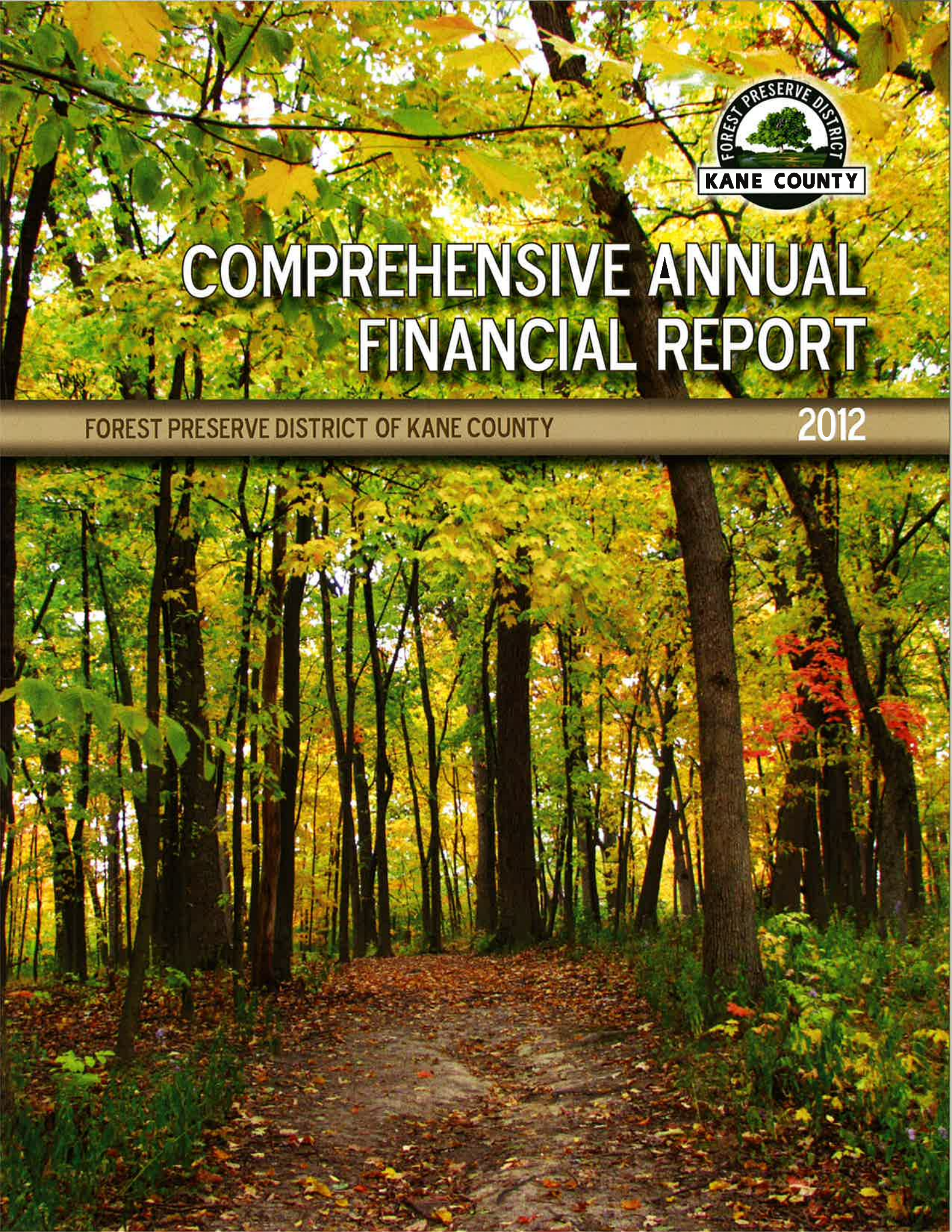

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOREST PRESERVE DISTRICT OF KANE COUNTY

2012

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

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
June 30, 2012

Prepared by
Ken Stanish
Finance Director

FOREST PRESERVE DISTRICT OF
KANE COUNTY, ILLINOIS
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INTRODUCTORY SECTION

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

PRINCIPAL OFFICIALS

June 30, 2012

PRESIDENT
John J. Hoscheit, District 12

PRESIDENT PRO TEM AND TREASURER
Barbara Wojnicki, District 15

SECRETARY
James C. Mitchell, Jr, District 9

FOREST PRESERVE COMMISSION

Karen McConnaughay, County Board Chair
Myrna Molina, District 1
Donnell Collins, District 2
Juan Reyna, District 3
Bonnie Lee Kunkel, District 4
Melisa Taylor, District 5
Ron Ford, District 6
Monica Silva, District 7
Jesse Vazquez, District 8
Thomas Van Cleave, District 10
Michael Donahue, District 11
Philip Lewis, District 13
Mark Davoust, District 14
Michael Kenyon, District 16
Deborah Allan, District 17
Jeanette Mihalec, District 18
Catherine S. Hurlbut, District 19
Cristina Castro, District 20
Timothy Haley, District 21
Jackie Tredup, District 22
Maggie Auger, District 23
Hollie Lindgren, District 24
Thomas (T.R.) Smith, District 25
Drew Frasz, District 26

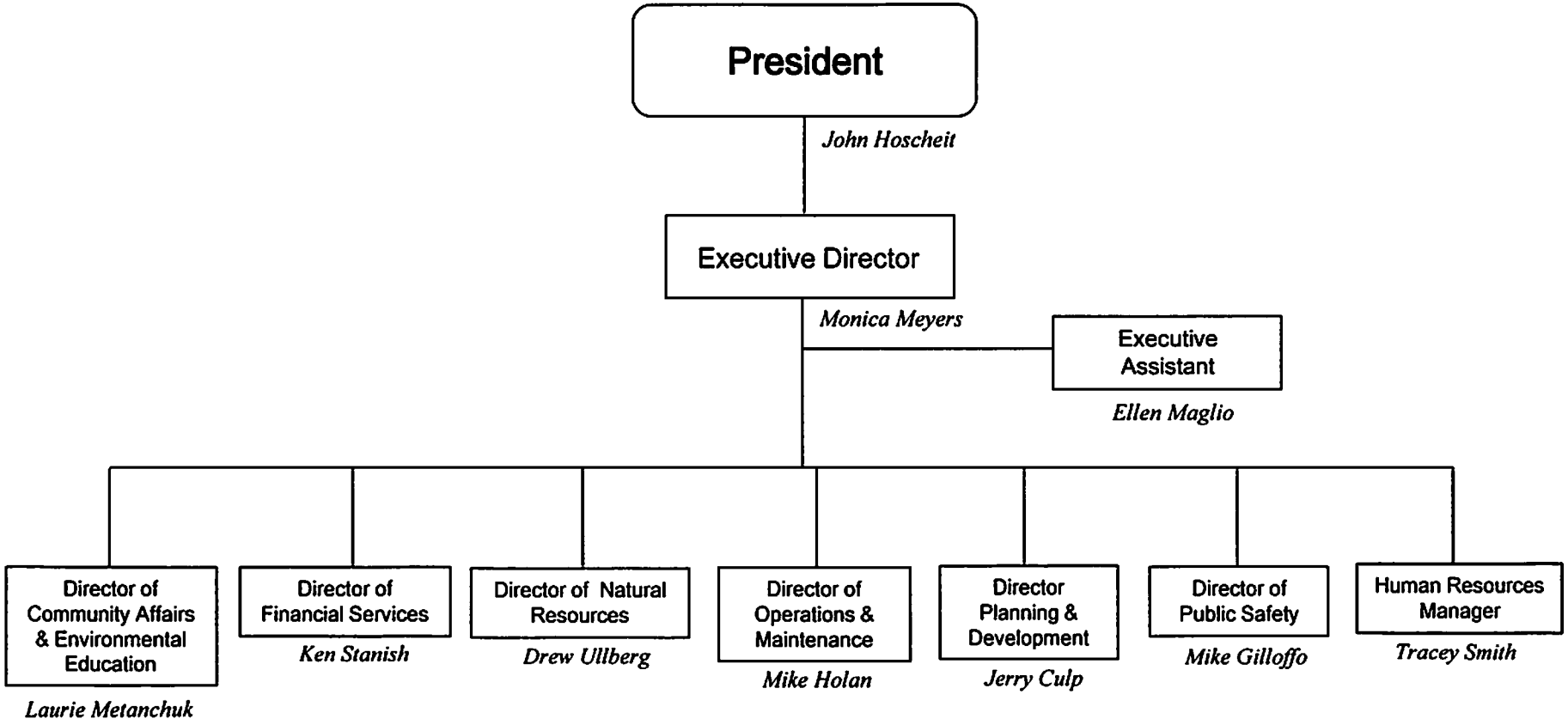
EXECUTIVE DIRECTOR
Monica A. Meyers

DIRECTOR OF FINANCE
Ken Stanish

Forest Preserve District of Kane County

Management Team

January 2012



1996 S. Kirk Road, Suite 320, Geneva, Illinois 60134

November 30, 2012

To: President Hoscheit
Commissioners
Citizens of the Forest Preserve District of Kane County

The Comprehensive Annual Financial Report (CAFR) of the Forest Preserve District of Kane County for the fiscal year ended June 30, 2012, is hereby submitted as mandated by state statutes. This report provides a broad view of the District's financial activities for the 2012 fiscal year and its financial position as of June 30, 2012. Although addressed to the elected officials and residents of the District, this report also has a number of other audiences including: bondholders of the District, financial institutions, credit rating agencies, and other governmental entities.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the information is presented in a manner designed to fairly set forth the financial position of the District and the changes in financial position, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs are included.

The Management's Discussion and Analysis complement this letter and should be read in conjunction with it.

PROFILE OF THE FOREST PRESERVE DISTRICT

The Forest Preserve District of Kane County was formed in 1925 by public referendum with the mission to acquire, hold and maintain lands within Kane County that contribute to the preservation of natural or historic resources and habitats, flora or fauna; and to restore, restock, protect and preserve such lands for the education, recreation, and pleasure of all its citizens. Kane County is located within northeastern Illinois, approximately 40 miles west of Chicago and is considered one of the "collar counties."

The District's existing forest preserves, facilities and natural areas have taken many years to acquire and develop, and are a large part of Kane County's culture. The forest preserve system continues to contribute to the overall livability and quality of life valued by Kane

County's residents, workers and visitors. Open space protects land from development, improves wildlife habitat, cleans our air and water, and provides healthy recreational opportunities.

The residents of Kane County have long been supporters of the Forest Preserve District's mission and have supported open space land acquisition and preserve improvement referenda in 1999, 2005, 2007 and 2011. With the public's support, the District's goals have been to:

- Add acreage to our existing forest preserve natural areas;
- Acquire land for new forest preserves;
- Increase flood control and water protection;
- Preserve and restore woodlands, wetlands and prairies;
- Provide locations for residents to escape urban stresses and balance development;
- Improve our renowned trail system;
- And, expand recreation and environmental education.

Currently, the District manages 19,932 acres of public open space and includes 93 properties. District holdings are spread throughout Kane County and consist of a diverse portfolio of properties including woodlands, prairies and wetlands; property along the Fox River, which runs the length of the County; greenbelts along creeks and waterways; and, environmentally significant properties in critical growth areas. Additionally, the District owns a variety of unique facilities; Fifth Third Bank Ballpark, home of the Kane County Cougars; the Fox Valley Ice Arena; Strikers Indoor Soccer Facility; three golf courses; Brewster Creek Lodge; two campgrounds; Camp Tomo Chi Chi Knolls youth-specific campground and the Creek Bend Nature Center.

The District is governed by the Forest Preserve Commission. Those elected to the Kane County Board also serve as members of the Forest Preserve Commission. Kane County is comprised of 24 Board districts. One commissioner is elected from each district for a four-year term. Half of the Board is elected every two years.

The president of the Forest Preserve Commission is elected by fellow Commission members, every two years. With the Forest Preserve Commission's approval, the president appoints commissioners to serve on the following committees: Community Affairs, Executive, Finance, Land Acquisition/Enterprise, and Planning & Utilization. The Commission and the Executive Committee handle the District business of preparing policies and acquiring open space for the citizens of Kane County.

The Forest Preserve District employs 71 full-time, 18 year-round seasonal, 2 part-time and 54 summer seasonal/intern staff.

This report includes all of the funds of the District. The District does not have any component units but is considered a component unit of Kane County.

The District participates in the Illinois Municipal Retirement Fund (IMRF) and the Park District Risk Management Agency (PDRMA). These organizations are separate governmental units because: (1) they are legally separate, organized entities, (2) are

fiscally independent of the Forest Preserve District of Kane County, and (3) are governed by their own boards. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

Local Economy

Kane County is part of the Chicago metropolitan area and lies on the western edge of the northeastern Illinois region. The county is approximately 522 square miles in area. According to the 2010 Census, the County's population is 515,269, making it the fifth-largest county in Illinois. The 2030 population is projected at over 750,000.

Development and residential housing has been slow due to the economic downturn. Previously, growth in the service, manufacturing, retail, professional and agricultural industries helped contribute to the diverse growth of Kane County. Despite the downturn in the national and global economy, the economic condition and outlook for the Forest Preserve District remains strong. In 2011, Standard & Poor's Rating Service reviewed the District's entire debt profile. At that time, Standard & Poor's Rating Committee upgraded the District's bond rating to AA+, where it continues to remain today.

In 2011, the District's equalized assessed valuation decreased 7% to $13.8 billion. This is the second consecutive year that a decrease in equalized assessed valuation has occurred in the County. Based on the real estate bubble and the economic recession, negative growth is a common challenge that public agencies nationwide have to address. District staff must continually evaluate and assess its core processes in order to ensure effective allocation of limited resources. Even with negative overall growth, the County saw $109 million in new construction.

The District's tax base is 77% residential, with a substantial commercial/industrial sector comprising 23% of assessed valuation.

While the District is below its tax rate limit for the General Fund (the District's major operating fund), the 1991 imposition of the Property Tax Limitation Act (Tax Cap) legislation in Illinois continues to limit levy growth. Under current legislation, the growth in total property tax extension for non-home rule governments in the five collar counties (Kane, Lake, McHenry, DuPage and Will Counties) and other affected counties will be limited to the lesser of 5% or the Consumer Price Index published by the U.S. Bureau of Labor Statistics of the preceding calendar year.

