will be levied for starting with the 2011 levy, collected in the 2012 calendar year. Several years ago, the District sold \$8 million dollars in alternate general obligation bonds, to fund improvements to the Kane County Events Center, the home of the Kane County Cougars, a professional minor league baseball team. While this is additional debt, it is fully secured by a license agreement with the Cougars that will more than cover the cost of principal and interest payments for the 20 year life of the bonds. This will be further discussed in the Business-Type Section of this report.

The Other Governmental Funds are the Illinois Municipal Retirement Fund, the Insurance Liability Fund and the Social Security Fund. These are special purpose funds that are setup by the State of Illinois, each with its own tax levy, for the stated purpose. These special purpose funds have unlimited taxing authority, of course, regulated by the Tax Cap Limitation Act.

1c) Business-Type Fund Financial Statements: These statements reflect the operations of the District's Events Center, only. The Kane County Events Center, the home of the Kane County Cougars, a professional minor league baseball team, is a proprietary fund, or business-type fund. The financial statements are corporate and not governmental. Asset values and depreciation have always been shown for this fund. This is where the alternate revenue bonds discussed above are shown on the financial statements.

2a) Financial Analysis of Government-wide Statements:

GOVERNMENT WIDE STATEMENTS

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets:

	Statement of Net Assets as of June 30, 2011 (in millions)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	79.0	55.7	3.4	2.9	82.4	58.6
Capital assets	386.4	367.5	17.9	18.8	404.3	397.2
Total assets	465.4	429.0	21.3	21.7	486.7	455.8
Long-term liabilities	237.6	237.7	7.1	7.4	244.7	230.7
Other liabilities	49.8	45.1	0.3	0.5	50.1	47.7
Total liabilities	287.4	282.8	7.4	7.9	294.8	278.4
Net assets:						
Invested in capital assets, net of related debt	159.3	118.4	10.5	11.1	169.8	154.2
Restricted	6.2	18.7	-	-	6.2	18.7
Unrestricted	12.5	1.8	3.3	2.6	15.8	4.4
Total net assets	178.0	163.6	13.8	13.7	191.8	177.3

For more detailed information see the Statement of Net Assets, page 3.

The District's combined net assets are \$191.8 million, an increase of approximately \$14.5 million dollars, due to the land acquisition and increased debt service from the sale of additional referendum bonds. The District has substantial reserves available to finance the day to day operations. Restricted net assets include \$3 million in bonds and levy funds that can be appropriated for future forest preserve improvement projects, \$1.2 million in Fox River Trust Funds that can be appropriated for Fox River projects approved by the District Commission, and Non-Major Fund Balances that a total \$569 thousand dollars that can be appropriated for the District retirement, risk management and social security programs. In addition, the District has a reserve of \$2.8 million dollars in the debt service fund, to be used to secure future bond payments, should this be necessary.

(See Independent Auditor's Report)

STATEMENT OF CHANGES IN NET ASSETS
Governmental Activities

	2011	2010
Revenues		
Program Revenues		
Charges for Services	\$ 1,329,363	\$ 1,368,984
Operating Grants and Contributions	-	970,000
Capital Grants and Contributions	1,389,481	5,107,806
General Revenues		
Property Taxes	30,864,637	29,963,125
Other Taxes	296,277	240,142
Other Sources	278,511	311,476
Transfer from Activities	-	260,000
	34,158,269	38,221,533
Expenses:		
General Government	7,602,837	8,716,781
Land Acquisition and Development	2,077,434	1,227,493
Interest on Long Term Debt	10,010,257	10,812,585
	19,690,528	20,756,859
Change in Net Assets	14,467,741	17,464,674
Net Assets, July 1	163,596,782	146,132,108
Prior Period Adjustment	(90,950)	-
Net Assets, June 30	\$ 177,973,573	\$ 163,596,782

STATEMENT OF CHANGES IN NET ASSETS
Business-Type Activities

	2011	2010
Revenues		
Program Revenues		
Charges for Services	\$ 1,276,714	\$ 1,222,656
Other Sources	27,539	14,030
Transfer to Governmental Activities	-	(260,000)
	1,274,253	976,686
Expenses:		
Cultural & Events Centers	1,167,550	1,183,298
	1,167,550	1,183,298
Change in Net Assets	106,703	(206,612)
Net Assets, July 1	13,712,517	13,919,129
Net Assets, June 30	\$ 13,819,220	\$ 13,712,517

(See Independent Auditor's Report)

Working Capital is the amount by which current assets exceed current liabilities.

	2011	2010	2009	2008	2007
WORKING CAPITAL					
Government-wide Summary	\$ 31,410	\$ 10,088	\$ 17,623	\$ 74,100	\$ 93,220
Governmental	28,367	7,740	15,558	66,801	91,590
Business-type	3,043	2,348	2,065	7,299	1,419

Current Ratio (compares current assets to current liabilities) is an indicator of the ability to pay current obligations.

	2011	2010	2009	2008	2007
CURRENT RATIO					
Government-wide Summary	1.63	1.21	1.38	2.72	3.56
Governmental	1.57	1.16	.34	2.58	3.53
Business-type	10.47	5.56	2.82	10.96	84.61

3) The following information indicated impacts on the District's financial position this year.

NORMAL IMPACTS

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

NET RESULTS OF ACTIVITIES - which will impact (increase/decrease) current assets and unrestricted net assets.

BORROWING FOR CAPITAL - which will increase current assets and long-term debt.

SPENDING BORROWED PROCEEDS ON NEW CAPITAL - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

SPENDING OF NON-BORROWED CURRENT ASSETS ON NEW CAPITAL - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

PRINCIPAL PAYMENT ON DEBT - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets an increased invested in capital assets, net of debt.

REDUCTION OF CAPITAL ASSETS THROUGH DEPRECIATION - which will reduce capital assets and invested in capital assets, net of debt.

CURRENT YEAR IMPACTS

Governmental operating expenses, other than debt service and capital spending for projects or capital acquisitions, decreased by \$1,113,944 or 13% less than last year. This was due to a concerted effort on the part of elected officials and staff to cut back on operating expenses such as supplies, overtime, seasonal employees, insurance cost, etc.. The decision to transfer most operating costs from the Construction and Development Fund to the General Fund allowed the District to better control its operating expenditures. This policy will continue in effect in the coming years.

As indicated last year, the revenue from the Fox River Trust has stopped. These revenues were received from the Elgin Riverboat, and the agreement expired with the last payment, two years ago. The remaining balance in this Fund will be distributed to Fox River projects over the next few years. When all of these Fox River Trust funds are spent, the District will have provided over \$6 million in grant projects for river improvements.

This year, the District implemented several new programs in our computer system, the New World System. This system replaced the HTE System the District had been using for the previous 12 years. This new system is internet based and should allow the District to increase participation in the budget process with its department heads and supervisors. The District's bi-weekly payroll system that replaced the old semi-monthly system continues to provide improved payroll information to our employees. With this new system the District does all of the payroll tax reporting, directly to the IRS and Social Security Administration, by ACH payments, through our banking relationship with First American Bank.

REVENUES:

The District revenues, less than budget, showed a decrease from the prior year. Revenue from land licenses, rentals, camping, nature programs and Brewster Creek reservations are up by \$34,889 or 4.1% from 2010. This increase is across the board for all of these accounts. The Farm License program rent was increased in 2010, on selected properties, while a general, across-the-board increase will take effect next year, to keep farm use property owned by the District priced competitive with private rentals. Farm rents will be increased in 2011, reflecting higher crop prices in the marketplace. These increases will be as much as 50%. The shelter rentals were in their second full year of operation this year and revenue has declined. Camping fees were up by 3%, with the expanded Paul Wolff Campground proving attractive to campers, in its second season of operation. The District golf courses were under a great deal of pressure from the declining economy and revenue was down this year by 6%. Preliminary figures indicated this will continue from the 2012 golf season. This District continued to expand its nature camps this year, with some success. Revenues are up by 3%.

The District experienced continued success this year with its new conference center, Brewster Creek Lodge, located in South Elgin. This multi-purpose Lodge is a renovated YWCA camp facility. Revenues exceeded budget by \$7,000 or 58%. In addition, the District is planning on renovating an older facility at our LeRoy Oakes Forest preserve that will become our Creek Bend Nature Center in the next two years. This new nature center will be more accessible to the public and should provide more space for nature center programs, generating more revenue.

(See Independent Auditor's Report)

The District continues to plan for a new campground in the southern part of the County, at the Big Rock Forest Preserve. It is felt this will provide needed camping to a part of the county that is in need of such a facility. This campground should be open in 2013.

District revenues are kept invested in bank and credit union money market accounts and the Illinois Fund money market account. This past year the District income from investments decreased by 36%. This is the third year in a row that this type of reduction has taken place. The primary reasons for this decline are much lower Federal Reserve bank rates and a reduction in the amount of funds available for investment. The District pool of investment funds was reduced due to land purchases. The District uses the "prudent man" investment plan, as indicated in the District Investment Policy, to conservatively invest District funds. While this may result in lower earnings during difficult economic times, it protects the District investment capital.

The District benchmark for investments is the Illinois Funds rate. Approximately 90% of District investments were at or exceeded the benchmark for this year. Unfortunately the Illinois Funds rate, once again this year, was not hard to exceed. The Illinois Funds rate is based primarily on short term money rates, and these rates were the first to see rate reductions this year. As required by the District Investment Policy, the District keeps 100% of its investments fully collateralized. While the District tries to keep funds invested to provide a fair rate of return, in these difficult times it's deemed necessary to consider security of principal more than investment. Illinois Funds is a top rated and secure investment vehicle for the District.

EXPENSES:

Personnel costs represent the largest category of District operating expenditures. This past year they decreased by .1%. No new staff was added and salary increases were kept to an average of 2%. During these difficult economic times, the District is observing strict salary guidelines, as established by the Forest Preserve Commission. The District employs 75 full time staff and 2 regular part time employees. Additionally 40 seasonal employees are added during the peak summer season.

The District cost for health and dental plans offered to employees increased again for each of the plans offered. The overall cost increased by 5%, with most of the cost created by general increases in the cost of medical services. An increase of approximately 12% was anticipated. The District purchases its health and dental insurance through the County of Kane. The County continues to do an outstanding job of keeping insurance costs under control. Increased employee contributions toward the premium and changes to the plans offered have helped to keep the increases moderate.

Auto and other insurance costs, (i.e., workers compensation, general liability), increased this past year by 14%. This increase was brought about by the District participation in the Park District Risk Management Association, (PDRMA), as vendor for all District insurances, except health and dental. It was also anticipated that premiums would be experience driven, and this year that worked against the District, as our claim experience was higher than the previous year. Steps have been put into place to work on the District safety program in the next year, in hopes of reducing our claims exposure. While the District paid no claims this year from our old workers compensation program, there are still several claims outstanding from that coverage that exposed the District to a large deductible.

Utility costs are a concern for the District, although, they have not increased this year, primarily due to the District's continued policy of tearing down old structures on the preserves. The District's use of cell phones for employee communications continued to increase in cost. During this past year, the District General Fund operating expense decreased by 3%. While every effort is made to keep costs under control, and, overall, the District did come in under budget for operating expenditures in the General Fund, this fund is watched on a monthly basis for cost control.

This year, the District produced and approved a new purchasing manual for all purchases of goods and services by the District. The Commission approved increasing the no-bid limit from \$10,000 to \$15,000. In addition, the requirement to obtain three competitive quotes for purchases for items under the bid limit was increased from \$2,500 to \$5,000. The Commission felt that these increased spending limits were acceptable, with the increased cost of goods and services being experienced in today's market. The Purchasing Policy and manual continue to be enforced by the District Director of Finance and the District Buyer. All large expenditures are also reviewed to make sure proper signatures and procedures are being followed.

