

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

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BEGGIN TIPP LAMM LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Byron Forest Preserve District, 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 Byron Forest Preserve District, Illinois as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

The prior year comparative information has been derived from the District's 2012 financial statements and in our report dated March 11, 2013, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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 from 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 the 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 entity'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 entity'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.

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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 Byron Forest Preserve District, Illinois, as of December 31, 2013, 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 on pages 3 through 13 and the budgetary comparison information, schedules of funding progress and notes on pages 46 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Byron Forest Preserve District, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements on pages 50 through 57 and supplementary financial information on pages 58 through 69 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The supplementary financial information on pages 70 and 71 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink, appearing to read "Benjamin Jipp".

Freeport, Illinois
February 24, 2014

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis
December 31, 2013
(Unaudited)

This section of the Byron Forest Preserve District's Annual Financial Report presents our discussion and analysis of the District's financial activities during the fiscal year ended December 31, 2013.

| |
|-----------------------------|
| FINANCIAL HIGHLIGHTS |
|-----------------------------|

- Net asset position and performance in total – The District's total net position at December 31, 2013 was \$12,207,607.
- Governmental activity summary – Net position for governmental activities decreased by \$622,660 during the fiscal year.
- Business-type activity summary – Net position for business-type activities increased by \$1,074,402 during the fiscal year.
- General Fund summary – The District's General Fund reported an increase of \$65,348 in fund balance for the year.

| |
|---|
| OVERVIEW OF THE FINANCIAL STATEMENTS |
|---|

The basic financial statements include two kinds of statements that present different views of the District: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the District's overall financial status.

Fund financial statements focus on individual parts of the District government, reporting District operation in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds for additional supplementary information.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

The following table summarizes the major features of the District's financial statements.

| Description | Government-Wide Statements | FUND STATEMENTS | |
|--|--|--|--|
| | | Governmental Funds | Proprietary Funds |
| Scope | Entire District government | Activities of the District that are not proprietary such as culture & recreation | Activities the District operates similar to private business such as the golf course |
| Required financial statements | <ul style="list-style-type: none"> - Statement of net position - Statement of activities | <ul style="list-style-type: none"> - Balance sheet - Statement of revenues, expenditures, and changes in fund balance | <ul style="list-style-type: none"> - Statement of net position - Statement of revenues, expenses, and changes in net position - Statement of cash flows |
| Accounting basis | Accrual | Modified accrual | Accrual |
| Measurement focus | Economic resources | Current financial resources | Economic resources |
| Type of assets & liability information | All assets and liabilities; both financial and capital, short and long-term | Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets | All assets and liabilities; both financial and capital, short and long-term |
| Type of inflow & outflow information | All revenues and expenses during the year regardless of when cash is received or paid | Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter | All revenues and expenses during the year regardless of when cash is received or paid |

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to disclose bottom line results for the District and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

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

The governmental activities reflect the District's basic services, including administration and culture & recreation. Property taxes finance the majority of these services.

The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for District operations.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long term financial information.

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual) which is reflected on the page following each statement.

The flow of current financial resources will reflect bonds issued, proceeds from sales of capital asset disposals, and inter-fund transfers as other financial sources as well as capital outlay expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the Government-wide financial statements.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

| |
|--|
| FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE |
|--|

NET POSITION

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
As of December 31, 2013
With Comparative Totals as of December 31, 2012

| | | Governmental Activities | | Business-type Activities | | Total Government | |
|--|-----------|----------------------------|-------------------|-----------------------------|------------------|---------------------|-------------------|
| | | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | \$ | 3,854,463 | 4,607,842 | 749,509 | 788,212 | 4,603,972 | 5,396,054 |
| Capital assets | | 11,758,433 | 11,674,625 | 4,414,255 | 3,309,429 | 16,172,688 | 14,984,054 |
| Total assets | | 15,612,896 | 16,282,467 | 5,163,764 | 4,097,641 | 20,776,660 | 20,380,108 |
| Other liabilities | | 106,567 | 3,248,175 | 36,437 | 44,716 | 143,004 | 3,292,891 |
| Long-term liabilities | | 5,685,722 | 5,331,352 | - | - | 5,685,722 | 5,331,352 |
| Total liabilities | | 5,792,289 | 8,579,527 | 36,437 | 44,716 | 5,828,726 | 8,624,243 |
| Property taxes | | 2,740,327 | - | - | - | 2,740,327 | - |
| Total liabilities and deferred inflows of resources | | 8,532,616 | 8,579,527 | 36,437 | 44,716 | 8,569,053 | 8,624,243 |
| Net position: | | | | | | | |
| Invested in capital assets | | 6,133,862 | 6,404,424 | 4,414,255 | 3,309,429 | 10,548,117 | 9,713,853 |
| Restricted for: | | | | | | | |
| Debt service | | 436,793 | 440,968 | - | - | 436,793 | 440,968 |
| Capital projects | | 35,344 | 374,400 | - | - | 35,344 | 374,400 |
| Unrestricted | | 474,281 | 483,148 | 713,072 | 743,496 | 1,187,353 | 1,226,644 |
| Total net position | \$ | 7,080,280 | 7,702,940 | 5,127,327 | 4,052,925 | 12,207,607 | 11,755,865 |

For more detailed information see the Statement of Net Position.