Major Initiatives

The Forest Preserve District enjoyed a busy and successful year in 2012, with many significant projects taking shape and being completed. Among the projects of which the District is most proud are the following:

- Bowes Creek Woods Forest Preserve is a 245-acre preserve that is made up of glacial terrain and meandering segments of the small creek that gives the preserve its name. The land was initially acquired with the help of an IDNR Open Space Land Acquisition & Development (OSLAD) grant. Improvements to the preserve

include woodland and stream bank restoration, access drives, a picnic shelter, paved parking lot and multipurpose trails with interpretive signage. The District hosted a grand opening celebration at this preserve in May 2012. Fifty percent of these improvement costs were funded by a subsequent OSLAD grant.

- Camp Tomo Chi-Chi Knolls serves as the District's youth campground and is popular among scout organizations, church groups and the like. Previously, the Camp had six sites and could hold a maximum of 150 outdoor campers. An additional seven camp sites were added this fiscal year, doubling our total number of outdoor campers to 325. Improvements to the lodge included staining of the structure and adding attic insulation to allow for year-round reservations and use of the facility. Parking lot improvements include a new paved parking lot adjacent to the lodge, which allows for year-round use, along with a new gravel parking lot adjacent to the recently added camp sites. These improvements were completed in June 2012.

- Elburn Forest Preserve is a 165-acre preserve located on the outskirts of the Village of Elburn. The preserve is one of the District's oldest properties and is well-known by residents for family and group picnics. This year, the District made improvements to the recently acquired eastern addition to the preserve. The District received a Recreational Trails Program (RTP) grant to add four miles of multipurpose trail to help link the preserve with downtown Elburn and a way-finding signage system, along with a picnic shelter, restrooms, entry drive, and 20-car parking lot. The District hosted a grand opening celebration at the preserve in June 2012.

- Schweitzer Woods Forest Preserve is a 156-acre preserve made up of rolling oak forests, crop land and hay meadows. The preserve serves as one of the District's three off-leash dog areas, and dogs may run off-leash throughout the preserve from September through March, each year. The preserve also includes a fenced-in area where dogs can run off-leash, year-round. Improvements made during this fiscal year include a new parking lot and drive, modifications to the off-leash dog area entrance, a picnic area and shelter, and a restroom. There has also been extensive woodland restoration. Hundreds of oaks have been planted at the preserve over the past year. The District hosted a grand opening celebration at the preserve in June 2012.

- The District received 10 grants in Fiscal Year 2012, totaling $2,729,360. These grants were for various projects and were awarded by the following programs: Open Space Land Acquisition & Development, Recreational Trails Program, Illinois Bike Trails, U.S. Fish & Wildlife Service, Audubon State Wildlife, and the Metropolitan Mayors' Caucus.

- The District is a member of the Park District Risk Management Agency (PDRMA). As part of our membership, the Forest Preserve District was required to undergo our first loss-control review, a two-year process that encourages best practices and compliance for risk management, safety and human resources. The District received an Excellence Level – A rating of 96%. This is a huge

accomplishment for the District, one in which every employee took part and can be proud.

- The District acquired eight strategic parcels that totaled 857 acres during the fiscal year.

Future Initiatives

With a focus on continued growth across the county, the Forest Preserve District of Kane County is poised to accomplish the following significant projects within the next year:

- **Open Creek Bend Nature Center**
  The District is moving its nature center from Tekakwitha Woods Forest Preserve to the new Creek Bend Nature Center, located within the LeRoy Oakes Forest Preserve. The new facility will be able to better serve the public with more exhibit and program space and enhanced program opportunities. The building will also serve as a rental facility.

- **Open Big Rock Campground**
  The District purchased 250 acres of land on the north side of the Big Rock Forest Preserve to construct a new southern campground. The acquisition of this property will allow access to the campground without disturbing the existing forest preserve property. The District received two OSLAD grants to assist in the acquisition of this property, as well to develop the site. Big Rock Campground is expected to open in spring 2013.

- **Update the Five-Year Master Plan**
  The District's Master Plan will be updated in the spring of 2013. This document will be the main tool used to prioritize projects over the next five years.

- **Increase Land Holdings**
  In 2011, the residents of the county approved a $30 million land acquisition and preserve improvement referendum. Funds still remain, and the District continues to pursue acquisition of additional, strategic parcels of land.

Financial Management Policies

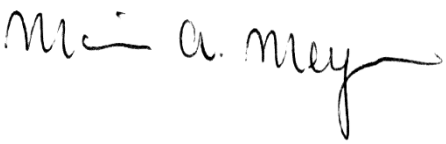
The District's financial policies seek to improve the preserves, programs and services provided within the County as well as enhance the financial capability of the Forest Preserve. In 2012, the District performed a comprehensive review of all policies (including financial management policies). A fund balance policy was created to comply with new required standards as outlined in the Governmental Accounting Standards Board (GASB) Statement 54. The policy provides guidelines to the District to promote continued financial strength and stability.

Other Information

Independent Audit – State statutes require an annual audit by independent, licensed, certified public accountants. The Forest Preserve District has engaged the accounting firm of Sikich LLP to perform the audit for the fiscal year ending June 30, 2012. Their unqualified opinion on the basic financial statements is included in this report.

Acknowledgements – This financial report was compiled through the efforts of staff from the Finance Department. While the audit is prepared one time during the year, it would not be possible to produce without the consistent attention to the procedures and monitoring of accounts by the entire staff. Additionally, the support of the entire Commission is essential in ensuring a sound financial environment in which to conduct the operations of the District.

Respectfully submitted,



Ken Stanish
Finance Director

Monica Meyers
Executive Director

FINANCIAL SECTION

Sikich®

Members of American Institute of
Certified Public Accountants

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, 2012, 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, 2012, 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, 2012, 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, 2012, 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, 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, the prior year in the period ended June 30, 2011 (none of which is presented herein), and we expressed unqualified opinions on those financial statements in our report dated October 24, 2011. Those audits were conducted for purposes of forming an opinion on the financial statements as a whole.

The schedules of revenues, expenditures (expenses), and changes in fund balance (net assets) - budget and actual for each fund with comparative actual is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

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

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

Sikich LLP

Naperville, Illinois
November 9, 2012

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

FOREST PRESERVE DISTRICT OF KANE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

As the management of the Forest Preserve District of Kane County (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which may be found on pages iii through viii of this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resource basis. Since 2003, this approach has been modified and the District's financial statements now present two kinds of statements, each with a different snapshot of the District's finances. The focus of the financial statements is on both the District as a whole (government-wide), and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the District's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The government-wide financial statements include The Statement of Net Assets and The Statement of Activities.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will result only in cash flows in future fiscal periods (for example, earned but unused vacation leave). The change in net assets presents the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows the public to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and capital projects. The business-type activities include the Fifth Third Bank Ballpark.

The government-wide financial statements can be found on pages 3-5 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities as shown respectively on pages 6 and 8.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Construction & Development and Land Acquisition funds. All of these are considered to be "major" funds. Data from the other three governmental funds are combined into a single, aggregate presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements on pages 51 - 52 in this report.

The District adopts an annual budget for all governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget shown on pages 39, 45-50, and 53-57.

The basic governmental fund financial statements can be found on pages 6 and 8 of this report.

Proprietary Funds. The District maintains one type of proprietary fund called an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the Fifth Third Bank Ballpark.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the ballpark, which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages 10-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required, supplementary information concerning the District's progress in funding its obligation to provide benefits for its employees, as well as budgetary comparison schedules for the General Fund and other major Special Revenue Funds. Required supplementary information can be found on pages 39-44 of this report.

The combining and individual fund statements, referred to earlier in connection with governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 45-57 of this report.

Financial Analysis of the District as a Whole

Beyond presenting current-year financial information in the government-wide and major individual fund formats, the District also presents comparative information from prior years in the Management's Discussion and Analysis. By doing this, the District strives to provide the best means of analyzing its financial condition and position as of June 30, 2012.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. The following table presents a condensed summary of net assets as of June 30, 2012, along with 2011 data for comparison:

Table 1
Statement of Net Assets
As of June 30, 2012 and 2011
(in thousands)

	Governmental Activities		Business-type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	$ 65,964	$ 78,904	$ 3,259	$ 3,365	$ 69,223	$ 82,269
Capital assets	400,616	386,442	17,162	17,887	417,778	404,329
Total assets	466,580	465,346	20,421	21,252	487,001	486,598
Liabilities:						
Current and other liabilities	55,247	49,752	331	321	55,578	50,073
Long-term liabilities:	219,626	237,621	6,814	7,112	226,440	244,734
Total liabilities	274,873	287,373	7,145	7,433	282,018	294,807
Net Assets:						
Invested in capital assets, net of debt	173,718	159,342	10,048	10,486	183,766	169,828
Restricted	7,288	6,177	-	-	7,288	6,177
Unrestricted (deficit)	10,700	12,455	3,228	3,333	13,928	15,789
Total Net Assets	**$ 191,707**	**$ 177,974**	**$ 13,276**	**$ 13,819**	**$ 204,982**	**$ 191,793**

The District's assets exceeded its liabilities by $205 million at June 30, 2012. By far, the largest portion of the District's net assets 89.6% or $183.8 million is in its investment in capital assets (for example, land, buildings, machinery and equipment) less any related outstanding debt used to acquire those capital assets. The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 3.6% or $7.3 million of the District's net assets represents resources that are subject to external restrictions that govern their use. The remaining 6.8% or $13.9 million represents unrestricted net assets that may be used to meet the District's ongoing obligations to citizens and creditors.

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

Changes in Net Assets

The following table presents a condensed summary of Changes in net assets as of June 30, 2012, along with 2011 data for comparison:

Table 2
Changes in Net Assets
For the Fiscal Year Ended June 30, 2012 and 2011
(in thousands)

	Governmental Activities		Business-type Activities		Total Activities	
Revenues	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for Services	$ 1,732	$ 1,329	$ 586	$ 1,247	$ 2,318	$ 2,576
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	326	1,389	-	23	326	1,412
General Revenues						
Taxes	32,222	31,160	-	-	32,222	31,160
Investment Income	50	151	3	5	53	156
Miscellaneous	183	127	-	-	183	127
Total Revenue	34,513	34,157	589	1,275	35,102	35,432
Expenses						
Program Expenses:						
General Government	8,051	7,603	-	-	8,051	7,603
Land Acquisition & Development	2,368	2,077	-	-	2,368	2,077
Interest and Fiscal Charges	10,361	10,010	-	-	10,361	10,010
Cultural & Events Center	-	-	1,133	1,168	1,133	1,168
Total Expenses	20,780	19,689	1,133	1,168	21,913	20,858
Change in Net Assets	**$ 13,733**	**$ 14,468**	**$ (544)**	**$ 107**	**$ 13,189**	**$ 14,574**

Total revenue in 2012 declined slightly -0.9% to $35.1 million, as compared to the previous year's revenue of $35.4 million. Charges for services or user fees decreased 10% during the year, which was due to the timing and amounts of payments from the baseball operations.

Property and replacement tax revenue increased 3.4% in 2012, which reflects an increase in new construction of $109 million to the tax rolls during the 2012 fiscal year.

Another factor that contributed to a slight decline in revenue was a 66% or $103,000 drop in investment income. The decline was a direct result of the exceptionally low interest-rate environment experienced throughout the year and the spending of funds for land acquisition and new capital projects.

Charges for services (6.6%) and tax revenue (91.8%) accounted for 98.4% of the total revenue of the District in Fiscal Year 2012. The total cost of providing all programs and services was $21.9 million compared to $20.9 million in 2011. Of the 2012 total, general government expenses captured 36.7%, land acquisition & development 10.8%, interest and fiscal charges 47.3%, and cultural & events center 5.2%.

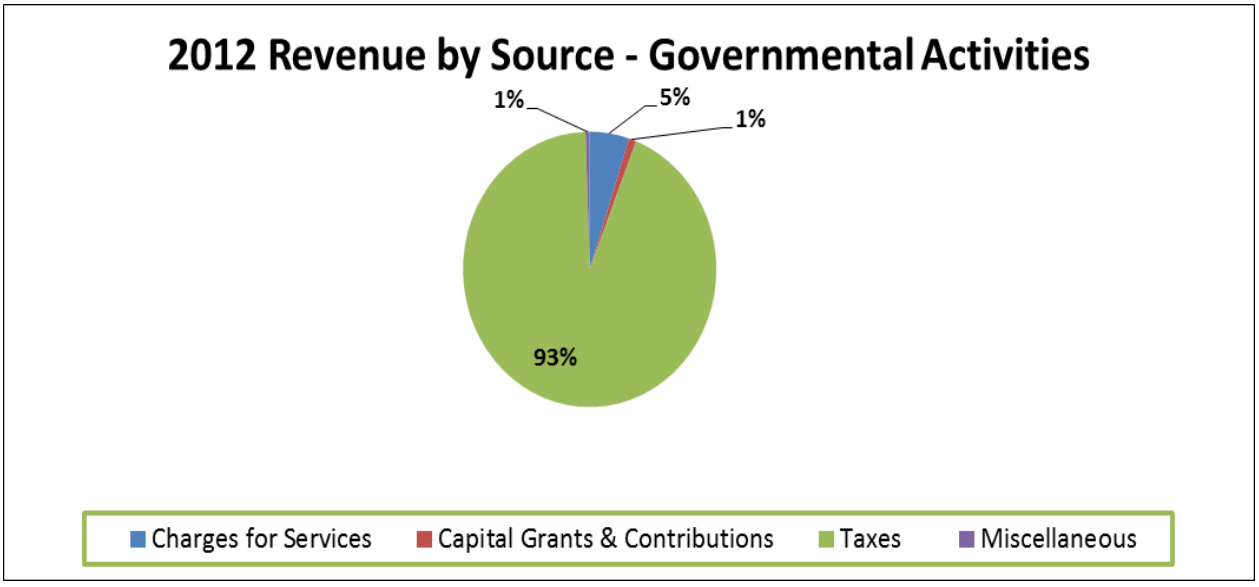
Governmental Activities

Revenue from governmental activities increased 1.0% or $0.4 million to $34.5 million for Fiscal Year 2012. The increase primarily resulted from higher rent rates being charged on our properties. Tax revenues still represented the largest portion of the revenue base, yielding 93.4% of the total. Property taxes fund governmental activities including, but not limited to, the District's contribution to the Illinois Municipal Retirement Fund (IMRF), Social Security Fund, Insurance Liability Fund, Construction & Development Fund and Debt Service Fund.

