# Comprehensive Annual Financial Report

**Forest Preserve District of Kane County**

For the Fiscal Year ended June 30, 2016

**Mayapple**
Glenwood Park Forest Preserve, Batavia
*Photo by Senior Ranger Collin Verbick*

# FOREST PRESERVE DISTRICT
# OF KANE COUNTY, ILLINOIS

# COMPREHENSIVE ANNUAL
# FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## JUNE 30, 2016

Prepared by:
Ken Stanish, Finance Director
David Petschke, Accounting Manager

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**TABLE OF CONTENTS**

---

**PAGE**

## INTRODUCTORY SECTION


List of Principal Officials ..... i
Organization Chart ..... ii
Transmittal Letter ..... iii - viii
Certificate of Achievement for Excellence in Financial Reporting ..... ix


## FINANCIAL SECTION


**INDEPENDENT AUDITORS' REPORT** ..... 1 - 2

**MANAGEMENT'S DISCUSSION AND ANALYSIS** ..... MD&A 1 - 11

**BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements
- Statement of Net Position ..... 3 - 4
- Statement of Activities ..... 5 - 6

Fund Financial Statements
- Balance Sheet – Governmental Funds ..... 7 - 8
- Reconciliation of Total Governmental Fund Balance to Net Position – Governmental Activities ..... 9
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ..... 10 - 11
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities ..... 12
- Statement of Net Position – Proprietary Fund ..... 13
- Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund ..... 14
- Statement of Cash Flows – Proprietary Fund ..... 15

Notes to the Financial Statements ..... 16 - 48

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress and Employer Contributions
- Other Post-Employment Benefits Plan ..... 49

Schedule of Employer Contributions
- Illinois Municipal Retirement Fund ..... 50

Schedule of Changes in the Employer's Net Pension Liability
- Illinois Municipal Retirement Fund ..... 51

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- General Fund ..... 52

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**TABLE OF CONTENTS**

---

**PAGE**

**FINANCIAL SECTION – Continued**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**


Schedule of Revenues – Budget and Actual – General Fund ..... 53
Schedule of Expenditures – Budget and Actual – General Fund ..... 54 - 55
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Debt Service Fund ..... 56
Construction and Development – Capital Projects Fund ..... 57
Land Acquisition – Capital Projects Fund ..... 58
Combining Balance Sheet – Nonmajor Governmental Funds ..... 59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds ..... 60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Illinois Municipal Retirement – Special Revenue Fund ..... 61
Insurance Liability – Special Revenue Fund ..... 62
Social Security – Special Revenue Fund ..... 63
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual
Cultural and Events Center – Enterprise Fund ..... 64


**SUPPLEMENTAL SCHEDULES**


Long-Term Debt Requirements
General Obligation Bonds of 2007 ..... 65
Taxable General Obligation (Alternate Revenue Source) Bonds of 2008 ..... 66
General Obligation Bonds of 2011A ..... 67
General Obligation Limited Tax Refunding Bonds of 2011B ..... 68
General Obligation Refunding Bonds of 2012 ..... 69
General Obligation Limited Tax Refunding Bonds of 20015A ..... 70
General Obligation Refunding Bonds of 2015B ..... 71
General Obligation Limited Tax Refunding Bonds of 20016A ..... 72
Taxable General Obligation (Alternate Revenue Source) Bonds of 2016B ..... 73

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**TABLE OF CONTENTS**

---

**PAGE**

## STATISTICAL SECTION (Unaudited)


Net Position by Component – Last Ten Fiscal Years ..... 74 - 75
Changes in Net Position – Last Ten Fiscal Years ..... 76 - 77
Fund Balances of Governmental Funds – Last Ten Fiscal Years ..... 78 - 79
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years ..... 80 - 81
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years ..... 82 - 83
Direct and Overlapping Property Tax Rates – Last Eight Tax Levy Years ..... 84 - 85
Principal Property Tax Payers – Current Tax Levy Year and Nine Tax Levy Years Ago ..... 86
Property Tax Levies and Collections – Last Ten Fiscal Years ..... 87
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years ..... 88
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years ..... 89
Schedule of Direct and Overlapping Governmental Activities Debt ..... 90
Schedule of Legal Debt Margin – Last Ten Fiscal Years ..... 91 - 92
Demographic and Economic Statistics – Last Ten Fiscal Years ..... 93
Principal Employers – Current Tax Levy Year and Nine Tax Levy Years Ago ..... 94
Full-Time Equivalent Government Employees by Function – Last Nine Fiscal Years ..... 95
Operating Indicators by Function/Program – Last Nine Fiscal Years ..... 96 - 97
Capital Asset Statistics by Function/Program – Last Nine Fiscal Years ..... 98 - 99

# INTRODUCTORY SECTION

This section includes the District's:

- List of Principal Officials
- Organization Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**List of Principal Officials**
**June 30, 2016**

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**PRESIDENT**
Michael Kenyon, District 16

**PRESIDENT PRO TEM AND TREASURER**
Mark Davoust, District 14

**SECRETARY**
Philip Lewis, District 13

**FOREST PRESERVE COMMISSION**

Chris Lauzen, County Board Chair
Myrna Molina, District 1
Theresa Barreiro, District 2
Don Ishmael, District 3
Brian Pollack, District 4
Bill Lenert, District 5
Brian Dahl, District 6
Monica Silva, District 7
Maria Vazquez, District 8
Thomas (T.R.) Smith, District 9
Susan Starrett, District 10
John Martin, District 11
John J. Hoscheit, District 12
Barbara Wojnicki, District 15
Deborah Allen, District 17
Drew Frasz, District 18
Kurt Kojzarek, District 19
Cristina Castro, District 20
Rebecca Gillam, District 21
Douglas Scheflow, District 22
Maggie Auger, District 23
Joseph Haimann, District 24

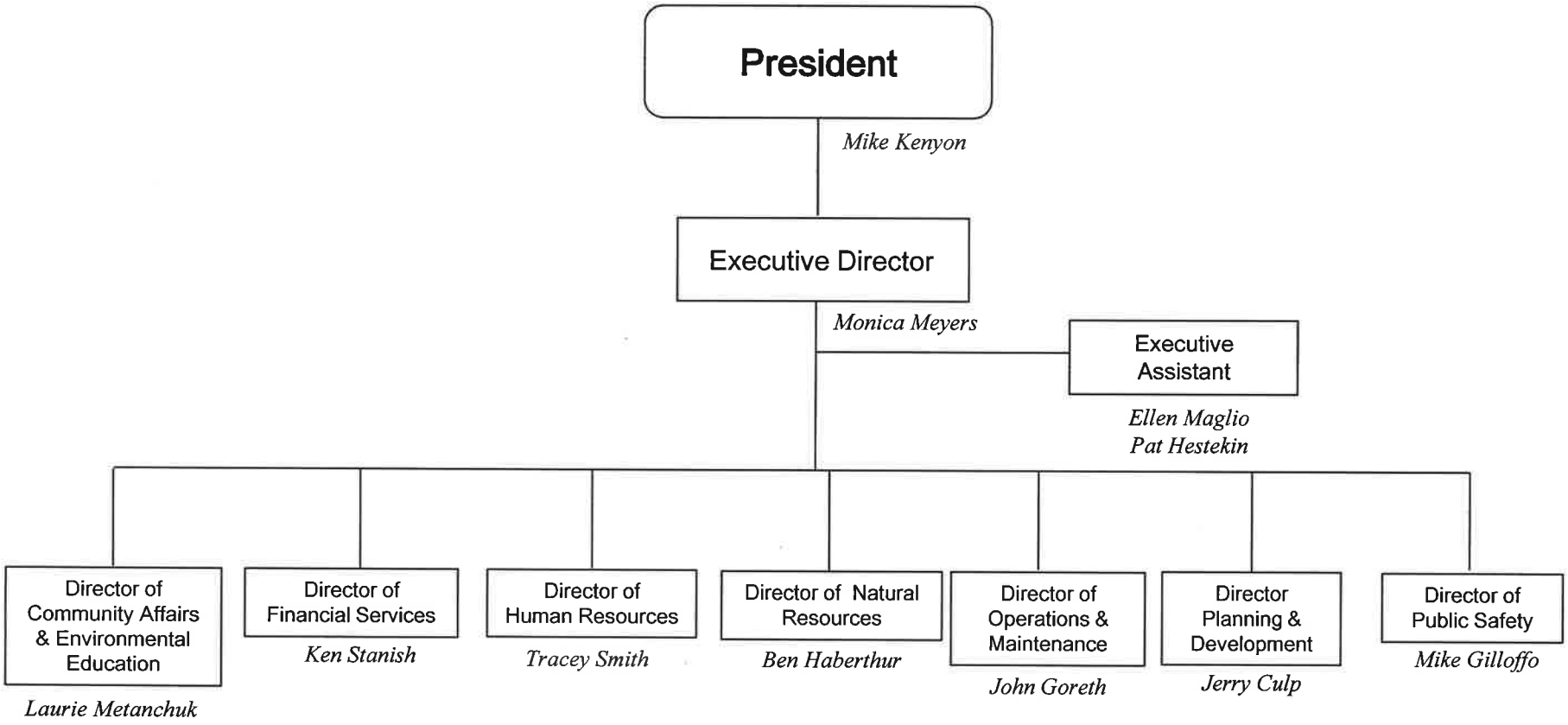
**EXECUTIVE DIRECTOR**
Monica A. Meyers

**FINANCE DIRECTOR**
Ken Stanish

# Forest Preserve District of Kane County

## Management Team

May 2016



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

October 12, 2016

To: President Kenyon
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, 2016, is hereby submitted as mandated by state statutes. This report provides a broad view of the District's financial activities for the 2016 fiscal year and its financial position as of June 30, 2016. 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 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 the District's renowned trail system;
- And, expand recreation and environmental education.

Currently, the District manages 20,709 acres of public open space and includes 98 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, home of the Chicago Steel; Strikers Indoor Soccer Facility; three golf courses; Barbara Belding Lodge at Brewster Creek; Big Rock campground and Paul Wolff campground; 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: Executive, Finance & Administration, Land Acquisition, 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 73 full-time, 27 year-round, part-time and 63 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 and is the fifth largest county in Illinois. The county is approximately 522 square miles in area. The County's estimated population of 530,847 represents an increase of 2.8% since the 2010 Census of 516,269.

The equalized assessed value of the county steadily declined since the Great Recession of 2007-2009. In 2008, the EAV reached a peak of $15.9 billion and then declined to a low of $11.6 billion in tax year 2014. In tax year 2015, the EAV rose to $12.2 billion. During this difficult time, the Commission decided to freeze the operating levies. Even with these challenges, the District has maintained a strong financial position by remaining fiscally conservative. The District is extremely proud of maintaining its AA+ rating from Standard & Poor's Rating Committee.

Several economic indicators contribute to the financial strength of Kane County. The leading 10 taxpayers account for a very diverse 2.0% of equalized assessed value (EAV). The fair market value of the tax base is an estimated $35 billion, or what is considered to be a very strong $65,757 per capita. According to the Illinois Department of Employment Security, Kane County's June 2016 unemployment rate was 5.2%, below the state's 6.0% rate. Incomes for County residents are considered strong, as represented by the County's median household income of 126% of the state level and 134% of the national level. This is due in part to County residents having access to a wide variety of jobs both locally and throughout the western suburbs.

While the District is below its tax rate limit for the both the General Fund (the District's major operating fund) and the Construction & Development 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 2016, with many significant projects taking shape and being completed. Among the projects of which the District is most proud are the following:

- **Debt Refinancing**
  The District saved $2.83 million on a net present value basis in interest expense by conducting 4 separate bond refinancings during the course of the fiscal year. The District was able to accomplish this due to a low interest rate environment and a strong credit rating.

- **Land Acquisitions**
  The District acquired three strategic parcels that totaled 104.95 acres during the fiscal year:
  - Volkening – 29.66 acres
  - Travis – 25.29 acres
  - Raceway Woods Dundee Township – 50 acres

- **Grant Awards**
  The District was awarded 2 grants, totaling $9,540. Grant revenue earned in the fiscal year was $233,426, with the majority of this coming from an RTP Grant for Freeman Kame Horse & Hike Trail and an IDNR Grant for the causeway removal at the Fabyan Forest Preserve, which were awarded in the prior 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 near year:

- **Natural Resource Facility**
  The District is in the process of finalizing plans for a new Natural Resource facility. This will provide the Natural Resource staff with a modernized facility that will have room for future growth.

- **Settler's Hill Golf Course Improvements**
  A new driving range and practice green will be added to the layout.

- **Fabyan Causeway Removal Project**
  The existing causeway that is on the north end of the Fabyan Island, and is no longer functioning properly, will be removed. This will improve the water quality on the western side of the island due to increasing the flow of water. Funding for this project will come from the Illinois Department of Natural Resources. (The project is currently on hold due to the state's budget challenges.)

- **Carpentersville Dam Removal Project**
  Removal of this dam will improve the river corridor by providing better habitat for the plants and animals that live in and around the dam. The District has signed a contract with the Illinois Department of Natural Resources to fund the removal. (The project is currently on hold due to the state's budget challenges.)

- **Raymond Street Bike Trail**
  The bridge that allowed pedestrians to go beneath the existing railroad tracks was damaged repeatedly due to flooding and permanently removed. Staff is currently working on various designs that would move the trail away from the water while still providing safe passage past the railroad tracks. The District has received a CMAP-TAP grant for $1,774,896 (80% of the cost of the project).

- **Freeman Kame Forest Preserve Improvements**
  The District received a grant (IDNR RTP Grant) to install a shelter, restroom, parking lot and .66 mile of trail in the southern section of the preserve. The new trail will connect to the existing 3.5 miles of trails to the north and the Tomo Chi Chi Knolls Campground and Lodge. The project is scheduled for completion in the summer of 2017 with a formal opening in early fall 2017.

## *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 2015, the District performed a comprehensive review of all policies (including financial management policies).

The District begins its budget process in December. Directors from each department work with their respective staff to submit a departmental budget that is then compiled into one document that accounts for all funds. Numerous meetings are held to determine the priority of items presented and the balanced budget is then presented to the finance committee. Once approved it is then forwarded to the executive committee and to full commission for final approval prior to the start of the fiscal year.

## *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 Lauterbach & Amen, LLP to perform the audit for the fiscal year ending June 30, 2016. Their unmodified opinion on the basic financial statements is included in this report.

***Awards*** – The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Forest Preserve for the year ending June 30, 2015. The award is based on the ability of a governmental unit to present an easily readable and efficiently organized financial report. The contents must conform to the standards specified by the Certificate of Achievement program, as well as, satisfy all legal requirements and generally accepted accounting principles.

The certificate is valid for one year. The District believes the current report conforms to the requirements, and is submitting it to the Government Finance Officers Association to determine eligibility. This is the fourth consecutive year the District has received this award.

***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

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Forest Presrve District of Kane County, Illinois**

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

# INDEPENDENT AUDITORS' REPORT

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# INDEPENDENT AUDITORS' REPORT

October 12, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

*Other Information*

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 statements and budgetary comparison schedules, supplemental schedules, 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 statements and budgetary comparison schedules and supplemental 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. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOREST PRESERVE DISTRICT OF KANE COUNTY**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016. 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 to summarize 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 Position and the Statement of Activities.

The Statement of Net Position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position is being reported as the amount of assets/deferred outflows less liabilities/deferred inflows. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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 position 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 – 6 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 7 - 12.

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 59 – 60 in this report.

The District adopts an annual budget for all governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with the budget shown on pages 52 – 58, and 61 – 64.

The basic governmental fund financial statements can be found on pages 7 – 8 and 10 – 11 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 13 – 15 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 16 – 48 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 and a budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 49 – 52 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 53 – 64 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, 2016.

## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table presents a condensed summary of net position as of June 30, 2016, along with 2015 data for comparison:

**Table 1**
**Statement of Net Position**
**As of June 30, 2016, and 2015**
**(in thousands)**

| | Governmental Activities | | Business-type Activities | | Total Activities | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Assets:** | | | | | | |
| Current and other assets | $ 60,987 | $ 61,329 | $ 3,712 | $ 3,576 | $ 64,699 | $ 64,905 |
| Capital assets | 410,404 | 409,512 | 13,231 | 13,835 | 423,635 | 423,347 |
| **Total assets** | 471,391 | 470,841 | 16,943 | 17,411 | 488,334 | 488,252 |
| **Deferred Outflows:** | 1,915 | 661 | 293 | - | 2,208 | 661 |
| **Liabilities:** | | | | | | |
| Current liabilities | 24,393 | 23,489 | 502 | 374 | 24,895 | 23,863 |
| Non-current liabilities: | 131,060 | 153,424 | 5,740 | 5,833 | 136,800 | 159,258 |
| **Total liabilities** | 155,453 | 176,913 | 6,242 | 6,207 | 161,695 | 183,120 |
| **Deferred Inflows:** | 37,160 | 38,773 | - | - | 37,160 | 38,773 |
| **Net Position:** | | | | | | |
| Net investment in capital assets | 258,667 | 238,280 | 7,011 | 7,657 | 265,678 | 245,937 |
| Restricted | 7,372 | 7,111 | - | - | 7,372 | 7,111 |
| Unrestricted (deficit) | 14,654 | 10,425 | 3,983 | 3,547 | 18,637 | 13,972 |
| **Total Net Position** | **$ 280,693** | **$ 255,816** | **$ 10,994** | **$ 11,204** | **$ 291,687** | **$ 267,019** |

The District's assets/ deferred outflows of resources exceeded its liabilities/deferred inflows of resources by $292 million at June 30, 2016. By far, the largest portion of the District's net position 91.1% or $265.7 million is in its net 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 2.5% or $7.4 million of the District's net position represents resources that are subject to external restrictions that govern their use. The remaining 6.4% or $18.6 million represents unrestricted net position that may be used to meet the District's ongoing obligations to citizens and creditors.

The deferred outflows of $2.2 million shown on the Statement of Net Position are due to $1.3 million of deferred items due to the GASB Statement No. 68 which has been implemented in fiscal year 2015 for reporting the Illinois Municipal Retirement Fund. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the pension plans. The Statement specifically identifies the methods and assumptions that are to be used in calculating and disclosing these pension-related accounts in the financial statements, see p. 45 in the notes for additional note disclosures.