Normal Impacts - Net Position

There are six common (basic) types of transactions that will generally affect the comparability of the Statements of Net Position summary presentation.

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net position.

Borrowing For Capital – Increases current assets and long-term debt.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net position and increases invested in capital assets.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net position and increases invested in capital assets.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and invested in capital assets.

Current Year Impacts - Net Position

Overall, the District's combined net position increased from \$11,755,865 to \$12,207,607, an increase of \$451,742. This net increase resulted primarily because of an increase in property tax revenue. Net position of the District's governmental activities decreased by \$622,660 during the year, due to the transfer of capital assets for business-type activities, and ended at \$7,080,280. The District's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased by \$8,867 and restricted net position decreased by \$343,231.

The net position of business-type activities increased \$1,074,402 during the year and ended the year at \$5,127,327. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$713,072, a decrease of \$30,424. The annual operating cost of the District's business-type activities for fiscal year 2013 was \$1,183,322, a decrease of \$142,849 from 2012.

Statement of Changes In Net Position

The following chart reflects the condensed Statement of Changes in Net Position.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

Table 2
Changes in Net Position
For the Fiscal Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | Governmental Activities | | Business-type Activities | | Total Government | |
|---------------------------------------|----------------------------|------------------|-----------------------------|------------------|---------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 224,789 | 146,546 | 807,120 | 922,608 | 1,031,909 | 1,069,154 |
| Capital grants | - | - | - | - | - | - |
| General revenues: | | | | | | |
| Property taxes | 2,723,851 | 2,234,818 | - | - | 2,723,851 | 2,234,818 |
| Interest | 4,238 | 16,414 | 1,412 | 1,972 | 5,650 | 18,386 |
| Donations / trade-ins | 243,057 | 240,102 | - | - | 243,057 | 240,102 |
| Bond interest refund | 82,026 | 88,561 | - | - | 82,026 | 88,561 |
| Other | 20,493 | 10,403 | 550 | 9,000 | 21,043 | 19,403 |
| Total revenues | 3,298,454 | 2,736,844 | 809,082 | 933,580 | 4,107,536 | 3,670,424 |
| Expenses | | | | | | |
| Culture & recreation | 2,083,941 | 2,241,430 | - | - | 2,083,941 | 2,241,430 |
| Interest on long-term debt | 388,531 | 273,957 | - | - | 388,531 | 273,957 |
| PrairieView Golf Course | - | - | 1,183,322 | 1,170,528 | 1,183,322 | 1,170,528 |
| Stone Quarry Recreation Park | - | - | - | 155,643 | - | 155,643 |
| Total expenses | 2,472,472 | 2,515,387 | 1,183,322 | 1,326,171 | 3,655,794 | 3,841,558 |
| Excess (deficiency) of | | | | | | |
| Revenues over (under) expenses | 825,982 | 221,457 | (374,240) | (392,591) | 451,742 | (171,134) |
| Donation of capital assets | - | - | - | (215,314) | - | (215,314) |
| Impairment loss on capital assets | - | - | - | (463,308) | - | (463,308) |
| Transfers to general government | - | 994,460 | - | (994,460) | - | - |
| Transfers to Stone Quarry | - | (297,348) | - | 297,348 | - | - |
| Transfers to Prairie View Golf Course | (1,448,642) | (1,145,444) | 1,448,642 | 1,145,444 | - | - |
| Changes in net position | (622,660) | (226,875) | 1,074,402 | (622,881) | 451,742 | (849,756) |
| Beginning net position | 7,702,940 | 8,389,221 | 4,052,925 | 4,216,400 | 11,755,865 | 12,605,621 |
| Prior period adjustment | - | (459,406) | - | 459,406 | - | - |
| Ending net position | \$ 7,080,280 | 7,702,940 | 5,127,327 | 4,052,925 | 12,207,607 | 11,755,865 |

Current Year Impacts-Changes In Net Position

Governmental Activities

Revenues:

Revenues from governmental activities total \$3,298,454, an increase of \$561,610 from prior year. Property taxes were the District's largest source of revenue at \$2,723,851 or approximately 83% of total revenue. Property tax revenue increased by approximately 22% from the last fiscal year, mainly due to the increased valuation.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

Sale of equipment represents approximately 7%, charges for services were \$224,789 or 6.8%. Revenues from all other sources were \$106,757 or 3.2% of the total.