Overall increases in expenses in most categories are under tight control. The District, once again, finished the year with a budget surplus overall for all governmental funds. This is the 22nd year, out of 23 years, that the District has reported an overall budget surplus.

GRANTS:

Once again, this year, the District has been awarded a grant from the IDNR (Illinois Department of Natural Resources). This grant for development in the amount of \$400,000 together with some smaller grants from the U.S. Fish and Wildlife Fund. This grant is for the development of the Big Rock Campground in Big Rock Township. This campground has been a goal of the District for many years, and will bring camping back to the southern half of the county. Since the District closed the Bliss Woods campground 5 years ago, the plan has been to open a new campground. The District continues its policy of applying for grants on all acquisitions that meet IDNR standards. The IDNR has been extremely generous to the citizens of Kane County for many years.

BUSINESS-TYPE ACTIVITIES:

Business-type operations primary source of revenue is the operation of the Kane County Events Center in Geneva, Illinois. This is a professional minor league baseball stadium, the home of the Kane County Cougars.

In 2006 the District entered into a new long term contract with the Kane County Cougars for stadium use and renovation. The contract will extend the current contract through 2028. It calls for revenue to be paid on a set fee schedule, starting at \$1,170,000 per year and increasing by \$50,000 a year, at five year increments. Additionally, the District agreed to improvements to the stadium in the amount of \$10.5 million dollars. These improvements were funded by the sale of revenue bonds that will be paid over the life of the contract and by a capital contribution of \$2.5 million dollars supplied by the Cougar Baseball Organization. Due to changes in the amount and source of funding for renovations, the start date of this contract had been moved from October 2006 to October 2008. After extensive bidding of this project, construction for the renovations actually started in March of 2008, with a completion date of April 2009. The renovations were completed on time and the stadium did re-open on time, to a successful baseball season in 2009 and 2010-2011. While the economic downturn has affected baseball operations, the District feels revenue from baseball operations will continue to be a reliable source for the re-payment of the outstanding revenue bonds.

Since this is a business-type fund, large asset purchases or improvements are capitalized. They are depreciated, and this is reflected in the audited financial statements.

4) The following information deals with the District budget variances this past year.

GENERAL FUND BUDGETARY HIGHLIGHTS

	FY 2011 (in thousands)		
	Budget	Actual	Variance
General Fund			
Revenues			
Taxes	\$ 4,820	\$ 4,813	\$ (7)
Intergovernmental	65	61	(4)
Other	1,498	1,401	(97)
Total Revenue	6,383	6,275	(108)
Expenditures			
Personal Service	3,765	3,593	172
Contracts & Commod.	2,227	1,918	304
Capital	266	219	47
Other	130	74	56
Total Expense	6,383	5,804	579
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ 471	\$ 471

(See Independent Auditor's Report)

All three revenue categories were under budget this past year. It is usual for the Tax Category to be less than budgeted. The District only receives property taxes, not sales tax or income tax. The property tax extended is rounded up to provide additional revenue, but, actually, not all of the property taxes levied are collected. Approximately one quarter of one percent of the taxes levied are not collected, for various reasons, such as tax protests and defaults. For this reason, the tax revenue budgeted is always more than collected.

The Intergovernmental revenue category is from the Illinois Replacement Tax received from the State of Illinois. This tax was created by the State of Illinois to compensate local government for the loss of the personal property tax when the personal property tax was abolished with the passing of the state income tax. This revenue, through a formula stipulated by the state, must be divided between the General Fund, the IMRF Fund, the Social Security Fund and the Debt Service Fund. With the District increasing the Debt Service Fund, through bond sales, in recent years, the portion of the replacement tax that goes to Debt Service has increased, with the General Fund receiving less.

Additionally, this year, the other revenue accounts have come in less than budget. While almost all accounts exceed budget, the investment account, interest earnings, fell below budget expectations. Interest earnings have been disappointing, but, the District has concentrated on preservation of capital, as explained earlier in this report.

Once again this year, the District finished the fiscal year significantly under budget with regard to expenditures. While every effort is made to budget with realistic expectations for all expenditures, the District follows strict budget policies that do not allow for increases in operating budgets without a presentation of all factors to senior management and elected officials. No budget adjustments are allowed during the budget year. The District feels budget overages should be examined at year end for cause and justification, with future budgets adjusted to reflect real time situations.

There were no changes to the original general fund budget this past year.

5) Changes in the District's Funds and Fund Balances.

This year the District experienced several changes in fund balances that require an explanation. The General Fund increased its fund balance by \$380,494, bringing that balance up to \$4.2 million dollars. This fund balance is extremely important in obtaining good bond ratings, as the bond rating companies look to this fund for potential payback, should an unlikely slow down in property tax payments occur and the District need additional funding to make bond payments. This year the District bond rating was raised to AA+. A major reason for this increase in bond rating was the strong position of the District General fund.

In 2009, the District Finance committee met to discuss fund balances. They reached the conclusion that approximately \$2 million dollars should be retained in the General Fund balance, with any excess being available for transfer to the Land Acquisition Fund or the Construction and Development Fund. If the Committee should actually decide to transfer any of the fund balance in the General Fund, a resolution of authorization will be approved by the full Forest Preserve Commission.

(See Independent Auditor's Report)

Fund balances for the Construction and Development Fund and the Land Acquisition Fund have both increased this year, due to the recent referendum approved bond sale. They currently have a balance of \$14.4 million dollars in the Construction and Development fund and \$22.7 million dollars in the Land Acquisition Fund. These funds are restricted to use by both the referendum approval and by District policy to these areas. They may not be used for personnel expenses or operating expenses.

The debt service fund shows a positive balance of \$2.7 million dollars. Last year the balance was only \$2.1 million dollars, which was increased this year as the District earned revenue through investing these funds with Illinois Funds. The District is required to retain a balance in the Debt Service Fund specifically to cover the cost of the first bond payment for new bond issues. This first payment is usually due on June 15 of the year following the bond sale, while the first levy is collected starting that May, requiring a loan from the fund balance in order to make the first bond payment. This is another example of the value to the District of maintaining an adequate fund balance on hand. This next year, the fund balance in debt service will provide the District with the ability to make the first payment on the 2011 referendum approved bond sale, which will be due in June of 2012, while the levy to make this payment will not be totally received until October 2012.

The District's capital assets increased by approximately \$7.2 million dollars this past year. This was primarily through the acquisition of additional property, brought about through the 2007 and the 2011 referendum bond sales. Buildings, Machinery and Equipment and Infrastructure Improvements were paid for by bond funds held in reserve for these purposes, from the 2005 and 2007 bond sales.

In the previous year, the Forest Preserve Commission authorized the purchase of the Fox Valley Ice Arena, located in the City of Geneva. This was purchased by transferring \$6.2 million dollars from the Construction and Development Fund to the Land Acquisition Fund. It is planned that these funds will be repaid to the Construction and Development Fund from the license fees paid by the licensee of the Ice Arena. The Fox Valley Ice Arena is being operated under a license agreement between the District and Arenas Inc., that will pay the District approximately \$300,000 each year starting in October 2011. It is these funds that will be replaced in the Construction and Development Fund for future development projects

The District has relocated its management offices to the Fox Valley Ice Arena, 1996 S. Kirk road, Suite 320, Geneva, Illinois 60134. This relocation provides the District with modern offices at no cost to the District in rent, as the rent was waived in the license agreement with the operators of the Ice Arena.

GOVERNMENTAL ACTIVITIES

Changes to Capital Assets (in thousands)

	Beginning Balance 6/30/10	Net Additions (Deletions)	Ending Balance 6/30/11
Non-Depreciable Assets			
Land and Land Improvements	\$ 350,554	\$ 7,011	\$ 357,565
Other Capital Assets			
Buildings & Improvements	11,501	-	11,501
Machinery & Equipment	3,223	53	3,276
Infrastructure	25,074	2,400	27,474
Less Accumulated Depreciation on Other Capital Assets	(11,969)	(1,450)	(13,374)
TOTAL	\$ 378,383	\$ 8,059	\$ 386,442

BUSINESS-TYPE ACTIVITIES

Changes to Capital Assets (in thousands)

	Beginning Balance 6/30/10	Net Additions (Deletions)	Ending Balance 6/30/11
Non-Depreciable Assets			
Land	\$ 3,118	\$ -	\$ 3,118
Total Capital Assets being Depreciated	3,118	-	3,118
Other Capital Assets			
Buildings & Improvements	19,011	(113)	18,899
Land Improvements	2,141	-	2,141
Machinery & Equipment	213	-	213
Total Capital Assets for Depreciation	21,365	(113)	21,253
Less Accumulated Depreciation			
Building and Improvements	3,465	672	4,813
Land Improvements	1,282	89	1,460
Machinery & Equipment	206	2	211
Total Accumulate Depreciation	4,953	763	6,484
Total Capital Assets, Depreciated, net	16,412	(876)	14,769
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 19,530	\$ (876)	\$ 17,887

(See Independent Auditor's Report)

Additional information on the Forest Preserve District of Kane County's capital assets can be found in Note 5 on page 22 of this report.

6.) The following deals with the District's outstanding debt.

OUTSTANDING DEBT
Governmental Activities

	2011	2010	2009	2008	2007
General Obligation Bonds	\$ 252,750,335	\$ 237,146,809	\$ 250,416,738	\$ 261,974,637	\$ 272,714,473
Pension Obligations	4,024	-	-	-	-
Net Other Postemployment Obligations	700,560	397,487	193,000	-	-
Compensated Absences	230,829	206,090	202,586	171,859	164,948
Total	\$ 253,685,748	\$ 237,750,386	\$ 250,812,324	\$ 262,146,496	\$ 272,879,421

Business-Type Activities

	2011	2010	2009	2008	2007
Revenue Bonds	\$ 7,401,547	\$ 7,678,697	\$ 7,945,847	\$ 7,942,997	\$ -
Total	\$ 7,401,547	\$ 7,678,697	\$ 7,945,847	\$ 7,942,997	\$ -

The District's outstanding debt for governmental activities is currently \$253,685,748. This consists of \$252,750,335 in general obligation bonds, \$4,024 IMRF outstanding obligation, due to one year change in pension funding, \$700,560 in other employment obligations and \$230,829 in compensated absences. The District also has debt in its business activities. Three years ago \$8 million in revenue bonds were sold for the District stadium. These bonds currently have a balance of \$7,401,547, which is less than the issue price of the bonds because of unamortized bond discount. There are no compensated absences in business activities; there are no salaries in this fund.

The general obligation bonds are from six issues that will be paid by 2031. Three of these bond issues are from voter approved referendums, one issue is from a refunding of the 1999 bond issue, and the remaining two bond issues are general obligation limited tax bond issues.

The compensated absences are paid to employees as vacation or upon termination.

The District has bonding authority up to 2.3% of the assessed valuation of the county, which currently gives it the authority to service debt up to \$341 million dollars, should the District seek to sell additional bonds. That figure has decreased this year because of the County EVA decreased. For these additional bonds to be general obligation bonds they must be authorized through a bond referendum. The District's current bond rating, as evaluated by Standard & Poor is AA+. Additional information on the Forest Preserve District of Kane County's capital debt can be found in Note 6 on pages 24 through 29 of this report.