The increase in Net Position from the prior year, illustrated above, was mainly due to the District's reduction in general obligation bonds within the fiscal year. The principal payments on general obligation debt were $22.8 million, which was a 13.2% decrease to long-term debt. An additional reason for the increase in net position was due to the Districts revenue's exceeding expenses due to District staff being fiscally conservative.

For more detailed information, see the Statement of Revenues, Expenditures, and Changes in Fund Balance on pages 10 – 11.

## Changes in Net Position

The following table presents a condensed summary of changes in net position as of June 30, 2016, along with 2015 data for comparison:

**Table 2**
**Changes in Net Position**
**For the Fiscal Year Ended June 30, 2016 and 2015**
**(in thousands)**

| | Governmental Activities | | Business-type Activities | | Total Activities | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Revenues** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | 2,593 | 2,567 | 793 | 735 | 3,386 | 3,302 |
| Capital Grants and Contributions | 233 | 1,094 | - | - | 233 | 1,094 |
| Taxes | 36,055 | 35,577 | - | - | 36,055 | 35,577 |
| Investment Income | 145 | 117 | 27 | 10 | 172 | 127 |
| Miscellaneous | 745 | 1,486 | 170 | 910 | 915 | 2,396 |
| **Total Revenue** | 39,771 | 40,841 | 990 | 1,655 | 40,761 | 42,497 |
| **Expenses** | | | | | | |
| Program Expenses: | | | | | | |
| General Government | 8,754 | 8,620 | - | - | 8,754 | 8,620 |
| Land Acquisition & Development | 1,359 | 2,124 | - | - | 1,359 | 2,124 |
| Interest and Fiscal Charges | 4,780 | 5,700 | - | - | 4,780 | 5,700 |
| Cultural & Events Center | - | - | 1,200 | 1,064 | 1,200 | 1,064 |
| **Total Expenses** | 14,893 | 16,444 | 1,200 | 1,064 | 16,093 | 17,508 |
| **Transfers** | - | - | - | - | - | - |
| **Change in Net Position** | **$ 24,878** | **$ 24,397** | **$ (210)** | **$ 591** | **$ 24,668** | **$ 24,989** |
| **Beginning Net Position** | **$ 255,815** | **$ 231,418** | **$ 11,204** | **$ 10,613** | **$ 267,019** | **$ 242,031** |
| **Ending Net Position** | **$ 280,693** | **$ 255,815** | **$ 10,994** | **$ 11,204** | **$ 291,687** | **$ 267,019** |

The overall net position increased by 9.2% in 2016 to $291.7 million, as compared to the previous year's net position of $267.0 million. The increase in net position was primarily due to decreased expenses in the interest and fiscal charges and land acquisitions by the District during the fiscal year combined with increased property tax taxes that reflects the levy of debt service payments.

Total revenue in 2016 decreased 4.1% to $40.8 million, as compared to the previous year's revenue of $42.5 million. The decrease was due mainly to fewer grants received in the fiscal year. Further descriptions are detailed below:

Charges for services and user fees increased 2.5% during the year, which was due in part to the timing of payments from the baseball operations in the business-type fund and due to increased fees for farm rentals in the General Fund.

Property and replacement tax revenue increased 1.3% in 2016, which is primarily due to the property taxes received from the tax levy which is required to pay debt service payments during the fiscal year. The operating property tax levy was frozen during the fiscal year, but the majority increase noted was due to Referenda debt approved by the citizens of Kane County.

Capital grants and contributions decreased by 78.7%. The District was successful in obtaining several capital grants during the previous fiscal year from both the State and Federal government. Due to the current economic factors affecting the State and fewer opportunities for grant supported acquisitions, this revenue has decreased in the current fiscal year.

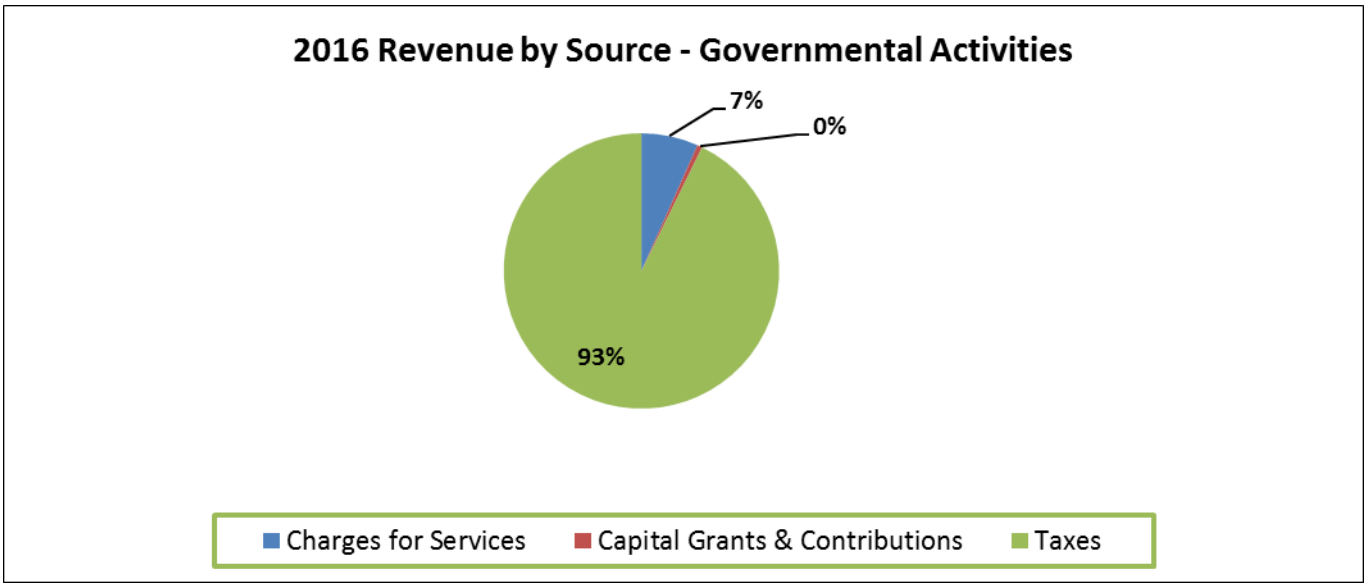
**Governmental Activities**

Revenue from Governmental Activities decreased 2.6% or from $40.8 million in fiscal year 2015 to $39.8 million for fiscal year 2016. The decrease primarily resulted from a decrease in capital grants and contribution received during the year. In addition, the property tax operating levy was frozen in the current fiscal year. The increased amount of property taxes reflects the levy of debt service payments. Property tax revenues represent the largest portion of the revenue base, yielding 93% of the total revenue. Property taxes fund Governmental Activities including, but not limited to, the District's contribution to the General Fund, Illinois Municipal Retirement Fund (IMRF), Social Security Fund, Insurance Liability Fund, Construction & Development Fund and Debt Service Fund.

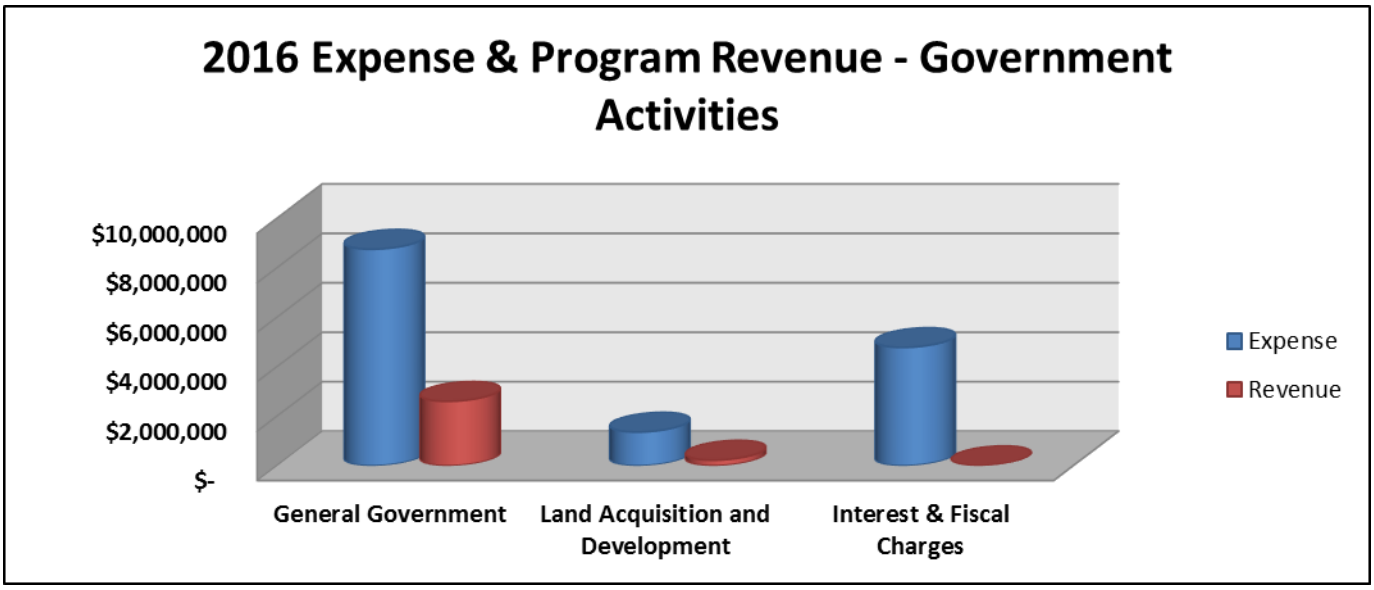
Charges for services accounted for 6.5% of total revenues. The District does not receive all of its funding through property tax revenue. Therefore, it also must charge a fee for programs and services, as well as the use of its farm land in order to cover costs. These fees are evaluated each year, before the preparation of the following fiscal year's budget.

The cost of all governmental activities this year was $14.9 million. General government expenses accounted for 58.8% of total expenses or $8.8 million. These expenses included administrative services needed to support all District operations. Also included in total expenses for governmental activities in 2016 is $1.2 million in depreciation expense. Interest and fiscal charges accounted for 32.1% of total expenses or $4.8 million. These costs were related to the current interest payments of outstanding debt. Land acquisition and development expenses captured 9.1% of the total expenses or $1.4 million; this includes costs associated with adding new properties and opening new facilities.

The following graph illustrates the major sources of revenue for governmental activities for fiscal year 2016.




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. As presented above, the General Government expenses are in part funded by charges for services, however the costs are primarily funded through property tax revenue. Revenue shown in the chart for land acquisition and development includes a riverboat grant from Kane County in the amount of $250,000. The land acquisition and development fund also received revenue from two grants in the amount of $223,886 to assist with construction and development in the current fiscal year.

**Business-type Activities**

Total revenues of the District's business-type activities decreased 40.2% or $1.66 million to $.99 million in 2016. This decrease was primarily due to a capital contribution from the Kane County Cougars for improvements installed at the Fifth Third Ballpark in fiscal year 2015. This was a one-time contribution for improvements to the ball park.

Charges for services increased by 7.9% in the fiscal year due to the timing and amount of payments for baseball activities. Charges for services primarily reflect the payments received for baseball activities.

Total expenses increased 12.8% from $1.1 million to $1.2 million in 2016. The increase in expenses was partially contributed by the costs of issuance of refunding the 2008 general obligation alternate revenue source bonds in 2016.

***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 unrestricted/unassigned 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 2016 fiscal year, governmental funds reported a combined ending fund balance of $23.6 million, increasing approximately .7% or $153,538 from fiscal year 2015. The majority of increased fund balance was from the Construction and Development Fund which are detailed below.

The fund balance in the Debt Service Fund increased 9.5% or $394,959 from fiscal year 2015. The Debt Service Fund is used to pay the bond principal payments and interest. The fund balance increased during the year due to the timing of property tax collections compared to the payments of bond principal and interest.

The Land Acquisition Fund decreased 26.5% or $813,579 due to land acquisitions during the fiscal year. The District acquired 3 different properties totaling 104.95 Acres. The properties acquired were the Raceway Woods Dundee Township property which was 50 Acres, the Volkening property which was 29.66 Acres, and the Travis Property which was 25.29 Acres.

The fund balance in the General Fund decreased 18.4% or $1.34 million from fiscal year 2015. More information on the General fund highlights are found on MD&A page 9.

The largest fund balance is in the Construction & Development Fund at $9.9 million. The District expects to continually reduce the Construction & Development fund and the Land Acquisition fund balance in order to finance future capital improvements and to acquire new properties. In 2016 there was a transfer from the General Fund for $2.2 million to fund future construction and development projects. Excluding this transfer, the fund balance within the Construction and Development Fund decreased $288,586 due to construction and development related activity. The Construction and Development Fund also has a restricted fund balance of $1.92 million which represents funds dedicated to the City of Aurora for bridge construction and engineering that will form a connection for the bike and pedestrian path.

**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 within this 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 net position are either restricted for debt service or reinvested into the facilities. For Fiscal Year 2016, the operation generated an operating loss of approximately $148,320, compared to the previous year where the operation reported an operating income of $17,214. The decline in operating income was a result attributed to the timing of receipts for rental income based on a new baseball agreement combined with the costs of issuance due to refunding the 2008 General Obligation Alternate Revenue Source Bonds. The new baseball agreement is illustrated in the footnote Cultural and Events Center, Note 4, disclosure on page 39.

The fund equity for the operation was reported at approximately $11.0 million in 2016. The fund equity is primarily composed of capital assets, net of related debt, $7.0 million; the operation has approximately $4.0 million in unrestricted fund equity.

***GENERAL FUND BUDGETARY HIGHLIGHTS***

There were no budget amendments made during the year in the General Fund. The fund balance decreased in the General Fund by $1.3 million due mainly to a transfer from the General Fund to the Construction and Development Fund in the amount of $2.2 million. This was a planned transfer to the Construction and Development Fund that will provide funding for future construction projects.

Total revenues came in above budget by $145,773 or 1.9% at $8.0 million. Major revenue sources exceeding the budget include rentals and camping 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 that was not originally budgeted. Camping revenues exceeded the budget due to favorable weather and increased usage of the campgrounds.

General government expenditures were down approximately 9.1% or $715,296 compared to the 2016 budget. Items such as salaries, contractual services and commodities were all below the budgeted amounts. This is due to District staff being fiscally conservative in the current fiscal year.

## *CAPITAL ASSETS AND LONG-TERM DEBT*

### Capital Assets

The following schedule reflects the District's capital asset balances as of June 30, 2016, with 2015 data for comparison:

**Table 3**
**Capital Assets**
**As of June 30, 2016 and 2015**

| | Governmental Activities | | Business-type Activities | | Total Activities | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Capital Assets:** | | | | | | |
| Land | $ 383,036,774 | $ 381,713,935 | $ 1,154,351 | $ 1,154,351 | $ 384,191,125 | $ 382,868,286 |
| Construction-In-Progress | 1,634,236 | 1,002,220 | - | - | 1,634,236 | 1,002,220 |
| Buildings & Improvements | 12,535,380 | 12,980,433 | 11,601,753 | 12,150,398 | 24,137,133 | 25,130,831 |
| Land Improvements | - | - | 475,108 | 530,578 | 475,108 | 530,578 |
| Machinery & Equipment | 419,235 | 512,440 | - | - | 419,235 | 512,440 |
| Infrastructure | 12,778,187 | 13,302,653 | - | - | 12,778,187 | 13,302,653 |
| **Net Capital Assets** | **$ 410,403,812** | **$ 409,511,681** | **$ 13,231,212** | **$ 13,835,327** | **$ 423,635,024** | **$ 423,347,008** |

At fiscal year end, the District's investment in capital assets for both governmental and business-type activities grew $288,016 to a total of $423.6 million (net of accumulated depreciation), representing a 0.07% increase over the prior fiscal year. The investment in capital assets includes land, construction-in-progress, buildings and improvements, land improvements, machinery and equipment and infrastructure. A majority of the construction in progress from the current fiscal year was due to the Brunner Forest Preserve, Freeman Kame, and Tyler Creek projects. The major projects that were completed consisted of the Hampshire Road & Parking Improvements and the Creek Bend Nature Center Fiber Optic line installation.

Among capital highlights for 2016 are the following projects:

- **Land Acquisitions**
  The District acquired three strategic parcels that totaled 104.95 acres during the fiscal year:
  - Volkening – 29.66 acres
  - Travis – 25.29 acres
  - Raceway Woods Dundee Township - 50 acres

For more information on the District's capital assets, see note 3 for the financial statements on pages 27 – 28.

### Long-Term Debt

At June 30, 2016, the District's total outstanding bonded debt decreased $22.9 million or 13.2% to $150.78 million, compared to $173.7 million in the previous fiscal year. This decrease reflects the retirement of debt.

The total outstanding debt includes $144.6 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 $6.2 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 and administrative offices 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, 2016 and 2015**

| | Governmental Activities | | Business-type Activities | | Total Activities | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Long-term Debt** | | | | | | |
| General Obligation Bonds | $ 144,560,000 | $ 167,449,452 | $ 6,220,000 | $ 6,215,000 | $ 150,780,000 | $ 173,664,452 |
| **Total Long-term Debt** | **$ 144,560,000** | **$ 167,449,452** | **$ 6,220,000** | **$ 6,215,000** | **$ 150,780,000** | **$ 173,664,452** |

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 33. All of the District's outstanding debt issues have been given a credit rating of AA+ by Standard & Poor's. 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 3 in the notes to the financial statements on pages 29 – 33.