Expenses:

The expenses for governmental activities were \$2,472,474, a decrease of \$42,915 from 2012. All of the expenses were for cultural and recreational purposes. The following is a summary of the object classification of these expenses:

| | <u>2013</u> | | | <u>2012</u> | |
|----------------------------|-------------|------------------|-------------|------------------|-------------|
| Personnel | \$ | 907,661 | 37% | 910,789 | 36% |
| Contractual services | | 298,721 | 12% | 463,968 | 18% |
| Material & supplies | | 626,328 | 25% | 648,975 | 26% |
| Depreciation | | 251,231 | 10% | 217,698 | 9% |
| Interest on long-term debt | | 388,531 | 16% | 273,957 | 11% |
| Total | \$ | <u>2,472,472</u> | <u>100%</u> | <u>2,515,387</u> | <u>100%</u> |

Business-Type Activities

Revenues:

Revenue from business-type activities totaled \$809,082, which was \$124,498 lower than in 2012. The two major sources of business-type revenue are the charges for services \$600,243 and concessions \$206,877. Interest income on various cash balances earned \$1,412.

Expenses:

Expenses for business-type activities totaled \$1,183,322, as compared to \$1,326,171 in 2012. This equals a decrease of \$142,849. The following is a summary of the object classification of these expenses:

| | <u>2013</u> | | <u>2012</u> | <u>Changes from 2012</u> |
|----------------------|-------------|------------------|------------------|------------------------------|
| Personnel | \$ | 448,189 | 528,114 | (79,925) |
| Contractual services | | 100,917 | 112,134 | (11,217) |
| Material & supplies | | 290,402 | 316,607 | (26,205) |
| Depreciation | | 343,814 | 369,316 | (25,502) |
| Total | \$ | <u>1,183,322</u> | <u>1,326,171</u> | <u>(142,849)</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

| |
|---|
| FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS |
|---|

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The governmental funds statement format presents a column for each major fund and a total column of all non-major funds.

A condensed review of the governmental funds, in total, as compared to 2012 is as follows:

| | <u>2013</u> | <u>2012</u> | <u>Changes from 2012</u> |
|-------------------------------|---------------------|--------------------|------------------------------|
| Revenues | \$ 3,222,229 | 2,695,070 | 527,159 |
| Expenditures and other uses | <u>4,420,074</u> | <u>4,549,796</u> | <u>(129,722)</u> |
| Revenues (under) expenditures | (1,197,845) | (1,854,726) | 656,881 |
| Other financing resources | <u>938,384</u> | <u>(422,231)</u> | <u>1,360,615</u> |
| Change in Fund Balances | <u>\$ (259,461)</u> | <u>(2,276,957)</u> | <u>2,017,496</u> |

Generally, the District's revenues are nearly the same from year to year since at least 80% of the revenues typically are from property taxes. However, between 2012 and 2013, total revenues increased by \$527,159 primarily related to the bond levy increasing \$489,033 due to the increase in the general obligation bond in 2013. Revenues from fees and charges increased by \$78,243 to \$224,789. The District received \$248,857 for sale of equipment, a decrease of \$38,895 from 2012. All other revenues in 2013 were \$24,732 as compared to \$25,953 in 2012, a decrease of \$1,221.

Expenditures and other uses in 2013 were \$4,420,074 as compared to \$4,549,795 or a decrease of \$129,722. Capital outlay decreased from \$1,684,941 in 2012 to \$880,681 in 2013, a decrease of \$804,260. A major change was in debt payments: principal payments increased from \$1,292,204 in 2012 to \$1,959,091 in 2013, while interest payments decreased from \$280,799 in 2012 to \$267,253 in 2013. All other expenditures in 2013 were \$1,313,049 compared to \$1,291,851 in 2012, an increase of \$21,198. Other financing resources increased by \$1,360,615 in 2013 due to an increased G.O. bond and incurring a loan.

The General Fund is the chief operating fund of the District. During the year ended December 31, 2013, the General Fund's unrestricted fund balance increased from \$254,712 in 2012 to \$320,060 at December 31, 2013. This is an increase of \$65,348 or approximately 26%. Revenues for 2013 were \$98,243 higher than in 2012. The increase in revenues was due to increased rates for cropland rental. Charges & fees increased by \$78,243.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

General Fund expenditures were \$573,207, an increase of \$44,108. Personnel cost increased by \$5,070 and contractual services increased by \$28,946.

The Land Development Bond Fund, a debt service fund, reported a decrease in fund equity of \$4,175 resulting in a fund balance of \$436,793. The decrease was attributed to higher principal payments.

The Capital Project Fund balance decreased by \$103,221 to a positive fund balance of \$32,553. The primary reason for the decrease was an increase in capital outlay.