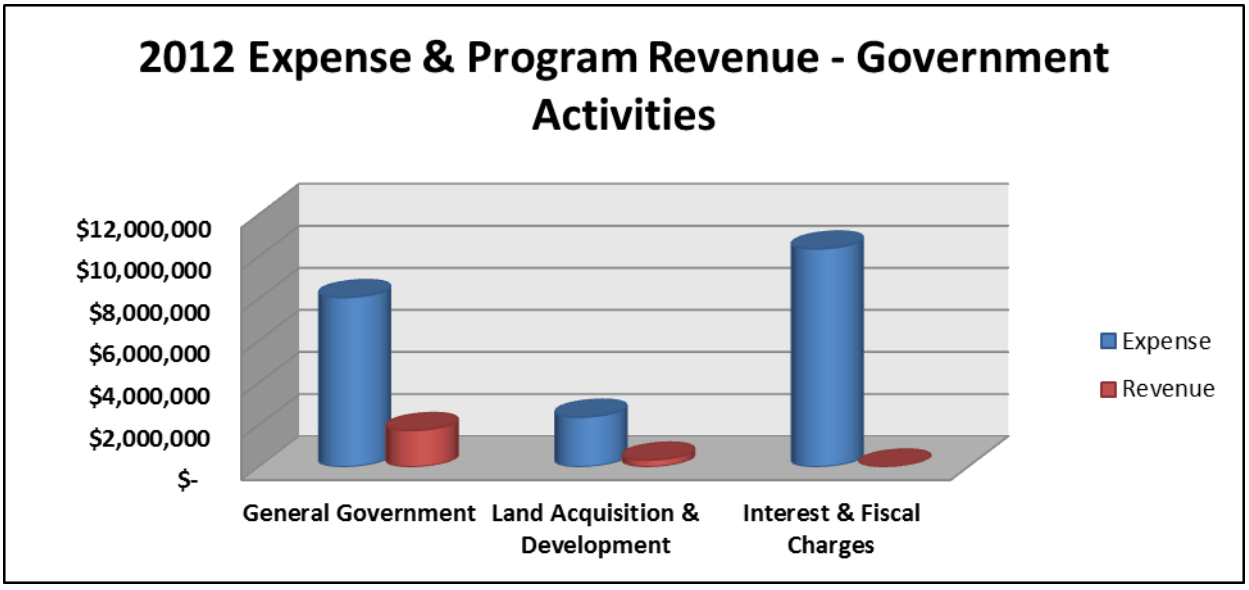
Charges for services accounted for 5.0% of total revenues. The District does not receive all of its funding through property tax revenue. Therefore, it also must charge a fee for programs and services, as well as, the use of its farm land in order to cover costs. These fees are evaluated each year before the preparation of the following fiscal year budget.

The cost of all governmental activities this year was $20.8 million. General government expenses accounted for 38.7% of total expenses or $8.1 million. These expenses included administrative services needed to support all District operations. Interest and fiscal charges accounted for 49.9% of total expenses or $10.4 million. These costs were related to the issuance of debt and current interest payments of outstanding debt. Land acquisition and development expenses captured 11.4% of the total expenses or $2.4 million; this includes costs associated with adding new properties and opening new facilities. Also included in total expenses for governmental activities in 2012 is $1.5 million in depreciation expense.

The following graph illustrates the major sources of revenue for governmental activities for fiscal year 2012.



The following graph identifies the significant percentage of user fees received by the District:



The Expense and Program Revenue chart reveals governmental functions where program expenses greatly exceed revenues. General government and interest costs are primarily funded through property tax revenue.

Business-type Activities

Total revenues of the District's business-type activities decreased 53.8% or $686,000 to $0.59 million in 2012. As previously discussed, the timing and amount of payments for baseball activities were the reason for the decline. Charges for services represented 99.5% of total revenue in 2012. Charges for services primarily reflect the payments received for baseball activities. The reduction in the amount received as well as the timing of payments were the reasons for the decline.

Total expenses decreased 3.0% or $35,000 to $1.133 million in 2012. The reduction in expenses was due to a lower depreciation.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Forest Preserve District of Kane County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus on the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, an unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At the end of the 2012 fiscal year, governmental funds reported a combined ending fund balance of $28.22 million, decreasing approximately 36.9% or $16.5 million. The majority of the decrease was recognized in the Construction & Development Fund and the Land Acquisition & Development Fund due to capital projects and land acquisition. The fund balance in the General Fund comprises 16.9% of the total. The second-largest fund balance remains in the Construction & Development Fund at $10.7 million. The District expects to reduce this fund balance in order to finance future capital improvements.

Proprietary Fund

The District's proprietary fund provides the same type of information found in the government-wide financial statements.

The District reports the operations of the Fifth Third Bank Ballpark and the Strikers Soccer Facility as a major proprietary fund.

The debt service attributable to the expansion of the ballpark in 2008 is fully supported by the rent received. The goal of the operation is to be profitable, as its retained earnings are either reserved for debt service or reinvested into the facilities. For Fiscal Year 2012, the operation generated an operating loss of approximately $160,000, compared to the previous year where the operation reported operating income of $479,000. The unfavorable operating result is attributed to a lower receipt of rental income.

The fund equity for the operation was reported at approximately $13.3 million in 2012. The fund equity is primarily composed of capital assets ($10 million); the operation has approximately $3.2 million in unrestricted fund equity.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues came in above budget by $80,000 or 1.0% at $6.6 million. Major revenue sources exceeding the budget include rentals and miscellaneous revenues. The increase in rentals was due to an adjustment in the amount the District charges farmers to use District lands for various farming practices. The miscellaneous revenues were mainly driven by an insurance reimbursement and two surplus TIF distributions from the City of Aurora.

General government expenditures were down approximately 8.1% or $536,000 compared to the 2012 budget. Items such as salaries, contractual services, commodities and capital outlay were all below the budgeted amounts. Contractual Services came in at $210,000 below budget, based on a variety of savings throughout the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule reflects the District's capital asset balances as of June 30, 2012, with 2011 data for comparison:

Table 3
Capital Assets
As of June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
Capital Assets:						
Land	$ 370,426,066	$ 357,565,165	$ 3,118,267	$ 3,118,267	$ 373,544,333	$ 360,683,432
Construction-In-Progress	1,713,051	-	-	-	1,713,051	-
Buildings & Improvements	9,298,572	9,275,937	13,416,885	14,085,822	22,715,457	23,361,759
Machinery & Equipment	1,314,278	1,454,303	-	1,984	1,314,278	1,456,287
Infrastructure	17,864,156	18,147,017	626,763	681,279	18,490,919	18,828,296
Net Capital Assets	**$ 400,616,123**	**$ 386,442,422**	**$ 17,161,915**	**$ 17,887,352**	**$ 417,778,038**	**$ 404,329,774**

At fiscal year end, the District's investment in capital assets for both governmental and business-type activities grew $13.4 million to $417.8 million (net of accumulated depreciation), representing a 3.3% increase over the prior fiscal year. The investment in capital assets includes land, buildings and improvements, machinery and equipment and infrastructure.

Among capital highlights for 2012 are the following projects:

- Land Acquisition — The District purchased eight properties encompassing 857 acres.
- Camp Tomo Chi-Chi Knolls Improvements — One parking lot was enlarged and paved to allow for more year-round use, an additional parking lot was added. Improvements were also completed at the lodge.
- Creek Bend Nature Center — The nature center move to Creek Bend was started in fiscal year 2012. The existing facility is being expanded and the exhibits from the current facility will be moved upon completion. This was one of the capital improvements that was identified as part of the 2011 land acquisition & preserve improvement referendum. The new nature center will open in winter 2013, with a grand opening celebration to be held in early summer.
- Big Rock Campground — Also during the 2011 referendum, the District promoted opening a new campground in the southern part of the County. Adjacent to the current Big Rock Forest Preserve, 250 acres were added to construct Big Rock Campground.

For more information on the District's capital assets, see note 4 in the notes to the financial statements.

Long-Term Debt

At June 30, 2012, the District's total outstanding bonded debt decreased $16.5 million or 6.5% to $236.7 million, compared to $253.2 million in the previous fiscal year. This decrease reflects the retirement of debt.

The total outstanding debt includes $229.5 million in general obligation bonds, backed by the full faith and credit of the District. The debt service on the general obligation bonds will be repaid with property taxes.
Additionally, the District has $7.2 million in taxable general obligation bonds (alternate revenue source) outstanding. The annual amount to repay this debt is abated and the revenues generated from the business-type activities are used to repay the debt. These bonds were issued to build the suites at the Fifth Third Bank Ballpark.

The table below summarizes the District's bonded and similar indebtedness.

Table 4
Bonded and Similar Indebtedness
As of June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
Long-term Debt						
General Obligation Bonds	$ 229,481,457	$ 245,736,548	$ 7,160,000	$ 7,450,000	$ 236,641,457	$ 253,186,548
Other	-	-	-	-	-	-
Total Long-term Debt	**$ 229,481,457**	**$ 245,736,548**	**$ 7,160,000**	**$ 7,450,000**	**$ 236,641,457**	**$ 253,186,548**

The District's computation of legal debt margin is subject to a statutory debt limitation of 2.3% of equalized assessed valuation. The schedule is shown on page 29. All of the District's outstanding debt issues have been given a credit rating of AA+. According to Standard & Poor's, the rating reflects the District's:

- History of positive financial operations that have enabled the District to build up very strong reserves;
- Participation in the deep and diverse Chicago metropolitan area economy;
- Strong income level and very strong per capita market value; and
- Moderate overall debt burden.

For more detailed information on the District's bonded and similar indebtedness, see note 6 in the notes to the financial statements.

CONTACTING THE DISTICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Ken Stanish, Director of Finance, Forest Preserve District of Kane County, 1996 S Kirk Road, Suite 320, Geneva, Illinois 60134.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 46,600,277	$ 2,848,898	$ 49,449,175
Receivables			
Property taxes	17,786,152	-	17,786,152
Accounts	-	410,000	410,000
Intergovernmental	529,307	-	529,307
Other	125,230	-	125,230
Prepaid expenses	6,500	-	6,500
Unamortized bond issuance costs	916,463	-	916,463
Capital assets not being depreciated	372,139,117	3,118,267	375,257,384
Capital assets being depreciated (net of accumulated depreciation)	28,477,006	14,043,648	42,520,654
Total assets	466,580,052	20,420,813	487,000,865
LIABILITIES			
Accounts payable	1,140,947	-	1,140,947
Accrued payroll	239,956	-	239,956
Accrued interest	356,170	15,762	371,932
Escrow funds payable	1,473	-	1,473
Security deposits	-	15,000	15,000
Deferred revenue	35,440,512	-	35,440,512
Noncurrent liabilities			
Due within one year	18,068,403	300,000	18,368,403
Due in more than one year	219,626,018	6,814,397	226,440,415
Total liabilities	274,873,479	7,145,159	282,018,638
NET ASSETS			
Invested in capital assets, net of related debt	173,717,878	10,047,518	183,765,396
Restricted for			
Fox River Trust	945,428	-	945,428
Debt service	846,096	-	846,096
IMRF	48,909	-	48,909
Liability insurance	583,194	-	583,194
Social security	110,238	-	110,238
Construction and development	4,754,718	-	4,754,718
Unrestricted	10,700,112	3,228,136	13,928,248
TOTAL NET ASSETS	$ 191,706,573	$ 13,275,654	$ 204,982,227

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 8,051,182	$ 1,732,379	$ -	$ -
Land acquisition and development	2,367,463	-	-	326,011
Interest and fiscal charges	10,361,418	-	-	-
Total governmental activities	20,780,063	1,732,379	-	326,011
Business-Type Activities				
Cultural and Events Center	1,133,325	586,285	-	-
Total business-type activities	1,133,325	586,285	-	-
TOTAL PRIMARY GOVERNMENT	$ 21,913,388	$ 2,318,664	$ -	$ 326,011

	Governmental Activities	Business-Type Activities	Net (Expense) Revenue and Change in Net Assets Total
	$ (6,318,803)	$ -	$ (6,318,803)
	(2,041,452)	-	(2,041,452)
	(10,361,418)	-	(10,361,418)
	(18,721,673)	-	(18,721,673)
	-	(547,040)	(547,040)
	-	(547,040)	(547,040)
	(18,721,673)	(547,040)	(19,268,713)
General Revenues			
Taxes			
Property	31,960,723	-	31,960,723
Replacement	261,308	-	261,308
Investment income	49,930	3,474	53,404
Miscellaneous	182,682	-	182,682
Total	32,454,643	3,474	32,458,117
CHANGE IN NET ASSETS	13,732,970	(543,566)	13,189,404
NET ASSETS, JULY 1	177,973,603	13,819,220	191,792,823
NET ASSETS, JUNE 30	$ 191,706,573	$ 13,275,654	$ 204,982,227