## *ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES*

The District's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The District is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

## *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 South Kirk Road, Suite 320, Geneva, Illinois 6013.

# BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

    Governmental Funds

    Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Net Position**
**June 30, 2016**

**See Following Page**

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Net Position**
**June 30, 2016**

| | Governmental Activities | Business-Type Activities | Totals |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets | | | |
| Cash and Investments | $ 40,660,558 | 3,361,224 | 44,021,782 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 17,729,470 | - | 17,729,470 |
| Accounts | 1,187,088 | 346,275 | 1,533,363 |
| Interest | 5,081 | 4,285 | 9,366 |
| Service Concessions | 301,988 | - | 301,988 |
| Due from Other Governments | 1,097,266 | - | 1,097,266 |
| Prepaids | 5,959 | - | 5,959 |
| Total Current Assets | 60,987,410 | 3,711,784 | 64,699,194 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 384,671,010 | 1,154,351 | 385,825,361 |
| Depreciable | 42,057,515 | 22,001,523 | 64,059,038 |
| Accumulated Depreciation | (16,324,713) | (9,924,662) | (26,249,375) |
| Total Noncurrent Assets | 410,403,812 | 13,231,212 | 423,635,024 |
| Total Assets | 471,391,222 | 16,942,996 | 488,334,218 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Loss on Refunding | 584,824 | 292,942 | 877,766 |
| Deferred Items - IMRF | 1,330,147 | - | 1,330,147 |
| Total Deferred Outflows of Resources | 1,914,971 | 292,942 | 2,207,913 |
| Total Assets and Deferred Outflows of Resources | 473,306,193 | 17,235,938 | 490,542,131 |

The notes to the financial statements are an integral part of this statement.

| | Governmental Activities | Business-Type Activities | Totals |
|---|---|---|---|
| **LIABILITIES** | | | |
| Current Liabilities | | | |
| Accounts Payable | $ 514,887 | - | 514,887 |
| Accrued Payroll | 341,481 | - | 341,481 |
| Other Payables | 684,918 | - | 684,918 |
| Retainage Payable | 100,000 | - | 100,000 |
| Deposits Payable | - | 15,000 | 15,000 |
| Accrued Interest Payable | 241,724 | 6,745 | 248,469 |
| Current Portion of Long-Term Liabilities | 22,509,565 | 480,000 | 22,989,565 |
| Total Current Liabilities | 24,392,575 | 501,745 | 24,894,320 |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 218,259 | - | 218,259 |
| Net Pension Liability - IMRF | 2,172,275 | - | 2,172,275 |
| Net Other Post-Employment Benefits Obligation Payable | 243,171 | - | 243,171 |
| General Obligation Bonds Payable - Net | 128,426,834 | 5,740,000 | 134,166,834 |
| Total Noncurrent Liabilities | 131,060,539 | 5,740,000 | 136,800,539 |
| Total Liabilities | 155,453,114 | 6,241,745 | 161,694,859 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Property Taxes | 35,417,741 | - | 35,417,741 |
| Deferred Revenue - Service Concession | 301,988 | - | 301,988 |
| Unamortized Gain on Refunding | 1,440,183 | - | 1,440,183 |
| Total Deferred Inflows of Resources | 37,159,912 | - | 37,159,912 |
| Total Liabilities and Deferred Inflows of Resources | 192,613,026 | 6,241,745 | 198,854,771 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | 258,666,619 | 7,011,212 | 265,677,831 |
| Restricted - Illinois Municipal Retirement | 175,487 | - | 175,487 |
| Restricted - Liability Insurance | 545,530 | - | 545,530 |
| Restricted - Social Security | 209,014 | - | 209,014 |
| Restricted - Debt Service | 4,325,602 | - | 4,325,602 |
| Restricted - Fox River Trust | 197,645 | - | 197,645 |
| Restricted - Capital Projects | 1,918,992 | - | 1,918,992 |
| Unrestricted | 14,654,278 | 3,982,981 | 18,637,259 |
| Total Net Position | 280,693,167 | 10,994,193 | 291,687,360 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Activities**
**For the Fiscal Year Ended June 30, 2016**

| | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants/ Contributions | Program Revenues: Capital Grants/ Contributions |
|---|---|---|---|---|
| Governmental Activities | | | | |
| General Government | $ 8,754,040 | 2,593,120 | - | 9,540 |
| Land Acquisition and Development | 1,358,742 | - | - | 223,886 |
| Interest on Long-Term Debt | 4,780,538 | - | - | - |
| Total Governmental Activities | 14,893,320 | 2,593,120 | - | 233,426 |
| Business-Type Activities | | | | |
| Cultural and Events Center | 1,200,318 | 792,900 | - | - |
| Total Primary Government | 16,093,638 | 3,386,020 | - | 233,426 |

General Revenues
Taxes
Property
Replacement Taxes
Interest
Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

| Net (Expense)/Revenue | | |
|---|---|---|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Totals |
| (6,151,380) | - | (6,151,380) |
| (1,134,856) | - | (1,134,856) |
| (4,780,538) | - | (4,780,538) |
| (12,066,774) | - | (12,066,774) |
| - | (407,418) | (407,418) |
| (12,066,774) | (407,418) | (12,474,192) |
| 35,811,192 | - | 35,811,192 |
| 243,749 | - | 243,749 |
| 144,809 | 27,437 | 172,246 |
| 744,657 | 169,558 | 914,215 |
| 36,944,407 | 196,995 | 37,141,402 |
| 24,877,633 | (210,423) | 24,667,210 |
| 255,815,534 | 11,204,616 | 267,020,150 |
| 280,693,167 | 10,994,193 | 291,687,360 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Balance Sheet - Governmental Funds**
**June 30, 2016**

| | General | Debt Service |
|---|---|---|
| **ASSETS** | | |
| Cash and Investments | $ 9,148,372 | 18,681,786 |
| Receivables - Net of Allowances | | |
| Property Taxes | 2,676,882 | 14,530,559 |
| Accounts | 467,833 | 381,761 |
| Interest | 4,285 | 796 |
| Due from Other Governments | - | - |
| Prepaids | 5,959 | - |
| Total Assets | 12,303,331 | 33,594,902 |
| **LIABILITIES** | | |
| Accounts Payable | 343,524 | 224 |
| Accrued Payroll | 341,481 | - |
| Deposits Payable | 100,000 | - |
| Other Payables | 245,238 | - |
| Total Liabilities | 1,030,243 | 224 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Property Taxes | 5,347,543 | 29,027,352 |
| Total Liabilities and Deferred Inflows of Resources | 6,377,786 | 29,027,576 |
| **FUND BALANCES** | | |
| Nonspendable | 5,959 | - |
| Restricted | - | 4,567,326 |
| Assigned | - | - |
| Unassigned | 5,919,586 | - |
| Total Fund Balances | 5,925,545 | 4,567,326 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 12,303,331 | 33,594,902 |

The notes to the financial statements are an integral part of this statement.

| Capital Projects | | | |
|---|---|---|---|
| Construction and Development | Land Acquisition | Nonmajor | Totals |
| 9,822,817 | 1,659,004 | 1,348,579 | 40,660,558 |
| 56,377 | - | 465,652 | 17,729,470 |
| 221,451 | 69,238 | 46,805 | 1,187,088 |
| - | - | - | 5,081 |
| 563,566 | 533,700 | - | 1,097,266 |
| - | - | - | 5,959 |
| 10,664,211 | 2,261,942 | 1,861,036 | 60,685,422 |
| 167,637 | 2,720 | 782 | 514,887 |
| - | - | - | 341,481 |
| - | - | - | 100,000 |
| 439,680 | - | - | 684,918 |
| 607,317 | 2,720 | 782 | 1,641,286 |
| 112,623 | - | 930,223 | 35,417,741 |
| 719,940 | 2,720 | 931,005 | 37,059,027 |
| - | - | - | 5,959 |
| 2,116,637 | - | 930,031 | 7,613,994 |
| 7,827,634 | 2,259,222 | - | 10,086,856 |
| - | - | - | 5,919,586 |
| 9,944,271 | 2,259,222 | 930,031 | 23,626,395 |
| 10,664,211 | 2,261,942 | 1,861,036 | 60,685,422 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to Net Position - Governmental Activities**

**June 30, 2016**

| | |
|---|---|
| **Total Governmental Fund Balances** | $ 23,626,395 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 410,403,812 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Deferred Items - IMRF | 1,330,147 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (272,824) |
| Net Pension Liability - IMRF | (2,172,275) |
| Net Other Post-Employment Benefit Obligation Payable | (243,171) |
| General Obligation Bonds Payable | (144,560,000) |
| Unamortized Premium on Bonds Payable | (6,321,834) |
| Unamortized Gain on Bond Refunding | (1,440,183) |
| Unamortized Loss on Bond Refunding | 584,824 |
| Accrued Interest Payable | (241,724) |
| **Net Position of Governmental Activities** | 280,693,167 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**
**For the Fiscal Year Ended June 30, 2016**

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**See Following Page**

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**
**For the Fiscal Year Ended June 30, 2016**

| | General | Debt Service |
|---|---|---|
| Revenues | | |
| Taxes | $ 5,581,071 | 29,457,826 |
| Licenses, Permits and Fees | 10,000 | - |
| Intergovernmental | 9,540 | - |
| Charges for Services | 2,165,258 | - |
| Fines and Forfeitures | 14,121 | - |
| Interest | 48,149 | 50,671 |
| Miscellaneous | 168,157 | - |
| Total Revenues | 7,996,296 | 29,508,497 |
| Expenditures | | |
| Current | | |
| General Government | 6,885,291 | - |
| Land Acquisition and Development | - | - |
| Capital Outlay | 249,936 | - |
| Debt Service | | |
| Principal Retirement | - | 22,575,000 |
| Interest and Fiscal Charges | - | 6,712,854 |
| Total Expenditures | 7,135,227 | 29,287,854 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 861,069 | 220,643 |
| Other Financing Sources (Uses) | | |
| Debt Issuance | - | 15,080,000 |
| Premium on Debt Issuance | - | 1,492,539 |
| Payment to Escrow Agent | - | (16,398,223) |
| Transfers In | - | - |
| Transfers Out | (2,200,000) | - |
| | (2,200,000) | 174,316 |
| Net Change in Fund Balances | (1,338,931) | 394,959 |
| Fund Balances - Beginning | 7,264,476 | 4,172,367 |
| Fund Balances - Ending | 5,925,545 | 4,567,326 |

The notes to the financial statements are an integral part of this statement.

| Capital Projects | | | |
|---|---|---|---|
| Construction and Development | Land Acquisition | Nonmajor | Totals |
| 94,731 | - | 921,313 | 36,054,941 |
| - | - | - | 10,000 |
| 223,886 | - | - | 233,426 |
| 403,741 | - | - | 2,568,999 |
| - | - | - | 14,121 |
| 34,048 | 6,985 | 4,956 | 144,809 |
| 550,000 | 25,000 | 1,500 | 744,657 |
| 1,306,406 | 31,985 | 927,769 | 39,770,953 |
| 312,006 | 34,408 | 928,094 | 8,159,799 |
| 520,579 | - | - | 520,579 |
| 762,407 | 811,156 | - | 1,823,499 |
| - | - | - | 22,575,000 |
| - | - | - | 6,712,854 |
| 1,594,992 | 845,564 | 928,094 | 39,791,731 |
| (288,586) | (813,579) | (325) | (20,778) |
| - | - | - | 15,080,000 |
| - | - | - | 1,492,539 |
| - | - | - | (16,398,223) |
| 2,200,000 | - | - | 2,200,000 |
| - | - | - | (2,200,000) |
| 2,200,000 | - | - | 174,316 |
| 1,911,414 | (813,579) | (325) | 153,538 |
| 8,032,857 | 3,072,801 | 930,356 | 23,472,857 |
| 9,944,271 | 2,259,222 | 930,031 | 23,626,395 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities**

**For the Fiscal Year Ended June 30, 2016**

| | | |
|---|---|---|
| **Net Change in Fund Balances - Total Governmental Funds** | $ | 153,538 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital Outlays | | 2,105,891 |
| Depreciation Expense | | (1,213,760) |
| The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds. | | |
| Change in Deferred Items - IMRF | | 669,324 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds. | | |
| Decrease to Compensated Absences Payable | | 37,947 |
| Increase to Net Pension Liability - IMRF | | (1,179,898) |
| Increase to Net Other Post-Employment Benefit Obligations | | (28,409) |
| Retirement of General Obligation Bonds Payable - Net | | 34,762,476 |
| Issuance of Loss on Bond Refunding | | 584,824 |
| Issuance of Unamortized Premium on Bond Refunding | | (1,492,539) |
| Accretion of General Obligation Limited Tax Capital Appreciation Bonds | | 4,798,586 |
| Amotization of Gain on Bond Refunding | | 720,091 |
| Issuance of Debt | | (15,080,000) |
| Changes to accrued interest on long-term debt in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | 39,562 |
| **Changes in Net Position of Governmental Activities** | | 24,877,633 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**
**June 30, 2016**

| | Business-Type Activities |
|---|---|
| | Cultural and Events Center |
| **ASSETS** | |
| Current Assets | |
| Cash and Investments | $ 3,361,224 |
| Receivables - Net of Allowances | |
| Accounts | 346,275 |
| Interest | 4,285 |
| Total Current Assets | 3,711,784 |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable | 1,154,351 |
| Depreciable | 22,001,523 |
| Accumulated Depreciation | (9,924,662) |
| Total Noncurrent Assets | 13,231,212 |
| Total Assets | 16,942,996 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Loss on Refunding | 292,942 |
| Total Assets and Deferred Outflows of Resources | 17,235,938 |
| **LIABILITIES** | |
| Current Liabilities | |
| Deposits Payable | 15,000 |
| Accrued Interest Payable | 6,745 |
| General Obligation Bonds Payable | 480,000 |
| Total Current Liabilities | 501,745 |
| Noncurrent Liabilities | |
| General Obligation Bonds Payable - Net | 5,740,000 |
| Total Liabilities | 6,241,745 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 7,011,212 |
| Unrestricted | 3,982,981 |
| Total Net Position | 10,994,193 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds**
**For the Fiscal Year Ended June 30, 2016**

| | Business-Type Activities |
|---|---|
| | Cultural and Events Center |
| Operating Revenues | |
| Charges for Services | $ 792,900 |
| Operating Expenses | |
| Operations | 130,494 |
| Depreciation and Amortization | 810,726 |
| Total Operating Expenses | 941,220 |
| Operating Income (Loss) | (148,320) |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 27,437 |
| Interest Expense | (259,098) |
| | (231,661) |
| Income (Loss) Before Contributions | (379,981) |
| Capital Contributions | 169,558 |
| Change in Net Position | (210,423) |
| Net Position - Beginning | 11,204,616 |
| Net Position - Ending | 10,994,193 |

The notes to the financial statements are an integral part of this statement.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds**
**For the Fiscal Year Ended June 30, 2016**

| | Business-Type Activities |
|---|---|
| | Cultural and Events Center |
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | $ 261,719 |
| Payments to Suppliers | (137,739) |
| | 123,980 |
| Cash Flows from Capital and Related Financing Activities | |
| Principal Payments | (5,855,000) |
| Proceeds of Debt Issuance | 5,860,000 |
| Interest Expense | (259,098) |
| | (254,098) |
| Cash Flows from Investing Activities | |
| Interest Received | 27,437 |
| Net Change in Cash and Cash Equivalents | (102,681) |
| Cash and Cash Equivalents - Beginning | 3,463,905 |
| Cash and Cash Equivalents - Ending | 3,361,224 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | |
| Operating Income (Loss) | (148,320) |
| Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities: | |
| Depreciation and Amortization | 810,726 |
| (Increase) Decrease in Current Assets | (531,181) |
| Increase (Decrease) in Current Liabilities | (7,245) |
| Net Cash Provided by Operating Activities | 123,980 |
| Noncash Capital and Related Financing Activities | |
| Capital Contributions | 169,558 |

The notes to the financial statements are an integral part of this statement.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide financial statements of the Forest Preserve District of Kane County (the District), Illinois, are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

### REPORTING ENTITY

The District's financial reporting entity comprises the following:

| | |
|---|---|
| Primary Government: | Forest Preserve District of Kane County |

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity. 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.

### BASIS OF PRESENTATION

#### Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's public improvements, development, culture and recreation, and general administrative services are classified as governmental activities. The District's cultural and events center activities are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are supported by general government revenues (property, personal property taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

**BASIS OF PRESENTATION** – Continued

**Government-Wide Statements** – Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
>
> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

**BASIS OF PRESENTATION** – Continued

**Fund Financial Statements** – Continued

**Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

**General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains three nonmajor special revenue funds.

**Debt service fund** is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is reported as a major fund.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The District maintains two major capital projects funds, the Construction and Development Fund, and the Land Acquisition Fund. The Construction and Development Fund is used to account for revenues derived primarily from local property taxes and grants. The Land Acquisition Fund is used to account for revenues derived from grants and earnings on investments. Additional funding is provided by bond proceeds.

**Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The District maintains one major proprietary fund, the Cultural and Events Center Fund which is used 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

#### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** – Continued

**Basis of Accounting** – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. The District also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

**Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY** – Continued

### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes. Business-type activities report utility charges as their major receivables.

### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

### Prepaids

Prepaids are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

### Capital Assets

Capital assets purchased or acquired with an original cost of $50,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY** – Continued

**Capital Assets** – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|---|---|
| Buildings and Improvements | 25 - 50 Years |
| Machinery and Equipment | 5 - 10 Years |
| Infrastructure | 40 - 50 Years |
| Land Improvements | 25 - 30 Years |

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

**Compensated Absences**

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

**Long-Term Obligations** – Continued

In the fund financial statements, governmental fund types 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 debt service expenditures.

**Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

> Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.
>
> Unrestricted – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

## NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### BUDGETARY INFORMATION

Annual appropriated budgets, as required by state statutes, are adopted on a basis consistent with generally accepted accounting principles for the General, Special Revenues, 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.

## NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

### BUDGETARY INFORMATION – Continued

### EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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.

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

| Fund | Excess |
|---|---|
| Debt Service | $ 405,179 |
| Illinois Municipal Retirement | 6,050 |
| Insurance Liability | 892 |
| Cultural and Events Center | 129,494 |

## NOTE 3 – DETAIL NOTES ON ALL FUNDS

### DEPOSITS AND INVESTMENTS UNDER THE CUSTODY OF THE COUNTY

The County's investment policies are established by the Kane County. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The County's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the County's pool is determined by the District's proportionate share of the fair value of the investments held by the County's Office

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2016, the fair value of all investments held by the County's Office was $229,175,006 and the fair value of the District's proportionate share of the pool was $3,010,224.

Because all cash and investments are pooled by a separate legal governmental agency (County), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the County's financial statements.

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

## DEPOSITS AND INVESTMENTS IN THE CUSTODY OF THE DISTRICT

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds. The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiles Statutes.

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Metropolitan Investment Fund.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

### District Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the District's deposits for governmental and business-type activities totaled $1,793,631 and the bank balances totaled $2,122,999. In addition, the District has $39,103,806 invested in the Illinois Metropolitan Investment Fund at year-end, with an average maturity of one year to three years.