The other major fund reported on the Governmental Funds financial statements is the Land Acquisition Capital Project Fund. This fund was set up to account for the acquisition of preserves, which are funded through the issuance of bonds. Through 2011, this fund reported \$5,000,000 in bonds issued and \$2,772,758 in preserve acquisitions and had an ending fund balance of \$2,227,242. In 2012, the District purchased 2 parcels of land for \$566,798 and reported \$1,083,430 in construction in progress. The ending fund balance for 2012 was \$238,626. In 2013, the District obtained a loan in the amount of \$875,000 to complete the Maintenance Facility. The ending fund balance for 2013 is \$2,791.

General Fund budgetary highlights

| General Fund | FY 13 | |
|-------------------------|----------------------------|-----------------|
| | Original & Final Budget | FY 13 Actual |
| Revenues | | |
| Taxes | \$ 397,000 | 396,947 |
| Charges & fees | 215,310 | 224,789 |
| Interest | 1,100 | 1,386 |
| Other | 12,550 | 15,433 |
| Total revenues | 625,960 | 638,555 |
| Expenditures | | |
| Personnel | 330,975 | 313,608 |
| Contractual services | 206,305 | 207,602 |
| Material & supplies | 49,800 | 51,997 |
| Total expenditures | 587,080 | 573,207 |
| Changes in fund balance | | |
| before transfers | \$ 38,880 | 65,348 |

Actual General Fund revenues were \$12,595 higher than originally budgeted during FY 13 and expenditures were \$13,873 lower than budgeted.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

| |
|--|
| CAPITAL ASSET AND DEBT ADMINISTRATION |
|--|

Capital Assets

At the end of fiscal year 2013, the District's investment in capital assets for its governmental and business-type activities amounts to \$16,172,688 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, equipment and vehicles. The net increase in the District's investment in capital assets for the current fiscal year was \$1,188,634 or 7.9% (governmental activities increased by \$83,807 and business-type activities increased by \$1,104,826). Additional information on the District's capital assets can be found in Note 3 in the Notes to Financial Statements of this report.

Table 3
Net Capital Assets
(net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total Government | |
|--------------------------|----------------------------|------------|-----------------------------|-----------|---------------------|------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land | \$ 7,342,510 | 7,342,510 | 216,000 | 216,000 | 7,558,510 | 7,558,510 |
| Construction in progress | - | 185,315 | - | 1,083,430 | - | 1,268,745 |
| Land improvements | 619,147 | 664,666 | 821,909 | 951,011 | 1,441,056 | 1,615,677 |
| Buildings & improvements | 3,431,762 | 3,048,720 | 2,970,968 | 557,645 | 6,402,730 | 3,606,365 |
| Equipment | 289,682 | 318,402 | 374,571 | 491,350 | 664,253 | 809,752 |
| Vehicles | 75,332 | 115,012 | 30,807 | 9,993 | 106,139 | 125,005 |
| Total | \$ 11,758,433 | 11,674,626 | 4,414,255 | 3,309,429 | 16,172,688 | 14,984,054 |

The District expended \$1,800,316 for building improvements, \$22,120 for equipment and \$31,789 for vehicles in 2013. The District disposed of governmental and golf course equipment of \$9,067, vehicles of \$15,180, and buildings of \$139,400 during 2013. The district transferred construction in progress of \$1,268,745 to building and improvements.

Long-Term Debt

The District's outstanding debt at December 31, 2013 was \$5,685,722. This debt is comprised of \$4,525,000 in G.O. bonds, \$216,111 in capital leases, \$875,000 in loans, and \$69,611 in unpaid vacation and comp time. The District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.3% of its equalized assessed value. At December 31, 2013, the statutory limit of the District was \$15,218,740. The District's net debt applicable to limit was \$5,179,318, leaving a legal debt margin of \$10,039,422. Additional information on the District's long-term debt can be found in Note 5 in the Notes to Financial Statements of this report.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Management's Discussion and Analysis (Continued)
December 31, 2013
(Unaudited)

| |
|-------------------------|
| ECONOMIC FACTORS |
|-------------------------|

The District's finances are primarily controlled by the growth of the real property assessed value, since approximately 85% of the District's non-business revenues are from property tax. A significant factor in the anticipated future property tax revenues is associated with the assessed value of Exelon's Byron Nuclear Plant.

The District, along with 11 other governmental agencies, was entered into an agreement with Exelon establishing the equalized assessed value of the Byron Station for 3 years. This agreement provided that the equalized assessed value for 3 tax years were as follows: 2009 - \$460,000,000; 2010 - \$470,000,000 and 2011 - \$480,000,000. This agreement has not been renewed, therefore the Ogle County Assessor has assessed a valuation of \$499,000,000 for tax year 2012 and \$509,000,000 for tax year 2013.

In January 2010, the District issued \$5,000,000 of Build America Bonds for the purpose of purchasing additional land. The interest on the Build America Bonds is taxable, but the U.S. Government reimburses the District for 35% of the interest paid.