(See Independent Auditor's Report)

DISTRICT ECONOMIC FACTORS:

The Forest Preserve District of Kane County is a countywide agency of municipal government. Kane County continues to attract new residents and businesses. Major manufacturing plants and research facilities exist in the county, and are expected to grow in the coming years. The District passed a Land Acquisition Referendum in 2011 by 53% of the voting population. This was the fourth referendum passed by the District in eleven years. Citizens of the county have indicated to the District that they want added open space and approve of the way the District is acquiring property. The District is currently the owner and steward of approximately 20,000 acres of Kane County property.

The economic outlook for continued growth for the County of Kane and for the Forest Preserve District of Kane County is considered good, keeping in mind the current state of the economy. Some reduction in assessed valuation in property values did occur this year as expected. However, the Property Tax Limitation Act allows the District to levy for an authorized percent more than the previous years levy extension; this coming year that amount is 1.5%.

If property values continue to decline, property owners may be asked to pay more per assessed property than in prior years, keeping in mind that the Forest Preserve District is usually the smallest tax on most property tax bills.

The District took into account certain fiscal factors in preparing its budget for the coming year. These factors include an increase in the cost of operating this coming year, with specific increases in salaries, insurance and fuel. As indicated above, it is uncertain what effect any reduction in property valuation will have on the District budget. We are also keeping in mind a reduction in revenue from the District's golf courses that would be conditioned on the economy. Interest rates this coming year will continue to remain low, with the result being lower earnings. The District will continue to use the Illinois Funds for investment purposes, where possible. This investment fund has had great reductions in interest payment, but is considered an AAA rated investment source for the District, keeping in mind the importance of principal safety first.

The District experienced growth in all major governmental funds and business funds this past year. We expect this to continue next year. While the District debt is substantial, almost all of this debt has been approved by the Citizens of Kane County. These bond funds are being used to increase the land holdings of the District. These lands will become of ever increasing value to the citizens of Kane County as the years pass. Every effort will be made to coordinate future bond sales to give the citizens of Kane County the best value for their investment. The District investment in the renovation of the Kane County Stadium consists of the authorization and selling of \$8 million dollars in revenue bonds. These bonds do not increase the District debt levy because they are being paid off from the Enterprise Fund, through license payments from the Kane County Cougars.

This past year the District's General Fund balance increased by \$380,444 to over \$4.2 million dollars. It is anticipated that some of this excess will be transferred to the Land Acquisition Fund for the purpose of adding land. The District is aware that keeping a substantial fund balance in the General Fund is looked on by the various bond rating services as a strong indicator of the District's ability to pay back debt and help the District to secure its AA bond rating.

(See Independent Auditor's Report)

Finally, the District, with additional land and development funds provided by the recent referendum, will continue to seek property that will enhance and increase the open space in Kane County. The District will continue to seek partnership with the IDNR for acquisitions to leverage our bond funds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the revenue it receives. Questions concerning this report or requests for additional financial information should be directed to Robert J. Quinlan, Finance Director, Forest Preserve District of Kane County, 1996 S. Kirk Road, Suite 320, Geneva, Illinois 60134; E-mail address quinlanrobert@kaneforest.com.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 59,169,983	\$ 2,763,007	\$ 61,932,990
Receivables			
Property taxes	16,359,289	-	16,359,289
Accounts	-	601,714	601,714
Intergovernmental	2,455,987	-	2,455,987
Other	127,392	-	127,392
Prepaid expenses	6,500	-	6,500
Unamortized bond issuance costs	785,134	-	785,134
Capital assets not being depreciated	357,565,165	3,118,267	360,683,432
Capital assets being depreciated (net of accumulated depreciation)	28,877,257	14,769,085	43,646,342
Total assets	465,346,707	21,252,073	486,598,780
LIABILITIES			
Accounts payable	787,351	-	787,351
Accrued payroll	217,342	-	217,342
Accrued interest	373,561	16,306	389,867
Escrow funds payable	150,000	-	150,000
Security deposits	-	15,000	15,000
Deferred revenue	32,159,102	-	32,159,102
Noncurrent liabilities			
Due within one year	16,064,624	290,000	16,354,624
Due in more than one year	237,621,124	7,111,547	244,732,671
Total liabilities	287,373,104	7,432,853	294,805,957
NET ASSETS			
Invested in capital assets, net of related debt	159,341,526	10,485,805	169,827,331
Restricted for			
Construction and development	2,998,435	-	2,998,435
Fox River Trust	1,182,928	-	1,182,928
Debt service	1,427,506	-	1,427,506
IMRF	29,898	-	29,898
Liability insurance	487,469	-	487,469
Social security	51,239	-	51,239
Unrestricted	12,454,602	3,333,415	15,788,017
TOTAL NET ASSETS	\$ 177,973,603	\$ 13,819,220	\$ 191,792,823

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
Governmental Activities				
General government	\$ 7,602,837	\$ 1,329,363	\$ -	\$ 5,132
Land acquisition and development	2,077,434	-	-	1,384,349
Interest and fiscal charges	10,010,257	-	-	-
Total governmental activities	19,690,528	1,329,363	-	1,389,481
Business-Type Activities				
Cultural and Events Center	1,167,550	1,246,714	-	22,969
Total business-type activities	1,167,550	1,246,714	-	22,969
TOTAL PRIMARY GOVERNMENT	\$ 20,858,078	\$ 2,576,077	\$ -	\$ 1,412,450

	Governmental Activities	Business-Type Activities	Net (Expense) Revenue and Change in Net Assets Total
	\$ (6,268,342)	\$ -	\$ (6,268,342)
	(693,085)	-	(693,085)
	(10,010,257)	-	(10,010,257)
	(16,971,684)	-	(16,971,684)
	-	102,133	102,133
	-	102,133	102,133
	(16,971,684)	102,133	(16,869,551)
General Revenues			
Taxes			
Property	30,864,637	-	30,864,637
Replacement	296,277	-	296,277
Investment income	151,132	4,570	155,702
Miscellaneous	127,379	-	127,379
Total	31,439,425	4,570	31,443,995
CHANGE IN NET ASSETS	14,467,741	106,703	14,574,444
NET ASSETS, JULY 1	163,596,812	13,712,517	177,309,329
Prior period adjustment	(90,950)	-	(90,950)
NET ASSETS, MAY 1, RESTATED	163,505,862	13,712,517	177,218,379
NET ASSETS, JUNE 30	\$ 177,973,603	\$ 13,819,220	\$ 191,792,823

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2011

	General	Debt Service	Capital Projects		Nonmajor	Total
			Construction and Development	Land Acquisition		
ASSETS						
Cash and cash equivalents	\$ 7,022,287	\$ 15,550,445	\$ 14,122,545	\$ 21,361,298	\$ 1,113,408	\$ 59,169,983
Receivables						
Property taxes	2,542,147	13,279,249	86,292	-	451,601	16,359,289
Intergovernmental	-	-	943,519	1,512,468	-	2,455,987
Other	127,392	-	-	-	-	127,392
Prepaid items	6,500	-	-	-	-	6,500
TOTAL ASSETS	\$ 9,698,326	\$ 28,829,694	\$ 15,152,356	\$ 22,873,766	\$ 1,565,009	\$ 78,119,151
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 212,582	\$ -	\$ 543,480	\$ 30,089	\$ 1,200	\$ 787,351
Accrued payroll	217,342	-	-	-	-	217,342
Accrued interest payable	-	44,728	-	-	-	44,728
Escrow funds payable	-	-	-	150,000	-	150,000
Deferred revenue	5,079,034	26,025,859	169,122	-	885,087	32,159,102
Total liabilities	5,508,958	26,070,587	712,602	180,089	886,287	33,358,523
FUND BALANCES						
Nonspendable						
Prepays	6,500	-	-	-	-	6,500
Restricted						
Fox River Trust	-	-	1,182,928	-	-	1,182,928
IMRF	-	-	-	-	29,898	29,898
Liability insurance	-	-	-	-	487,469	487,469
Social security	-	-	-	-	51,239	51,239
Debt service	-	1,427,506	-	-	-	1,427,506
Construction and development	-	-	13,256,826	12,995,366	-	26,252,192
Assigned						
Debt service	-	1,331,601	-	-	-	1,331,601
Construction and development	-	-	-	9,698,311	-	9,698,311
IMRF	-	-	-	-	19,948	19,948
Liability insurance	-	-	-	-	73,790	73,790
Social security	-	-	-	-	16,378	16,378
Unassigned						
General	4,182,868	-	-	-	-	4,182,868
Total fund balances	4,189,368	2,759,107	14,439,754	22,693,677	678,722	44,760,628
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,698,326	\$ 28,829,694	\$ 15,152,356	\$ 22,873,766	\$ 1,565,009	\$ 78,119,151

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

June 30, 2011

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 44,760,628
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	386,442,422
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets	(328,833)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds:	
Bonds payable	(245,736,548)
Unamortized premium on bonds	(8,571,111)
Unamortized loss on refunding is reported as a reduction	1,557,324
Accrued compensated absences	(230,829)
Net other postemployment benefits obligation	(700,560)
Net Pension Obligation	(4,024)
Unamortized bond issuance costs are reported as an asset on the statement of net assets	<u>785,134</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 177,973,603</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	General	Debt Service	Capital Projects		Nonmajor	Total
			Construction and Development	Land Acquisition		
REVENUES						
Taxes	\$ 4,874,033	\$ 25,269,546	\$ 164,420	\$ -	\$ 852,916	\$ 31,160,915
Charges for services	1,253,552	-	-	-	-	1,253,552
Licenses and permits	20,868	-	-	-	-	20,868
Intergovernmental	5,132	-	848,815	535,534	-	1,389,481
Investment income	9,886	18,592	118,610	2,792	1,252	151,132
Miscellaneous	90,764	-	70,356	-	7,945	169,065
Total revenues	6,254,235	25,288,138	1,202,201	538,326	862,113	34,145,013
EXPENDITURES						
Current						
General government	5,585,108	-	473,535	115,998	793,059	6,967,700
Capital outlay						
Land acquisition and development	218,879	-	3,220,005	7,011,207	-	10,450,091
Debt service						
Principal retirement	-	14,410,000	-	-	-	14,410,000
Interest and fiscal charges	-	10,232,200	-	-	-	10,232,200
Total expenditures	5,803,987	24,642,200	3,693,540	7,127,205	793,059	42,059,991
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	450,248	645,938	(2,491,339)	(6,588,879)	69,054	(7,914,978)
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	-	4,500,000	25,500,000	-	30,000,000
Premium on bonds	-	-	32,906	186,468	-	219,374
Proceeds from sale of capital assets	21,197	-	-	-	-	21,197
Total other financing sources (uses)	21,197	-	4,532,906	25,686,468	-	30,240,571
NET CHANGE IN FUND BALANCES	471,445	645,938	2,041,567	19,097,589	69,054	22,325,593
FUND BALANCES, JULY 1	3,808,873	2,113,169	12,398,187	3,596,088	609,668	22,525,985
Prior period adjustment	(90,950)	-	-	-	-	(90,950)
FUND BALANCE, JUNE 30, RESTATED	3,717,923	2,113,169	12,398,187	3,596,088	609,668	22,435,035
FUND BALANCES, JUNE 30	\$ 4,189,368	\$ 2,759,107	\$ 14,439,754	\$ 22,693,677	\$ 678,722	\$ 44,760,628