*Investments.* The Fund has the following investment fair values and maturities:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasury Notes | $ 25,352 | - | 25,352 | - | - |
| Federal Farm Credit Bank | 51,419 | - | 51,419 | - | - |
| U.S. Agency Obligations | 37,350 | - | 37,350 | - | - |
| | 114,121 | - | 114,121 | - | - |

The District has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Notes of $25,352 are valued using quoted market prices (Level 1 inputs)
- Federal Farm Credit Bank of $51,419 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Obligations of $37,350 are valued using quoted market prices (Level 1 inputs)
- $39,103,806 invested in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**DEPOSITS AND INVESTMENTS** – Continued

**District Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk** – Continued

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk by primarily investing in external investment pools. At year-end, the Fund's investments in U.S. Government and Agency securities were all rated AAAf by Standard & Poor's.

*Interest Rate Risk.* 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.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a 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. At year-end, the District's bank balances were fully collateralized or insured.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 102% 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 Risk.* This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. 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. The District's investment in the Illinois Metropolitan Investment Fund represents more than 5 percent of the total cash and investment portfolio.

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### PROPERTY TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about May 1 and August 1. The County collects such taxes and remits them periodically.

### CAPITAL ASSETS

#### Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Nondepreciable Capital Assets | | | | |
| Land | $ 381,713,935 | 1,322,839 | - | 383,036,774 |
| Construction in Progress | 1,002,220 | 695,683 | 63,667 | 1,634,236 |
| | 382,716,155 | 2,018,522 | 63,667 | 384,671,010 |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 16,582,135 | - | - | 16,582,135 |
| Machinery and Equipment | 1,182,727 | - | - | 1,182,727 |
| Infrastructure | 24,141,617 | 151,036 | - | 24,292,653 |
| | 41,906,479 | 151,036 | - | 42,057,515 |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 3,601,702 | 445,053 | - | 4,046,755 |
| Machinery and Equipment | 670,287 | 93,205 | - | 763,492 |
| Infrastructure | 10,838,964 | 675,502 | - | 11,514,466 |
| | 15,110,953 | 1,213,760 | - | 16,324,713 |
| Total Net Depreciable Capital Assets | 26,795,526 | (1,062,724) | - | 25,732,802 |
| Total Net Capital Assets | 409,511,681 | 955,798 | 63,667 | 410,403,812 |

Depreciation expense was charged to governmental activities as follows:

| | |
|---|---|
| General Government | $ 93,205 |
| Land Acquisition and Development | 1,120,555 |
| | 1,213,760 |

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**CAPITAL ASSETS** – Continued

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Nondepreciable Capital Assets | | | | |
| Land | $ 1,154,351 | - | - | 1,154,351 |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 19,402,432 | 169,558 | - | 19,571,990 |
| Machinery and Equipment | 213,198 | - | - | 213,198 |
| Land Improvements | 2,216,335 | - | - | 2,216,335 |
| | 21,831,965 | 169,558 | - | 22,001,523 |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 7,252,034 | 718,203 | - | 7,970,237 |
| Machinery and Equipment | 213,198 | - | - | 213,198 |
| Land Improvements | 1,685,757 | 55,470 | - | 1,741,227 |
| | 9,150,989 | 773,673 | - | 9,924,662 |
| Total Net Depreciable Capital Assets | 12,680,976 | (604,115) | - | 12,076,861 |
| Total Net Capital Assets | 13,835,327 | (604,115) | - | 13,231,212 |

Depreciation expense was charged to business-type activities as follows:

| | |
|---|---|
| Cultural and Events Center | $ 773,673 |

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

| Transfer In | Transfer Out | Amount |
|---|---|---|
| Construction and Development | General | $ 2,200,000 |

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**LONG-TERM DEBT**

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds currently outstanding are as follows:

| Issue | Beginning Balances | Issuances/ Accretion | Retirements | Ending Balances |
|---|---|---|---|---|
| $9,495,866 General Obligation Limited Tax (Capital Appreciation) Bonds of 2006, due in annual installments of $935,000 to $3,365,000 plus interest at 4.50% to 4.80% through December 15, 2025. | $ 14,294,452 | 673,094 | 9,495,866 *<br>5,217,533 *<br>254,147 | - |
| $85,000,000 General Obligation Bonds of 2007, due in annual installments of $800,000 to $9,125,000 plus interest at 4.25% to 5.00% through December 15, 2026. | 73,650,000 | - | 1,100,000 *<br>3,400,000 | 69,150,000 |
| $8,000,000 Taxable General Obligation (Alternate Revenue Source) Bonds of 2008, due in annual installments of $270,000 to $650,000 plus interest at 4.50% to 5.95% through December 15, 2016. | 6,215,000 | - | 5,510,000 *<br>345,000 | 360,000 |
| $30,000,000 General Obligation Bonds of 2011A, due in annual installments of $540,000 to $2,250,000 plus interest at 3.00% to 4.50% through December 15, 2031. | 27,200,000 | - | 1,165,000 | 26,035,000 |
| $21,235,000 General Obligation Limited Tax Refunding Bonds of 2011B, due in annual installments of $585,000 to $3,215,000 plus interest at 3.00% to 5.00% through December 15, 2019. | 12,800,000 | - | 3,085,000 | 9,715,000 |

*Refunded

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### LONG-TERM DEBT – Continued

### General Obligation Bonds – Continued

| Issue | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|---|---|---|---|
| $65,200,000 General Obligation Refunding Bonds of 2012, due in annual installments of $8,780,000 to $15,800,000 plus interest at 4.00% through December 15, 2017. | $ 39,505,000 | - | 14,925,000 | 24,580,000 |
| $8,245,000 General Obligation Limited Tax Refunding Bonds of 2015A, due in annual installments of $1,240,000 to $1,830,000 plus interest at 3.00% through December 15, 2025. | - | 8,245,000 | - | 8,245,000 |
| $1,110,000 General Obligation Refunding Bonds of 2015B, due in one installment of $1,110,000 plus interest at 3.00% through December 15, 2019. | - | 1,110,000 | - | 1,110,000 |
| $5,725,000 General Obligation Limited Tax Refunding Bonds of 2016A, due in annual installments of $425,000 to $2,000,000 plus interest at 5.00% through December 15, 2025. | - | 5,725,000 | - | 5,725,000 |
| $5,860,000 Taxable General Obligation (Alternate Revenue Source) Bonds of 2016B, due in annual installments of $120,000 to $590,000 plus interest at 2.00% to 3.15% through December 15, 2027. | - | 5,860,000 | - | 5,860,000 |
| | 173,664,452 | 21,613,094 | 44,497,546 | 150,780,000 |

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**LONG-TERM DEBT** – Continued

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---|---|---|---|---|---|
| Governmental Activities | | | | | |
| Compensated Absences | $ 310,771 | 37,947 | 75,894 | 272,824 | 54,565 |
| Net Pension Liability - IMRF | 992,377 | 1,179,898 | - | 2,172,275 | - |
| Net Other Post-Employment Benefits Obligation | 214,762 | 28,409 | - | 243,171 | - |
| General Obligation Bonds | 162,650,866 | 15,080,000 | 33,170,866 | 144,560,000 | 22,455,000 |
| Unamortized Item: | | | | | |
| Premium | 6,420,905 | 1,492,539 | 1,591,610 | 6,321,834 | - |
| Accretion on General Obligation Bonds | 4,798,586 | 673,094 | 5,471,680 | - | - |
| | 175,388,267 | 18,491,887 | 40,310,050 | 153,570,104 | 22,509,565 |
| Business-Type Activities | | | | | |
| General Obligation Bonds | 6,215,000 | 5,860,000 | 5,855,000 | 6,220,000 | 480,000 |
| Unamortized Item: | | | | | |
| Discount | (37,053) | - | (37,053) | - | - |
| | 6,177,947 | 5,860,000 | 5,817,947 | 6,220,000 | 480,000 |

For governmental activities, payments on the compensated absences, the net pension liability, and the net other post-employment benefits obligation are made by the General Fund. The Debt Service Fund makes payments on the general obligation bonds.

For the business-type activities, the general obligation bonds are liquidated by the Cultural and Events Center Fund.

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**LONG-TERM DEBT** – Continued

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

| | Governmental Activities | | Business-Type Activities | |
|---|---|---|---|---|
| | General Obligation Bonds | | General Obligation Bonds | |
| Fiscal Year | Principal | Interest | Principal | Interest |
| 2017 | $ 22,455,000 | 5,926,175 | 480,000 | 152,358 |
| 2018 | 17,165,000 | 5,141,975 | 465,000 | 138,183 |
| 2019 | 9,035,000 | 4,602,750 | 475,000 | 128,782 |
| 2020 | 9,325,000 | 4,205,525 | 485,000 | 119,182 |
| 2021 | 8,915,000 | 3,789,350 | 495,000 | 109,382 |
| 2022 | 9,665,000 | 3,338,750 | 505,000 | 99,256 |
| 2023 | 10,475,000 | 2,866,450 | 515,000 | 88,158 |
| 2024 | 11,305,000 | 2,371,000 | 530,000 | 75,610 |
| 2025 | 12,200,000 | 1,834,075 | 545,000 | 60,810 |
| 2026 | 13,120,000 | 1,253,550 | 560,000 | 44,235 |
| 2027 | 10,705,000 | 693,400 | 575,000 | 27,210 |
| 2028 | 1,845,000 | 397,650 | 590,000 | 9,293 |
| 2029 | 1,935,000 | 320,841 | - | - |
| 2030 | 2,030,000 | 237,794 | - | - |
| 2031 | 2,135,000 | 147,953 | - | - |
| 2032 | 2,250,000 | 50,625 | - | - |
| Totals | 144,560,000 | 37,177,863 | 6,220,000 | 1,052,459 |

**NOTE 3 – DETAIL NOTES ON ALL FUNDS** – Continued

**LONG-TERM DEBT** – Continued

**Legal Debt Margin**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "…a district with a population of less than 500,000 may not become indebted in any manner or for any purpose to an amount including existing indebtedness in the aggregate exceeding 2.3% of the assessed value of the taxable property therein, as ascertained by the last equalized assessment for State and county purposes."

| | |
|---|---|
| Assessed Valuation - 2015 | $ 12,177,826,707 |
| Legal Debt Limit - 2.30% of Assessed Value | 280,090,014 |
| Amount of Debt Applicable to Limit<br>General Obligation Bonds | 144,560,000 |
| Legal Debt Margin | 135,530,014 |

**FUND BALANCE/NET POSITION**

**Fund Balance Classifications**

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

**Assigned Fund Balance**. The District reports assigned fund balance in the Construction and Development Fund and in the Land Acquisition Fund, both major funds. The District's Board/Finance Director, under authorization assigned in the District's fund balance policy, has assigned these funds to future District improvement projects and equipment, vehicle, or land purchases based on approved Board/management expenditures as determined through passing an ordinance.

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### FUND BALANCE/NET POSITION – Continued

#### Fund Balance Classifications – Continued

**Minimum Fund Balance Policy**. The District has established a minimum fund balance policy for its General, Social Security, Illinois Municipal Retirement, 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 following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

| | General | Debt Service | Capital Projects: Construction and Development | Capital Projects: Land Acquisition | Nonmajor | Totals |
|---|---|---|---|---|---|---|
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Prepaids | $ 5,959 | - | - | - | - | 5,959 |
| Restricted | | | | | | |
| Illinois Municipal Retirement | - | - | - | - | 175,487 | 175,487 |
| Liability Insurance | - | - | - | - | 545,530 | 545,530 |
| Social Security | - | - | - | - | 209,014 | 209,014 |
| Debt Service | - | 4,567,326 | - | - | - | 4,567,326 |
| Fox River Trust | - | - | 197,645 | - | - | 197,645 |
| Capital Projects | - | - | 1,918,992 | - | - | 1,918,992 |
| | - | 4,567,326 | 2,116,637 | - | 930,031 | 7,613,994 |
| Assigned | | | | | | |
| Capital Projects | - | - | 7,827,634 | 2,259,222 | - | 10,086,856 |
| Unassigned | 5,919,586 | - | - | - | - | 5,919,586 |
| Total Fund Balances | 5,925,545 | 4,567,326 | 9,944,271 | 2,259,222 | 930,031 | 23,626,395 |

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### FUND BALANCE/NET POSITION – Continued

### Net Position Classifications

Net investment in capital assets was comprised of the following as of June 30, 2016:

| | |
|---|---|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | $ 410,403,812 |
| Plus: Loss on Refunding | 584,824 |
| Less Capital Related Debt: | |
| General Obligation Bonds of 2007 | (69,150,000) |
| General Obligation Bonds of 2011A | (26,035,000) |
| General Obligation Limited Tax Refunding Bonds of 2011B | (9,715,000) |
| General Obligation Refunding Bonds of 2012 | (24,580,000) |
| General Obligation Limited Tax Refunding Bonds of 2015A | (8,245,000) |
| General Obligation Refunding Bonds of 2015B | (1,110,000) |
| General Obligation Limited Tax Refunding Bonds of 2016A | (5,725,000) |
| Unamortized Premium | (6,321,834) |
| Unamortized Gain on Refunding | (1,440,183) |
| Net Investment in Capital Assets | 258,666,619 |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 13,231,212 |
| Less Capital Related Debt: | |
| Taxable General Obligation (Alternate Revenue Source) Bonds of 2008 | (360,000) |
| Taxable General Obligation (Alternate Revenue Source) Bonds of 2016B | (5,860,000) |
| Net Investment in Capital Assets | 7,011,212 |

## NOTE 4 – OTHER INFORMATION

## RISK MANAGEMENT

### Park District Risk Management Agency (PDRMA)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; 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 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. The following table is a summary of the coverage in effect for the period January 1, 2016 through January 1, 2017:

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|---|---|---|---|
| **PROPERTY** | | | |
| Property/Bldg/Contents | | | |
| All Losses Per Occurrence | $1,000 | $1,000,000 | $1,000,000,000/All Members |
| Flood/Except Zones A & V | $1,000 | $1,000,000 | $250,000,000/Occurrence/Annual Aggregate |
| Flood, Zones A & V | $1,000 | $1,000,000 | $200,000,000/Occurrence/Annual Aggregate |
| Earthquake Shock | $1,000 | $100,000 | $100,000,000/Occurrence/Annual Aggregate |
| Auto Physical Damage | | | |
| Comprehensive and Collision | $1,000 | $1,000,000 | Included |
| Course of Construction/Builders Risk | $1,000 | Included | $25,000,000 |
| Business Interruption, Rental | | | |
| Income, Tax Income Combined | $1,000 | | $100,000,000/Reported Values |
| | | | $500,000/$2,500,000/Non-Reported Values |
| Service Interruption | 24 Hours | N/A | $25,000,000 |
| Boiler and Machinery | | | $100,000,000 Equipment Breakdown |
| Property Damage | $1,000 | $9,000 | Property Damage - Included |
| Business Income | 48 Hours | N/A | Included |
| Fidelity and Crime | $1,000 | $24,000 | $2,000,000/Occurrence |
| Seasonal Employees | $1,000 | $9,000 | $1,000,000/Occurrence |
| Blanket Bond | $1,000 | $24,000 | $2,000,000/Occurrence |
| **WORKERS COMPENSATION** | | | |
| Employers Liability | N/A | $500,000 | $3,500,000 Employers Liability |

**NOTE 4 – OTHER INFORMATION** – Continued

**RISK MANAGEMENT** – Continued

**Park District Risk Management Agency (PDRMA)** – Continued

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|---|---|---|---|
| **LIABILITY** | | | |
| General | None | $500,000 | $21,500,000/Occurrence |
| Auto Liability | None | $500,000 | $21,500,000/Occurrence |
| Employment Practices | None | $500,000 | $21,500,000/Occurrence |
| Public Officials' Liability | None | $500,000 | $21,500,000/Occurrence |
| Law Enforcement Liability | None | $500,000 | $21,500,000/Occurrence |
| Uninsured/Underinsured Motorists | None | $500,000 | $1,000,000/Occurrence |
| **POLLUTION LIABILITY** | | | |
| Liability - Third Party | None | $25,000 | $5,000,000/Occurrence |
| Property - First Party | $1,000 | $24,000 | $30,000,000 3 Year Aggregate |
| **OUTBREAK EXPENSE** | | | |
| Outbreak Expense | 24 Hours | N/A | $15,000 per Day |
| | | | $1,000,000 Aggregate Policy Limit |
| **INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA** | | | |
| **LIABILITY COVERAGE** | | | |
| Information Security & Privacy | | | |
| Liability | None | $100,000 | $2,000,000/Occurrence/Annual Aggregate |
| Privacy Notification, Costs | None | $100,000 | $500,000/Occurrence/Annual Aggregate |
| Regulatory Defense & Penalties | None | $100,000 | $2,000,000/Occurrence/Annual Aggregate |
| Website Media Content Liability | None | $100,000 | $2,000,000/Occurrence/Annual Aggregate |
| Cyber Extortion | None | $100,000 | $2,000,000/Occurrence/Annual Aggregate |
| Data Protection & Business | | | |
| Interruption | $1,000 | $100,000 | $2,000,000/Occurrence/Annual Aggregate |
| First Party Business Interruption | 8 Hours | $100,000 | $50,000 Hourly Sublimit/$50,000 Forensic |
| | | | Exp./$150,000 Dependent Bus. Interruption |
| **VOLUNTEER MEDICAL ACCIDENT** | | | |
| Volunteer Medical Accident | None | $5,000 | $5,000 Medical Expense and AD&D |
| | | | Excess of any other Collectible Insurance |
| **UNDERGROUND STORAGE TANK LIABILITY** | | | |
| Underground Storage Tank Liability | None | N/A | $10,000, Follows Illinois Leaking |
| | | | Underground Tank Fund |
| **UNEMPLOYMENT COMPENSATION** | | | |
| Unemployment Compensation | N/A | N/A | Statutory |

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District.

**NOTE 4 – OTHER INFORMATION** – Continued

**RISK MANAGEMENT** – Continued

**Park District Risk Management Agency (PDRMA)** – Continued

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 investigations 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 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.

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2015 and the statement of revenues and expenses for the period ending December 31, 2015.

| | |
|---|---|
| Assets | $63,181,823 |
| Liabilities | 23,063,014 |
| Net Position | 40,708,211 |
| Revenues | 18,585,098 |
| Expenditures | 19,500,046 |

The District's portion of the overall equity in the pool is (0.014%) or ($5,687).

Since 95.90% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

**CONTINGENT LIABILITIES**

**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.

**CONTINGENT LIABILITIES** – Continued

**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.

**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, 3014 were as follows: The District purchased various services from the County which include processing, photocopying, personnel, computer services, and 911 dispatching services. The total paid for these services was $43,730 for the year ended June 30, 2016. The District also paid $322,794 to the County for insurance.