The District's business-type operation operated in the red during 2013 and 2012. Prairie View Golf Course had a net operating loss of \$376,202 during 2013 and \$305,348 during 2012. Prairie View has taken steps to reduce the operating loss for 2014 i.e. by reducing the number of seasonal workers, adding a Food & Beverage Manager, and booking more outings. The number of booked outings has increased, but the economy and weather are major factors that influence the Golf Course's profitability.

| |
|---|
| CONTACTING THE DISTRICT'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 Todd Tucker, Executive Director, 7993 North River Road, Byron, IL 61010.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

Statement of Net Position

December 31, 2013

| | Primary Government | | |
|--|----------------------------|-----------------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets: | | | |
| Cash & cash equivalents: | | | |
| Pooled | \$ 794,842 | 274,123 | 1,068,965 |
| Non-pooled | 11,713 | 11,616 | 23,329 |
| Investments: | | | |
| Pooled | 450,835 | 160,740 | 611,575 |
| Non-pooled | - | 14,495 | 14,495 |
| Receivables: | | | |
| Taxes receivable | 2,740,327 | - | 2,740,327 |
| Due from employees | 200 | - | 200 |
| Other receivables | - | 5,713 | 5,713 |
| Internal balances | (253,235) | 253,235 | - |
| Health insurance deposit | 59,000 | - | 59,000 |
| Prepaid items | 5,439 | - | 5,439 |
| Inventories | - | 29,587 | 29,587 |
| Other - net pension asset | 45,342 | - | 45,342 |
| Capital assets not being depreciated | 7,342,510 | 216,000 | 7,558,510 |
| Capital assets (net of accumulated depreciation) | 4,415,923 | 4,198,255 | 8,614,178 |
| Total assets | 15,612,896 | 5,163,764 | 20,776,660 |
| Liabilities: | | | |
| Accounts payable | 29,431 | 2,681 | 32,112 |
| Accrued liabilities | 18,179 | 6,429 | 24,608 |
| Accrued interest payable | 14,000 | - | 14,000 |
| Unearned fee revenue | - | 27,327 | 27,327 |
| Unamortized bond premium | 44,957 | - | 44,957 |
| Noncurrent liabilities: | | | |
| Due within one year | 814,353 | - | 814,353 |
| Due in more than one year | 4,871,369 | - | 4,871,369 |
| Total liabilities | 5,792,289 | 36,437 | 5,828,726 |
| Deferred Inflows of Resources: | | | |
| Property taxes | 2,740,327 | - | 2,740,327 |
| Total liabilities and deferred inflows of resources | 8,532,616 | 36,437 | 8,569,053 |
| Net Position: | | | |
| Invested in capital assets | 6,133,862 | 4,414,255 | 10,548,117 |
| Restricted for: | | | |
| Debt service | 436,793 | - | 436,793 |
| Capital projects | 35,344 | - | 35,344 |
| Unrestricted | 474,281 | 713,072 | 1,187,353 |
| Total Net Position | \$ 7,080,280 | 5,127,327 | 12,207,607 |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2013

| | | Program Revenues | | | Primary Government | | | Net (Expense) Revenue and Changes in Net Position |
|--|--------------|-------------------------|--|--------------------------------------|----------------------------|-----------------------------|-------------|--|
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants & Contributions | Governmental Activities | Business-type Activities | Total | |
| Governmental activities: | | | | | | | | |
| Culture & recreation | \$ 2,083,941 | 224,789 | - | - | (1,859,152) | - | (1,859,152) | |
| Interest on long-term debt | 388,531 | - | - | - | (388,531) | - | (388,531) | |
| Total governmental activities | 2,472,472 | 224,789 | - | - | (2,247,683) | - | (2,247,683) | |
| Business-type activities: | | | | | | | | |
| PrairieView Golf Course | 1,183,322 | 807,120 | - | - | - | (376,202) | (376,202) | |
| Stone Quarry Recreation Park | - | - | - | - | - | - | - | |
| Total business-type activities | 1,183,322 | 807,120 | - | - | - | (376,202) | (376,202) | |
| Total | \$ 3,655,794 | 1,031,909 | - | - | (2,247,683) | (376,202) | (2,623,885) | |
| General revenues: | | | | | | | | |
| Property taxes | | | | \$ | 2,723,851 | - | 2,723,851 | |
| Interest | | | | | 4,238 | 1,412 | 5,650 | |
| Bond interest refund | | | | | 82,026 | - | 82,026 | |
| Other | | | | | 20,493 | 550 | 21,043 | |
| Asset donations / trade-ins | | | | | 243,057 | - | 243,057 | |
| Transfers: | | | | | | | | |
| Contribution of capital assets to Prairie View Golf Course | | | | | (1,448,642) | 1,448,642 | - | |
| Total general revenues, transfers, and special items | | | | | 1,625,023 | 1,450,604 | 3,075,627 | |
| Change in net position | | | | | (622,660) | 1,074,402 | 451,742 | |
| Net position: | | | | | | | | |
| Beginning | | | | | 7,702,940 | 4,052,925 | 11,755,865 | |
| Ending | | | | | 7,080,280 | 5,127,327 | 12,207,607 | |
| | | | | \$ | | | | |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