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 22,325,593
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities	9,562,367
Depreciation in the statement of activities does not require the use of current financial resources and is not included in governmental funds	(1,494,890)
The loss on disposal of capital assets is shown as an expense on the statement of activities	(7,941)
Accretion on capital appreciation bonds is reported as interest expense in the statement of activities	(534,723)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	14,410,000
Losses on refundings are amortized on the statement of activities over the life of the bond issue while the governmental funds report an expenditure in the year of the bond issue	(311,465)
The issuance costs on long-term debt are amortized on the statement of activities over the life of the bond issue while the governmental funds report an expenditure in the year of the bond issue	
Issuance costs on General Obligation Bonds, Series 2011A	77,938
Amortization of issuance costs	(76,059)
The issuance of long term liabilities are reported as other financing sources in governmental funds but as an increase to liabilities on the statement of net assets	
Issuance of bonds	(30,000,000)
Premium on bonds	(219,374)
The premium on long-term debt is amortized on the statement of activities over the life of the bond issue while the governmental funds report an other financing source in the year of the bond issue	1,052,036
The change in accrued interest payable on long-term debt is reported as a reduction of expenses on the statement of activities	16,095
The change in the compensated absences liability is reported as an expense on the statement of activities	(24,739)
The increase in net pension obligation is reported as an increase of expense on the statement of activities	(4,024)
The change in the net other postemployment benefits obligation is reported as an expense on the statement of activities	(303,073)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 14,467,741</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities
	Cultural and Events Center
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,763,007
Receivables	
Accounts	601,714
Total current assets	3,364,721
NONCURRENT ASSETS	
Capital assets	
Capital assets not being depreciated	3,118,267
Capital assets being depreciated	21,252,661
Accumulated depreciation	(6,483,576)
Net capital assets	17,887,352
Total assets	21,252,073
CURRENT LIABILITIES	
Accrued interest payable	16,306
Security deposits	15,000
General obligation bonds payable	290,000
Total current liabilities	321,306
NONCURRENT LIABILITIES	
General obligation bonds payable	7,160,000
Unamortized bond discount	(48,453)
Total noncurrent liabilities	7,111,547
Total liabilities	7,432,853
NET ASSETS	
Invested in capital assets, net of related debt	10,485,805
Unrestricted	3,333,415
TOTAL NET ASSETS	\$ 13,819,220

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-Type Activities
	<u>Cultural and Events Center</u>
OPERATING REVENUES	
Charges for services	
Rentals	\$ 1,246,714
	<u>1,246,714</u>
Total operating revenues	<u>1,246,714</u>
OPERATING EXPENSES	
Administration and maintenance	4,650
Depreciation	762,941
	<u>767,591</u>
Total operating expenses	<u>767,591</u>
OPERATING INCOME	<u>479,123</u>
NONOPERATING REVENUES (EXPENSES)	
Miscellaneous	22,969
Investment income	4,570
Interest expense	(399,959)
	<u>(372,420)</u>
Total nonoperating revenues (expenses)	<u>(372,420)</u>
CHANGE IN NET ASSETS	106,703
NET ASSETS, JULY 1	<u>13,712,517</u>
NET ASSETS, JUNE 30	<u><u>\$ 13,819,220</u></u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-Type Activities
	Cultural and Events Center
<hr/>	
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 930,000
Payments to suppliers	(94,716)
	<hr/>
Net cash from operating activities	835,284
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous	22,969
	<hr/>
Net cash from noncapital financing activities	22,969
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	(280,000)
Interest paid	(398,554)
	<hr/>
Net cash from capital and related financing activities	(678,554)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	4,570
	<hr/>
Net cash from investing activities	4,570
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	184,269
CASH AND CASH EQUIVALENTS, JULY 1	2,578,738
	<hr/>
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 2,763,007
	<hr/> <hr/>

(This statement is continued on the following page.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)

PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	<u>Business-Type Activities</u> <u>Cultural and Events Center</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 479,123
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	762,941
Changes in assets and liabilities	
Payables	(90,066)
Receivables	<u>(316,714)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 835,284</u>

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Forest Preserve District of Kane County, Illinois (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District is a legally separate political subdivision of the State of Illinois. It is governed by a Board of Commissioners. These financial statements present all funds of the District. There are no component units included or excluded. A component unit is a legally separate organization for which a primary government is financially accountable. However, the District is considered to be a component unit of Kane County since the Board of the District is the same as the County.

b. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. Funds are independent fiscal and accounting entities with self-balancing sets of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. A minimum number of funds are maintained for this purpose.

The following fund categories are used by the District:

Governmental Funds are used to account for the District's general activities. The General Fund is the primary operating fund; accounting for all financial resources not required to be accounted for in another fund. Special Revenue Funds account for revenue sources that are legally restricted for specific purposes (except for Capital Projects Funds). The Debt Service Fund accounts for the servicing of general long-term debt. Capital Projects Funds account for the acquisition of capital assets or construction of major capital projects not financed by another fund.

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (Enterprise Funds). The District has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Special items are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the payment of principal and interest on the District's bonds, funded by an annual property tax levy.

The following Capital Projects Funds are also major governmental funds:

The Construction and Development Fund derives its revenue primarily from local property taxes and grants and accounts for general capital assets constructed or acquired.

The Land Acquisition Fund derives its revenues from grants and earnings on investments and accounts for capital purchases of land.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The District reports the following major proprietary fund:

The Cultural and Events Center Fund derives its revenues primarily from rentals and parking fees and accounts for costs associated with the Elfstrom Stadium.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenues which use a 120-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The District reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting, or is measurable but not earned under the accrual basis of accounting. Deferred revenues also arise when resources are received by the District before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one-year when purchased and nonnegotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is based on prices listed on national exchanges as of June 30 for debt and equity securities. Mutual funds, investment funds, and insurance separate accounts are valued at contract value as of June 30.

g. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., bike trails, paths, roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 if the asset is used in the field and \$5,000 for assets used in the office and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15 - 50
Land improvements	20 - 50
Machinery and equipment	7 - 10
Infrastructure	20 - 40

j. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Net Assets/Fund Balances

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's President; however, this has not been authorized through a formal policy. Any residual General Fund fund balance is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first followed by assigned and then unassigned funds.

The various Special Revenue funds supported by property taxes are restricted due to the restricted revenue streams of the fund balance. Other funds are restricted due to the nature of the contributions to the fund.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

m. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and cash equivalents."

Deposits and Investments

The District's investment policy authorizes the District to invest in bonds, notes, certificates of indebtedness, treasury bills, or other securities backed by the United States of America; certificates of deposit or time deposits constituting direct obligations of any banks as defined by the Illinois Banking Act; short-term discount obligations of the Federal National Mortgage Association; shared or other forms of securities legally issuable by savings and loan associations; shares or other forms of securities legally issuable in the public treasurer's investment pool; funds managed, operated, and administered by a bank as a trust fund; and credit unions chartered under United States or Illinois law. The District's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2011, the District had total bank balances on deposit of \$6,065,476 that were fully insured and collateralized. The policy requires that all bank deposits in excess of FDIC insurance be collateralized at 105% with collateral held by the District with an independent third party or the Federal Reserve Bank.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The District limits its exposure to credit risk by primarily investing in external investment pools.

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The District's investment policy requires diversification of investments to avoid unreasonable risk. With the exception of U.S. Treasury securities, authorized pools and bond proceeds investment trusts, no more than 50% of the District's portfolio may be invested in any single financial institution.

Derivatives

The District's investment policy prohibits the use of or the investment in derivatives.

3. RECEIVABLES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010 on property values assessed as of the same date. Taxes are levied by December of the subsequent year (by passage of Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2011 and August 1, 2011 and are payable in two installments, on or about June 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience. Since the 2010 levy is intended to fund the 2012 fiscal year, the levy has been recorded as a receivable and deferred revenue.

The 2011 tax levy, which attached as an enforceable lien on property as of January 1, 2011, has not been recorded as a receivable as of June 30, 2011 as the tax has not yet been levied by the District and will not be levied until December 2011 and, therefore, the levy is not measurable at June 30, 2011.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 350,553,948	\$ 7,011,217	\$ -	\$ 357,565,165
Total capital assets not being depreciated	350,553,948	7,011,217	-	357,565,165
Capital assets being depreciated				
Buildings and improvements	11,501,260	-	-	11,501,260
Machinery and equipment	3,222,906	151,511	98,040	3,276,377
Infrastructure	25,074,336	2,399,639	-	27,473,975
Total capital assets being depreciated	39,798,502	2,551,150	98,040	42,251,612
Less accumulated depreciation for				
Buildings and improvements	1,847,668	377,655	-	2,225,323
Machinery and equipment	1,606,993	305,180	90,099	1,822,074
Infrastructure	8,514,903	812,055	-	9,326,958
Total accumulated depreciation	11,969,564	1,494,890	90,099	13,374,355
Total capital assets being depreciated, net	27,828,938	1,056,260	7,941	28,877,257
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 378,382,886	\$ 8,067,477	\$ 7,941	\$ 386,442,422
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,118,267	\$ -	\$ -	\$ 3,118,267
Total capital assets not being depreciated	3,118,267	-	-	3,118,267
Capital assets being depreciated				
Buildings and improvements	19,011,662	-	113,227	18,898,435
Land improvements	2,141,027	-	-	2,141,027
Machinery and equipment	213,198	-	-	213,198
Total capital assets being depreciated	21,365,887	-	113,227	21,252,660
Less accumulated depreciation for				
Buildings and improvements	4,141,006	671,607	-	4,812,613
Land improvements	1,370,862	88,886	-	1,459,748
Machinery and equipment	208,766	2,448	-	211,214
Total accumulated depreciation	5,720,634	762,941	-	6,483,575
Total capital assets being depreciated, net	15,645,253	(762,941)	113,227	14,769,085
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 18,763,520	\$ (762,941)	\$ 113,227	\$ 17,887,352

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 305,180
Land acquisition and development	<u>1,189,710</u>

TOTAL	<u>\$ 1,494,890</u>
-------	---------------------

5. RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. Employee health coverage is provided through the County by independent third parties for which the District provides reimbursement. Since December 1, 2007, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

Losses exceeding the per-occurrence self-insured and reinsurance limit would be the responsibility of the District. The District is not aware of any additional amounts owed to PDRMA at June 30, 2011 or prior years.

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member. PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Property/Casualty Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

a. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

b. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	Debt Retired By	Balances July 1, 2010	Additions/ Accretion	Reductions	Balances June 30, 2011	Due Within One Year June 30, 2011
--	-----------------------	-----------------------------	-------------------------	------------	------------------------------	--

GOVERNMENTAL ACTIVITIES

General Obligation Limited Tax Bonds, Series 2003, dated July 1, 2003, initial principal payment is due December 15, 2004, interest is due semiannually at rates from 2.0% to 4.0%, the final payment is due December 15, 2019.

Debt Service	\$ 26,860,000	\$ -	\$ 2,385,000	\$ 24,475,000	\$ 2,455,000
--------------	---------------	------	--------------	---------------	--------------

General Obligation Refunding Bonds, Series 2004, dated March 1, 2004, initial principal payment is due on December 30, 2010, interest is due semiannually at rates from 3.0% to 5.0%, the final payment is due December 30, 2016.

Debt Service	45,440,000	-	5,550,000	39,890,000	5,840,000
--------------	------------	---	-----------	------------	-----------

General Obligation Bonds, Series 2005, dated June 16, 2005, initial principal payment is due December 15, 2006, interest is due semiannually at rates from 3.5% to 5.0%, the final payment is due December 15, 2017.