**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. In May 2014, the District has entered into a new license agreement with the Cougars for use of the stadium and into an agreement to resolve the dispute with minority owners. Under the lease agreement, the District receives a base quarterly fee of $175,000 for a total annual amount of $700,000. In addition, the percentage license fee shall be 12% of gross revenue received in excess of $8,250,000 to $13,250,000 in any calendar year. The agreement expires September 2033. The District began receiving payments for the minority owners' dispute agreement beginning in December 2014 and will continue until December 2033. The two minority owners will each pay $12,500 a year. This results in total payments form each minority owner of $250,000. These agreements relieved any receivable balances owed to the District from past license agreements. The minimum future payments under this agreement are as follows:

| Fiscal Year | Minimum License Fees |
|---|---|
| 2017 | $ 725,000 |
| 2018 | 725,000 |
| 2019 | 725,000 |
| 2020 | 725,000 |
| 2021 | 725,000 |
| 2022 - 2026 | 3,625,000 |
| 2027 - 2031 | 3,362,500 |
| 2032 - 2034 | 2,017,500 |

**NOTE 4 – OTHER INFORMATION** – Continued

## SERVICE CONCESSION ARRANGEMENT FOR GOLF COURSES

Effective April 1, 2002, the District entered into two agreements with management companies for the District's three golf courses, under which the companies will operate and collect user fees through March 31, 2017. The District will receive installment payments over the course of the arrangement; the present value of these installment payments was estimated to be $4,227,814 as of the inception of the agreement. The management companies will pay the District 14.5% of the revenues earned from the operation of the golf courses or $190,000 per agreement, whichever is greater. Any excess revenue beyond the minimum payments is considered revenue when collected. The management companies are required to operate and maintain the golf course in accordance with the agreements. The District reports the golf courses and related assets as a capital asset with a carrying amount of $6,026,431 as of June 30, 2016 and reports a receivable and deferred inflow of resources on the statement of net position for governmental activities in the amount of $301,988 at June 30, 2016 pursuant to the service concession arrangement.

## 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 position.

## EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

### Illinois Municipal Retirement Fund (IMRF)

The District contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for the plan are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

**NOTE 4 – OTHER INFORMATION** – Continued

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN** – Continued

**Illinois Municipal Retirement Fund (IMRF)** – Continued

**Plan Descriptions**

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired ***before*** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

**NOTE 4 – OTHER INFORMATION** – Continued

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN** – Continued

**Illinois Municipal Retirement Fund (IMRF)** – Continued

**Plan Descriptions** – Continued

*Plan Membership.* As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive Plan Members Currently Receiving Benefits | 60 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 71 |
| Active Plan Members | 86 |
| Total | 217 |

*Contributions.* As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 10.72% of covered payroll.

*Net Pension Liability.* The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

| | |
|---|---|
| Actuarial Valuation Date | 12/31/2015 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.49% |
| Salary Increases | 3.75% to 14.50% |
| Cost of Living Adjustments | 2.75% |
| Inflation | 2.75% |

**NOTE 4 – OTHER INFORMATION** – Continued

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN** – Continued

**Illinois Municipal Retirement Fund (IMRF)** – Continued

**Plan Descriptions** – Continued

*Actuarial Assumptions - Continued.* For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Discount Rate**

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49%.

**NOTE 4 – OTHER INFORMATION** – Continued

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN** – Continued

**Illinois Municipal Retirement Fund (IMRF)** – Continued

**Discount Rate Sensitivity**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Decrease (6.49%) | Current Discount Rate (7.49%) | 1% Increase (8.49%) |
|---|---|---|---|
| Net Pension Liability | $ 4,384,833 | 2,172,275 | 385,246 |

**Changes in the Net Pension Liability**

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|---|---|---|
| Balances at December 31, 2014 | $ 13,236,903 | 12,244,526 | 992,377 |
| Changes for the year: | | | |
| Service Cost | 390,283 | - | 390,283 |
| Interest on the Total Pension Liability | 989,377 | - | 989,377 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 128,412 | - | 128,412 |
| Changes of Assumptions | 20,287 | - | 20,287 |
| Contributions - Employer | - | 391,777 | (391,777) |
| Contributions - Employees | - | 164,482 | (164,482) |
| Net Investment Income | - | 61,412 | (61,412) |
| Benefit Payments, including Refunds of Employee Contributions | (480,710) | (480,710) | - |
| Other (Net Transfer) | - | (269,210) | 269,210 |
| Net Changes | 1,047,649 | (132,249) | 1,179,898 |
| Balances at December 31, 2015 | 14,284,552 | 12,112,277 | 2,172,275 |

**NOTE 4 – OTHER INFORMATION** – Continued

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN** – Continued

**Illinois Municipal Retirement Fund (IMRF)** – Continued

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the District recognized pension expense of $1,097,570. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
|---|---|---|---|
| Difference Between Expected and Actual Experience | $ 109,080 | - | 109,080 |
| Changes of Assumptions | 251,613 | - | 251,613 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 776,807 | - | 776,807 |
| Pension Contributions Made Subsequent to the Measurement Date | 192,647 | - | 192,647 |
| Total Deferred Amounts Related to Pensions | 1,330,147 | - | 1,330,147 |

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

| Fiscal Year | Net Deferred Outflows of Resources |
|---|---|
| 2017 | $ 524,259 |
| 2018 | 331,612 |
| 2019 | 283,808 |
| 2020 | 190,468 |
| 2021 | - |
| Thereafter | - |
| Total | 1,330,147 |

**NOTE 4 – OTHER INFORMATION** – Continued

## OTHER POST-EMPLOYMENT BENEFITS

### Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the District provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. 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.

The District provides post-employment health insurance and dental benefits to retirees and their spouses. To be eligible for benefits, the employee must be at a minimum age of 55 and have at least fifteen 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.

At June 30, 2016, membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them. | 1 |
| Active Employees | 73 |
| Total | 74 |
| Participating Employers | 1 |

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.

**NOTE 4 – OTHER INFORMATION** – Continued

**OTHER POST-EMPLOYMENT BENEFITS** – Continued

**Annual OPEB Costs and Net OPEB Obligation**

The net OPEB obligation (NOPEBO) as of June 30, 2016, was calculated as follows:

| | |
|---|---|
| Annual Required Contribution | $ 48,980 |
| Interest on the NOPEBO | 8,590 |
| Adjustment to the ARC | (7,158) |
| Annual OPEB Cost | 50,412 |
| Actual Contribution | 22,003 |
| Change in the NOPEBO | 28,409 |
| NOPEBO - Beginning | 214,762 |
| NOPEBO - Ending | 243,171 |

**Trend Information**

The District's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| 2014 | $ 41,909 | $ 12,084 | 28.83% | $ 183,010 |
| 2015 | 44,561 | 12,809 | 28.74% | 214,762 |
| 2016 | 50,412 | 22,003 | 43.65% | 243,171 |

**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 include 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.

**NOTE 4 – OTHER INFORMATION** – Continued

**OTHER POST-EMPLOYMENT BENEFITS** – Continued

**Actuarial Methods and Assumptions** – Continued

In the June 30, 2016 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate or return and an initial healthcare trend rate of 7.80% with an ultimate healthcare inflation rate of 5.00%, a 2.50% price inflation assumption, a 4.00% wage inflation assumption. 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, 2016, was 30 years.

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2016 was as follows:

| | | |
|---|---|---|
| Actuarial Accrued Liability (AAL) | $ | 492,877 |
| Actuarial Value of Plan Assets | $ | - |
| Unfunded Actuarial Accrued Liability (UAAL) | $ | 492,877 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | | 0.00% |
| Covered Payroll (Active Plan Members) | $ | 3,606,399 |
| UAAL as a Percentage of Covered Payroll | | 13.67% |

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 contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
  Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
  Illinois Municipal Retirement Fund

- Schedule of Changes in the Employer's Net Pension Liability
  Illinois Municipal Retirement Fund

- Budgetary Comparison Schedule
  General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information**
**Schedule of Funding Progress and Employer Contributions**
**June 30, 2016**

**Funding Progress**

| Actuarial Valuation Date Jun. 30, | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|---|---|---|---|---|---|---|
| 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 |
| 2013 | - | 342,246 | 0.00% | 342,246 | 3,467,680 | 9.87% |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2015 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2016 | - | 492,877 | 0.00% | 492,877 | 3,606,399 | 13.67% |

**Employer Contributions**

| Fiscal Year | Employer Contributions | Annual Required Contributions | Percent Contributed |
|---|---|---|---|
| 2011 | $ 11,599 | $ 37,086 | 31.28% |
| 2012 | 19,669 | 38,940 | 50.51% |
| 2013 | 21,632 | 40,887 | 52.91% |
| 2014 | 12,084 | 40,887 | 29.55% |
| 2015 | 12,809 | 43,340 | 29.55% |
| 2016 | 22,003 | 48,980 | 44.92% |

N/A - Not Available

The District is required to have the actuarial valuation performed triennially.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**
**Schedule of Employer Contributions**
**June 30, 2016**

| Calendar Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|---|---|---|---|---|---|
| 2014 | $ 365,169 | $ 365,981 | $ 812 | $ 3,502,607 | 10.45% |
| 2015 | 380,797 | 391,777 | 10,980 | 3,654,481 | 10.72% |

Notes to the Required Supplementary Information:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 28 Years |
| Asset Valuation Method | 5-Year Smoothed Market, 20% Corridor |
| Inflation | 3.00% |
| Salary Increases | 4.40% - 16.00% |
| Investment Rate of Return | 7.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | RP-2000 Combined Healthy Mortality Table |

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**
**Schedule of Changes in the Employer's Net Pension Liability**
**June 30, 2016**

| | December 31, | |
|---|---|---|
| | 2014 | 2015 |
| Total Pension Liability | | |
| Service Cost | $ 407,646 | 390,283 |
| Interest | 894,416 | 989,377 |
| Differences Between Expected and Actual Experience | 14,986 | 128,412 |
| Change of Assumptions | 423,607 | 20,287 |
| Benefit Payments, Including Refunds of Member Contributions | (450,962) | (480,710) |
| Net Change in Total Pension Liability | | |
| Total Pension Liability - Beginning | 1,289,693 | 1,047,649 |
| | 11,947,210 | 13,236,903 |
| Total Pension Liability - Ending | | |
| | 13,236,903 | 14,284,552 |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | $ 365,981 | 391,777 |
| Contributions - Members | 175,457 | 164,482 |
| Net Investment Income | 699,427 | 61,412 |
| Benefit Payments, Including Refunds of Member Contributions | (450,962) | (480,710) |
| Other (Net Transfer) | 33,843 | (269,210) |
| Net Change in Plan Fiduciary Net Position | 823,746 | (132,249) |
| Plan Net Position - Beginning | 11,420,780 | 12,244,526 |
| Plan Net Position - Ending | 12,244,526 | 12,112,277 |
| Employer's Net Pension Liability | $ 992,377 | 2,172,275 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 92.50% | 84.79% |
| Covered-Employee Payroll | $ 3,502,607 | 3,654,481 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 28.33% | 59.44% |

Note:
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | $ 5,607,523 | 5,607,523 | 5,581,071 | 5,646,087 |
| Licenses, Permits and Fees | 19,000 | 19,000 | 10,000 | 14,360 |
| Intergovernmental | - | - | 9,540 | 466 |
| Charges for Services | 2,094,500 | 2,094,500 | 2,165,258 | 2,146,354 |
| Fines and Forfeits | 11,000 | 11,000 | 14,121 | 11,741 |
| Interest | 31,500 | 31,500 | 48,149 | 30,910 |
| Miscellaneous | 87,000 | 87,000 | 168,157 | 129,381 |
| Total Revenues | 7,850,523 | 7,850,523 | 7,996,296 | 7,979,299 |
| Expenditures | | | | |
| General Government | 7,572,783 | 7,572,783 | 6,885,291 | 6,815,907 |
| Capital Outlay | 277,740 | 277,740 | 249,936 | 381,137 |
| Total Expenditures | 7,850,523 | 7,850,523 | 7,135,227 | 7,197,044 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 861,069 | 782,255 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (2,200,000) | (2,200,000) | (2,200,000) | (100,000) |
| Net Change in Fund Balance | (2,200,000) | (2,200,000) | (1,338,931) | 682,255 |
| Fund Balance - Beginning | | | 7,264,476 | 6,582,221 |
| Fund Balance - Ending | | | 5,925,545 | 7,264,476 |

# OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Fund

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

### Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for property tax revenues that are restricted for the payment of retirement benefits.

### Insurance Liability Fund

The Insurance Liability Fund is used to account for property taxes that are restricted for the payment of insurance costs.

### Social Security Fund

The Social Security Fund is used to account for property taxes that are restricted for the payment of retirement benefits.

## DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

### Construction and Development Fund

The Construction and Development Fund is used to account for revenues derived primarily from local property taxes and grants.

### Land Acquisition Fund

The Land Acquisition Fund is used to account for revenues derived from grants and earnings on investments. Additional funding is provided by bond proceeds.

## ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### Cultural and Events Center Fund

The Cultural and Events Center Fund is used 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**