Balance Sheet

Governmental Funds

December 31, 2013

| | General Fund | Land Development Bond Fund | Capital Projects Fund | Land Acquisition Capital Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------|-------------------------------------|-----------------------------|---|-----------------------------------|--------------------------------|
| Assets: | | | | | | |
| Cash & cash equivalents | | | | | | |
| Pooled | \$ 326,357 | 275,339 | 34,874 | - | 158,272 | 794,842 |
| Non-pooled | 8,922 | - | - | 2,791 | - | 11,713 |
| Investments | | | | | | |
| Pooled | 191,370 | 161,454 | 5,204 | - | 92,807 | 450,835 |
| Property taxes receivable | 399,000 | 2,012,327 | - | - | 329,000 | 2,740,327 |
| Health insurance deposit | 59,000 | - | - | - | - | 59,000 |
| Prepaid items | 5,439 | - | - | - | - | 5,439 |
| Due from employees | 200 | - | - | - | - | 200 |
| Total assets | <u>990,288</u> | <u>2,449,120</u> | <u>40,078</u> | <u>2,791</u> | <u>580,079</u> | <u>4,062,356</u> |
| Liabilities: | | | | | | |
| Accounts payable | 8,580 | - | 223 | - | 20,628 | 29,431 |
| Accrued payroll | 9,413 | - | 7,302 | - | 1,464 | 18,179 |
| Due to other funds | 253,235 | - | - | - | - | 253,235 |
| Total liabilities | <u>271,228</u> | <u>-</u> | <u>7,525</u> | <u>-</u> | <u>22,092</u> | <u>300,845</u> |
| Deferred Inflows of Resources: | | | | | | |
| Property taxes | 399,000 | 2,012,327 | - | - | 329,000 | 2,740,327 |
| Total liabilities and deferred inflows of resources | <u>670,228</u> | <u>2,012,327</u> | <u>7,525</u> | <u>-</u> | <u>351,092</u> | <u>3,041,172</u> |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | 5,439 | - | - | - | - | 5,439 |
| Restricted for: | | | | | | |
| Special revenue funds | - | - | - | - | 228,987 | 228,987 |
| Debt service fund | - | 436,793 | - | - | - | 436,793 |
| Committed to: | | | | | | |
| Capital projects funds | - | - | 32,553 | 2,791 | - | 35,344 |
| Unassigned | 314,621 | - | - | - | - | 314,621 |
| Total fund balances | <u>320,060</u> | <u>436,793</u> | <u>32,553</u> | <u>2,791</u> | <u>228,987</u> | <u>1,021,184</u> |
| Total liabilities & fund balances | <u>\$ 990,288</u> | <u>2,449,120</u> | <u>40,078</u> | <u>2,791</u> | <u>580,079</u> | <u>4,062,356</u> |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
**Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position**
December 31, 2013

| | |
|--|--------------|
| Fund balances of Governmental Funds | \$ 1,021,184 |
|--|--------------|

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 fund.

| | | |
|--------------------------|--------------------|------------|
| Capital assets | \$ 14,563,685 | |
| Accumulated depreciation | <u>(2,805,252)</u> | 11,758,433 |

Non-current assets are recorded as an expenditure in the funds when paid, but recorded as an asset in the statement of net position when providing a future benefit.

| | |
|-------------------|--------|
| Net pension asset | 45,342 |
|-------------------|--------|

Bond issuance costs and premiums on bonds are expensed in governmental funds but are capitalized and amortized in the statement of net position:

| | | |
|--------------------------|-----------------|----------|
| Unamortized bond premium | <u>(44,957)</u> | (44,957) |
|--------------------------|-----------------|----------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

| | | |
|--------------------------|--------------------|--------------------|
| Bonds payable | (4,525,000) | |
| Capital loan payable | (875,000) | |
| Capital leases payable | (216,111) | |
| Accrued interest payable | (14,000) | |
| Compensated absences | <u>\$ (69,611)</u> | <u>(5,699,722)</u> |

| | |
|--|----------------------------|
| Net position of governmental activities | \$ <u>7,080,280</u> |
|--|----------------------------|