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

	General	Debt Service	Capital Projects: Construction and Development	Capital Projects: Land Acquisition	Nonmajor	Total
ASSETS						
Cash and cash equivalents	$ 7,698,954	$ 16,591,808	$ 11,230,132	$ 9,777,686	$ 1,301,697	$ 46,600,277
Receivables						
Property taxes	2,547,961	14,675,709	86,584	-	475,898	17,786,152
Intergovernmental	-	-	529,307	-	-	529,307
Other	125,230	-	-	-	-	125,230
Prepaid items	6,500	-	-	-	-	6,500
TOTAL ASSETS	$ 10,378,645	$ 31,267,517	$ 11,846,023	$ 9,777,686	$ 1,777,595	$ 65,047,466
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 120,397	$ -	$ 928,551	$ -	$ 91,999	$ 1,140,947
Accrued payroll	239,956	-	-	-	-	239,956
Escrow funds payable	-	-	-	1,473	-	1,473
Deferred revenue	5,235,840	29,089,818	171,599	-	943,255	35,440,512
Total liabilities	5,596,193	29,089,818	1,100,150	1,473	1,035,254	36,822,888
FUND BALANCES						
Nonspendable						
Prepaids	6,500	-	-	-	-	6,500
Restricted						
Fox River Trust	-	-	945,428	-	-	945,428
IMRF	-	-	-	-	48,909	48,909
Liability insurance	-	-	-	-	583,194	583,194
Social security	-	-	-	-	110,238	110,238
Debt service	-	846,096	-	-	-	846,096
Construction and development	-	-	9,800,445	1,577,903	-	11,378,348
Assigned						
Debt service	-	1,331,603	-	-	-	1,331,603
Construction and development	-	-	-	8,198,310	-	8,198,310
Unassigned						
General	4,775,952	-	-	-	-	4,775,952
Total fund balances	4,782,452	2,177,699	10,745,873	9,776,213	742,341	28,224,578
TOTAL LIABILITIES AND FUND BALANCES	$ 10,378,645	$ 31,267,517	$ 11,846,023	$ 9,777,686	$ 1,777,595	$ 65,047,466

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, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 28,224,578
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	400,616,123
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets	(356,170)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds:	
Bonds payable	(229,481,457)
Unamortized premium on bonds	(8,241,869)
Unamortized loss on refunding is reported as a reduction	1,245,859
Accrued compensated absences	(222,689)
Net other postemployment benefits obligation	(990,155)
Net pension obligation	(4,110)
Unamortized bond issuance costs are reported as an asset on the statement of net assets	916,463
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 191,706,573

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, 2012

	General	Debt Service	Capital Projects: Construction and Development	Capital Projects: Land Acquisition	Nonmajor	Total
REVENUES						
Taxes	$ 5,021,615	$ 26,144,959	$ 168,593	$ -	$ 886,865	$ 32,222,032
Charges for services	1,457,352	-	224,025	-	-	1,681,377
Licenses and permits	19,727	-	-	-	-	19,727
Intergovernmental	-	-	326,011	24,788	-	350,799
Investment income	7,145	11,911	15,460	14,304	1,110	49,930
Miscellaneous	132,299	-	56,869	-	-	189,168
Total revenues	6,638,138	26,156,870	790,958	39,092	887,975	34,513,033
EXPENDITURES						
Current						
General government	5,828,858	-	726,951	84,317	824,356	7,464,482
Capital outlay						
Land acquisition and development	216,944	-	3,757,888	12,872,239	-	16,847,071
Debt service						
Principal retirement	-	38,050,000	-	-	-	38,050,000
Interest and fiscal charges	-	10,981,802	-	-	-	10,981,802
Total expenditures	6,045,802	49,031,802	4,484,839	12,956,556	824,356	73,343,355
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	592,336	(22,874,932)	(3,693,881)	(12,917,464)	63,619	(38,830,322)
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	21,235,000	-	-	-	21,235,000
Premium on bonds	-	1,058,524	-	-	-	1,058,524
Proceeds from sale of capital assets	748	-	-	-	-	748
Total other financing sources (uses)	748	22,293,524	-	-	-	22,294,272
NET CHANGE IN FUND BALANCES	593,084	(581,408)	(3,693,881)	(12,917,464)	63,619	(16,536,050)
FUND BALANCES, JULY 1	4,189,368	2,759,107	14,439,754	22,693,677	678,722	44,760,628
FUND BALANCES, JUNE 30	$ 4,782,452	$ 2,177,699	$ 10,745,873	$ 9,776,213	$ 742,341	$ 28,224,578

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (16,536,050)
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	15,704,774
Depreciation in the statement of activities does not require the use of current financial resources and is not included in governmental funds	(1,531,073)
Accretion on capital appreciation bonds is reported as interest expense in the statement of activities	(559,909)
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	38,050,000
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	273,524
Amortization of issuance costs	(142,195)
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	(21,235,000)
Premium on bonds	(1,058,524)
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	1,387,766
The change in accrued interest payable on long-term debt is reported as a reduction of expenses on the statement of activities	(27,337)
The change in the compensated absences liability is reported as an expense on the statement of activities	8,140
The increase in net pension obligation is reported as an increase of expense on the statement of activities	(86)
The change in the net other postemployment benefits obligation is reported as an expense on the statement of activities	(289,595)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 13,732,970

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2012

	Business-Type Activities
	Cultural and Events Center
CURRENT ASSETS	
Cash and cash equivalents	$ 2,848,898
Receivables	
Accounts (net of allowance)	410,000
Total current assets	3,258,898
NONCURRENT ASSETS	
Capital assets	
Capital assets not being depreciated	3,118,267
Capital assets being depreciated	21,252,661
Accumulated depreciation	(7,209,013)
Net capital assets	17,161,915
Total assets	20,420,813
CURRENT LIABILITIES	
Accrued interest payable	15,762
Security deposits	15,000
General obligation bonds payable	300,000
Total current liabilities	330,762
NONCURRENT LIABILITIES	
General obligation bonds payable	6,860,000
Unamortized bond discount	(45,603)
Total noncurrent liabilities	6,814,397
Total liabilities	7,145,159
NET ASSETS	
Invested in capital assets, net of related debt	10,047,518
Unrestricted	3,228,136
TOTAL NET ASSETS	$ 13,275,654

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, 2012

	Business-Type Activities
	Cultural and Events Center
OPERATING REVENUES	
Charges for services	
Rentals	$ 586,285
Total operating revenues	586,285
OPERATING EXPENSES	
Administration and maintenance	20,775
Depreciation	725,437
Total operating expenses	746,212
OPERATING INCOME (LOSS)	(159,927)
NONOPERATING REVENUES (EXPENSES)	
Investment income	3,474
Interest expense	(387,113)
Total nonoperating revenues (expenses)	(383,639)
CHANGE IN NET ASSETS	(543,566)
NET ASSETS, JULY 1	13,819,220
NET ASSETS, JUNE 30	$ 13,275,654

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, 2012

	Business-Type Activities
	Cultural and Events Center
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 777,999
Payments to suppliers	(19,791)
Payments to employees	(984)
Net cash from operating activities	757,224
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	(290,000)
Interest paid	(384,807)
Net cash from capital and related financing activities	(674,807)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	3,474
Net cash from investing activities	3,474
NET INCREASE IN CASH AND CASH EQUIVALENTS	85,891
CASH AND CASH EQUIVALENTS, JULY 1	2,763,007
CASH AND CASH EQUIVALENTS, JUNE 30	$ 2,848,898

(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, 2012

	Business-Type Activities
	Cultural and Events Center
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	$ (159,927)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	725,437
Changes in assets and liabilities	
Receivables	191,714
NET CASH FROM OPERATING ACTIVITIES	$ 757,224

See accompanying notes to financial statements.

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 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 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. Additional funding is provided by bond proceeds.

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 accounts for costs associated with the Fifth Third Bank Ballpark.

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. Prepaid items are accounted for using the consumption method.

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.

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
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)

l. 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 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 by policy to the District's Executive Director and Director of Finance. Any residual General Fund fund balance is reported as unassigned.

The District has established a minimum fund balance policy for its General, Social Security, IMRF, and Insurance Liability Funds. Under the policy, the target fund balance for the General Fund should represent six months of operating expenditures. For the remaining funds, the target fund balance should represent three to six months of expenditures.

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. 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. The District's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 105% of the fair market value of the funds secured, with the collateral held by an independent third party custodian in the name of the District.

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 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and August 1, 2012 and are payable in two installments, on or about June 1, 2012 and September 1, 2012. 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 2011 levy is intended to fund the 2013 fiscal year, the levy has been recorded as a receivable and deferred revenue.

The 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2012, has not been recorded as a receivable as of June 30, 2012 as the tax has not yet been levied by the District and will not be levied until December 2012 and, therefore, the levy is not measurable at June 30, 2012.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 357,565,165	$ 12,860,901	$ -	$ 370,426,066
Construction in progress	-	2,678,739	965,688	1,713,051
Total capital assets not being depreciated	357,565,165	15,539,640	965,688	372,139,117
Capital assets being depreciated				
Buildings and improvements	11,501,260	400,290	-	11,901,550
Machinery and equipment	3,276,377	165,134	-	3,441,511
Infrastructure	27,473,975	565,398	-	28,039,373
Total capital assets being depreciated	42,251,612	1,130,822	-	43,382,434
Less accumulated depreciation for				
Buildings and improvements	2,225,323	377,655	-	2,602,978
Machinery and equipment	1,822,074	305,159	-	2,127,233
Infrastructure	9,326,958	848,259	-	10,175,217
Total accumulated depreciation	13,374,355	1,531,073	-	14,905,428
Total capital assets being depreciated, net	28,877,257	(400,251)	-	28,477,006
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 386,442,422	$ 15,139,389	$ 965,688	$ 400,616,123
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	18,898,435	-	-	18,898,435
Land improvements	2,141,027	-	-	2,141,027
Machinery and equipment	213,198	-	-	213,198
Total capital assets being depreciated	21,252,660	-	-	21,252,660
Less accumulated depreciation for				
Buildings and improvements	4,812,613	668,937	-	5,481,550
Land improvements	1,459,748	54,516	-	1,514,264
Machinery and equipment	211,214	1,984	-	213,198
Total accumulated depreciation	6,483,575	725,437	-	7,209,012
Total capital assets being depreciated, net	14,769,085	(725,437)	-	14,043,648
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 17,887,352	$ (725,437)	$ -	$ 17,161,915

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	$ 305,159
Land acquisition and development	1,225,914
TOTAL	$ 1,531,073

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 "equivalent to third party indemnity," 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 peroccurrence 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, 2012 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.

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, 2012:

	Debt Retired By	Balances July 1, 2011	Additions/ Accretion*	Reductions	Balances June 30, 2012	Due Within One Year June 30, 2012
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	$ 24,475,000	$ -	$ 24,475,000	$ -	$ -
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	39,890,000	-	5,840,000	34,050,000	6,145,000
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	56,480,000	-	5,935,000	50,545,000	6,635,000
General Obligation Limited Tax (Capital Appreciation) Bonds, Series 2006, dated July 10, 2006, initial principal payment is due December 15, 2019, interest accretes semiannually at rates from 4.50% to 4.8%, the final payment is due December 15, 2025.	Debt Service	11,891,548	559,909	-	12,451,457	-

6. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Debt Retired By	Balances July 1, 2011	Additions/ Accretion*	Reductions	Balances June 30, 2012	Due Within One Year June 30, 2012
GOVERNMENTAL ACTIVITIES (Continued)						
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	$ 83,000,000	$ -	$ 1,800,000	$ 81,200,000	$ 2,100,000
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	540,000
General Obligation Limited Tax Refunding Bonds, Series 2011B, dated October 26, 2011, initial principal payment is due December 15, 2012, interest is due semiannually at rates from 4.00% to 5.00%, the final payment is due December 15, 2019.	Debt Service	-	21,235,000	-	21,235,000	2,615,000
Total bonds		245,736,548	21,794,909	38,050,000	229,481,457	18,035,000
Unamortized premium		8,571,111	1,058,524	1,387,766	8,241,869	-
Unamortized loss on refunding		(1,557,324)	-	(311,465)	(1,245,859)	-
Total debt service fund bonds		252,750,335	22,853,433	39,126,301	236,477,467	18,035,000
Net pension obligation		4,024	86	-	4,110	-
Net other postemployment benefits obligation**	General	700,560	289,595	-	990,155	-
Compensated absences**	General	230,829	26,484	34,624	222,689	33,403
TOTAL GOVERNMENTAL ACTIVITIES		$ 253,685,748	$ 23,169,598	$ 39,160,925	$ 237,694,421	$ 18,068,403

* Additions include $599,909 for current year accretion.
** Retired by the General Fund.

6. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Debt Retired By	Balances July 1, 2011	Additions/ Accretion	Reductions	Balances June 30, 2012	Due Within One Year June 30, 2012
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	$ 7,450,000	$ -	$ 290,000	$ 7,160,000	$ 300,000
Total bonds		7,450,000	-	290,000	7,160,000	300,000
Unamortized bond discount		(48,453)	-	(2,850)	(45,603)	-
TOTAL BUSINESS-TYPE ACTIVITIES		$ 7,401,547	$ -	$ 287,150	$ 7,114,397	$ 300,000

The alternate revenue bonds and the interest thereon are limited obligations of the District payable solely from the pledged taxes. Pledged taxes are ad valorem property taxes upon all taxable property without limitation as to rate or amount. This pledge will remain until all bonds are retired or mature in 2027 as disclosed above. During the current fiscal year, the principal and interest on the bonds was approximately 99% of the pledged ad valorem property taxes.