Debt Service	61,755,000	-	5,275,000	56,480,000	5,935,000
--------------	------------	---	-----------	------------	-----------

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Debt Retired By	Balances July 1, 2010	Additions/ Accretion*	Reductions	Balances June 30, 2011	Due Within One Year June 30, 2011
GOVERNMENTAL ACTIVITIES (Continued)						
General Obligation Limited Tax (Capital Appreciation) Bonds, Series 2006, dated July 10, 2006, initial principal payment is due December 15, 2019, interest accrues semiannually at rates from 4.50% to 4.8%, the final payment is due December 15, 2025.	Debt Service	\$ 11,356,825	\$ 534,723	\$ -	\$ 11,891,548	\$ -
General Obligation Bonds, Series 2007, dated June 26, 2007, initial principal payment is due December 15, 2009, interest is due semiannually at rates from 4.25% to 5.0%, the final payment is due December 15, 2026.	Debt Service	84,200,000	-	1,200,000	83,000,000	1,800,000
General Obligation Bonds, Series 2011A, dated June 15, 2011, initial principal payment is due December 15, 2012, interest is due semiannually at rates from 3.00% to 4.50%, the final payment is due December 15, 2031.	Debt Service	-	30,000,000	-	30,000,000	-
Total bonds		229,611,825	30,534,723	14,410,000	245,736,548	16,030,000
Unamortized premium		9,403,773	219,374	1,052,036	8,571,111	-
Unamortized loss on refunding		(1,868,789)	-	(311,465)	(1,557,324)	-
Total debt service fund bonds		237,146,809	30,754,097	15,150,571	252,750,335	16,030,000
Net Pension Obligation		-	4,024	-	4,024	-
Net other postemployment benefits obligation	General	397,487	303,073	-	700,560	-
Compensated absences	General	206,090	230,829	206,090	230,829	34,624
TOTAL GOVERNMENTAL ACTIVITIES		\$ 237,750,386	\$ 31,292,023	\$ 15,356,661	\$ 253,685,748	\$ 16,064,624

* Additions include \$534,723 for current year accretion.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Debt Retired By	Balances July 1, 2010	Additions/ Accretion	Reductions	Balances June 30, 2011	Due Within One Year June 30, 2011
BUSINESS-TYPE ACTIVITIES						
Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2008, dated June 1, 2008, initial principal payment is due December 15, 2009, interest is due semiannually at rates from 4.50% to 5.95%, the final payment is due December 15, 2027.	Cultural & Events Center Fund	\$ 7,730,000	\$ -	\$ 280,000	\$ 7,450,000	\$ 290,000
Total bonds		7,730,000	-	280,000	7,450,000	290,000
Unamortized bond discount		(51,303)	-	(2,850)	(48,453)	-
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 7,678,697	\$ -	\$ 277,150	\$ 7,401,547	\$ 290,000

c. Debt Service Requirements to Maturity

Debt service requirements to maturity are as follows:

Governmental Activities

Fiscal Year Ending June 30	General Obligation Bonds, Series 2003			General Obligation Bonds, Series 2004		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 2,455,000	\$ 869,531	\$ 3,324,531	\$ 5,840,000	\$ 1,848,500	\$ 7,688,500
2013	2,530,000	794,756	3,324,756	6,145,000	1,548,875	7,693,875
2014	2,605,000	716,103	3,321,103	6,465,000	1,233,625	7,698,625
2015	2,685,000	621,700	3,306,700	6,810,000	901,750	7,711,750
2016	2,795,000	512,100	3,307,100	7,140,000	553,000	7,693,000
2017	2,905,000	398,100	3,303,100	7,490,000	187,250	7,677,250
2018	3,020,000	279,600	3,299,600	-	-	-
2019	3,145,000	156,300	3,301,300	-	-	-
2020	2,335,000	46,700	2,381,700	-	-	-
TOTAL	\$ 24,475,000	\$ 4,394,890	\$ 28,869,890	\$ 39,890,000	\$ 6,273,000	\$ 46,163,000

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Governmental Activities (Continued)

Fiscal Year Ending June 30	General Obligation Bonds, Series 2005			General Obligation Bonds, Series 2007		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 5,935,000	\$ 2,675,625	\$ 8,610,625	\$ 1,800,000	\$ 4,123,375	\$ 5,923,375
2013	6,635,000	2,361,375	8,996,375	2,100,000	4,040,500	6,140,500
2014	7,385,000	2,010,875	9,395,875	2,500,000	3,924,000	6,424,000
2015	8,060,000	1,624,750	9,684,750	2,950,000	3,767,312	6,717,312
2016	8,775,000	1,203,875	9,978,875	3,400,000	3,597,500	6,997,500
2017	9,500,000	747,000	10,247,000	3,725,000	3,419,375	7,144,375
2018	10,190,000	254,750	10,444,750	4,075,000	3,224,375	7,299,375
2019	-	-	-	4,550,000	3,008,750	7,558,750
2020	-	-	-	5,075,000	2,768,125	7,843,125
2021	-	-	-	5,650,000	2,500,000	8,150,000
2022	-	-	-	6,250,000	2,202,500	8,452,500
2023	-	-	-	6,900,000	1,873,750	8,773,750
2024	-	-	-	7,600,000	1,511,250	9,111,250
2025	-	-	-	8,350,000	1,112,500	9,462,500
2026	-	-	-	9,125,000	675,625	9,800,625
2027	-	-	-	8,950,000	223,750	9,173,750
TOTAL	\$ 56,480,000	\$ 10,878,250	\$ 67,358,250	\$ 83,000,000	\$ 41,972,687	\$ 124,972,687

Fiscal Year Ending June 30	General Obligation Bonds, Series 2011A			Total General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ -	\$ 1,150,150	\$ 1,150,150	\$ 16,030,000	\$ 10,667,181	\$ 26,697,181
2013	540,000	1,142,050	1,682,050	17,950,000	9,887,556	27,837,556
2014	1,120,000	1,117,150	2,237,150	20,075,000	9,001,753	29,076,753
2015	1,140,000	1,083,250	2,223,250	21,645,000	7,998,736	29,643,736
2016	1,165,000	1,048,675	2,213,675	23,275,000	6,915,150	30,190,150
2017	1,195,000	1,013,275	2,208,275	24,815,000	5,765,000	30,580,000
2018	1,230,000	976,900	2,206,900	18,515,000	4,735,625	23,250,625
2019	1,270,000	939,400	2,209,400	8,965,000	4,104,450	13,069,450
2020	1,315,000	894,050	2,209,050	8,725,000	3,708,875	12,433,875
2021	1,365,000	840,450	2,205,450	7,015,000	3,340,450	10,355,450
2022	1,415,000	784,850	2,199,850	7,665,000	2,987,350	10,652,350
2023	1,475,000	727,050	2,202,050	8,375,000	2,600,800	10,975,800
2024	1,535,000	666,850	2,201,850	9,135,000	2,178,100	11,313,100
2025	1,605,000	604,050	2,209,050	9,955,000	1,716,550	11,671,550
2026	1,680,000	538,350	2,218,350	10,805,000	1,213,975	12,018,975
2027	1,755,000	469,650	2,224,650	10,705,000	693,400	11,398,400
2028	1,845,000	397,650	2,242,650	1,845,000	397,650	2,242,650
2029	1,935,000	320,841	2,255,841	1,935,000	320,841	2,255,841
2030	2,030,000	237,794	2,267,794	2,030,000	237,794	2,267,794
2031	2,135,000	147,953	2,282,953	2,135,000	147,953	2,282,953
2032	2,250,000	50,625	2,300,625	2,250,000	50,625	2,300,625
TOTAL	\$ 30,000,000	\$ 15,151,013	\$ 45,151,013	\$ 233,845,000	\$ 78,669,814	\$ 312,514,814

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Governmental Activities (Continued)

Capital Appreciation Bonds

On July 25, 2006, the District issued General Obligation Limited Tax (Capital Appreciation) Bonds, Series 2006 under the provision of the “Downstate Forest Preserve District Act” of the State of Illinois. Principal payments are due serially on December 15, 2019 through December 15, 2025. Interest payments at rates ranging from 4.5% to 4.8% accrete semi-annually on June 15 and December 15.

Interest will be payable, together with principal, only at maturity or upon prior redemption.

Debt service requirements to maturity on the Series 2006 bonds are as follows:

Fiscal Year Ending June 30	General Obligation Limited Tax (Capital Appreciation) Bonds, Series 2006	
	Interest Accretion	Principal
2012	\$ 559,909	\$ -
2013	586,282	-
2014	613,898	-
2015	642,815	-
2016	673,094	-
2017	704,801	-
2018	738,001	-
2019	772,766	-
2020	788,107	935,000
2021	727,077	3,365,000
2022	605,784	3,365,000
2023	477,196	3,365,000
2024	340,956	3,365,000
2025	196,481	3,365,000
2026	61,285	2,620,000
TOTAL	\$ 8,488,452	\$ 20,380,000

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Business-Type Activities

Fiscal Year Ending June 30	Taxable General Obligation (Alternate Revenue Source) Bonds, Series 2008		
	Principal	Interest	Total
2012	\$ 290,000	\$ 384,809	\$ 674,809
2013	300,000	371,534	671,534
2014	315,000	357,696	672,696
2015	330,000	343,184	673,184
2016	345,000	327,996	672,996
2017	360,000	311,909	671,909
2018	380,000	294,559	674,559
2019	400,000	275,534	675,534
2020	420,000	255,034	675,034
2021	440,000	233,259	673,259
2022	465,000	209,487	674,487
2023	490,000	183,821	673,821
2024	520,000	156,028	676,028
2025	550,000	125,590	675,590
2026	580,000	92,523	672,523
2027	615,000	56,971	671,971
2028	650,000	19,338	669,338
TOTAL	\$ 7,450,000	\$ 3,999,272	\$ 11,449,272

d. Legal Debt Margin

The schedule of the District's legal debt margin as of June 30, 2011 is as follows:

ASSESSED VALUATION - 2010 (Latest Information Available)	<u>\$ 14,842,474,308</u>
Statutory Debt Limitation (2.3% of Assessed Valuation)	\$ 341,376,909
Less General Obligation Bonds	<u>(233,845,000)</u>
LEGAL DEBT MARGIN	<u>\$ 107,531,909</u>

7. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Description

Illinois Municipal Retirement Fund

The District contributes to one defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The IMRF does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for calendar year 2010 was 9.98% of covered payroll and 10.67% for calendar year 2011.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Cost

Illinois Municipal Retirement Fund (Continued)

The annual pension costs (APC) as of June 30, 2011 were derived from the actuarial valuations performed as of the dates and using the assumptions noted below:

	<u>Illinois Municipal Retirement</u>
Actuarial valuation date	December 31, 2008
Actuarial cost method	Entry-age Normal
Asset valuation method	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll
Amortization period	30 Years, Open
Significant actuarial assumptions	
a) Rate of return on present and future assets	7.50% Compounded Annually
b) Projected salary increase attributable to inflation	4.00% Compounded Annually
c) Additional projected Salary increases - seniority/merit	.40% to 10.00%

c. Trend Information

Employer annual pension costs (APC), actual contributions, and the net pension obligation (asset) (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Trend information (Continued)

Illinois Municipal Retirement Fund (Continued)

	For Fiscal Year	Illinois Municipal Retirement
Annual pension cost (APC)	2009 2010 2011	\$ 279,605 299,457 330,069
Actual contribution	2009 2010 2011	\$ 279,605 299,457 326,045
Percentage of APC contributed	2009 2010 2011	100.00% 100.00% 98.78%
NPO (Asset)	2009 2010 2011	\$ - - 4,024

The NPO as of June 30, 2011 has been calculated as follows:

Annual required contribution	\$ 330,069
Interest on net pension obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual pension cost	330,069
Contributions made	326,045
	<hr/>
Increase in net pension obligation	4,024
Net pension obligation, beginning of year	-
	<hr/>
NET PENSION OBLIGATION, END OF YEAR	<u>\$ 4,024</u>

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, based on the actuarial valuation is the same actuarial assumptions used to determine the employer annual pension costs of the plan as disclosed above.