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

| | General Fund | Land Development Bond Fund | Capital Projects Fund | Land Acquisition Capital Project Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------|-------------------------------------|-----------------------------|--|-----------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Property taxes | \$ 396,947 | 1,997,966 | - | - | 328,938 | 2,723,851 |
| Charges & fees | 224,789 | - | - | - | - | 224,789 |
| Interest | 1,386 | 1,172 | 776 | 374 | 531 | 4,239 |
| Sale of equipment | - | - | 248,857 | - | - | 248,857 |
| Other | 15,433 | - | - | - | 5,060 | 20,493 |
| Total revenue | <u>638,555</u> | <u>1,999,138</u> | <u>249,633</u> | <u>374</u> | <u>334,529</u> | <u>3,222,229</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Culture & recreation | | | | | | |
| Personnel | 313,608 | - | 326,419 | - | 234,869 | 874,896 |
| Contractual services | 207,602 | 459 | 18,975 | 1,564 | 73,708 | 302,308 |
| Material & supplies | 51,997 | - | 39,145 | 8,531 | 7,530 | 107,203 |
| Capital outlay | - | - | 538,499 | 342,182 | - | 880,681 |
| Debt service: | | | | | | |
| Principal | - | 1,750,000 | 209,091 | - | - | 1,959,091 |
| Interest | - | 252,854 | 14,399 | - | - | 267,253 |
| Bond issue costs | - | - | 28,642 | - | - | 28,642 |
| Total expenditures | <u>573,207</u> | <u>2,003,313</u> | <u>1,175,170</u> | <u>352,277</u> | <u>316,107</u> | <u>4,420,074</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>65,348</u> | <u>(4,175)</u> | <u>(925,537)</u> | <u>(351,903)</u> | <u>18,422</u> | <u>(1,197,845)</u> |
| Other financing sources (uses): | | | | | | |
| Bond proceeds | - | - | 1,430,000 | - | - | 1,430,000 |
| Capital - related debt issued | - | - | - | 875,000 | - | 875,000 |
| Bond interest refund | - | - | 82,026 | - | - | 82,026 |
| Transfers in (out) | - | - | (689,710) | (758,932) | - | (1,448,642) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>822,316</u> | <u>116,068</u> | <u>-</u> | <u>938,384</u> |
| Net change in fund balances | <u>65,348</u> | <u>(4,175)</u> | <u>(103,221)</u> | <u>(235,835)</u> | <u>18,422</u> | <u>(259,461)</u> |
| Fund balances: | | | | | | |
| Beginning | <u>254,712</u> | <u>440,968</u> | <u>135,774</u> | <u>238,626</u> | <u>210,565</u> | <u>1,280,645</u> |
| Ending | <u>\$ 320,060</u> | <u>436,793</u> | <u>32,553</u> | <u>2,791</u> | <u>228,987</u> | <u>1,021,184</u> |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities**

December 31, 2013

Net Change in Fund Balances - total governmental funds **\$ (259,461)**

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

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

| | | |
|--|------------------|--------|
| Capital asset purchases capitalized | \$ 405,585 | |
| Proceeds received on sale of capital assets | (5,800) | |
| Gain or (loss) on disposal of capital assets | (64,746) | |
| Depreciation expense | <u>(251,231)</u> | 83,808 |

The issuance of long-term debt provides current financial resources to governmental funds:

| | | |
|-------------------------------|------------------|-------------|
| Bond proceeds | (1,430,000) | |
| Capital - related debt issued | <u>(875,000)</u> | (2,305,000) |

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities:

| | | |
|-----------------------|-------------------|-----------|
| Bond payments | 1,750,000 | |
| Capital lease payment | <u>\$ 209,091</u> | 1,959,091 |

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | | |
|--------------------------------------|--|--------------|
| Increase in compensated absences | | (8,461) |
| Increase in accrued interest payable | | (14,000) |
| Bond issue costs | | (85,255) |
| Amortization of bond premium | | <u>6,618</u> |

Change in net position of governmental activities **\$ (622,660)**

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Net Position
Proprietary Fund Types
December 31, 2013
With Comparative Totals for December 31, 2012