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 2004			General Obligation Bonds, Series 2005		
	Principal	Interest	Total	Principal	Interest	Total
2013	$ 6,145,000	$ 1,548,875	$ 7,693,875	$ 6,635,000	$ 2,361,375	$ 8,996,375
2014	6,465,000	1,233,625	7,698,625	7,385,000	2,010,875	9,395,875
2015	6,810,000	901,750	7,711,750	8,060,000	1,624,750	9,684,750
2016	7,140,000	553,000	7,693,000	8,775,000	1,203,875	9,978,875
2017	7,490,000	187,250	7,677,250	9,500,000	747,000	10,247,000
2018	-	-	-	10,190,000	254,750	10,444,750
TOTAL	$ 34,050,000	$ 4,424,500	$ 38,474,500	$ 50,545,000	$ 8,202,625	$ 58,747,625

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

Governmental Activities (Continued)

Fiscal Year Ending June 30	General Obligation Bonds, Series 2007			General Obligation Bonds, Series 2011A		
	Principal	Interest	Total	Principal	Interest	Total
2013	$ 2,100,000	$ 4,040,500	$ 6,140,500	$ 540,000	$ 1,142,050	$ 1,682,050
2014	2,500,000	3,924,000	6,424,000	1,120,000	1,117,150	2,237,150
2015	2,950,000	3,767,312	6,717,312	1,140,000	1,083,250	2,223,250
2016	3,400,000	3,597,500	6,997,500	1,165,000	1,048,675	2,213,675
2017	3,725,000	3,419,375	7,144,375	1,195,000	1,013,275	2,208,275
2018	4,075,000	3,224,375	7,299,375	1,230,000	976,900	2,206,900
2019	4,550,000	3,008,750	7,558,750	1,270,000	939,400	2,209,400
2020	5,075,000	2,768,125	7,843,125	1,315,000	894,050	2,209,050
2021	5,650,000	2,500,000	8,150,000	1,365,000	840,450	2,205,450
2022	6,250,000	2,202,500	8,452,500	1,415,000	784,850	2,199,850
2023	6,900,000	1,873,750	8,773,750	1,475,000	727,050	2,202,050
2024	7,600,000	1,511,250	9,111,250	1,535,000	666,850	2,201,850
2025	8,350,000	1,112,500	9,462,500	1,605,000	604,050	2,209,050
2026	9,125,000	675,625	9,800,625	1,680,000	538,350	2,218,350
2027	8,950,000	223,750	9,173,750	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
TOTAL	$ 81,200,000	$ 37,849,312	$ 119,049,312	$ 30,000,000	$ 14,000,863	$ 44,000,803

Fiscal Year Ending June 30	General Obligation Bonds, Series 2011B			Total General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	$ 2,615,000	$ 720,175	$ 3,335,175	$ 18,035,000	$ 9,812,975	$ 27,847,975
2014	2,855,000	597,700	3,452,700	20,325,000	8,883,350	29,208,350
2015	2,965,000	481,300	3,446,300	21,925,000	7,858,362	29,783,362
2016	3,085,000	375,725	3,460,725	23,565,000	6,778,775	30,343,775
2017	2,835,000	286,925	3,121,925	24,745,000	5,653,825	30,398,825
2018	3,080,000	198,200	3,278,200	18,575,000	4,654,225	23,229,225
2019	3,215,000	87,700	3,302,700	9,035,000	4,035,850	13,070,850
2020	585,000	11,700	596,700	6,975,000	3,673,875	10,648,875
2021	-	-	-	7,015,000	3,340,450	10,355,450
2022	-	-	-	7,665,000	2,987,350	10,652,350
2023	-	-	-	8,375,000	2,600,800	10,975,800
2024	-	-	-	9,135,000	2,178,100	11,313,100
2025	-	-	-	9,955,000	1,716,550	11,671,550
2026	-	-	-	10,805,000	1,213,975	12,018,975
2027	-	-	-	10,705,000	693,400	11,398,400
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
TOTAL	$ 21,235,000	$ 2,759,425	$ 23,994,425	$ 217,030,000	$ 67,236,725	$ 284,266,725

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 semiannually 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
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	$ 7,928,543	$ 20,380,000

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
2013	$ 300,000	$ 371,534	$ 671,534
2014	315,000	357,696	672,696
2015	330,000	343,183	673,183
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	156,027	676,027
2025	550,000	125,590	675,590
2026	580,000	92,523	672,523
2027	615,000	56,972	671,972
2028	650,000	19,338	669,338
TOTAL	$ 7,160,000	$ 3,614,462	$ 10,774,462

d. Legal Debt Margin

The schedule of the District's legal debt margin as of June 30, 2012 is as follows:

ASSESSED VALUATION - 2011 (Latest Information Available)	$ 13,769,899,106
Statutory Debt Limitation (2.3% of Assessed Valuation)	$ 316,707,679
Less General Obligation Bonds	(217,030,000)
LEGAL DEBT MARGIN	$ 99,677,679

e. Current Refunding

On October 26, 2011, the District issued $21,235,000 General Obligation Limited Tax Refunding Bonds, Series 2011B to currently refund the General Obligation Limited Tax Bonds, Series 2003. $22,020,000 of the proceeds, including reoffering premium, have been deposited into an irrevocable trust to refund $22,020,000 of the General Obligation Limited Tax Bonds, Series 2003 on the call date of December 15, 2011. Through the refunding, the District reduced its overall debt service by $1,467,590 and had an economic gain of $1,133,058.

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. 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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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.

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 all other requirements are established by Illinois Compiled Statutes.

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 2011 was 10.67% of covered payroll and 10.61% for calendar year 2012.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Cost

Illinois Municipal Retirement Fund (Continued)

The annual pension costs (APC) as of June 30, 2012 were derived from the actuarial valuations performed as of the dates and using the assumptions noted below:

	Illinois Municipal Retirement
Actuarial valuation date	December 31, 2009
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.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Trend Information (Continued)

	For Fiscal Year	Illinois Municipal Retirement
Annual pension cost (APC)	2010	$ 299,457
	2011	330,069
	2012	349,982
Actual contribution	2010	$ 299,457
	2011	326,045
	2012	349,896
Percentage of APC contributed	2010	100.00%
	2011	98.78%
	2012	99.98%
NPO (asset)	2010	$ -
	2011	4,024
	2012	4,110

The NPO as of June 30, 2012 has been calculated as follows:

Annual required contribution	$ 349,896
Interest on net pension obligation	302
Adjustment to annual required contribution	(216)
Annual pension cost	349,982
Contributions made	349,896
Increase in net pension obligation	86
Net pension obligation, beginning of year	4,024
NET PENSION OBLIGATION, END OF YEAR	$ 4,110

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status and Funding Progress

The funded status of the plan as of December 31, 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)	$ 7,007,548
Actuarial value of plan assets	5,602,902
Unfunded actuarial accrued liability (UAAL)	1,404,646
Funded ratio (actuarial value of plan assets/AAL)	79.96%
Covered payroll (active plan members)	$ 3,196,761
UAAL as a percentage of covered payroll	43.94%

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 by 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.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Membership

At June 30, 2012, 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	65
TOTAL	74
Participating employers	1

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, 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$ 218,584	$ 10,656	4.88%	$ 397,487
2011	314,672	11,599	3.69%	700,560
2012	309,264	19,669	6.36%	990,155

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) as of June 30, 2012 was calculated as follows:

Annual required contribution	$ 321,764
Interest on net OPEB obligation	28,022
Adjustment to annual required contribution	(40,522)
Annual OPEB cost	309,264
Contributions made	19,669
Increase in net OPEB obligation	289,595
Net OPEB obligation, beginning of year	700,560
NET OPEB OBLIGATION, END OF YEAR	$ 990,155

Funded Status and Funding Progress - the funded status of the plan as of June 30, 2010 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)	0.00%
Covered payroll (active plan members)	$ 3,605,932
UAAL as a percentage of covered payroll	52.52%

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)

Annual OPEB Costs and Net OPEB Obligation (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.

c. Construction Commitments

As of June 30, 2012, the District had the following significant construction commitments:

Project	Commitment
Creek Bend Nature Center renovations and improvements	$ 411,650
Big Rock Campground site work and paving	850,571
TOTAL CONSTRUCTION COMMITMENTS	$ 1,262,221

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, 2012 were are 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 $73,929 for the year ended June 30, 2012. The District also paid $651,878 to the County for insurance (Note 5).

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 currently, increasing to $1,320,000 over the term of the agreement. Revenues receivable from the Cougars totaled $1,253,571 for the year ended June 30, 2012, with a balance of $745,286 for a potentially uncollectible amount. The District recognizes revenue from license fees based on games played during the fiscal year. The license expires September 30, 2026.

The minimum future payments under this agreement are as follows:

Baseball Season	Minimum License Fees
2013	$ 1,170,000
2014	1,220,000
2015	1,220,000
2016	1,220,000
2017	1,220,000
2018-2029	14,170,000
TOTAL	$ 20,220,000

12. GOLF COURSES

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, 2017. Under these agreements, the District receives payments based on gross revenues with stated minimum rentals as follows:

Year Ending March 31	Percentage of Gross Revenue	Minimum Rental
2013	14.5%	$ 190,000
2014	14.5%	190,000
2015	14.5%	190,000
2016	14.5%	190,000
2017	14.5%	190,000

Rental revenues of $375,629 were received during the year ended June 30, 2012.

A summary of the property being licensed is as follows:

Courses and improvements	$ 9,985,457
Buildings	991,796
TOTAL	$ 10,977,253

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/net assets.

14. SUBSEQUENT EVENT

On October 2, 2012, the District issued $65,200,000 General Obligation Refunding Bonds, Series 2012 for the purpose of refunding the General Obligation Refunding Bonds, Series 2004 and General Obligation Bonds, Series 2005. The bonds are due in annual installments of $11,640,000 to $8,780,000 between December 15, 2013 and December 15, 2017, with interest payable semiannually at 4.00%.

REQUIRED SUPPLEMENTARY INFORMATION

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

GENERAL FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 4,981,973	$ 4,981,973	$ 4,966,505	$ 4,812,845
Personal property replacement tax	65,000	65,000	55,110	61,188
Investment income	30,000	30,000	7,145	9,886
Charges for services	1,405,000	1,405,000	1,457,352	1,253,552
Licenses and permits	25,000	25,000	19,727	20,868
Intergovernmental	-	-	-	5,132
Miscellaneous	50,250	50,250	132,299	90,764
Total revenues	6,557,223	6,557,223	6,638,138	6,254,235
EXPENDITURES				
Current				
Personal services	3,881,773	3,881,773	3,743,203	3,593,115
Contractual services	1,418,165	1,418,165	1,208,287	1,194,173
Commodities	867,200	867,200	803,439	723,551
Other	130,000	130,000	73,929	74,269
Capital outlay	285,085	285,085	216,944	218,879
Total expenditures	6,582,223	6,582,223	6,045,802	5,803,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(25,000)	592,336	450,248
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	25,000	25,000	748	21,197
NET CHANGE IN FUND BALANCE	$ -	$ -	593,084	471,445
FUND BALANCES, JULY 1			4,189,368	3,850,409
Prior period adjustment			-	(90,950)
FUND BALANCES, JULY 1, RESTATED			4,189,368	3,717,923
FUND BALANCES, JUNE 30			$ 4,782,452	$ 4,189,368

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2012

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)
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%
2011	5,602,902	7,007,548	79.96%	1,404,646	3,196,761	43.94%

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFITS PLAN

June 30, 2012

Actuarial Valuation Date June 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued 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	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A

Note: The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009.
Information for prior years is not available.
Information for 2011 and 2012 not available as the District only has a triennial valuation.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2012

Fiscal Year Ended June 30	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2012	349,896	349,896	100.00%

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS PLAN

June 30, 2012

Fiscal Year Ended June 30	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	$ 10,000	$ 203,000	4.93%
2010	10,656	218,584	4.88%
2011	11,599	321,764	3.60%
2012	19,669	321,764	6.11%

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.)

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 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. Additional funding provided by bond proceeds.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 4,981,973	$ 4,981,973	$ 4,966,505	$ 4,812,845
Personal property replacement taxes	65,000	65,000	55,110	61,188
Charges for service				
Rentals	750,000	750,000	913,756	734,039
Reservations	70,000	70,000	53,780	41,720
Camping fees	160,000	160,000	103,559	98,665
Golf course fees	400,000	400,000	375,629	364,586
Police fines	25,000	25,000	10,628	14,542
Licenses and permits	25,000	25,000	19,727	20,868
Intergovernmental				
Grants	-	-	-	5,132
Investment income	30,000	30,000	7,144	9,885
Miscellaneous				
General refunds	5,000	5,000	4,904	18,307
Nature center programs	15,000	15,000	12,579	14,872
Other	30,250	30,250	114,816	57,585
TOTAL REVENUES	$ 6,557,223	$ 6,557,223	$ 6,638,137	$ 6,254,234

(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, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
CURRENT				
General government				
Personal services				
Salaries				
Regular	$ 3,534,700	$ 3,534,700	$ 3,404,343	$ 3,292,975
Part-time	331,073	331,073	329,740	287,910
Per diem	16,000	16,000	9,120	12,230
Total personal services	3,881,773	3,881,773	3,743,203	3,593,115
Contractual services				
Conferences and meetings	33,000	33,000	21,153	16,243
Audit and management services	28,665	28,665	27,785	21,950
Organization support	75,500	75,500	75,500	75,500
Public relations	75,000	75,000	79,598	78,006
Publication of legal notices	8,000	8,000	11,083	7,777
Insurance				
Employees	746,000	746,000	651,878	661,443
General	20,000	20,000	-	-
Telephone	78,200	78,200	74,153	65,887
Utilities	168,000	168,000	104,929	116,830
Consulting service	17,500	17,500	5,991	700
Legal fees	100,000	100,000	100,000	100,000
Association dues	12,500	12,500	10,429	9,766
Tuition reimbursement	2,000	2,000	670	552
Training	31,500	31,500	26,686	21,073
Employee recruitment	5,000	5,000	4,481	4,815
Employee recognition	17,300	17,300	13,951	13,631
Total contractual services	1,418,165	1,418,165	1,208,287	1,194,173

(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, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
CURRENT (Continued)				
General government (Continued)				
Commodities				
Office supplies	$ 17,000	$ 17,000	$ 14,141	$ 10,621
Mileage	9,000	9,000	7,373	7,645
Supplies	205,000	205,000	120,661	172,076
Nature Center supplies	12,700	12,700	7,875	8,970
Repair and maintenance				
Buildings and grounds	150,000	150,000	170,257	148,926
Automobiles and trucks	75,000	75,000	92,866	43,771
Equipment and machinery	68,500	68,500	61,046	54,702
Fuel and heating	30,000	30,000	14,882	30,525
Uniforms	25,000	25,000	14,896	17,040
Fuel - vehicles	275,000	275,000	299,442	229,275
Total commodities	867,200	867,200	803,439	723,551
Other				
County of Kane - services	110,000	110,000	73,929	74,269
Contingencies	20,000	20,000	-	-
Total other	130,000	130,000	73,929	74,269
Total general government	6,297,138	6,297,138	5,828,858	5,585,108
CAPITAL OUTLAY				
Office equipment	21,400	21,400	10,129	8,638
Automotive equipment	146,550	146,550	90,135	108,240
Machinery and equipment	117,135	117,135	116,680	102,001
Total capital outlay	285,085	285,085	216,944	218,879
TOTAL EXPENDITURES	$ 6,582,223	$ 6,582,223	$ 6,045,802	$ 5,803,987