	Illinois Municipal Retirement
Actuarial accrued liability (AAL)	\$ 7,110,712
Actuarial value of plan assets	5,798,524
Unfunded actuarial accrued liability (UAAL)	1,312,188
Funded ratio (actuarial value of plan assets/AAL)	81.55%
Covered payroll (active plan members)	\$ 3,612,193
UAAL as a percentage of covered payroll	41.50%

See the schedule of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District provides postemployment health care and dental benefits (OPEB) for participating retirees and spouses through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed ILCS and by the District. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the District's governmental activities.

Benefits Provided

The District provides postemployment health care and dental benefits to its participating retirees and spouses. To be eligible for participation in the Plan, an employee must be at a minimum age of 55 and have at least eight years of service at the District.

All health care benefits are provided through the District's purchased employee health insurance plan. The benefit levels for retirees are the same as those afforded to active employees, which creates an implicit subsidy. The retirees pay the blended premium. Benefits include general inpatient and outpatient medical services; dental care and prescriptions. The benefits are provided until age 65 or whenever Medicare coverage becomes available.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (continued)

Membership

At June 30, 2011, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Active vested employees	7
Active nonvested plan members	<u>65</u>
 TOTAL	 <u><u>74</u></u>
 Participating employers	 <u><u>1</u></u>

Funding Policy

The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for June 30, 2011 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 203,000	\$ 10,000	4.93%	\$ 193,000
2010	218,584	10,656	4.88%	397,487
2011	314,672	11,599	3.69%	700,560

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The net OPEB obligation (NOPEBO) as of June 30, 2011 was calculated as follows:

Annual required contribution	\$ 321,764
Interest on net OPEB obligation	15,899
Adjustment to annual required contribution	<u>(22,991)</u>
Annual OPEB cost	314,672
Contributions made	<u>11,599</u>
Increase in net OPEB obligation	303,073
Net OPEB obligation, beginning of year	<u>397,487</u>
 NET OPEB OBLIGATION, END OF YEAR	 <u>\$ 700,560</u>

Funded Status and Funding Progress - the funded status of the plan as of June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 1,893,927
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,893,927
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	3,321,361
UAAL as a percentage of covered payroll	57.02%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

In the June 30, 2010 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), an initial medical cost trend rate of 10.00% reducing to an ultimate rate of 5.00%, and an initial dental cost trend rate of 5.00% reducing to an ultimate rate of 3.00%. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010 was 30 years.

9. CONTINGENT LIABILITIES

a. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

10. RELATED-PARTY TRANSACTIONS

The elected members of the Kane County Board also serve as the governing Board for the District. Related-party transactions with the County of Kane (the County) as of and during the year ended June 30, 2011 were as follows:

The District purchased various services from the County which include processing, photocopying, personnel, computer services, and 911 dispatching services. The total paid for these services was \$99,449 for the year ended June 30, 2011. The District also paid \$661,443 to the County for insurance (Note 5).

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. CULTURAL AND EVENTS CENTER

The District owns and operates an event stadium (Cultural and Events Center). The Kane County Cougars (a minor league baseball team) (the Cougars) is the primary licensee at the stadium. The District has entered into an agreement with the Cougars for use of the stadium. Under the agreement, the District receives annual fees ranging from \$1,170,000 to \$1,320,000. Revenues from the Cougars totaled \$1,186,714 for the year ended June 30, 2011. The District recognizes revenue from license fees based on games played during the fiscal year. The license expires September 30, 2026.

12. GOLF COURSE

On April 1, 2002, the District entered into license agreements with management companies to operate the District's three golf courses. Expiration date for these three license agreements is March 31, 2012. Under these agreements, the District receives payments based on gross revenues with stated minimum rentals as follows:

<u>Year Ending March 31</u>	<u>Percentage of Gross Revenue</u>	<u>Minimum Rental</u>
2012	14.5%	\$ 190,000

Rental revenues of \$364,586 were received during the year ended June 30, 2011.

A summary of the property being licensed is as follows:

Courses and improvements	\$ 9,985,457
Buildings	<u>991,796</u>
TOTAL	<u>\$ 10,977,253</u>

13. FOX RIVER TRUST AGREEMENT

The District entered into an agreement with the Elgin Riverboat Resort to act as trustee for the Fox River Trust. As trustee, the District is required to hold, manage, and invest contributions received under the agreement. The contributions and earnings thereon are required to be used for purposes beneficial to the Fox River, its animal and plant life, or properties immediately adjoining the banks of the river.

Under the agreement, the District received twelve annual contributions of \$500,000 through the fiscal year ending 2007. The agreement was fulfilled during fiscal year ended 2007, and the balance of unexpended amounts received under the agreement is reported as restricted fund balance and restricted net assets.

14. PRIOR PERIOD ADJUSTMENT

Net assets of governmental activities and fund balance of the General Fund have been restated as of June 30, 2010 by \$90,950 to correct the reporting of deferred revenue and revenue for rental payments received but not earned at fiscal year end.

15. SUBSEQUENT EVENT

In September 2011, the District passed an ordinance authorizing issuance of up to \$23,000,000 of General Obligation Limited Tax Refunding Bonds for the purpose of refunding the General Obligation Limited Tax Bonds, Series 2003.

REQUIRED SUPPLEMENTARY INFORMATION

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 4,819,686	\$ 4,819,686	\$ 4,812,845	\$ 4,730,097
Personal property replacement tax	65,000	65,000	61,188	12,107
Investment income	25,000	25,000	9,886	15,175
Charges for services	1,372,000	1,372,000	1,253,552	1,274,800
Licenses and permits	25,000	25,000	20,868	22,691
Intergovernmental	6,000	6,000	5,132	-
Miscellaneous	45,500	45,500	90,764	44,890
Total revenues	6,358,186	6,358,186	6,254,235	6,099,760
EXPENDITURES				
Current				
Personal services	3,765,341	3,765,341	3,593,115	3,605,933
Contractual services	1,362,845	1,362,845	1,194,173	1,173,168
Commodities	859,400	859,400	723,551	736,793
Other	130,000	130,000	74,269	73,728
Capital outlay	265,600	265,600	218,879	423,722
Total expenditures	6,383,186	6,383,186	5,803,987	6,013,344
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(25,000)	(25,000)	450,248	86,416
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	25,000	25,000	21,197	46,070
NET CHANGE IN FUND BALANCE				
	\$ -	\$ -	471,445	132,486
FUND BALANCE, JULY 1				
			3,808,873	3,676,387
Prior period adjustment			(90,950)	-
FUND BALANCES, JULY 1, RESTATED				
			3,717,923	3,676,387
FUND BALANCE, JUNE 30				
			\$ 4,189,368	\$ 3,808,873

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2011

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability UAAL (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	\$ 3,864,287	\$ 4,078,236	94.75%	\$ 213,949	\$ 2,292,429	9.33%
2006	4,250,355	4,848,725	87.66%	598,370	2,550,801	23.46%
2007	4,885,748	5,230,103	93.42%	344,355	2,683,741	12.83%
2008	4,692,960	5,664,304	82.85%	971,344	2,867,741	33.87%
2009	5,123,267	6,454,943	79.37%	1,331,676	3,113,163	42.78%
2010	5,798,524	7,110,712	81.55%	1,312,188	3,162,193	41.50%

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFITS PLAN

June 30, 2011

Actuarial Valuation Date June 30	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 1,298,000	0.00%	\$ 1,298,000	\$ 3,058,000	42.45%
2010	-	1,893,927	0.00%	1,893,927	3,605,932	52.52%
2011	-	1,893,927	0.00%	1,893,927	3,321,361	57.02%

Note: The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009.
Information for prior years is not available.

(See independent auditor's report)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2011

<u>Fiscal Year Ended June 30</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ 213,654	\$ 213,654	100.00%
2007	238,245	238,245	100.00%
2008	241,000	241,000	100.00%
2009	279,605	279,605	100.00%
2010	299,457	299,457	100.00%
2011	326,045	330,069	98.78%

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS PLAN

June 30, 2011

<u>Fiscal Year Ended June 30</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 10,000	\$ 203,000	4.93%
2010	10,656	218,584	4.88%
2011	11,599	321,764	3.60%

Note: The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009. Information for prior years is not available.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

BUDGETARY AND LEGAL COMPLIANCE

Annual appropriated budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for the General, Special Revenue, Debt Service, and Capital Projects Funds. All annual appropriations lapse at year end for all funds.

A proposed budget is prepared by management and presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations. The budget is legally enacted through passage of an appropriations ordinance.

The appropriated budget is prepared by fund, function, organizational unit, activity, character, and line-item. No supplemental appropriations were made throughout the year. The amounts reported in the financial statements and required supplementary information are the original appropriation and the final amended appropriation. State law mandates that the legal level of budgetary control be at the fund level.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments that are not required to be accounted for in another fund.

DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. The District's Capital Projects Funds and their major revenue sources are:

Construction and Development Fund - derives its revenue primarily from local property taxes and grants.

Land Acquisition Fund - derives its revenue from grants and earnings on investments.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 4,819,686	\$ 4,819,686	\$ 4,812,845	\$ 4,730,097
Personal property replacement taxes	65,000	65,000	61,188	12,107
Charges for service				
Rentals	747,000	747,000	734,039	726,148
Reservations	60,000	60,000	41,720	46,080
Camping fees	140,000	140,000	98,665	95,933
Golf course fees	400,000	400,000	364,586	388,308
Police fines	25,000	25,000	14,542	18,331
Licenses and permits	25,000	25,000	20,868	22,691
Intergovernmental				
Grants	6,000	6,000	5,132	-
Investment income	25,000	25,000	9,885	15,177
Miscellaneous				
General refunds	5,000	5,000	18,307	9,366
Nature center programs	12,000	12,000	14,872	14,402
Other	28,500	28,500	57,585	17,397
TOTAL REVENUES	\$ 6,358,186	\$ 6,358,186	\$ 6,254,234	\$ 6,096,037

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
CURRENT				
General Government				
Personal Services				
Salaries				
Regular	\$ 3,418,268	\$ 3,418,268	\$ 3,292,975	\$ 2,552,158
Part-time	331,073	331,073	287,910	239,394
Per diem	16,000	16,000	12,230	14,030
Total personal services	3,765,341	3,765,341	3,593,115	2,805,582
Contractual Services				
Conferences and meetings	30,000	30,000	16,243	16,870
Audit and management services	27,000	27,000	21,950	21,850
Organization support	75,500	75,500	75,500	75,500
Public relations	75,000	75,000	78,006	52,968
Publication of legal notices	8,000	8,000	7,777	6,508
Insurance				
Employees	707,445	707,445	661,443	485,612
General	20,000	20,000	-	43
Telephone	77,000	77,000	65,887	55,799
Utilities	168,000	168,000	116,830	129,537
Consulting service	7,500	7,500	700	3,613
Legal fees	100,000	100,000	100,000	50,027
Association dues	11,600	11,600	9,766	8,113
Tuition reimbursement	2,000	2,000	552	-
Training	31,500	31,500	21,073	25,681
Employee recruitment	5,000	5,000	4,815	4,946
Employee recognition	17,300	17,300	13,631	11,574
Total contractual services	1,362,845	1,362,845	1,194,173	948,641