**General Fund**

**Schedule of Revenues - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Taxes | | | | |
| Property Taxes | $ 5,372,523 | 5,372,523 | 5,343,099 | 5,349,905 |
| Personal Property Replacement Taxes | 235,000 | 235,000 | 237,972 | 296,182 |
| Total Taxes | 5,607,523 | 5,607,523 | 5,581,071 | 5,646,087 |
| Licenses, Permits and Fees | 19,000 | 19,000 | 10,000 | 14,360 |
| Intergovernmental | | | | |
| Grants | - | - | 9,540 | 466 |
| Charges for Services | | | | |
| Rental | 1,440,500 | 1,440,500 | 1,457,067 | 1,486,718 |
| Reservations | 86,000 | 86,000 | 91,933 | 94,103 |
| Camping Fees | 188,000 | 188,000 | 222,594 | 188,326 |
| Golf Course Fees | 380,000 | 380,000 | 393,664 | 377,207 |
| Total Charges for Services | 2,094,500 | 2,094,500 | 2,165,258 | 2,146,354 |
| Fines and Forfeitures | | | | |
| Police Fines | 11,000 | 11,000 | 14,121 | 11,741 |
| Interest | 31,500 | 31,500 | 48,149 | 30,910 |
| Miscellaneous | | | | |
| Nature Center Programs | 12,000 | 12,000 | 13,137 | 17,124 |
| Other | 75,000 | 75,000 | 155,020 | 112,257 |
| Total Miscellaneous | 87,000 | 87,000 | 168,157 | 129,381 |
| Total Revenues | 7,850,523 | 7,850,523 | 7,996,296 | 7,979,299 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| General Government | | | | |
| Personal Services | | | | |
| Salaries | | | | |
| Regular | $ 3,762,050 | 3,762,050 | 3,679,455 | 3,642,296 |
| Part-Time | 498,848 | 498,848 | 442,985 | 430,967 |
| Overtime | 42,450 | 42,450 | 17,746 | 12,808 |
| Special Detail | 3,500 | 3,500 | 2,450 | 2,500 |
| Per Diem | 8,500 | 8,500 | 9,780 | 6,540 |
| | 4,315,348 | 4,315,348 | 4,152,416 | 4,095,111 |
| Contractual Services | | | | |
| Conferences and Meetings | 35,000 | 35,000 | 23,639 | 34,114 |
| Vehicle Allowance | 9,000 | 9,000 | 9,000 | 6,750 |
| Audits and Management Services | 26,900 | 26,900 | 26,900 | 26,200 |
| Banking Services | 800 | 800 | 1,490 | 603 |
| Organization Support | 95,000 | 95,000 | 94,500 | 94,500 |
| Public Relations | 72,000 | 72,000 | 78,916 | 73,675 |
| Bench and Tree Program | 5,000 | 5,000 | 5,317 | - |
| Publication of Legal Notices | 3,000 | 3,000 | 693 | 1,620 |
| Insurance - Employees | 701,406 | 701,406 | 672,040 | 630,974 |
| Insurance - Retirees | 3,000 | 3,000 | 658 | 742 |
| Professional Fees | 15,000 | 15,000 | 14,387 | 12,088 |
| Telephone | 84,600 | 84,600 | 75,900 | 85,803 |
| Utilities | 104,500 | 104,500 | 101,649 | 101,275 |
| Consulting Service | 6,250 | 6,250 | 4,367 | 7,850 |
| Dispatch Services | 30,650 | 30,650 | 29,404 | 28,003 |
| Legal Fees | 114,200 | 114,200 | 100,219 | 108,734 |
| Association Dues | 13,985 | 13,985 | 13,067 | 11,651 |
| Tuition Reimbursement | 2,500 | 2,500 | 1,175 | 1,438 |
| Safety/Training | 36,037 | 36,037 | 25,980 | 31,679 |
| Employee Recruitment | 23,850 | 23,850 | 22,338 | 17,831 |
| Employee Recognition | 17,618 | 17,618 | 18,239 | 17,009 |
| Wellness and Coaching | 3,800 | 3,800 | 3,129 | - |
| Reforestation Program | 100,000 | 100,000 | 71,394 | 88,347 |
| Tree and Brush Thinning | 100,000 | 100,000 | 87,710 | 105,735 |
| Weed Management | 100,000 | 100,000 | 71,283 | 48,728 |
| Parkland Tree Revitalization Program | 25,000 | 25,000 | 14,265 | 10,320 |
| Donated Lands Management | 15,000 | 15,000 | 7,000 | - |
| | 1,744,096 | 1,744,096 | 1,574,659 | 1,545,669 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | 2015 |
|---|---|---|---|---|
| | Budget | | | |
| | Original | Final | Actual | Actual |
| General Government - Continued | | | | |
| Commodities | | | | |
| Office Supplies | $ 14,300 | 14,300 | 11,769 | 12,946 |
| Mileage | 7,100 | 7,100 | 4,365 | 3,069 |
| Supplies | 242,410 | 242,410 | 175,942 | 196,822 |
| Salt | 33,000 | 33,000 | 27,848 | 14,617 |
| Nature Center Supplies | 16,000 | 16,000 | 8,586 | 7,960 |
| Wildlife Studies | 40,000 | 40,000 | 35,087 | 15,132 |
| Native Seed | 60,000 | 60,000 | 61,250 | 44,304 |
| Repair and Maintenance | | | | |
| Building and Grounds | 304,510 | 304,510 | 301,543 | 247,274 |
| Automobile and Trucks | 105,300 | 105,300 | 85,409 | 136,432 |
| Equipment and Machinery | 79,600 | 79,600 | 68,460 | 74,070 |
| Rental Equipment | 40,000 | 40,000 | 3,990 | 6,994 |
| Sign Shop Materials | 13,000 | 13,000 | 14,082 | 14,020 |
| Tools | 9,000 | 9,000 | 9,020 | 9,118 |
| Information Technology | 47,000 | 47,000 | 43,730 | 45,473 |
| Uniforms | 35,400 | 35,400 | 29,950 | 16,851 |
| Fuel - Heating | 7,100 | 7,100 | 5,438 | 5,692 |
| Fuel - Vehicles | 288,200 | 288,200 | 152,285 | 198,292 |
| | 1,341,920 | 1,341,920 | 1,038,754 | 1,049,066 |
| Other | | | | |
| County of Kane - Services | 50,000 | 50,000 | 50,000 | 50,000 |
| Miscellaneous Fees | - | - | 52,670 | 52,670 |
| Contingencies | 121,419 | 121,419 | 16,792 | 23,391 |
| | 171,419 | 171,419 | 119,462 | 126,061 |
| Total General Government | 7,572,783 | 7,572,783 | 6,885,291 | 6,815,907 |
| Capital Outlay | | | | |
| Office Equipment | 1,500 | 1,500 | 158 | 368 |
| Automotive Equipment | 224,000 | 224,000 | 200,876 | 317,059 |
| Machinery and Equipment | 52,240 | 52,240 | 48,902 | 63,710 |
| Total Capital Outlay | 277,740 | 277,740 | 249,936 | 381,137 |
| Total Expenditures | 7,850,523 | 7,850,523 | 7,135,227 | 7,197,044 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | $ 29,325,850 | 29,325,850 | 29,456,290 | 28,910,243 |
| Personal Property Replacement Taxes | 1,500 | 1,500 | 1,536 | 1,915 |
| Interest | 44,000 | 44,000 | 50,671 | 49,705 |
| Total Revenues | 29,371,350 | 29,371,350 | 29,508,497 | 28,961,863 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal Retirement | 22,575,000 | 22,575,000 | 22,575,000 | 21,110,000 |
| Interest and Fiscal Charges | 6,307,675 | 6,307,675 | 6,712,854 | 7,263,577 |
| Total Expenditures | 28,882,675 | 28,882,675 | 29,287,854 | 28,373,577 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 488,675 | 488,675 | 220,643 | 588,286 |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | - | - | 15,080,000 | - |
| Premium on Debt Issuance | - | - | 1,492,539 | - |
| Payment to Escrow Agent | - | - | (16,398,223) | - |
| | - | - | 174,316 | - |
| Net Change in Fund Balance | 488,675 | 488,675 | 394,959 | 588,286 |
| Fund Balance - Beginning | | | 4,172,367 | 3,584,081 |
| Fund Balance - Ending | | | 4,567,326 | 4,172,367 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Construction and Development - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | $ 95,220 | 95,220 | 94,731 | 74,408 |
| Intergovernmental | | | | |
| Grants | 1,900,000 | 1,900,000 | 223,886 | 560,324 |
| Charges for Services | 403,741 | 403,741 | 403,741 | 394,021 |
| Interest | 18,000 | 18,000 | 34,048 | 24,507 |
| Miscellaneous | 570,000 | 570,000 | 550,000 | 720,950 |
| Total Revenues | 2,986,961 | 2,986,961 | 1,306,406 | 1,774,210 |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | | | | |
| Professional Services | 995,071 | 995,071 | 147,223 | 292,454 |
| Trail Resurfacing | 90,000 | 90,000 | 108,800 | 100,349 |
| Restoration/ Reforestation Program | 125,766 | 125,766 | - | 25,194 |
| Other | 32,000 | 32,000 | 55,983 | 93,821 |
| Land Acquisition and Development | | | | |
| Fox River Trust Expenditures | 389,890 | 389,890 | 92,161 | 224,150 |
| ADA Projects | 40,220 | 40,220 | 25,503 | 5,757 |
| Land Area Development | 734,099 | 734,099 | 321,907 | 354,961 |
| Aurora Bridge Project | - | - | 81,008 | - |
| Capital Outlay | | | | |
| Land Acquisition and Development | | | | |
| Land Area Development | 4,547,306 | 4,547,306 | 762,407 | 949,388 |
| Total Expenditures | 6,954,352 | 6,954,352 | 1,594,992 | 2,046,074 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,967,391) | (3,967,391) | (288,586) | (271,864) |
| Other Financing Sources | | | | |
| Transfers In | 2,200,000 | 2,200,000 | 2,200,000 | 100,000 |
| Net Change in Fund Balance | (1,767,391) | (1,767,391) | 1,911,414 | (171,864) |
| Fund Balance - Beginning | | | 8,032,857 | 8,204,721 |
| Fund Balance - Ending | | | 9,944,271 | 8,032,857 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Land Acquisition - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | 2015 |
|---|---|---|---|---|
| | Budget | | | |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Intergovernmental | | | | |
| Grants | $ 762,200 | 762,200 | - | 533,700 |
| Interest | 5,200 | 5,200 | 6,985 | 7,842 |
| Miscellaneous | - | - | 25,000 | 636,110 |
| Total Revenues | 767,400 | 767,400 | 31,985 | 1,177,652 |
| Expenditures | | | | |
| General Government | | | | |
| Contractual Services | | | | |
| Consulting Services | 25,000 | 25,000 | 5,893 | 1,500 |
| Legal/Professional Services | 1,000 | 1,000 | - | - |
| Surveys and Appraisals | 25,000 | 25,000 | 16,975 | 18,650 |
| Other | | | | |
| Miscellaneous Fees | - | - | 11,540 | 11,540 |
| Capital Outlay | | | | |
| Land Acquisition and Development | | | | |
| Purchase of Land | 5,000,000 | 5,000,000 | 811,156 | 3,104,972 |
| Total Expenditures | 5,051,000 | 5,051,000 | 845,564 | 3,136,662 |
| Net Change in Fund Balance | (4,283,600) | (4,283,600) | (813,579) | (1,959,010) |
| Fund Balance - Beginning | | | 3,072,801 | 5,031,811 |
| Fund Balance - Ending | | | 2,259,222 | 3,072,801 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**
**June 30, 2016**

| | Illinois Municipal Retirement | Insurance Liability | Social Security | Totals |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Investments | $ 395,444 | 595,059 | 358,076 | 1,348,579 |
| Receivables - Net of Allowances | | | | |
| Property Taxes | 230,326 | 75,109 | 160,217 | 465,652 |
| Accounts | 10,204 | 25,571 | 11,030 | 46,805 |
| Total Assets | 635,974 | 695,739 | 529,323 | 1,861,036 |
| **LIABILITIES** | | | | |
| Accounts Payable | 369 | 165 | 248 | 782 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Property Taxes | 460,118 | 150,044 | 320,061 | 930,223 |
| Total Liabilities and Deferred Inflows of Resources | 460,487 | 150,209 | 320,309 | 931,005 |
| **FUND BALANCES** | | | | |
| Restricted | 175,487 | 545,530 | 209,014 | 930,031 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 635,974 | 695,739 | 529,323 | 1,861,036 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**For the Fiscal Year Ended June 30, 2016**

| | Illinois Municipal Retirement | Insurance Liability | Social Security | Totals |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes | $ 460,040 | 149,256 | 312,017 | 921,313 |
| Interest | 1,207 | 2,559 | 1,190 | 4,956 |
| Miscellaneous | - | 1,500 | - | 1,500 |
| Total Revenues | 461,247 | 153,315 | 313,207 | 927,769 |
| Expenditures | | | | |
| General Government | 396,050 | 229,892 | 302,152 | 928,094 |
| Net Change in Fund Balances | 65,197 | (76,577) | 11,055 | (325) |
| Fund Balances - Beginning | 110,290 | 622,107 | 197,959 | 930,356 |
| Fund Balances - Ending | 175,487 | 545,530 | 209,014 | 930,031 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Illinois Municipal Retirement - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | $ 460,000 | 460,000 | 457,505 | 423,229 |
| Personal Property Replacement Taxes | 2,470 | 2,470 | 2,535 | 3,153 |
| Interest | 1,100 | 1,100 | 1,207 | 845 |
| Total Revenues | 463,570 | 463,570 | 461,247 | 427,227 |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | | | | |
| Illinois Municipal Retirement Fund | 390,000 | 390,000 | 394,349 | 386,053 |
| Other | | | | |
| Miscellaneous Fees | - | - | 1,701 | 1,701 |
| Total Expenditures | 390,000 | 390,000 | 396,050 | 387,754 |
| Net Change in Fund Balance | 73,570 | 73,570 | 65,197 | 39,473 |
| Fund Balance - Beginning | | | 110,290 | 70,817 |
| Fund Balance - Ending | | | 175,487 | 110,290 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Insurance Liability - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | 2015 |
|---|---|---|---|---|
| | Budget | | | |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | $ 150,000 | 150,000 | 149,256 | 199,194 |
| Interest | 2,600 | 2,600 | 2,559 | 2,505 |
| Miscellaneous | - | - | 1,500 | - |
| Total Revenues | 152,600 | 152,600 | 153,315 | 201,699 |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | | | | |
| Unemployment Compensation | 20,000 | 20,000 | 10,910 | 15,457 |
| Contractual Services | | | | |
| Insurance - General | 97,000 | 97,000 | 103,625 | 95,575 |
| Legal | - | - | - | 40,998 |
| Workmen's Compensation | 112,000 | 112,000 | 111,095 | 109,605 |
| Other | | | | |
| Miscellaneous Fees | - | - | 4,262 | 4,262 |
| Total Expenditures | 229,000 | 229,000 | 229,892 | 265,897 |
| Net Change in Fund Balance | (76,400) | (76,400) | (76,577) | (64,198) |
| Fund Balance - Beginning | | | 622,107 | 686,305 |
| Fund Balance - Ending | | | 545,530 | 622,107 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Social Security - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | |
|---|---|---|---|---|
| | Budget | | | 2015 |
| | Original | Final | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | $ 312,000 | 312,000 | 310,311 | 316,086 |
| Personal Property Replacement Taxes | 1,670 | 1,670 | 1,706 | 2,132 |
| Interest | 1,000 | 1,000 | 1,190 | 991 |
| Total Revenues | 314,670 | 314,670 | 313,207 | 319,209 |
| Expenditures | | | | |
| General Government | | | | |
| Personal Services | | | | |
| Social Security Tax | 331,000 | 331,000 | 300,314 | 296,892 |
| Other | | | | |
| Miscellaneous Fees | - | - | 1,838 | 1,838 |
| Total Expenditures | 331,000 | 331,000 | 302,152 | 298,730 |
| Net Change in Fund Balance | (16,330) | (16,330) | 11,055 | 20,479 |
| Fund Balance - Beginning | | | 197,959 | 177,480 |
| Fund Balance - Ending | | | 209,014 | 197,959 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Cultural and Events Center - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual**
**For the Fiscal Year Ended June 30, 2016**
**with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2015**

| | 2016 | | | 2015 |
|---|---|---|---|---|
| | Budget | | | |
| | Original | Final | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Rentals | $ 700,000 | 700,000 | 792,900 | 735,222 |
| Operating Expenses | | | | |
| Operations | | | | |
| Miscellaneous Fees | 1,000 | 1,000 | 130,494 | 16,046 |
| Depreciation and Amortization | 701,961 | 701,961 | 810,726 | 701,962 |
| Total Operating Expenses | 702,961 | 702,961 | 941,220 | 718,008 |
| Operating Income (Loss) | (2,961) | (2,961) | (148,320) | 17,214 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 9,200 | 9,200 | 27,437 | 10,090 |
| Interest Expense | (672,997) | (672,997) | (259,098) | (345,415) |
| | (663,797) | (663,797) | (231,661) | (335,325) |
| Income (Loss) Before Contributions | (666,758) | (666,758) | (379,981) | (318,111) |
| Capital Contributions | - | - | 169,558 | 909,785 |
| Change in Net Position | (666,758) | (666,758) | (210,423) | 591,674 |
| Net Position - Beginning | | | 11,204,616 | 10,612,942 |
| Net Position - Ending | | | 10,994,193 | 11,204,616 |

# SUPPLEMENTAL SCHEDULES

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Bonds of 2007**
**June 30, 2016**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ 2,625,000 | 3,391,875 | 6,016,875 |
| 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 |
| | 69,150,000 | 22,492,500 | 91,642,500 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**Taxable General Obligation (Alternate Revenue Source) Bonds of 2008**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | June 1, 2008 |
| Date of Maturity | December 15, 2016 |
| Authorized Issue | $8,000,000 |
| Denomination of Bonds | $5,000 |
| Interest Rates | 4.50% - 5.95% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ 360,000 | 8,325 | 368,325 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Bonds of 2011A**
**June 30, 2016**

| | |
|---|---|
| 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% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 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 |
| | 26,035,000 | 9,609,738 | 35,644,738 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Limited Tax Refunding Bonds of 2011B**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | October 26, 2011 |
| Date of Maturity | December 15, 2019 |
| Authorized Issue | $21,235,000 |
| Denomination of Bonds | $5,000 |
| Interest Rates | 3.00% - 5.00% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ 2,835,000 | 286,925 | 3,121,925 |
| 2018 | 3,080,000 | 198,200 | 3,278,200 |
| 2019 | 3,215,000 | 87,700 | 3,302,700 |
| 2020 | 585,000 | 11,700 | 596,700 |
| | 9,715,000 | 584,525 | 10,299,525 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2012**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | October 2, 2012 |
| Date of Maturity | December 15, 2017 |
| Authorized Issue | $65,200,000 |
| Denomination of Bonds | $5,000 |
| Interest Rate | 4.00% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ 15,800,000 | 667,200 | 16,467,200 |
| 2018 | 8,780,000 | 175,600 | 8,955,600 |
| | 24,580,000 | 842,800 | 25,422,800 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Limited Tax Refunding Bonds of 2015A**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | December 22, 2015 |
| Date of Maturity | December 15, 2025 |
| Authorized Issue | $8,245,000 |
| Denomination of Bonds | $5,000 |
| Interest Rate | 3.00% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ - | 247,350 | 247,350 |
| 2018 | - | 247,350 | 247,350 |
| 2019 | - | 247,350 | 247,350 |
| 2020 | 1,240,000 | 228,750 | 1,468,750 |
| 2021 | - | 210,150 | 210,150 |
| 2022 | - | 210,150 | 210,150 |
| 2023 | 1,675,000 | 185,025 | 1,860,025 |
| 2024 | 1,725,000 | 134,025 | 1,859,025 |
| 2025 | 1,775,000 | 81,525 | 1,856,525 |
| 2026 | 1,830,000 | 27,450 | 1,857,450 |
| | 8,245,000 | 1,819,125 | 10,064,125 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2015B**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | December 22, 2015 |
| Date of Maturity | December 15, 2019 |
| Authorized Issue | $1,110,000 |
| Denomination of Bonds | $5,000 |
| Interest Rate | 3.00% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ - | 33,300 | 33,300 |
| 2018 | - | 33,300 | 33,300 |
| 2019 | - | 33,300 | 33,300 |
| 2020 | 1,110,000 | 16,650 | 1,126,650 |
| | 1,110,000 | 116,550 | 1,226,550 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Limited Tax Refunding Bonds of 2016A**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | March 23, 2016 |
| Date of Maturity | December 15, 2025 |
| Authorized Issue | $5,725,000 |
| Denomination of Bonds | $5,000 |
| Interest Rate | 5.00% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ - | 286,250 | 286,250 |
| 2018 | - | 286,250 | 286,250 |
| 2019 | - | 286,250 | 286,250 |
| 2020 | - | 286,250 | 286,250 |
| 2021 | 1,900,000 | 238,750 | 2,138,750 |
| 2022 | 2,000,000 | 141,250 | 2,141,250 |
| 2023 | 425,000 | 80,625 | 505,625 |
| 2024 | 445,000 | 58,875 | 503,875 |
| 2025 | 470,000 | 36,000 | 506,000 |
| 2026 | 485,000 | 12,125 | 497,125 |
| | 5,725,000 | 1,712,625 | 7,437,625 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**Taxable General Obligation (Alternate Revenue Source) Bonds of 2016B**
**June 30, 2016**

| | |
|---|---|
| Date of Issue | March 23, 2016 |
| Date of Maturity | December 15, 2027 |
| Authorized Issue | $5,860,000 |
| Denomination of Bonds | $5,000 |
| Interest Rates | 2.00% - 3.15% |
| Interest Dates | June 15 and December 15 |
| Principal Maturity Date | December 15 |
| Payable at | Bank of New York |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Fiscal Year | Principal | Interest | Totals |
|---|---|---|---|
| 2017 | $ 120,000 | 144,033 | 264,033 |
| 2018 | 465,000 | 138,183 | 603,183 |
| 2019 | 475,000 | 128,782 | 603,782 |
| 2020 | 485,000 | 119,182 | 604,182 |
| 2021 | 495,000 | 109,382 | 604,382 |
| 2022 | 505,000 | 99,256 | 604,256 |
| 2023 | 515,000 | 88,158 | 603,158 |
| 2024 | 530,000 | 75,610 | 605,610 |
| 2025 | 545,000 | 60,810 | 605,810 |
| 2026 | 560,000 | 44,235 | 604,235 |
| 2027 | 575,000 | 27,210 | 602,210 |
| 2028 | 590,000 | 9,293 | 599,293 |
| | 5,860,000 | 1,044,134 | 6,904,134 |

# STATISTICAL SECTION
# (Unaudited)

This part of the 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 says about the District's overall financial health.

## Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

## Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources.