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

DEBT SERVICE FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			
	Original Budget	Final Budget	Actual	2011 Actual
REVENUES				
Property taxes	$ 25,768,108	$ 25,768,108	$ 25,943,318	$ 25,040,392
Personal property replacement taxes	237,827	237,827	201,641	229,154
Investment income	25,000	25,000	11,911	18,592
Total revenues	26,030,935	26,030,935	26,156,870	25,288,138
EXPENDITURES				
Debt service				
Principal retirement	16,030,000	38,323,524	38,050,000	14,410,000
Interest and fiscal charges	10,681,881	10,708,278	10,981,802	10,232,200
Total expenditures	26,711,881	49,031,802	49,031,802	24,642,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(680,946)	(23,000,867)	(22,874,932)	645,938
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	21,235,000	21,235,000	-
Premium on bonds	-	1,058,524	1,058,524	-
Total other financing sources (uses)	-	22,293,524	22,293,524	-
NET CHANGE IN FUND BALANCE	$ (680,946)	$ (707,343)	(581,408)	645,938
FUND BALANCES, JULY 1			2,759,107	2,113,169
FUND BALANCES, JUNE 30			$ 2,177,699	$ 2,759,107

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

CONSTRUCTION AND DEVELOPMENT FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 169,070	$ 169,070	$ 168,593	$ 164,420
Charges for services	224,025	224,025	224,025	-
Intergovernmental grants	500,000	500,000	326,011	848,815
Investment income	100,000	100,000	15,460	118,610
Miscellaneous	10,000	10,000	56,869	70,356
Total revenues	1,003,095	1,003,095	790,958	1,202,201
EXPENDITURES				
Current				
General government				
Contractual services				
Professional fees	615,552	615,552	304,449	316,182
Fox River Trust expenditures	900,000	900,000	237,500	12,500
Other	90,000	90,000	102,916	48,278
Commodities				
Supplies	180,000	180,000	82,086	96,575
Contingencies	100,000	100,000	-	-
Capital outlay				
Land acquisition and development				
Buildings	240,000	240,000	1,200	156,711
Land area development	8,439,588	8,439,588	3,756,494	3,063,294
Machinery and equipment	-	-	194	-
Total expenditures	10,565,140	10,565,140	4,484,839	3,693,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,562,045)	(9,562,045)	(3,693,881)	(2,491,339)
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	$ (9,562,045)	$ (9,562,045)	(3,693,881)	2,041,567
FUND BALANCES, JULY 1			14,439,754	12,398,187
FUND BALANCES, JUNE 30			$ 10,745,873	$ 14,439,754

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

LAND ACQUISITION FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental - grants	$ 1,505,000	$ 1,505,000	$ 24,788	$ 535,534
Investment income	5,000	5,000	14,304	2,792
Total revenues	1,510,000	1,510,000	39,092	538,326
EXPENDITURES				
Current				
General government				
Contractual services				
Consulting services	100,000	100,000	72,256	72,722
Legal/professional services	100,000	100,000	123	1,085
Surveys and appraisals	50,000	50,000	11,500	41,970
Commodities				
Supplies	1,000	1,000	13	-
Mileage	1,000	1,000	425	221
Contingencies	10,000	10,000	-	-
Capital outlay				
Land acquisition and development				
Purchase of land	25,083,188	25,083,188	12,872,239	7,011,207
Total expenditures	25,345,188	25,345,188	12,956,556	7,127,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,835,188)	(23,835,188)	(12,917,464)	(6,588,879)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	-	-	-	25,500,000
Premium on bonds	-	-	-	186,468
Total other financing sources (uses)	-	-	-	25,686,468
NET CHANGE IN FUND BALANCE	$ (23,835,188)	$ (23,835,188)	(12,917,464)	19,097,589
FUND BALANCES, JULY 1			22,693,677	3,596,088
FUND BALANCES, JUNE 30			$ 9,776,213	$ 22,693,677

(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, 2012

	Special Revenue			
	Illinois Municipal Retirement	Insurance Liability	Social Security	Total
ASSETS				
Cash and cash equivalents	$ 230,141	$ 803,933	$ 267,623	$ 1,301,697
Receivables				
Property taxes	184,531	131,091	160,276	475,898
TOTAL ASSETS	$ 414,672	$ 935,024	$ 427,899	$ 1,777,595
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 91,999	$ -	$ 91,999
Deferred property tax revenue	365,763	259,831	317,661	943,255
Total liabilities	365,763	351,830	317,661	1,035,254
FUND BALANCES				
Restricted				
IMRF	48,909	-	-	48,909
Liability insurance	-	583,194	-	583,194
Social security	-	-	110,238	110,238
Total fund balances	48,909	583,194	110,238	742,341
TOTAL LIABILITIES AND FUND BALANCES	$ 414,672	$ 935,024	$ 427,899	$ 1,777,595

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, 2012

	Special Revenue			
	Illinois Municipal Retirement	Insurance Liability	Social Security	Total
REVENUES				
Property taxes	$ 346,039	$ 223,917	$ 312,352	$ 882,308
Personal property replacement tax	2,716	-	1,841	4,557
Investment income	203	675	232	1,110
Total revenues	348,958	224,592	314,425	887,975
EXPENDITURES				
Current				
General government				
Personal services	349,895	13,026	271,804	634,725
Contractual services	-	189,631	-	189,631
Total expenditures	349,895	202,657	271,804	824,356
NET CHANGE IN FUND BALANCES	(937)	21,935	42,621	63,619
FUND BALANCES, JULY 1	49,846	561,259	67,617	678,722
FUND BALANCES, JUNE 30	$ 48,909	$ 583,194	$ 110,238	$ 742,341

See accompanying notes to financial statements.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 347,037	$ 347,037	$ 346,039	$ 342,594
Personal property replacement tax	3,203	3,203	2,716	3,166
Investment income	5,530	5,530	203	194
Total revenues	355,770	355,770	348,958	345,954
EXPENDITURES				
Current				
General government				
Illinois Municipal Retirement Fund	370,000	370,000	349,895	326,057
Total expenditures	370,000	370,000	349,895	326,057
NET CHANGE IN FUND BALANCE	$ (14,230)	$ (14,230)	(937)	19,897
FUND BALANCES, JULY 1			49,846	29,949
FUND BALANCES, JUNE 30			$ 48,909	$ 49,846

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

INSURANCE LIABILITY FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 224,688	$ 224,688	$ 223,917	$ 204,753
Investment income	7,500	7,500	675	863
Miscellaneous	1,000	1,000	-	7,945
Total revenues	233,188	233,188	224,592	213,561
EXPENDITURES				
Current				
General government				
Personal services				
Unemployment compensation	18,000	18,000	13,026	12,838
Contractual services				
Insurance - general	150,000	150,000	93,613	101,791
Legal	50,000	50,000	1,128	1,893
Workmen's compensation	150,000	150,000	94,890	90,008
Total expenditures	368,000	368,000	202,657	206,530
NET CHANGE IN FUND BALANCE	$ (134,812)	$ (134,812)	21,935	7,031
FUND BALANCES, JULY 1			561,259	554,228
FUND BALANCES, JUNE 30			$ 583,194	$ 561,259

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

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

SOCIAL SECURITY FUND

For the Year Ended June 30, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 313,276	$ 313,276	$ 312,352	$ 299,634
Personal property replacement tax	2,171	2,171	1,841	2,769
Investment income	3,937	3,937	232	195
Total revenues	319,384	319,384	314,425	302,598
EXPENDITURES				
Current				
General government				
Personnel services				
Social Security tax	319,384	319,384	271,804	260,472
Total expenditures	319,384	319,384	271,804	260,472
NET CHANGE IN FUND BALANCE	$ -	$ -	42,621	42,126
FUND BALANCES, JULY 1			67,617	25,491
FUND BALANCES, JUNE 30			$ 110,238	$ 67,617

(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, 2012
(with prior year actual)

	2012			
	Original Budget	Final Budget	Actual	2011 Actual
OPERATING REVENUES				
Rentals	$ 1,230,000	$ 1,230,000	$ 586,285	$ 1,246,714
Total operating revenues	1,230,000	1,230,000	586,285	1,246,714
OPERATING EXPENSES				
Contractual services	21,000	21,000	20,775	4,650
Total operating expenses	21,000	21,000	20,775	4,650
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	1,209,000	1,209,000	565,510	1,242,064
Depreciation and amortization	767,470	767,470	725,437	762,941
OPERATING INCOME (LOSS)	441,530	441,530	(159,927)	479,123
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	-	22,969
Investment income	10,000	10,000	3,474	4,570
Interest expense	(384,809)	(384,809)	(387,113)	(399,959)
Total nonoperating revenues (expenses)	(374,809)	(374,809)	(383,639)	(372,420)
CHANGE IN NET ASSETS	$ 66,721	$ 66,721	(543,566)	106,703
NET ASSETS, JULY 1			13,819,220	13,712,517
NET ASSETS, JUNE 30			$ 13,275,654	$ 13,819,220

(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, 2012
(with prior year actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
CONTRACTUAL SERVICES				
Telephone	$ 5,000	$ 5,000	$ -	$ 188
Electricity and water	5,000	5,000	2,257	3,914
Repair and maintenance - buildings and grounds	10,000	10,000	90	115
Miscellaneous fees	1,000	1,000	18,428	433
Total contractual services	21,000	21,000	20,775	4,650
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	$ 21,000	$ 21,000	$ 20,775	$ 4,650

(See independent auditor's report.)

SUPPLEMENTAL DATA

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004

June 30, 2012

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
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
	$ 34,050,000	$ 4,424,500	$ 38,474,500

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2005

June 30, 2012

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
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
	$ 50,545,000	$ 8,202,625	$ 58,747,625

(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, 2012

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 Principal	Tax Levy Interest	Tax Levy Totals
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
		$ 9,495,866	$ 10,884,134	$ 20,380,000

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
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	-
	$ 20,380,000	$ 7,928,543	

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2007

June 30, 2012

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
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
	$ 81,200,000	$ 37,849,312	$ 119,049,312

(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, 2012

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
2013	$ 300,000	$ 371,534	$ 671,534
2014	315,000	357,696	672,696
2015	330,000	343,183	673,183
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	156,027	676,027
2025	550,000	125,590	675,590
2026	580,000	92,523	672,523
2027	615,000	56,972	671,972
2028	650,000	19,338	669,338
	$ 7,160,000	$ 3,614,462	$ 10,774,462

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS
GENERAL OBLIGATION BONDS, SERIES 2011A

June 30, 2012

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
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
	$ 30,000,000	$ 14,000,863	$ 44,000,863

(See independent auditor's report.)

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2011B

June 30, 2012

Date of Issue	October 26, 2011
Date of Maturity	December 15, 2019
Authorized Issue	$ 22,285,000
Denomination of Bonds	$ 5,000
Interest Rates	4.00% - 5.00%
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
2013	$ 2,615,000	$ 720,175	$ 1,682,050
2014	2,855,000	597,700	2,237,150
2015	2,965,000	481,300	2,223,250
2016	3,085,000	375,725	2,213,675
2017	2,835,000	286,925	2,208,275
2018	3,080,000	198,200	2,206,900
2019	3,215,000	87,700	2,209,400
2020	585,000	11,700	2,209,050
	$ 21,235,000	$ 2,759,425	$ 17,189,750

STATISTICAL SECTION (Unaudited)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	65-69
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	70-73
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	74-77
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	78-79
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	80-82

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

NET ASSETS BY COMPONENT

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES										
Invested in capital assets, net of related debt	$ 25,638,224	$ 66,664,524	$ 76,528,573	$ 81,419,245	$ 59,501,847	$ 68,516,816	$ 118,382,953	$ 143,097,036	$ 159,341,526	$ 173,717,878
Restricted										
Construction and Development	333,477	18,167,797	15,699,011	27,606,710	52,620,973	57,540,980	21,536,022	14,798,847	2,998,435	4,754,718
Fox River Trust	2,605,050	1,838,762	2,260,728	1,597,368	1,597,368	1,781,533	1,427,879	1,195,428	1,182,928	945,428
Debt Service	4,089,424	1,658,747	1,891,770	-	3,378,630	254,433	1,559,677	2,113,169	1,427,506	846,096
IMRF	-	-	122,288	120,649	117,171	110,321	77,983	29,949	29,898	48,909
Liability Insurance	-	-	579,580	559,033	378,004	286,875	467,613	554,228	487,469	583,194
Social Security	-	-	92,969	94,892	86,031	75,167	48,930	25,491	51,239	110,238
Unrestricted	52,501,910	2,993,770	(140,032)	(4,532,569)	3,577,728	4,318,766	2,631,051	1,782,664	12,454,602	10,700,112
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	$ 85,168,085	$ 91,323,600	$ 97,034,887	$ 106,865,328	$ 126,773,818	$ 132,884,891	$ 121,073,434	$ 163,596,812	$ 177,973,603	$ 191,706,573
BUSINESS-TYPE ACTIVITIES										
Invested in capital assets, net of related debt	$ 7,665,295	$ 9,877,835	$ 9,626,311	$ 9,478,036	$ 9,455,629	$ 9,139,366	$ 11,854,223	$ 11,084,823	$ 10,485,805	$ 10,047,518
Unrestricted	310,094	531,416	918,582	1,227,067	1,419,215	2,195,225	2,064,906	2,627,694	3,333,415	3,228,136
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	$ 7,975,389	$ 10,409,251	$ 10,544,893	$ 10,705,103	$ 34,786,448	$ 11,334,591	$ 34,299,907	$ 13,712,517	$ 13,819,220	$ 13,275,654
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	$ 33,303,519	$ 76,542,359	$ 86,154,884	$ 90,897,281	$ 118,822,250	$ 126,616,541	$ 126,648,333	$ 154,181,859	$ 169,827,331	$ 183,765,396
Restricted	7,027,951	21,665,306	20,646,346	29,978,652	58,178,177	60,049,309	25,118,104	18,717,112	6,177,475	7,288,583
Unrestricted	52,812,004	3,525,186	778,550	(3,305,502)	4,996,943	6,513,991	4,695,957	4,410,358	15,788,017	13,928,248
TOTAL PRIMARY GOVERNMENT	$ 93,143,474	$ 101,732,851	$ 107,579,780	$ 117,570,431	$ 161,560,266	$ 193,179,841	$ 155,373,341	$ 177,309,329	$ 191,792,823	$ 204,982,227