(This schedule is continued on the following page.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
CURRENT (Continued)				
General Government (Continued)				
Commodities				
Office supplies	\$ 17,000	\$ 17,000	\$ 10,621	\$ 13,951
Mileage	8,000	8,000	7,645	7,382
Supplies	205,000	205,000	172,076	174,298
Nature Center supplies	12,700	12,700	8,970	5,577
Repair and maintenance				
Buildings and grounds	204,000	204,000	148,926	180,266
Automobiles and trucks	75,000	75,000	43,771	72,496
Equipment and machinery	68,500	68,500	54,702	49,038
Fuel and heating	43,000	43,000	30,525	33,343
Uniforms	25,000	25,000	17,040	19,753
Fuel - vehicles	201,200	201,200	229,275	180,689
Total commodities	859,400	859,400	723,551	736,793
Other				
County of Kane - services	110,000	110,000	74,269	73,728
Contingencies	20,000	20,000	-	-
Total other	130,000	130,000	74,269	73,728
Total general government	6,117,586	6,117,586	5,585,108	5,589,622
CAPITAL OUTLAY				
Office equipment	28,500	28,500	8,638	7,267
Automotive equipment	111,000	111,000	108,240	55,826
Machinery and equipment	126,100	126,100	102,001	360,629
Total capital outlay	265,600	265,600	218,879	423,722
TOTAL EXPENDITURES	\$ 6,383,186	\$ 6,383,186	\$ 5,803,987	\$ 6,013,344

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011		Actual	2010
	Original Budget	Final Budget		Actual
REVENUES				
Property taxes	\$ 24,828,406	\$ 24,828,406	\$ 25,040,392	\$ 24,227,521
Personal property replacement taxes	229,154	229,154	229,154	223,608
Investment income	25,000	25,000	18,592	17,406
Total revenues	25,082,560	25,082,560	25,288,138	24,468,535
EXPENDITURES				
Debt service				
Principal retirement	14,410,000	14,410,000	14,410,000	13,050,000
Interest and fiscal charges	10,233,381	10,233,381	10,232,200	10,865,043
Total expenditures	24,643,381	24,643,381	24,642,200	23,915,043
NET CHANGE IN FUND BALANCE	\$ 439,179	\$ 439,179	645,938	553,492
FUND BALANCE, JULY 1			2,113,169	1,559,677
FUND BALANCE, JUNE 30			\$ 2,759,107	\$ 2,113,169

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CONSTRUCTION AND DEVELOPMENT FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 164,625	\$ 164,625	\$ 164,420	\$ 199,116
Charges for services	-	-	-	44,000
Intergovernmental grants	500,000	500,000	848,815	683,610
Investment income	200,000	200,000	118,610	192,920
Miscellaneous	10,000	10,000	70,356	23,290
Total revenues	874,625	874,625	1,202,201	1,142,936
EXPENDITURES				
Current				
General government				
Contractual services				
Professional fees	678,169	678,169	316,182	238,552
Fox River Trust expenditures	974,000	974,000	12,500	232,451
Other	89,365	89,365	48,278	33,259
Commodities				
Supplies	180,000	180,000	96,575	93,132
Contingencies	100,000	100,000	-	-
Capital outlay				
Land acquisition and development				
Buildings	637,967	637,967	156,711	167,724
Land area development	7,450,194	7,450,194	3,063,294	4,965,164
Machinery and equipment	-	-	-	11,054
Total expenditures	10,109,695	10,109,695	3,693,540	5,741,336
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,235,070)	(9,235,070)	(2,491,339)	(4,598,400)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	4,500,000	-
Premium on bonds	-	-	32,906	-
Total other financing sources (uses)	-	-	4,532,906	-
NET CHANGE IN FUND BALANCE	\$ (9,235,070)	\$ (9,235,070)	2,041,567	(4,598,400)
FUND BALANCE, JULY 1			12,398,187	16,996,587
FUND BALANCE, JUNE 30			\$ 14,439,754	\$ 12,398,187

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LAND ACQUISITION FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental - grants	\$ 1,505,000	\$ 1,505,000	\$ 535,534	\$ 1,720,000
Investment income	10,000	10,000	2,792	8,117
Miscellaneous	-	-	-	35,820
Total revenues	1,515,000	1,515,000	538,326	1,763,937
EXPENDITURES				
Current				
General government				
Contractual services				
Consulting services	100,000	100,000	72,722	34,537
Legal/professional services	100,000	100,000	1,085	1,241
Surveys and appraisals	50,000	50,000	41,970	9,365
Commodities				
Supplies	1,000	1,000	-	-
Mileage	500	500	221	610
Contingencies	10,000	10,000	-	-
Capital outlay				
Land acquisition and development				
Purchase of land	25,000,000	25,000,000	7,011,207	5,324,376
Total expenditures	25,261,500	25,261,500	7,127,205	5,370,129
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,746,500)	(23,746,500)	(6,588,879)	(3,606,192)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	-	-	25,500,000	-
Premium on bonds	-	-	186,468	-
Transfers in	-	-	-	260,000
Proceeds from sale of capital assets	-	-	-	976,966
Total other financing sources (uses)	-	-	25,686,468	1,236,966
NET CHANGE IN FUND BALANCE	\$ (23,746,500)	\$ (23,746,500)	19,097,589	(2,371,226)
FUND BALANCE, JULY 1			3,596,088	5,967,314
FUND BALANCE, JUNE 30			\$ 22,693,677	\$ 3,596,088

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The District's Special Revenue Funds and their purposes are:

Illinois Municipal Retirement Fund - accounts for property tax revenues that are restricted for the payment of retirement benefits.

Insurance Liability Fund - accounts for property taxes that are restricted for the payment of insurance costs.

Social Security Fund - accounts for property taxes that are restricted for the payment of retirement benefits.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	Special Revenue			
	Illinois Municipal Retirement	Insurance Liability	Social Security	Total
ASSETS				
Cash and cash equivalents	\$ 219,859	\$ 672,471	\$ 221,078	\$ 1,113,408
Receivables				
Property taxes	177,117	114,610	159,874	451,601
TOTAL ASSETS	\$ 396,976	\$ 787,081	\$ 380,952	\$ 1,565,009
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 1,200	\$ -	\$ 1,200
Deferred property tax revenue	347,130	224,622	313,335	885,087
Total liabilities	347,130	225,822	313,335	886,287
FUND BALANCES				
Restricted				
IMRF	29,898	-	-	29,898
Liability insurance	-	487,469	-	487,469
Social security	-	-	51,239	51,239
Assigned				
IMRF	19,948	-	-	19,948
Liability insurance	-	73,790	-	73,790
Social security	-	-	16,378	16,378
Total fund balances	49,846	561,259	67,617	678,722
TOTAL LIABILITIES AND FUND BALANCES	\$ 396,976	\$ 787,081	\$ 380,952	\$ 1,565,009

(See accompanying notes to financial statements.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	Special Revenue			Total
	Illinois Municipal Retirement	Insurance Liability	Social Security	
REVENUES				
Property taxes	\$ 342,594	\$ 204,753	\$ 299,634	\$ 846,981
Personal property replacement tax	3,166	-	2,769	5,935
Investment income	194	863	195	1,252
Miscellaneous	-	7,945	-	7,945
Total revenues	345,954	213,561	302,598	862,113
EXPENDITURES				
Current				
General government				
Personal services	326,057	12,838	260,472	599,367
Contractual services	-	193,692	-	193,692
Total expenditures	326,057	206,530	260,472	793,059
NET CHANGE IN FUND BALANCES	19,897	7,031	42,126	69,054
FUND BALANCES, JULY 1	29,949	554,228	25,491	609,668
FUND BALANCES, JUNE 30	\$ 49,846	\$ 561,259	\$ 67,617	\$ 678,722

(See accompanying notes to financial statements.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 343,000	\$ 343,000	\$ 342,594	\$ 248,895
Personal property replacement tax	3,166	3,166	3,166	2,297
Investment income	1,200	1,200	194	231
Total revenues	347,366	347,366	345,954	251,423
EXPENDITURES				
Current				
General government				
Illinois Municipal Retirement Fund	347,366	347,366	326,057	299,457
Total expenditures	347,366	347,366	326,057	299,457
NET CHANGE IN FUND BALANCE	\$ -	\$ -	19,897	(48,034)
FUND BALANCE, JULY 1			29,949	77,983
FUND BALANCE, JUNE 30			\$ 49,846	\$ 29,949

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INSURANCE LIABILITY FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011		Actual	2010
	Original Budget	Final Budget		Actual
REVENUES				
Property taxes	\$ 205,000	\$ 205,000	\$ 204,753	\$ 323,486
Investment income	5,000	5,000	863	959
Miscellaneous	1,000	1,000	7,945	-
Total revenues	211,000	211,000	213,561	324,445
EXPENDITURES				
Current				
General government				
Personal services				
Unemployment compensation	22,500	22,500	12,838	8,909
Contractual services				
Insurance - general	130,000	130,000	101,791	84,171
Legal	25,000	25,000	1,893	60,689
Workmen's compensation	175,000	175,000	90,008	84,061
Total expenditures	352,500	352,500	206,530	237,830
NET CHANGE IN FUND BALANCE	\$ (141,500)	\$ (141,500)	7,031	86,615
FUND BALANCE, JULY 1			554,228	467,613
FUND BALANCE, JUNE 30			\$ 561,259	\$ 554,228

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SOCIAL SECURITY FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 300,000	\$ 300,000	\$ 299,634	\$ 234,008
Personal property replacement tax	2,769	2,769	2,769	2,160
Investment income	1,500	1,500	195	163
Total revenues	304,269	304,269	302,598	236,331
EXPENDITURES				
Current				
General government				
Personnel services				
Social Security tax	304,269	304,269	260,472	259,770
Total expenditures	304,269	304,269	260,472	259,770
NET CHANGE IN FUND BALANCE	\$ -	\$ -	42,126	(23,439)
FUND BALANCE, JULY 1			25,491	48,930
FUND BALANCE, JUNE 30			\$ 67,617	\$ 25,491

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

Cultural and Events Center Fund - to account for the activities of the Cultural and Events Center. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL

CULTURAL AND EVENTS CENTER FUND

For the Year Ended June 30, 2011
(with prior year actual)

	2011		Actual	2010
	Original Budget	Final Budget		Actual
OPERATING REVENUES				
Rentals	\$ 1,230,000	\$ 1,230,000	\$ 1,246,714	\$ 1,222,656
Total operating revenues	1,230,000	1,230,000	1,246,714	1,222,656
OPERATING EXPENSES				
Personal services	-	-	-	916
Contractual services	21,000	21,000	4,650	15,258
Commodities	-	-	-	4,461
Total operating expenses	21,000	21,000	4,650	20,635
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	1,209,000	1,209,000	1,242,064	1,202,021
Depreciation and amortization	745,000	745,000	762,941	767,470
OPERATING INCOME	464,000	464,000	479,123	434,551
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	22,969	8,719
Investment income	10,000	10,000	4,570	5,311
Interest expense	(397,634)	(397,634)	(399,959)	(395,193)
Total nonoperating revenues (expenses)	(387,634)	(387,634)	(372,420)	(381,163)
NET INCOME (LOSS) BEFORE TRANSFERS	76,366	76,366	106,703	53,388
TRANSFERS				
Transfers (out)	-	-	-	(260,000)
Total transfers	-	-	-	(260,000)
CHANGE IN NET ASSETS	\$ 76,366	\$ 76,366	106,703	(206,612)
NET ASSETS, JULY 1			13,712,517	13,919,129
NET ASSETS, JUNE 30			\$ 13,819,220	\$ 13,712,517

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
 SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

CULTURAL AND EVENTS CENTER FUND

For the Year Ended June 30, 2011
 (with prior year actual)

	2011		Actual	2010 Actual
	Original Budget	Final Budget		
PERSONNEL SERVICES				
Part-time salaries	\$ -	\$ -	\$ -	\$ 916
Total personnel services	-	-	-	916
CONTRACTUAL SERVICES				
Telephone	5,000	5,000	188	3,378
Electricity and water	5,000	5,000	3,914	7,618
Advertising	-	-	-	121
Repair and maintenance - buildings and grounds	10,000	10,000	115	1,383
Repair and maintenance - equipment	-	-	-	2,330
	1,000	1,000	433	428
Total contractual services	21,000	21,000	4,650	15,258
COMMODITIES				
Gas	-	-	-	2,352
Supplies	-	-	-	2,109
Total commodities	-	-	-	4,461
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	\$ 21,000	\$ 21,000	\$ 4,650	\$ 20,635

(See independent auditor's report.)