## 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.

## 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.

## 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.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years***
**June 30, 2016 (Unaudited)**

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**See Following Page**

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years***
**June 30, 2016 (Unaudited)**

| | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | $ 59,501,847 | 68,516,816 | 118,382,953 | 143,097,036 |
| Restricted | 58,178,177 | 60,049,309 | 25,118,104 | 18,717,112 |
| Unrestricted | 3,577,728 | 4,318,766 | 2,631,051 | 1,782,664 |
| Total Governmental Activities Net Position | 121,257,752 | 132,884,891 | 146,132,108 | 163,596,812 |
| Business-Type Activities | | | | |
| Net Investment in Capital Assets | 9,455,629 | 9,139,366 | 11,854,223 | 11,084,823 |
| Unrestricted | 1,419,215 | 2,195,225 | 2,064,906 | 2,627,694 |
| Total Business-Type Activities Net Position | 10,874,844 | 11,334,591 | 13,919,129 | 13,712,517 |
| Primary Government | | | | |
| Net Investment in Capital Assets | 68,957,476 | 77,656,182 | 130,237,176 | 154,181,859 |
| Restricted | 58,178,177 | 60,049,309 | 25,118,104 | 18,717,112 |
| Unrestricted | 4,996,943 | 6,513,991 | 4,695,957 | 4,410,358 |
| Total Primary Government Net Position | 132,132,596 | 144,219,482 | 160,051,237 | 177,309,329 |

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| 159,341,526 | 173,717,878 | 193,658,072 | 207,920,495 | 238,279,636 | 258,666,619 |
| 6,177,475 | 7,288,583 | 2,825,700 | 6,721,307 | 7,111,243 | 7,372,270 |
| 12,454,602 | 10,700,112 | 12,645,143 | 16,747,031 | 10,424,655 | 14,654,278 |
| 177,973,603 | 191,706,573 | 209,128,915 | 231,388,833 | 255,815,534 | 280,693,167 |
| 10,485,805 | 10,047,518 | 7,516,367 | 7,122,407 | 7,657,380 | 7,011,212 |
| 3,333,415 | 3,228,136 | 3,242,742 | 3,490,535 | 3,547,236 | 3,982,981 |
| 13,819,220 | 13,275,654 | 10,759,109 | 10,612,942 | 11,204,616 | 10,994,193 |
| 169,827,331 | 183,765,396 | 201,174,439 | 215,042,902 | 245,937,016 | 265,677,831 |
| 6,177,475 | 7,288,583 | 2,825,700 | 6,721,307 | 7,111,243 | 7,372,270 |
| 15,788,017 | 13,928,248 | 15,887,885 | 20,237,566 | 13,971,891 | 18,637,259 |
| 191,792,823 | 204,982,227 | 219,888,024 | 242,001,775 | 267,020,150 | 291,687,360 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years***
**June 30, 2016 (Unaudited)**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | $ 7,110,673 | 8,671,420 | 6,328,430 | 8,716,781 | 7,602,837 | 8,051,182 | 6,991,152 | 8,135,345 | 8,620,472 | 8,754,040 |
| Land Acquisition and Development | 509,548 | - | 3,744,998 | 1,227,493 | 2,077,434 | 2,367,463 | 1,519,566 | 2,204,870 | 2,123,494 | 1,358,742 |
| Interest and Fiscal Charges | 7,780,787 | 11,448,908 | 11,159,169 | 10,812,585 | 10,010,257 | 10,361,418 | 10,838,579 | 6,429,436 | 5,700,119 | 4,780,538 |
| Total Governmental Activities Expenses | 15,401,008 | 20,120,328 | 21,232,597 | 20,756,859 | 19,690,528 | 20,780,063 | 19,349,297 | 16,769,651 | 16,444,085 | 14,893,320 |
| Business-Type Activities | | | | | | | | | | |
| Cultural and Events Center | 395,602 | 382,269 | 1,224,764 | 1,183,298 | 1,167,550 | 1,133,325 | 1,100,903 | 1,066,066 | 1,063,423 | 1,200,318 |
| Total Primary Government Expenses | 15,796,610 | 20,502,597 | 22,457,361 | 21,940,157 | 20,858,078 | 21,913,388 | 20,450,200 | 17,835,717 | 17,507,508 | 16,093,638 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | 1,105,481 | 1,238,848 | 1,286,952 | 1,368,984 | 1,329,363 | 1,732,379 | 2,170,510 | 2,352,979 | 2,566,476 | 2,593,120 |
| Operating Grants/Contributions | 16,553 | - | - | 970,000 | - | - | - | - | - | - |
| Capital Grants/Contributions | 3,102,156 | 2,911,197 | 3,068,492 | 5,107,806 | 1,389,481 | 326,011 | 652,983 | 2,351,852 | 1,094,490 | 233,426 |
| Total Governmental Activities Program Revenues | 4,224,190 | 4,150,045 | 4,355,444 | 7,446,790 | 2,718,844 | 2,058,390 | 2,823,493 | 4,704,831 | 3,660,966 | 2,826,546 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | 819,136 | 772,931 | 978,812 | 1,222,656 | 1,246,714 | 586,285 | 745,000 | 910,000 | 735,222 | 792,900 |
| Capital Grants/Contributions | - | - | 2,750,000 | 8,719 | 22,969 | - | - | - | - | - |
| Total Business-Type Activities Program Revenues | 819,136 | 772,931 | 3,728,812 | 1,231,375 | 1,269,683 | 586,285 | 745,000 | 910,000 | 735,222 | 792,900 |
| Total Primary Government Program Revenues | 5,043,326 | 4,922,976 | 8,084,256 | 8,678,165 | 3,988,527 | 2,644,675 | 3,568,493 | 5,614,831 | 4,396,188 | 3,619,446 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | (11,176,818) | (15,970,283) | (16,877,153) | (13,310,069) | (16,971,684) | (18,721,673) | (16,525,804) | (12,064,820) | (12,783,119) | (12,066,774) |
| Business-Type Activities | 423,534 | 390,662 | 2,504,048 | 48,077 | 102,133 | (547,040) | (355,903) | (156,066) | (328,201) | (407,418) |
| Total Primary Government Net (Expense) Revenue | (10,753,284) | (15,579,621) | (14,373,105) | (13,261,992) | (16,869,551) | (19,268,713) | (16,881,707) | (12,220,886) | (13,111,320) | (12,474,192) |

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | $ 23,177,321 | 23,557,702 | 29,107,369 | 29,963,125 | 30,864,637 | 31,960,723 | 35,119,989 | 33,472,270 | 35,273,065 | 35,811,192 |
| Replacement | 299,334 | 329,951 | 289,252 | 240,172 | 296,277 | 261,308 | 276,567 | 289,850 | 303,382 | 243,749 |
| Investment Income | 1,754,209 | 3,402,845 | 685,251 | 234,971 | 151,132 | 49,930 | 136,852 | 136,520 | 117,305 | 144,809 |
| Miscellaneous | 5,506 | 306,924 | 42,498 | 76,505 | 127,379 | 182,682 | 92,756 | 426,101 | 1,486,441 | 744,657 |
| Transfers | - | - | - | - | - | - | 2,176,955 | - | - | - |
| Total Governmental Activities | 25,236,370 | 27,597,422 | 30,124,370 | 30,514,773 | 31,439,425 | 32,454,643 | 37,803,119 | 34,324,741 | 37,180,193 | 36,944,407 |
| Business-Type Activities | | | | | | | | | | |
| Interest | 79,078 | 69,085 | 80,490 | 5,311 | 4,570 | 3,474 | 5,695 | 9,899 | 10,090 | 27,437 |
| Miscellaneous | - | - | - | - | - | - | 10,618 | - | 909,785 | 169,558 |
| Transfers | - | - | - | - | - | - | (2,176,955) | - | - | - |
| Total Business-Type Activities | 79,078 | 69,085 | 80,490 | 5,311 | 4,570 | 3,474 | (2,160,642) | 9,899 | 919,875 | 196,995 |
| Total Primary Government General Revenues | 25,315,448 | 27,666,507 | 30,204,860 | 30,520,084 | 31,443,995 | 32,458,117 | 35,642,477 | 34,334,640 | 38,100,068 | 37,141,402 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 14,059,552 | 11,627,139 | 13,247,217 | 17,204,704 | 14,467,741 | 13,732,970 | 21,277,315 | 22,259,921 | 24,397,074 | 24,877,633 |
| Business-Type Activities | 502,612 | 459,747 | 2,584,538 | 53,388 | 106,703 | (543,566) | (2,516,545) | (146,167) | 591,674 | (210,423) |
| Total Primary Government | 14,562,164 | 12,086,886 | 15,831,755 | 17,258,092 | 14,574,444 | 13,189,404 | 18,760,770 | 22,113,754 | 24,988,748 | 24,667,210 |

* Accrual Basis of Accounting
Data Source: Audited Financial Statements

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years***
**June 30, 2016 (Unaudited)**

| | 2007 | 2008 | 2009 |
|---|---|---|---|
| General Fund | | | |
| Reserved | $ 35,450 | 6,500 | 6,500 |
| Unreserved | 3,298,490 | 3,505,811 | 3,669,887 |
| Nonspendable | - | - | - |
| Unassigned | - | - | - |
| Total General Fund | 3,333,940 | 3,512,311 | 3,676,387 |
| All Other Governmental Funds | | | |
| Reserved, Reported in, | | | |
| Special Revenue Funds | 581,206 | 472,363 | 594,526 |
| Debt Service Funds | 3,378,630 | 254,433 | 1,559,677 |
| Capital Projects Funds | 94,971,732 | 74,057,484 | 22,963,901 |
| Unreserved, reported in | | | |
| Debt Service Funds | - | - | - |
| Restricted | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total All Other Governmental Funds | 98,931,568 | 74,784,280 | 25,118,104 |
| Total Governmental Funds | 102,265,508 | 78,296,591 | 28,794,491 |

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

The District implemented GASB No. 54 for the fiscal year ended June 30, 2011.

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| 6,500 | - | - | - | - | - | - |
| 3,802,373 | - | - | - | - | - | - |
| - | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 | 5,959 |
| - | 4,182,868 | 4,775,952 | 5,472,063 | 6,575,721 | 7,257,976 | 5,919,586 |
| 3,808,873 | 4,189,368 | 4,782,452 | 5,478,563 | 6,582,221 | 7,264,476 | 5,925,545 |
| | | | | | | |
| 609,668 | - | - | - | - | - | - |
| 2,113,169 | - | - | - | - | - | - |
| 15,994,275 | - | - | - | - | - | - |
| | | | | | | |
| - | - | - | - | - | - | - |
| - | 29,431,232 | 13,912,213 | 9,217,096 | 8,705,540 | 7,392,529 | 7,613,994 |
| - | 11,140,028 | 9,529,913 | 11,448,451 | 9,049,675 | 8,815,852 | 10,086,856 |
| - | - | - | - | - | - | - |
| 18,717,112 | 40,571,260 | 23,442,126 | 20,665,547 | 17,755,215 | 16,208,381 | 17,700,850 |
| | | | | | | |
| 22,525,985 | 44,760,628 | 28,224,578 | 26,144,110 | 24,337,436 | 23,472,857 | 23,626,395 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years***
**June 30, 2016 (Unaudited)**

| | 2007 | 2008 | 2009 |
|---|---|---|---|
| Revenues | | | |
| Taxes | $ 23,316,792 | 23,887,653 | 29,396,621 |
| Charges for Services | 1,026,345 | 1,193,567 | 1,241,231 |
| Licenses and Permits | 24,425 | 26,996 | 22,896 |
| Intergovernmental | 1,256,176 | 831,197 | 2,991,492 |
| Fines and Forfeitures | - | - | - |
| Investment Income | 1,754,205 | 3,402,845 | 685,251 |
| Fox River Trust Income | 500,000 | - | - |
| Miscellaneous | 106,617 | 325,209 | 65,323 |
| Total Revenues | 27,984,560 | 29,667,467 | 34,402,814 |
| Expenditures | | | |
| Current | | | |
| General Government | 6,210,541 | 6,601,893 | 7,077,210 |
| Land Acquisition and Development | - | - | - |
| Capital Outlay | 54,358,024 | 24,820,382 | 54,184,489 |
| Debt Service | | | |
| Principal Retirement | 7,940,000 | 10,475,000 | 11,315,000 |
| Interest and Fiscal Charges | 8,569,454 | 11,379,109 | 11,406,471 |
| Total Expenditures | 77,078,019 | 53,276,384 | 83,983,170 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (49,093,459) | (23,608,917) | (49,580,356) |
| Other Financing Sources (Uses) | | | |
| Payment to Refunded Bond Escrow Agent | - | - | - |
| Transfers In | 332,871 | - | 6,250,000 |
| Transfers Out | - | - | (6,250,000) |
| Issuance of Bonds | - | - | - |
| Premium on Bonds | 94,495,866 | - | - |
| Proceeds from Sale of Capital Assets | 3,962,248 | - | 78,256 |
| | 98,790,985 | - | 78,256 |
| Net Change in Fund Balances | 49,697,526 | (23,608,917) | (49,502,100) |
| Debt Service as a Percentage of Noncapital Expenditures | 70.20% | 77.10% | 76.20% |

* Modified Accrual Basis of Accounting
Data Source: Audited Financial Statements

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| 30,203,295 | 31,160,915 | 32,222,032 | 35,396,556 | 33,762,120 | 35,576,447 | 36,054,941 |
| 1,318,800 | 1,253,552 | 1,681,377 | 2,117,081 | 2,317,254 | 2,540,375 | 2,568,999 |
| 22,691 | 20,868 | 19,727 | 15,243 | 19,146 | 14,360 | 10,000 |
| 2,403,610 | 1,389,481 | 350,799 | 572,098 | 1,023,152 | 1,094,490 | 233,426 |
| - | - | - | - | 16,579 | 11,741 | 14,121 |
| 234,971 | 151,132 | 49,930 | 136,852 | 136,520 | 117,305 | 144,809 |
| - | - | - | - | - | - | - |
| 104,000 | 169,065 | 189,168 | 130,942 | 426,101 | 1,486,441 | 744,657 |
| 34,287,367 | 34,145,013 | 34,513,033 | 38,368,772 | 37,700,872 | 40,841,159 | 39,770,953 |
| | | | | | | |
| 7,029,826 | 6,967,700 | 7,464,482 | 7,322,439 | 8,112,744 | 8,058,666 | 8,159,799 |
| - | - | - | - | 571,500 | 584,868 | 520,579 |
| 10,892,040 | 10,450,091 | 16,847,071 | 4,557,329 | 4,752,062 | 4,688,627 | 1,823,499 |
| | | | | | | |
| 13,050,000 | 14,410,000 | 38,050,000 | 45,940,000 | 18,115,000 | 21,110,000 | 22,575,000 |
| 10,865,043 | 10,232,200 | 10,981,802 | 11,182,329 | 8,016,500 | 7,263,577 | 6,712,854 |
| 41,836,909 | 42,059,991 | 73,343,355 | 69,002,097 | 39,567,806 | 41,705,738 | 39,791,731 |
| | | | | | | |
| (7,549,542) | (7,914,978) | (38,830,322) | (30,633,325) | (1,866,934) | (864,579) | (20,778) |
| | | | | | | |
| - | - | - | (43,860,804) | - | - | (16,398,223) |
| 260,000 | - | - | - | 31,000 | 100,000 | 2,200,000 |
| - | - | - | - | (31,000) | (100,000) | (2,200,000) |
| - | 30,000,000 | 21,235,000 | 65,200,000 | - | - | 15,080,000 |
| - | 219,374 | 1,058,524 | 6,798,357 | - | - | 1,492,539 |
| 1,021,036 | 21,197 | 748 | 415,304 | 60,263 | - | - |
| 1,281,036 | 30,240,571 | 22,294,272 | 28,552,857 | 60,263 | - | 174,316 |
| | | | | | | |
| (6,268,506) | 22,325,593 | (16,536,050) | (2,080,468) | (1,806,671) | (864,579) | 153,538 |
| | | | | | | |
| 77.30% | 78.00% | 85.10% | 88.40% | 77.56% | 75.59% | 77.72% |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| Fiscal Year | Tax Levy Year | Residential Property | Farm | Commercial & Industrial Property |
|---|---|---|---|---|
| 2007 | 2006 | $ 10,737,359,756 | $ 233,308,175 | $ 2,756,139,828 |
| 2008 | 2007 | 11,773,222,789 | 246,092,690 | 3,023,823,513 |
| 2009 | 2008 | 12,329,942,235 | 260,815,259 | 3,278,850,930 |
| 2010 | 2009 | 12,227,366,351 | 266,671,270 | 3,287,993,262 |
| 2011 | 2010 | 11,458,223,572 | 258,244,853 | 3,113,576,239 |
| 2012 | 2011 | 10,500,653,170 | 253,294,432 | 3,002,142,531 |
| 2013 | 2012 | 9,493,140,070 | 243,744,234 | 2,922,755,971 |
| 2014 | 2013 | 8,815,204,324 | 238,144,836 | 2,715,464,142 |
| 2015 | 2014 | 8,683,462,757 | 237,504,210 | 2,696,389,795 |
| 2016 | 2015 | 9,088,292,297 | 241,272,681 | 2,828,020,570 |

Data Source: Office of the Kane County Clerk

Note: Property is assessed at 33.3% of actual value.

| Railroad Property | Totals | Total Taxable Assessed Value | Total Direct Tax Rate |
|---|---|---|---|
| $ 6,489,782 | $ 13,733,297,541 | $ 41,199,892,623 | 0.1747 |
| 7,532,945 | 15,050,671,937 | 45,152,015,811 | 0.1975 |
| 8,987,156 | 15,878,595,580 | 47,635,786,740 | 0.1932 |
| 10,598,471 | 15,792,629,354 | 47,377,888,062 | 0.1997 |
| 12,429,644 | 14,842,474,308 | 44,527,422,924 | 0.2201 |
| 13,808,973 | 13,769,899,106 | 41,309,697,318 | 0.2609 |
| 16,021,810 | 12,675,662,085 | 38,026,986,255 | 0.2710 |
| 17,468,815 | 11,786,282,117 | 34,942,328,628 | 0.3039 |
| 30,086,113 | 11,647,442,875 | 34,942,328,628 | 0.3126 |
| 20,041,159 | 12,177,626,707 | 36,532,880,125 | 0.2942 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Eight Tax Levy Years**
**June 30, 2016 (Unaudited)**

| | 2008 |
|---|---|
| District Direct Rates | |
| Corporate | 0.0305 |
| I.M.R.F. | 0.0016 |
| Construction & Development | 0.0013 |
| Liability Insurance | 0.0021 |
| Social Security | 0.0015 |
| Bonds & Interest | 0.1562 |
| Total District Direct Rates (1) | 0.1932 |
| Overlapping Rates | |
| County | 0.3336 |
| Fox River Water Reclamation District | 0.0240 |
| Elgin Township | 0.0692 |
| Elgin Twp Road District | 0.0514 |
| City of Elgin | 1.9200 |
| Gail Borden Library District | 0.3175 |
| Elgin Unit School District #46 | 4.2066 |
| Elgin Community College District #509 | 0.3275 |
| Total District Direct and Overlapping Rates (2) | 7.4430 |
| Share of Total Rates Levied by District | 2.6% |

Data Source: Kane County Clerk

Note: Data for prior years not available.