Source: Audited financial statements

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

CHANGE IN NET ASSETS

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental Activities										
General government	$ 3,952,047	$ 6,573,588	$ 5,692,758	$ 6,239,001	$ 7,110,673	$ 8,671,420	$ 6,328,430	$ 8,716,781	$ 7,602,837	$ 8,051,182
Land acquisition and development	882,138	425,159	596,414	-	509,548	-	3,744,998	1,227,493	2,077,434	2,367,463
Interest and fiscal charges	4,068,907	4,585,127	4,281,420	8,472,906	7,780,787	11,448,908	11,159,169	10,812,585	10,010,257	10,361,418
Total governmental activities	8,903,092	11,583,874	10,570,592	14,711,907	15,401,008	20,120,328	21,232,597	20,756,859	19,690,528	20,780,063
Business-Type Activities										
Cultural and Events Center	656,534	653,031	679,795	410,240	395,602	382,269	1,224,764	1,183,298	1,167,550	1,133,325
Total business-type activities	656,534	653,031	679,795	410,240	395,602	382,269	1,224,764	1,183,298	1,167,550	1,133,325
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 9,559,626	$ 12,236,905	$ 11,250,387	$ 15,122,147	$ 15,796,610	$ 20,502,597	$ 22,457,361	$ 21,940,157	$ 20,858,078	$ 21,913,388
PROGRAM REVENUES										
Governmental Activities										
Charges for services	$ 933,520	$ 961,061	$ 967,805	$ 967,405	$ 1,105,481	$ 1,238,848	$ 1,286,952	$ 1,368,984	$ 1,329,363	$ 1,732,379
Operating grants	7,602	8,447	10,202	10,874	16,553	-	-	970,000	-	-
Capital grants	2,859,345	5,076,941	2,639,763	3,941,031	3,102,156	2,911,197	3,068,492	5,107,806	1,389,481	326,011
Total governmental activities program revenues	3,800,467	6,046,449	3,617,770	4,919,310	4,224,190	4,150,045	4,355,444	7,446,790	2,718,844	2,058,390
Business-Type Activities										
Charges for services	693,402	712,048	798,081	852,219	819,136	772,931	978,812	1,222,656	1,246,714	586,285
Operating grants	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	2,750,000	8,719	22,969	-
Total business-type activities program Revenues	693,402	712,048	798,081	852,219	819,136	772,931	3,728,812	1,231,375	1,269,683	586,285
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 4,493,869	$ 6,758,497	$ 4,415,851	$ 5,771,529	$ 5,043,326	$ 4,922,976	$ 8,084,256	$ 8,678,165	$ 3,988,527	$ 2,644,675
TOTAL PRIMAR GOVERNMENT NET REVENUE (EXPENSES)	$ (5,065,757)	$ (5,478,408)	$ (6,834,536)	$ (9,350,618)	$ (10,753,284)	$ (15,579,621)	$ (14,373,105)	$ (13,261,992)	$ (16,869,551)	$ (19,268,713)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES										
Governmental										
Taxes										
Property	$ 12,086,700	$ 12,545,842	$ 12,807,525	$ 15,820,440	$ 23,177,321	$ 23,557,702	$ 29,107,369	$ 29,963,125	$ 30,864,637	$ 31,960,723
Replacement	159,967	179,068	209,757	269,307	299,334	329,951	289,252	240,172	296,277	261,308
Investment income	454,500	454,249	646,854	3,117,566	1,754,209	3,402,845	685,251	234,971	151,132	49,930
Miscellaneous	671,771	495,609	(86,148)	82,854	5,506	306,924	42,498	76,505	127,379	182,682
Total governmental general revenues	13,372,938	13,674,768	13,577,988	19,290,167	25,236,370	27,597,422	30,124,370	30,514,773	31,439,425	32,454,643
Business-Type										
Investment Income	27,145	5,141	17,356	51,102	79,078	69,085	80,490	5,311	4,570	3,474
Total business-type general revenues	27,145	5,141	17,356	51,102	79,078	69,085	80,490	5,311	4,570	3,474
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES	$ 13,400,083	$ 13,679,909	$ 13,595,344	$ 19,341,269	$ 25,315,448	$ 27,666,507	$ 30,204,860	$ 30,520,084	$ 31,443,995	$ 32,458,117
TOTAL PRIMARY GOVERNMENT	$ 8,334,326	$ 8,201,501	$ 6,760,808	$ 9,990,651	$ 14,562,164	$ 12,086,886	$ 15,831,755	$ 17,258,092	$ 14,574,444	$ 13,189,404
CHANGE IN NET ASSETS										
Governmental activities	$ 8,270,313	$ 8,137,343	$ 6,625,166	$ 9,497,570	$ 14,059,552	$ 11,627,139	$ 13,247,217	$ 17,204,704	$ 14,467,741	$ 13,732,970
Business-type activities	64,013	64,158	135,642	493,081	502,612	459,747	2,584,538	53,388	106,703	(543,566)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	$ 8,334,326	$ 8,201,501	$ 6,760,808	$ 9,990,651	$ 14,562,164	$ 12,086,886	$ 15,831,755	$ 17,258,092	$ 14,574,444	$ 13,189,404

Source: Audited financial statements

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL FUND										
Reserved	$ -	$ 25,746	$ 27,660	$ 32,913	$ 35,450	$ 6,500	$ 6,500	$ 6,500	$ -	$ -
Unreserved	1,938,665	2,278,676	2,439,867	2,887,415	3,298,490	3,505,811	3,669,887	3,802,373	-	-
Nonspendable										
Prepaids	-	-	-	-	-	-	-	-	6,500	6,500
Unrestricted										
Unassigned	-	-	-	-	-	-	-	-	4,182,868	4,775,952
Subtotal general fund	1,938,665	2,304,422	2,467,527	2,920,328	3,333,940	3,512,311	3,676,387	3,808,873	4,189,368	4,782,452
ALL OTHER GOVERNMENTAL FUNDS										
Reserved, reported in										
Special Revenue Funds	998,795	1,011,765	845,339	774,574	581,206	472,363	594,526	609,668	-	-
Debt Service Fund	4,089,424	1,658,747	1,891,770	-	3,378,630	254,433	1,559,677	2,113,169	-	-
Capital Projects Funds	52,502,977	20,006,559	96,738,161	50,046,678	94,971,732	74,057,484	22,963,901	15,994,275	-	-
Unreserved, reported in										
Debt Service Fund	-	-	-	(1,173,599)	-	-	-	-	-	-
Restricted										
Fox River Trust	-	-	-	-	-	-	-	-	1,182,928	945,428
IMRF	-	-	-	-	-	-	-	-	29,898	48,909
Liability Insurance	-	-	-	-	-	-	-	-	487,469	583,194
Social Security	-	-	-	-	-	-	-	-	51,239	110,238
Debt Service	-	-	-	-	-	-	-	-	1,427,506	846,096
Construction and Development	-	-	-	-	-	-	-	-	26,252,192	11,378,348
Unrestricted										
Assigned										
Debt Service	-	-	-	-	-	-	-	-	1,331,601	1,331,603
Construction and Development	-	-	-	-	-	-	-	-	9,698,311	8,198,310
IMRF	-	-	-	-	-	-	-	-	19,948	-
Liability Insurance	-	-	-	-	-	-	-	-	73,790	-
Social Security	-	-	-	-	-	-	-	-	16,378	-
Subtotal all other funds	57,591,196	22,677,071	99,475,270	49,647,653	98,931,568	74,784,280	25,118,104	18,717,112	40,571,260	23,442,126
TOTAL GOVERNMENTAL FUNDS	$ 15,620,567	$ 20,497,612	$ 35,831,192	$ 40,283,983	$ 38,266,198	$ 43,593,081	$ 28,794,491	$ 38,571,161	$ 44,760,628	$ 28,224,578

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	$ 12,086,700	$ 12,618,175	$ 12,886,639	$ 15,924,964	$ 23,316,792	$ 23,887,653	$ 29,396,621	$ 30,203,295	$ 31,160,915	$ 32,222,032
Charges for services	933,520	904,189	910,706	936,712	1,026,345	1,193,567	1,241,231	1,318,800	1,253,552	1,681,377
Licenses and permits	-	27,330	23,776	22,366	24,425	26,996	22,896	22,691	20,868	19,727
Intergovernmental	3,019,312	5,191,270	2,270,406	3,605,813	1,256,176	831,197	2,991,492	2,403,610	1,389,481	350,799
Investment income	454,500	454,249	646,857	3,117,566	1,754,205	3,402,845	685,251	234,971	151,132	49,930
Fox River Trust income	-	500,000	500,000	500,000	500,000	-	-	-	-	-
Miscellaneous	679,373	46,384	54,374	24,669	106,617	325,209	65,323	104,000	169,065	189,168
Total revenues	17,173,405	19,741,597	17,292,758	24,132,090	27,984,560	29,667,467	34,402,814	34,287,367	34,145,013	34,513,033
EXPENDITURES										
Current										
General government	4,124,619	5,720,766	4,878,153	5,379,221	6,210,541	6,601,893	7,077,210	7,029,826	6,967,700	7,464,482
Capital outlay										
Land acquisition and development	20,628,394	35,174,680	6,676,180	53,805,192	54,358,024	24,820,382	54,184,489	10,892,040	10,450,091	16,847,071
Debt service										
Principal Retirement	13,680,000	4,500,000	5,175,000	6,475,000	7,940,000	10,475,000	11,315,000	13,050,000	14,410,000	38,050,000
Interest and fiscal charges	4,068,907	4,600,600	4,871,356	8,308,341	8,012,193	11,739,109	11,406,471	10,865,043	10,232,200	10,981,802
Bond issuance costs	-	113,529	430,018	2,023	557,261	-	-	-	-	-
Miscellaneous	-	-	2,269	-	-	-	-	-	-	-
Total expenditures	42,501,920	50,109,575	22,032,976	73,969,777	77,078,019	53,636,384	83,983,170	41,836,909	42,059,991	73,343,355
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,328,515)	(30,367,978)	(4,740,218)	(49,837,687)	(49,093,459)	(23,968,917)	(49,580,356)	(7,549,542)	(7,914,978)	(38,830,322)
OTHER FINANCING SOURCES (USES)										
Refunding bonds issued	-	45,770,000	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(50,290,509)	-	-	-	-	-	-	-	-
Transfers in	1,781,136	-	-	332,871	332,871	-	6,250,000	260,000	-	-
Transfers (out)	(1,781,136)	(2,369,704)	-	-	-	-	(6,250,000)	-	-	-
Issuance of bonds	47,590,590	-	75,000,000	-	94,495,866	-	-	-	30,000,000	21,235,000
Premium on bonds	-	4,634,038	6,877,129	-	3,962,248	-	-	-	219,374	1,058,524
Proceeds from sale of capital assets	-	-	332,853	130,000	-	-	78,256	1,021,036	21,197	748
Total other financing sources (uses)	47,590,590	(2,256,175)	82,209,982	462,871	98,790,985	-	78,256	1,281,036	30,240,571	22,294,272
NET CHANGES IN FUND BALANCES	$ 22,262,075	$ (32,624,153)	$ 77,469,764	$ (49,374,816)	$ 49,697,526	$ (23,968,917)	$ (49,502,100)	$ (6,268,506)	$ 22,325,593	$ (16,536,050)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	81.1%	60.9%	65.4%	73.3%	70.2%	77.1%	76.2%	77.3%	78.0%	85.1%

Source: Audited financial statements

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Collection Year	Residential Property	Farm Property	Commercial & Industrial Property	Railroad Property	Total Equalized Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
2002	2003	$ 6,998,995,694	$ 200,485,317	$ 1,803,470,806	$ 7,022,315	$ 9,009,974,132	$ 27,029,922,396	0.1395	33.33%
2003	2004	7,955,660,090	207,467,426	1,959,266,714	6,283,671	10,128,677,901	30,386,033,703	0.1270	33.33%
2004	2005	8,715,786,796	212,064,144	2,157,528,106	6,552,422	11,091,931,468	33,275,794,404	0.1432	33.33%
2005	2006	9,679,526,289	223,518,439	2,480,871,443	6,174,423	12,390,090,594	37,170,271,782	0.1905	33.33%
2006	2007	10,737,359,756	233,308,175	2,756,139,828	6,489,782	13,733,297,541	41,199,892,623	0.1747	33.33%
2007	2008	11,773,222,789	246,092,690	3,023,823,513	7,532,945	15,050,671,937	45,152,015,811	0.1974	33.33%
2008	2009	12,329,942,235	260,815,259	3,278,850,930	8,987,156	15,878,595,580	47,635,786,740	0.1932	33.33%
2009	2010	12,227,366,351	266,671,270	3,287,993,262	10,598,471	15,792,629,354	47,377,888,062	0.1997	33.33%
2010	2011	11,458,223,572	258,244,853	3,113,576,239	12,429,644	14,842,474,308	44,527,422,924	0.2201	33.33%
2011	2012	10,500,653,170	253,294,432	3,002,142,531	13,808,973	13,769,899,106	41,309,697,318	0.2600	33.33%

Source of Information: Office of Kane County Clerk

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

PROPERTY TAX RATES - PER $100 OF ASSESSED VALUATION -
DIRECT AND OVERLAPPING GOVERNMENTS

Last Five Levy Years (1)

Tax Levy Year	2007	2008	2009	2010	2011
District Rates					
Corporate	0.0220	0.0305	0.0311	0.0342	0.0374
I.M.R.F.	0.0017	0.0016	0.0022	0.0024	0.0027
Construction & Development	0.0086	0.0013	0.0011	0.0012	0.0013
Liability Insurance	0.0032	0.0021	0.0013	0.0015	0.0019
Social Security	0.0015	0.0015	0.0019	0.0022	0.0024
Bonds & Interest	0.1605	0.1562	0.1620	0.1787	0.2153
Total District Rates (2)	0.1975	0.1932	0.1996	0.2202	0.2610
County	0.3322	0.3336	0.3398	0.3730	0.3990
Fox River Water Reclamation District	0.0246	0.0240	0.0249	0.0273	0.0299
Elgin Township	0.1208	0.1207	0.1230	0.1364	0.1550
City of Elgin	1.9200	1.9200	1.9202	1.9214	1.9836
Gail Borden Library District	0.3111	0.3175	0.3380	0.3650	0.4084
Elgin Unit School District Number 46	4.3659	4.2066	4.5494	5.2661	5.5589
Elgin Community College District #509	0.3280	0.3275	0.3833	0.4407	0.4454
Total combined (3)	7.6001	7.4431	7.8782	8.7501	9.2412
SHARE OF TOTAL RATES LEVIED BY FOREST PRESERVE	2.6%	2.6%	2.5%	2.5%	2.8%

Source: Kane County Clerk

1 - Data for prior years not available

2 - Statutory tax rate limits for the District are as follows: Corporate $0.0600 and Construction and Development $0.0250.