SUPPLEMENTAL DATA

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2003

June 30, 2011

Date of Issue	July 1, 2003
Date of Maturity	December 15, 2019
Authorized Issue	\$ 38,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.00% - 4.00%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	JP Morgan

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 2,455,000	\$ 869,531	\$ 3,324,531
2013	2,530,000	794,756	3,324,756
2014	2,605,000	716,103	3,321,103
2015	2,685,000	621,700	3,306,700
2016	2,795,000	512,100	3,307,100
2017	2,905,000	398,100	3,303,100
2018	3,020,000	279,600	3,299,600
2019	3,145,000	156,300	3,301,300
2020	2,335,000	46,700	2,381,700
	<u>\$ 24,475,000</u>	<u>\$ 4,394,890</u>	<u>\$ 28,869,890</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004

June 30, 2011

Date of Issue	March 1, 2004
Date of Maturity	December 30, 2016
Authorized Issue	\$ 45,770,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.00% - 5.00%
Principal Maturity Date	December 30
Interest Dates	June 30 and December 30
Payable at	JP Morgan

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 5,840,000	\$ 1,848,500	\$ 7,688,500
2013	6,145,000	1,548,875	7,693,875
2014	6,465,000	1,233,625	7,698,625
2015	6,810,000	901,750	7,711,750
2016	7,140,000	553,000	7,693,000
2017	7,490,000	187,250	7,677,250
	<u>\$ 39,890,000</u>	<u>\$ 6,273,000</u>	<u>\$ 46,163,000</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2005

June 30, 2011

Date of Issue	June 16, 2005
Date of Maturity	December 15, 2017
Authorized Issue	\$ 75,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.50% - 5.00%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	JP Morgan

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 5,935,000	\$ 2,675,625	\$ 8,610,625
2013	6,635,000	2,361,375	8,996,375
2014	7,385,000	2,010,875	9,395,875
2015	8,060,000	1,624,750	9,684,750
2016	8,775,000	1,203,875	9,978,875
2017	9,500,000	747,000	10,247,000
2018	10,190,000	254,750	10,444,750
	<u>\$ 56,480,000</u>	<u>\$ 10,878,250</u>	<u>\$ 67,358,250</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION LIMITED TAX
(CAPITAL APPRECIATION) BONDS, SERIES 2006

June 30, 2011

Date of Issue	July 10, 2006
Date of Maturity	December 15, 2025
Authorized Issue	\$ 9,495,866
Denomination of Bonds	\$ 5,000
Interest Rates	4.50% - 4.80%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	JP Morgan

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Interest Rate	Tax Levy		Totals
		Principal	Interest	
2020	4.500%	\$ 515,279	\$ 419,721	\$ 935,000
2021	4.550%	1,761,308	1,603,692	3,365,000
2022	4.600%	1,671,194	1,693,806	3,365,000
2023	4.650%	1,584,175	1,780,825	3,365,000
2024	4.700%	1,500,184	1,864,816	3,365,000
2025	4.750%	1,419,290	1,945,710	3,365,000
2026	4.800%	1,044,436	1,575,564	2,620,000
		<u>\$ 9,495,866</u>	<u>\$ 10,884,134</u>	<u>\$ 20,380,000</u>

These bonds are capital appreciation bonds and are not redeemable prior to maturity. Interest on these bonds is payable at maturity.

The accretion schedule for the Series 2006 Bonds is as follows:

Fiscal Year Ending June 30	Bond Maturity	Annual Accretion	Balance
2012	\$ -	\$ 559,909	\$ 12,451,457
2013	-	586,282	13,037,739
2014	-	613,898	13,651,637
2015	-	642,815	14,294,452
2016	-	673,094	14,967,546
2017	-	704,801	15,672,347
2018	-	738,001	16,410,348
2019	-	772,766	17,183,114
2020	935,000	788,107	17,036,221
2021	3,365,000	727,077	14,398,298
2022	3,365,000	605,784	11,639,082
2023	3,365,000	477,196	8,751,278
2024	3,365,000	340,956	5,727,234
2025	3,365,000	196,481	2,558,715
2026	2,620,000	61,285	-
	<u>\$ 20,380,000</u>	<u>\$ 8,488,452</u>	<u>\$ 177,779,468</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2007

June 30, 2011

Date of Issue	June 26, 2007
Date of Maturity	December 15, 2026
Authorized Issue	\$ 85,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.25% - 5.00%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	JP Morgan

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 1,800,000	\$ 4,123,375	\$ 5,923,375
2013	2,100,000	4,040,500	6,140,500
2014	2,500,000	3,924,000	6,424,000
2015	2,950,000	3,767,312	6,717,312
2016	3,400,000	3,597,500	6,997,500
2017	3,725,000	3,419,375	7,144,375
2018	4,075,000	3,224,375	7,299,375
2019	4,550,000	3,008,750	7,558,750
2020	5,075,000	2,768,125	7,843,125
2021	5,650,000	2,500,000	8,150,000
2022	6,250,000	2,202,500	8,452,500
2023	6,900,000	1,873,750	8,773,750
2024	7,600,000	1,511,250	9,111,250
2025	8,350,000	1,112,500	9,462,500
2026	9,125,000	675,625	9,800,625
2027	8,950,000	223,750	9,173,750
	<u>\$ 83,000,000</u>	<u>\$ 41,972,687</u>	<u>\$ 124,972,687</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

TAXABLE GENERAL OBLIGATION BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2008

June 30, 2011

Date of Issue	June 1, 2008
Date of Maturity	December 15, 2027
Authorized Issue	\$ 8,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.50% - 5.95%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	Bank of New York

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 290,000	\$ 384,809	\$ 674,809
2013	300,000	371,534	671,534
2014	315,000	357,696	672,696
2015	330,000	343,184	673,184
2016	345,000	327,996	672,996
2017	360,000	311,909	671,909
2018	380,000	294,559	674,559
2019	400,000	275,534	675,534
2020	420,000	255,034	675,034
2021	440,000	233,259	673,259
2022	465,000	209,487	674,487
2023	490,000	183,821	673,821
2024	520,000	156,028	676,028
2025	550,000	125,590	675,590
2026	580,000	92,523	672,523
2027	615,000	56,971	671,971
2028	650,000	19,338	669,338
	<u>\$ 7,450,000</u>	<u>\$ 3,999,272</u>	<u>\$ 11,449,272</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

TAXABLE GENERAL OBLIGATION BONDS
GENERAL OBLIGATION BONDS, SERIES 2011A

June 30, 2011

Date of Issue	June 15, 2011
Date of Maturity	December 15, 2031
Authorized Issue	\$ 30,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.00% - 4.50%
Principal Maturity Date	December 15
Interest Dates	June 15 and December 15
Payable at	Bank of New York

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ -	\$ 1,150,150	\$ 1,150,150
2013	540,000	1,142,050	1,682,050
2014	1,120,000	1,117,150	2,237,150
2015	1,140,000	1,083,250	2,223,250
2016	1,165,000	1,048,675	2,213,675
2017	1,195,000	1,013,275	2,208,275
2018	1,230,000	976,900	2,206,900
2019	1,270,000	939,400	2,209,400
2020	1,315,000	894,050	2,209,050
2021	1,365,000	840,450	2,205,450
2022	1,415,000	784,850	2,199,850
2023	1,475,000	727,050	2,202,050
2024	1,535,000	666,850	2,201,850
2025	1,605,000	604,050	2,209,050
2026	1,680,000	538,350	2,218,350
2027	1,755,000	469,650	2,224,650
2028	1,845,000	397,650	2,242,650
2029	1,935,000	320,841	2,255,841
2030	2,030,000	237,794	2,267,794
2031	2,135,000	147,953	2,282,953
2032	2,250,000	50,625	2,300,625
	<u>\$ 30,000,000</u>	<u>\$ 15,151,013</u>	<u>\$ 45,151,013</u>

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS
PROPERTY TAX ASSESSED VALUATIONS, RATES, AND EXTENSIONS

Last Seven Tax Levy Years

TAX LEVY YEAR	2004		2005		2006	
ASSESSED VALUATIONS (rate setting)	\$		\$		\$	
	Rate*	Amount	Rate*	Amount	Rate*	Amount
TAX EXTENSIONS						
General	0.0232	\$ 2,572,219	0.0223	\$ 2,724,970	0.0228	\$ 3,086,945
Illinois Municipal Retirement	0.0019	210,747	0.0018	225,047	0.0018	240,086
Insurance liability	0.0011	125,339	0.0012	150,113	0.0012	157,536
Debt service	0.1023	11,370,339	0.1510	18,422,839	0.1364	18,430,065
Construction and development	0.0128	1,410,894	0.0125	1,522,971	0.0109	1,479,971
Social Security	0.0018	194,109	0.0016	200,028	0.0016	210,093
TOTAL TAX EXTENSIONS	0.1431	\$ 15,883,647	0.1904	\$ 23,245,968	0.1747	\$ 23,604,696
COLLECTIONS		\$ 15,820,440		\$ 23,147,479		\$ 23,557,702
PERCENT COLLECTED		99.60%		99.58%		99.80%

* Rates are per \$100 of assessed valuation.

N/A - Information not available.

2007		2008		2009		2010	
\$ 14,785,844,930		\$ 15,580,214,941		\$ 15,475,356,511		\$ 14,566,929,781	
Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
0.0220	\$ 3,256,730	0.0305	\$ 4,752,277	0.0311	\$ 4,819,800	0.0342	\$ 4,982,327
0.0017	250,029	0.0016	250,063	0.0022	343,089	0.0024	347,130
0.0032	474,034	0.0021	325,003	0.0013	205,048	0.0015	224,622
0.1605	23,725,219	0.1562	24,341,126	0.1621	25,076,577	0.1787	26,025,859
0.0086	1,264,929	0.0013	200,050	0.0011	164,658	0.0012	169,122
0.0015	220,605	0.0015	235,105	0.0019	300,676	0.0022	313,335
0.1975	\$ 29,191,546	0.1932	\$ 30,103,624	0.1997	\$ 30,909,848	0.2202	\$ 32,062,395
<u>\$ 29,107,369</u>		<u>\$ 29,963,125</u>		<u>\$ 30,864,637</u>		<u>\$ 15,703,107</u>	
<u>99.71%</u>		<u>99.53%</u>		<u>99.85%</u>		<u>48.98%</u>	

(See independent auditor's report.)