(1) Statutory tax rate limits for the District are as follows: Corporate $0.06 and Construction and Development $0.025

(2) Representative tax rates for other governmental units are from Elgin Township tax code 05, which represents approximately 7% of the District's 2013 EAV.

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| 0.0312 | 0.0341 | 0.0374 | 0.0421 | 0.0461 | 0.0466 | 0.0444 |
| 0.0022 | 0.0024 | 0.0027 | 0.0033 | 0.0036 | 0.0040 | 0.0038 |
| 0.0011 | 0.0012 | 0.0013 | 0.0014 | 0.0006 | 0.0008 | 0.0009 |
| 0.0013 | 0.0015 | 0.0019 | 0.0021 | 0.0017 | 0.0013 | 0.0012 |
| 0.0019 | 0.0022 | 0.0023 | 0.0025 | 0.0027 | 0.0027 | 0.0027 |
| 0.1620 | 0.1787 | 0.2153 | 0.2196 | 0.2491 | 0.2572 | 0.2412 |
| 0.1997 | 0.2201 | 0.2609 | 0.2710 | 0.3039 | 0.3126 | 0.2942 |
| 0.3398 | 0.3730 | 0.3990 | 0.4336 | 0.4623 | 0.4684 | 0.4479 |
| 0.0249 | 0.0273 | 0.0299 | 0.0344 | 0.0370 | 0.0409 | 0.0339 |
| 0.0706 | 0.0783 | 0.0890 | 0.0997 | 0.1114 | 0.1160 | 0.1102 |
| 0.0524 | 0.0581 | 0.0660 | 0.0762 | 0.0858 | 0.0893 | 0.0849 |
| 1.9202 | 1.9214 | 1.9836 | 1.9344 | 2.1668 | 2.3218 | 2.4110 |
| 0.3380 | 0.3650 | 0.4084 | 0.4791 | 0.5087 | 0.5796 | 0.5294 |
| 4.5494 | 5.2661 | 5.5589 | 6.3706 | 5.9395 | 8.0229 | 7.1238 |
| 0.3833 | 0.4407 | 0.4454 | 0.5215 | 0.5707 | 0.6079 | 0.5609 |
| 7.8783 | 8.7500 | 9.2411 | 10.2205 | 10.1861 | 12.5594 | 11.5962 |
| 2.5% | 2.5% | 2.8% | 2.8% | 3.0% | 2.5% | 2.5% |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago**
**June 30, 2016 (Unaudited)**

| | Tax Levy Year 2015 | | | Tax Levy Year 2006 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Simon/Chelsea Chicago Development LLC | $ 50,428,571 | 1 | 0.14% | $ 31,105,082 | 3 | 0.08% |
| Liberty Illinois LP | 37,777,668 | 2 | 0.10% | 23,176,992 | 5 | 0.06% |
| LPF Geneva Commons LLC | 34,415,407 | 3 | 0.09% | 31,473,247 | 2 | 0.08% |
| Toyota Motor Sales USA Inc. | 29,795,276 | 4 | 0.08% | 17,199,520 | 7 | 0.04% |
| Q Center LLC | 16,165,049 | 5 | 0.04% | | | |
| In Retail Fund Algonquin Commons LLC | 16,031,158 | 6 | 0.04% | 30,140,007 | 4 | 0.07% |
| John B. Sanfillippo & Son Inc. | 15,916,743 | 7 | 0.04% | 12,540,279 | 9 | 0.03% |
| Spring Hill Mall LLC | 15,874,067 | 8 | 0.04% | 33,820,324 | 1 | 0.08% |
| Amli At St Charles LLC | 13,327,010 | 9 | 0.04% | | | |
| Regency Canterfield LLC | 13,054,489 | 10 | 0.04% | | | |
| Arthur Anderson & Co | | | | 17,605,547 | 6 | 0.04% |
| Aurora Industrial Holdings Co. Kraft Foods Global Inc | | | | 13,679,281 | 8 | 0.03% |
| Aldi INC | | | | 11,497,817 | 10 | 0.03% |
| | 242,785,438 | | 0.66% | 222,238,096 | | 0.54% |

Data Source: Kane County Assessor

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| Fiscal Year | Tax Levy Year | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|---|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | 2006 | $ 23,604,696 | $ 11,615,578 | 49.21% | $ 11,942,124 | $ 23,557,702 | 99.80% |
| 2008 | 2007 | 29,191,546 | 14,057,634 | 48.16% | 15,049,735 | 29,107,369 | 99.71% |
| 2009 | 2008 | 30,103,624 | 13,902,909 | 46.18% | 16,060,216 | 29,963,125 | 99.53% |
| 2010 | 2009 | 30,909,239 | 12,987,245 | 42.02% | 17,877,393 | 30,864,638 | 99.86% |
| 2011 | 2010 | 32,062,395 | 15,703,107 | 48.98% | 16,257,616 | 31,960,723 | 99.68% |
| 2012 | 2011 | 35,255,223 | 17,469,072 | 49.55% | 16,681,555 | 34,150,627 | 96.87% |
| 2013 | 2012 | 33,696,456 | 16,773,750 | 49.78% | 16,793,497 | 33,567,247 | 99.62% |
| 2014 | 2013 | 35,422,768 | 17,788,031 | 50.22% | 17,484,822 | 35,272,853 | 99.58% |
| 2015 | 2014 | 36,009,124 | 18,132,465 | 50.36% | 17,353,724 | 35,486,189 | 98.55% |
| 2016 | 2015 | 35,417,740 | 17,688,270 | 49.94% | 17,729,470 | * 35,417,740 | 100.00% |

*Collections made after year-end through November 2016.

Data Source: District records

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| Fiscal Year | Governmental Activities: General Obligation Bonds | Business-Type Activities: General Obligation Bonds | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|---|---|---|---|---|---|
| 2007 | $ 262,987,692 | $ - | $ 262,987,692 | 1.71% | $ 520.77 |
| 2008 | 252,978,455 | 8,000,000 | 260,978,455 | 1.65% | 514.62 |
| 2009 | 242,151,155 | 8,000,000 | 250,151,155 | 1.37% | 493.27 |
| 2010 | 229,611,825 | 7,730,000 | 237,341,825 | 1.25% | 460.62 |
| 2011 | 245,736,548 | 7,450,000 | 253,186,548 | 1.33% | 491.37 |
| 2012 | 229,481,457 | 7,114,397 | 236,595,854 | 1.21% | 452.83 |
| 2013 | 214,737,290 | 6,817,247 | 221,554,537 | 1.07% | 423.10 |
| 2014 | 195,786,865 | 6,505,097 | 202,291,962 | 0.78% | 383.63 |
| 2015 | 173,870,357 | 6,177,947 | 180,048,304 | 0.79% | 339.17 |
| 2016 | 150,881,834 | 6,220,000 | 157,101,834 | 0.69% | 295.95 |

Data Source: Audited Financial Statements

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| Fiscal Year | General Obligation Bonds | Less: Amounts Available for Debt Service | Totals | Percentage of Total Taxable Assessed Value of Property (1) | Per Capita (2) |
|---|---|---|---|---|---|
| 2007 | $ 272,879,421 | $ 3,378,630 | $ 269,500,791 | 0.65% | $ 533.66 |
| 2008 | 262,146,496 | 254,433 | 261,892,063 | 0.58% | 516.43 |
| 2009 | 250,812,324 | 1,559,677 | 249,252,647 | 0.52% | 491.50 |
| 2010 | 237,812,324 | 2,113,169 | 235,699,155 | 0.50% | 457.43 |
| 2011 | 253,685,748 | 2,759,107 | 250,926,641 | 0.56% | 486.98 |
| 2012 | 229,481,457 | 2,177,699 | 227,303,758 | 0.55% | 435.04 |
| 2013 | 214,737,290 | 1,053,237 | 213,684,053 | 0.56% | 408.07 |
| 2014 | 202,291,962 | 3,265,936 | 199,026,026 | 0.57% | 377.44 |
| 2015 | 180,048,304 | 3,891,081 | 176,157,223 | 0.50% | 331.84 |
| 2016 | 157,101,834 | 4,325,602 | 152,776,232 | 0.42% | 287.80 |

Data Source: Audited Financial Statements

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.
(2) See the Schedule of Demographic and Economic Statistics for population data.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt**
**June 30, 2016 (Unaudited)**

| Governmental Unit | Gross Debt | Percentage of Debt Applicable to District (1) | District's Share of Debt |
|---|---|---|---|
| Forest Preserve District of Kane County | $ 150,881,834 | 100.00% | $ 150,881,834 |
| Overlapping Debt (2) | | | |
| Kane County | 41,855,000 | 100.00% | 41,855,000 |
| Townships | 41,395,000 | 100.00% | 41,395,000 |
| School Districts and Colleges | 1,129,003,634 | 46.39% | 523,786,812 |
| Cities & Villages | 415,358,982 | 61.76% | 256,531,173 |
| Park Districts | 86,630,330 | 61.97% | 53,685,600 |
| Library Districts | 21,258,932 | 61.55% | 13,085,167 |
| Special Service Areas & TIF Districts | 258,614,568 | 99.57% | 257,490,399 |
| Miscellaneous Districts | 21,130,000 | 100.00% | 21,130,000 |
| Total Overlapping Debt | 2,015,246,446 | | 1,208,959,151 |
| Total Direct and Overlapping Debt | 2,166,128,280 | | 1,359,840,985 |

Data Source: Kane County Clerk

(1) Debt percentage to County is calculated by applying the ratio of assessed value of the specific district to that portion which is in Kane County. Percentages have been rounded to the nearest hundredth.
(2) Represents general obligation debt, as reported by various governments. Overlapping governments without general obligation debt are not shown. Data presented was obtained from the Kane County Clerk.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

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**See Following Page**

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| Legal Debt Limit | $ 315,865,843 | 346,165,455 | 365,207,698 | 363,230,475 |
| Total Net Debt Applicable to Limit | 262,987,692 | 242,620,000 | 231,305,000 | 218,255,000 |
| Legal Debt Margin | 52,878,151 | 103,545,455 | 133,902,698 | 144,975,475 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 83.26% | 70.09% | 63.34% | 60.09% |

Data Source: District Records

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| 341,376,909 | 310,769,890 | 285,968,854 | 271,084,489 | 267,891,186 | 280,090,014 |
| 233,845,000 | 217,030,000 | 192,380,000 | 187,916,637 | 167,449,452 | 144,560,000 |
| 107,531,909 | 93,739,890 | 93,588,854 | 83,167,852 | 100,441,734 | 135,530,014 |
| 68.50% | 69.84% | 67.27% | 69.32% | 62.51% | 51.61% |

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|---|---|
| Assessed Value | $ 12,177,826,707 |
| Bonded Debt Limit - 2.30% of Assessed Value | 280,090,014 |
| Amount of Debt Applicable to Limit | 144,560,000 |
| Legal Debt Margin | 135,530,014 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years**
**June 30, 2016 (Unaudited)**

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|---|---|---|---|---|
| 2006 | 482,113 | $ 14,653,342,522 | $ 30,394 | 3.40% |
| 2007 | 505,000 | 15,348,970,000 | 30,394 | 6.40% |
| 2008 | 507,125 | 15,790,351,125 | 31,137 | 7.50% |
| 2009 | 507,125 | 18,322,933,375 | 36,131 | 11.20% |
| 2010 | 515,269 | 19,014,971,907 | 36,903 | 8.60% |
| 2011 | 515,269 | 19,014,971,907 | 36,903 | 9.80% |
| 2012 | 522,487 | 19,485,107,691 | 37,293 | 9.00% |
| 2013 | 523,643 | 20,745,688,374 | 39,618 | 8.30% |
| 2014 | 527,306 | 25,875,432,726 | 49,071 | 5.50% |
| 2015 | 530,847 | 22,756,349,196 | 42,868 | 6.00% |

Data Source: Office of Kane County Clerk, U.S. Census Bureau, Illinois Department of Employment Security

Note: Per capita income is based on census information

Information for 2016 is not available.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Principal Employers - Current Tax Levy Year and Nine Tax Levy Years Ago**
**June 30, 2016 (Unaudited)**

| | Tax Levy Year 2015 | | | Tax Levy Year 2006 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total District Population | Employees | Rank | Percentage of Total District Population |
| School District U-46 | $ 4,170 | 1 | 1.63% | $ 4,820 | 1 | 2.08% |
| Chase | 2,500 | 2 | 0.98% | | | |
| Caterpillar, Inc. | 2,300 | 3 | 0.90% | 3,000 | 2 | 1.30% |
| Advocate Sherman Hospital | 2,200 | 4 | 0.86% | 1,704 | 4 | 0.74% |
| Rush-Copley Medical Center | 2,000 | 5 | 0.78% | | | |
| Fermi Research Alliance | 1,700 | 6 | 0.67% | 2,200 | 3 | 0.95% |
| Delnor-Community Hospital | 1,650 | 7 | 0.65% | 1,022 | 7 | 0.44% |
| Waubonsee Community College | 1,460 | 8 | 0.57% | | | |
| Presence Mercy Medical Center | 1,320 | 9 | 0.52% | | | |
| Kane County | 1,314 | 10 | 0.51% | 1,364 | 6 | 0.53% |
| Harper-Wyman Co | | | | 1,400 | 5 | 0.60% |
| Dreyer Medical Clinic | | | | 1,000 | 8 | 0.43% |
| Provena St. Joseph Hospital | | | | 950 | 9 | 0.41% |
| Provena Mercy Center | | | | 945 | 10 | 0.40% |
| | 20,614 | | 8.07% | 18,405 | | 7.88% |

Data Source: 2014 Illinois Manufacturer's Directory, 2014 Illinois Services Directory, 2005 Illinois Manufacturer's Directory and 2005 Illinois Services Directory.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Full-Time Equivalent Government Employees by Function - Last Nine Fiscal Years**
**June 30, 2016 (Unaudited)**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| General Government | | | | | | | | | |
| Administration | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Finance | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Human Resources | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Safety | | | | | | | | | |
| Police Officers | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Operations | | | | | | | | | |
| Administration | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| North Division | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| South Division | 17 | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 18 |
| Trades | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Planning and Acquisition | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Natural Resources | 5 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 |
| Community Affairs and Education | | | | | | | | | |
| Community Affairs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Education | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Totals | 67.0 | 70.0 | 70.0 | 70.0 | 71.0 | 72.0 | 73.0 | 73.0 | 73.0 |

Data Source: District Human Resources

Note: Data for the prior years is not available.

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Operating Indicators by Function/Program - Last Nine Fiscal Years**
**June 30, 2016 (Unaudited)**

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**See Following Page**

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Operating Indicators by Function/Program - Last Nine Fiscal Years**
**June 30, 2016 (Unaudited)**

| | 2008 | 2009 |
|---|---|---|
| General Government | | |
| Number of Volunteer Hours | 7171 | 6,871 |
| Education Center | | |
| Staff Led Nature Programs | | |
| Conducted | 205 | 264 |
| Program Attendees | 8317 | 10,160 |
| Nature Center Attendees | 70121 | 6,956 |
| Total Attendees | | |
| (Programs + Nature Center) | 15545 | 17,286 |
| Maintenance and Development | | |
| Prescribed Burn Acres | 795 | 1,331 |
| Trees Planted | 11275 | 1,150 |
| Trades - Work Orders Completed | 31 | 85 |
| Public Safety | | |
| Ordinance Violations | 439 | 158 |

Data Source: District Departments

Note: Data for the prior years is not available.

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| 9,352 | 7,773 | 7,655 | 9,792 | 8,723 | 11,594 | 11,660 |
| 269 | 247 | 225 | 192 | 209 | 222 | 223 |
| 9,627 | 9,544 | 9,669 | 7,262 | 6,914 | 8,136 | 7,940 |
| 6,961 | 4,754 | 5,774 | 5,887 | 9,162 | 9,120 | 8,447 |
| 16,789 | 4,469 | 15,648 | 13,149 | 16,076 | 17,256 | 16,387 |
| 1,034 | 1,559 | 1,000 | 1,490 | 1,079 | 1,231 | 1,300 |
| 12,700 | 11,500 | 1,500 | 5,732 | 8,075 | 1,690 | 920 |
| 92 | 207 | 86 | 135 | 182 | 129 | 21 |
| 338 | 383 | 185 | 232 | 325 | 251 | 248 |

**FOREST PRESERVE DISTRICT OF KANE COUNTY, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Nine Fiscal Years**
**June 30, 2016 (Unaudited)**

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Education and Recreation/ | | | |
| Planning and Development | | | |
| Miles of Trails | 140 | 145 | 155 |
| Acres of Preserves | 18,049 | 18,263 | 18,628 |
| Number of Preserves | 92 | 92 | 92 |
| Number of Picnic Shelters | 43 | 44 | 44 |
| Number of Parking Lots | 135 | 136 | 147 |
| Number of Restrooms | 60 | 63 | 69 |
| Operations | | | |
| Facilities | | | |
| Golf Courses | 3 | 3 | 3 |
| Baseball Stadium | 1 | 1 | 1 |
| Indoor Soccer Stadium | 1 | 1 | 1 |
| Indoor Ice Rink | 1 | 1 | 1 |
| Campgrounds | 1 | 1 | 1 |
| Other Facilities | 6 | 6 | 6 |
| Maintenance Vehicles | 45 | 45 | 44 |
| Mowers | 34 | 34 | 30 |
| Public Safety | | | |
| Police | | | |
| Area Patrols | 2 | 2 | 2 |

Data Source: District Departments

Note: Data for the prior years is not available.

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| 155 | 161 | 162 | 166 | 173 | 178 |
| 19,140 | 19,140 | 19,940 | 20,541 | 20,687 | 20,709 |
| 92 | 92 | 92 | 96 | 98 | 98 |
| 50 | 52 | 56 | 56 | 56 | 57 |
| 159 | 166 | 172 | 179 | 152 | 152 |
| 72 | 79 | 83 | 84 | 83 | 83 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 2 | 2 | 2 | 2 |
| 6 | 6 | 7 | 6 | 6 | 6 |
| 44 | 44 | 44 | 44 | 44 | 44 |
| 30 | 30 | 30 | 30 | 30 | 30 |
| 2 | 2 | 2 | 2 | 2 | 2 |