3 - Representative tax rates for other governmental units are from Elgin Township tax code 05, which represents approximately 8% of the District's 2011 EAV.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Prior

2011				2002			
Taxpayer	Taxable Assessed Value	Rank	% of Total Forest Preserve Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	% of Total Forest Preserve Taxable Assessed Valuation
Simon/Chelsea Chicago Development LLC	$ 37,511,439	1	0.28%	Spring Hill Mall, LLC	$ 18,206,284	1	0.20%
V V2/Geneva Commons, LP	30,579,171	2	0.23%	Arthur Andersen & Company	15,373,190	2	0.17%
Liberty Illinois LP	27,549,101	3	0.20%	Toyota Motor Sales, USA Inc.	14,804,648	3	0.16%
Spring Hill Mall, LLC	26,896,121	4	0.20%	Tradition at Canterfield LP	12,349,647	4	0.14%
In Retail Fund Algonquin Commons LLC	25,528,173	5	0.19%	Centerpoint Properties Trust	11,820,199	5	0.13%
Toyota Motor Sales USA Inc.	23,605,102	6	0.17%	Meijer Stores LP	11,193,537	6	0.12%
John B. Sanfillippo & Son Inc.	17,169,353	7	0.13%	Millard Refrigerated Services-Atlanta II, Inc.	9,790,157	7	0.11%
Arthur Andersen & Co	15,463,028	8	0.11%	Inland Real Estate Corp.	9,606,386	8	0.11%
Sherman Hospital	15,038,642	9	0.11%	City of Elgin	9,417,514	9	0.10%
AMLI at St. Charles LLC	12,123,792	10	0.09%	Charlestowne Mall, LLC	8,999,100	10	0.10%
	$ 231,463,922		1.71%		$ 121,560,662		1.34%

Source: Kane County Assessor

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General	$ 2,333,583	$ 2,451,140	$ 2,572,219	$ 2,724,970	$ 3,086,945	$ 3,256,730	$ 4,752,277	$ 4,819,800	$ 4,982,327	$ 5,050,551
Illinois Municipal Retirement	180,199	182,316	210,747	225,047	240,086	250,029	250,063	343,089	347,130	365,763
Insurance Liability	63,072	81,029	125,339	150,113	157,536	474,034	325,003	205,048	224,622	259,831
Debt Service	8,577,495	8,609,376	11,370,339	18,422,839	18,430,065	23,725,219	24,341,126	25,076,577	26,025,859	29,089,818
Construction and Development	1,225,356	1,336,986	1,410,894	1,522,971	1,479,971	1,264,929	200,050	164,658	169,122	171,599
Social Security	189,209	202,574	194,109	200,028	210,093	220,605	235,105	300,067	313,335	317,661
TOTAL EXTENSIONS	$ 12,568,914	$ 12,863,421	$ 15,883,647	$ 23,245,968	$ 23,604,696	$ 29,191,546	$ 30,103,624	$ 30,909,239	$ 32,062,395	$ 35,255,223
Collected within the fiscal year of the levy	N/A	N/A	6,983,387	9,653,085	11,615,578	14,057,634	13,902,909	12,987,245	15,703,107	17,469,072
Percentage of the levy	0.00%	0.00%	43.97%	41.53%	49.21%	48.16%	46.18%	42.02%	48.98%	49.55%
Collections in subsequent years	12,545,842	12,807,524	8,837,053	13,494,394	11,942,124	15,049,735	16,060,216	17,877,393	16,257,616	16,681,555
TOTAL COLLECTIONS	12,545,842	$ 12,807,524	$ 15,820,440	$ 23,147,479	$ 23,557,702	$ 29,107,369	$ 29,963,125	$ 30,864,637	$ 31,960,723	$ 34,150,626
TOTAL PERCENT COLLECTED	99.82%	99.57%	99.60%	99.58%	99.80%	99.71%	99.53%	99.86%	99.68%	96.87%

Source: District records
N/A: Collection years not available for levy years 2002 and 2003

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2003	$ 117,585,000	$ 4,089,424	$ 113,495,576	1.26%	$ 248.28
2004	113,220,920	1,658,747	111,562,173	1.10%	244.05
2005	189,183,911	1,891,770	187,292,141	1.69%	388.48
2006	182,688,541	-	182,688,541	1.47%	378.93
2007	272,879,421	3,378,630	269,500,791	1.96%	533.66
2008	262,146,496	254,433	261,892,063	1.74%	516.43
2009	250,812,324	1,559,677	249,252,647	1.57%	491.50
2010	237,812,324	2,113,169	235,699,155	1.49%	457.43
2011	253,685,748	2,759,107	250,926,641	1.69%	486.98
2012	229,481,457	2,177,699	227,303,758	1.65%	441.14

Note: Details of the District's outstanding debt can be found in the notes to financial statements.

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 70 for property value data.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal	Governmental Activities General Obligation Bonds	Business-Type Activities	Total Primary Government	Percentage of EAV	Per Capita*	Estimated Equalized Value of Property	Population
2003	$ 117,345,000	$ 240,000	$ 117,585,000	1.31%	$ 257.23	$ 9,009,974,132	457,122
2004	112,685,000	160,000	112,845,000	1.11%	246.86	10,128,677,901	457,122
2005	182,510,000	80,000	182,590,000	1.65%	378.73	11,091,931,468	482,113
2006	176,035,000	-	176,035,000	1.42%	365.13	12,390,090,594	482,113
2007	262,987,692	-	262,987,692	1.91%	520.77	13,733,297,541	505,000
2008	252,978,455	8,000,000	260,978,455	1.73%	514.62	15,050,671,937	507,125
2009	242,151,155	8,000,000	250,151,155	1.58%	493.27	15,878,595,580	507,125
2010	229,611,825	7,730,000	237,341,825	1.50%	460.62	15,792,629,354	515,269
2011	245,736,548	7,450,000	253,186,548	1.71%	491.37	14,842,474,308	515,269
2012	229,481,457	7,160,000	236,641,457	1.72%	459.26	13,769,899,106	515,269

Note: Details of the District's outstanding debt can be found in the notes to financial statements.

* See the schedule of Demographic and Economic Statistics on page 78 for personal income and population data.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

DIRECT AND OVERLAPPING DEBT

June 30, 2012

Governmental Unit	Gross Debt	Percentage Applicable to the District	Applicable Debt
Direct Debt			
Forest Preserve District of Kane County	$ 229,481,457	100.00%	$ 229,481,457
Overlapping Debt			
Kane County	103,030,000	100.00%	103,030,000
Townships	51,950,000	100.00%	51,950,000
School districts and colleges	2,459,874,300	49.56%	1,219,113,703
Cities and Villages	594,301,002	57.73%	343,089,968
Park districts	203,499,775	62.96%	128,123,458
Library districts	52,435,000	61.43%	32,210,821
Special service areas and TIF districts	94,010,588	99.14%	93,202,097
Various others	22,965,000	100.00%	22,965,000
Total Overlapping Debt	3,582,065,665		1,993,685,047
TOTAL DIRECT AND OVERLAPPING DEBT	$ 3,811,547,122		$ 2,223,166,504

Source: Kane County Clerk

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

June 30, 2012

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 207,229,405	$ 232,959,592	$ 258,877,047	$ 284,972,084	$ 315,865,843	$ 346,165,455	$ 365,207,698	$ 363,230,475	$ 341,376,909	$ 310,769,890
Total net debt aplicable to limit	117,345,000	112,685,000	182,510,000	176,035,000	262,987,692	242,620,000	231,305,000	218,255,000	233,845,000	217,030,000
LEGAL DEBT MARGIN	$ 89,884,405	$ 120,274,592	$ 76,367,047	$ 108,937,084	$ 52,878,151	$ 103,545,455	$ 133,902,698	$ 144,975,475	$ 107,531,909	$ 93,739,890
Total net debt applicable to the limit as a percentage of debt limit	56.63%	48.37%	70.50%	61.77%	83.26%	70.09%	63.34%	60.09%	68.50%	69.84%

Legal Debt Margin Calculation for Fiscal 2012	
Equalized Assessed Value*	$ 13,769,899,106
Legal debt margin	2.300%
Debt limit	316,707,679
Debt applicable to limit general obligation bonds	217,030,000
Legal debt margin	$ 99,677,679

*Most recent value available

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	443,041	$ 13,465,788,154	$ 30,394	6.7%
2003	457,122	13,893,766,068	30,394	7.0%
2004	457,122	13,893,766,068	30,394	5.9%
2005	482,113	14,653,342,522	30,394	5.7%
2006	482,113	14,653,342,522	30,394	3.4%
2007	505,000	15,348,970,000	30,394	6.4%
2008	507,125	15,790,351,125	31,137	7.5%
2009	507,125	18,322,933,375	36,131	11.2%
2010	515,269	19,014,971,907	36,903	8.6%
2011	515,269	19,014,971,907	36,903	9.8%

Sources: Office of DuPage County Clerk, U.S. Census Bureau, Illinois Department of Employment Security

Note: Per capita income is based on census information
Information for 2012 not available

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

2012			2003		
Employer	Number	% of Total Forest Preserve Population	Employer	Number	% of Total Forest Preserve Population
School District U-46	4,170	0.62%	School District U-46	5,000	1.00%
Caterpillar, Inc	2,500	0.37%	Caterpillar, Inc	3,300	0.66%
Chase	2,500	0.37%	First Card	2,500	0.50%
Sherman Hospital	2,200	0.32%	Fermi National Accelerator Laboratory	2,350	0.47%
Rush Copley Medical Center	2,000	0.30%	Sherman Hospital	1,702	0.34%
Fermi Research Alliance	1,900	0.28%	Hollywood Casino	1,700	0.34%
Delnor-Community Hospital	1,650	0.24%	Grand Victoria Casino	1,500	0.30%
Waubonsee Community College	1,460	0.22%	Elgin Mental Health Center	1,250	0.25%
Provena Mercy Center	1,300	0.19%	Delnor-Community Hospital	1,022	0.20%
Elgin Mental Health Center	1,300	0.19%	Richardson Electronics Ltd.	1,000	0.20%
2012 Population	677,560		2003 Population	502,066	

Source of Information: 2012 Illinois Manufacturer's Directory, 2012 Illinois Services Directory and a selective telephone survey.

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

FULL-TIME EMPLOYEES

Last Five Fiscal Years

Function/Program	2008	2009	2010	2011	2012
GENERAL GOVERNMENT					
Administration	2	2	2	2	2
Finance	6	6	6	6	6
Human Resources	3	3	3	3	3
PUBLIC SAFETY					
Police Officers	5	6	6	6	6
OPERATIONS					
Administration	1	1	1	1	1
North Division	16	16	16	16	16
South Division	17	17	17	17	17
Trades	4	5	5	5	5
PLANNING AND ACQUISITION	2	2	2	2	2
NATURAL RESOURCES	5	6	6	6	7
COMMUNITY AFFAIRS AND EDUCATION					
Community Affairs	2	2	2	2	2
Education	4	4	4	4	4
AGENCY TOTAL	67	70	70	70	71

Source: Forest Preserve District Human Resources

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

OPERATING INDICATORS

Last Five Fiscal Years

	2008	2009	2010	2011	2012
GENERAL GOVERNMENT					
Number of volunteer hours	7,171	6,871	9,352	7,773	N/A
EDUCATION CENTER					
Staff-led nature programs conducted	205	264	269	247	225
Program attendees	8,317	10,160	9,627	9,544	9,669
Nature center attendees	7,012	6,956	6,961	4,754	5,774
Total attendees (programs + nature center)	15,545	17,286	16,789	14,469	15,648
MAINTENANACE AND DEVELOPMENT					
Prescribed burn acres	795	1,331	1,034	1,559	1,000
Trees planted	11,275	1,150	12,700	11,500	1,500
Trades - work orders completed	31	85	92	207	86
PUBLIC SAFETY					
Arrests	N/A	20	7	11	28
Ordinance violations	439	158	338	383	185
Traffic violations	N/A	48	35	146	18

Source: District Departments

FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS

CAPITAL ASSET STATISTICS

Last Five Fiscal Years

	2008	2009	2010	2011	2012
EDUCATION AND RECREATION/					
PLANNING AND DEVELOPMENT					
Miles of trails	116	125	135	159	160
Acres of preserves	18,263	18,263	18,628	19,140	19,140
Number of preserves	94	94	94	94	94
Number of picnic shelters	38	44	44	50	50
Number of parking lots	95	105	107	113	115
Number of testrooms	35	39	42	43	43
OPERATIONS					
Facilities					
Golf courses	3	3	3	3	3
Baseball stadium	1	1	1	1	1
Indoor soccer stadium	1	1	1	1	1
Indoor ice rink	1	1	1	1	1
Other facilities	6	6	6	6	6
Maintenance vehicles	43	45	44	44	44
Mowers	34	34	30	30	30
PUBLIC SAFETY					
Police					
Area patrols	2	2	2	2	2

Source: District Departments