| | 2013 | | | 2012 |
|---|-----------------------------|------------------------------------|-----------|-----------|
| | Prairie View Golf Course | Stone Quarry Recreation Park | Total | Total |
| Current Assets: | | | | |
| Cash & cash equivalents | | | | |
| Pooled | \$ 274,123 | - | 274,123 | 253,326 |
| Non-pooled | 11,616 | - | 11,616 | 8,766 |
| Investments | | | | |
| Pooled | 160,740 | - | 160,740 | 227,322 |
| Non-pooled | 14,495 | - | 14,495 | 14,434 |
| Other receivables | 5,713 | - | 5,713 | 1,845 |
| Inventories | 29,587 | - | 29,587 | 29,284 |
| Due from other funds | 253,235 | - | 253,235 | 253,235 |
| Total current assets | 749,509 | - | 749,509 | 788,212 |
| Noncurrent Assets: | | | | |
| Capital assets: | | | | |
| Non-depreciable | 216,000 | - | 216,000 | 1,299,430 |
| Depreciable, net of accumulated depreciation | 4,198,255 | - | 4,198,255 | 2,009,999 |
| Total noncurrent assets | 4,414,255 | - | 4,414,255 | 3,309,429 |
| Total Assets | 5,163,764 | - | 5,163,764 | 4,097,641 |
| Current Liabilities: | | | | |
| Accounts payable | 2,681 | - | 2,681 | 9,406 |
| Accrued wages | 6,429 | - | 6,429 | 6,267 |
| Unearned fee revenue | 27,327 | - | 27,327 | 29,043 |
| Total current liabilities | 36,437 | - | 36,437 | 44,716 |
| Total Liabilities | 36,437 | - | 36,437 | 44,716 |
| Net Position: | | | | |
| Invested in capital assets | 4,414,255 | - | 4,414,255 | 3,309,429 |
| Unrestricted | 713,072 | - | 713,072 | 743,496 |
| Total Net Position | \$ 5,127,327 | - | 5,127,327 | 4,052,925 |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|--|----------------------------|------------------------------------|-----------|-----------|
| | PrairieView Golf Course | Stone Quarry Recreation Park | Total | Total |
| Operating revenues: | | | | |
| Charges for services | \$ 600,243 | - | 600,243 | 696,745 |
| Concessions | 206,877 | - | 206,877 | 225,863 |
| Total operating revenues | 807,120 | - | 807,120 | 922,608 |
| Operating expenses: | | | | |
| Operations | 839,508 | - | 839,508 | 956,855 |
| Depreciation | 343,814 | - | 343,814 | 369,316 |
| Total operating expenses | 1,183,322 | - | 1,183,322 | 1,326,171 |
| Operating income (loss) | (376,202) | - | (376,202) | (403,563) |
| Nonoperating revenue (expense): | | | | |
| Gain (loss) on disposal of capital assets | 550 | - | 550 | 9,000 |
| Interest on investments | 1,412 | - | 1,412 | 1,972 |
| Total nonoperating revenue (expense) | 1,962 | - | 1,962 | 10,972 |
| Net income (loss) before transfers and other extraordinary items: | (374,240) | - | (374,240) | (392,591) |
| Transfers and special items: | | | | |
| Donation of capital assets | - | - | - | (215,314) |
| Impairment loss on capital assets | - | - | - | (463,308) |
| Transfers out | - | - | - | (994,460) |
| Transfers in | 1,448,642 | - | 1,448,642 | 1,442,792 |
| Total transfers | 1,448,642 | - | 1,448,642 | (230,290) |
| Change in net position | 1,074,402 | - | 1,074,402 | (622,881) |
| Net position: | | | | |
| Beginning | 4,052,925 | - | 4,052,925 | 4,216,400 |
| Prior period adjustment | - | - | - | 459,406 |
| Ending | \$ 5,127,327 | - | 5,127,327 | 4,052,925 |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Cash Flows
Proprietary Funds
December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|---|-------------------------------------|--|
| | <u>Prairie View Golf Course</u> | <u>Stone Quarry & Prairie View Golf Course</u> |
| Cash flow from operating activities: | | |
| Receipts from customers & users | \$ 805,404 | 925,675 |
| Payments to suppliers | (402,215) | (424,496) |
| Payments to employees | (399,582) | (462,766) |
| Payments for employee benefits | (48,443) | (65,609) |
| Net cash provided (used) by operating activities | <u>(44,836)</u> | <u>(27,196)</u> |
| Cash flows from noncapital financing activities: | | |
| Loans from (to) other funds | <u>-</u> | <u>(24,112)</u> |
| Net cash provided (used) by noncapital financing activities | <u>-</u> | <u>(24,112)</u> |
| Cash flows from capital financing activities: | | |
| Proceeds received on sale of capital assets | <u>550</u> | <u>9,000</u> |
| Net cash provided (used) by capital financing activities | <u>550</u> | <u>9,000</u> |
| Cash flows used in investing activities: | | |
| Sale (purchase) of investments, net | 66,521 | 13,231 |
| Interest on investments | <u>1,412</u> | <u>1,972</u> |
| Net cash provided (used) by investing activities | <u>67,933</u> | <u>15,203</u> |
| Net increase (decrease) in cash and cash equivalents | 23,647 | (27,105) |
| Cash and cash equivalents: | | |
| Beginning | <u>262,092</u> | <u>289,197</u> |
| Ending | \$ <u><u>285,739</u></u> | <u><u>262,092</u></u> |
| Noncash capital activities: | | |
| Contributions of capital assets from government | \$ <u><u>1,448,642</u></u> | <u><u>1,145,444</u></u> |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Statement of Cash Flows (Continued)
Proprietary Funds
December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|---|---------------------------|--|
| | | Stone Quarry & Prairie View Golf Course |
| | | <u>Prairie View Golf Course</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (376,202) | (403,563) |
| Adjustment to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation | 343,814 | 369,316 |
| Changes in assets & liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | (3,868) | (1,845) |
| Inventories | (303) | (1,881) |
| Increase (decrease) in: | | |
| Accounts payable | (6,725) | 7,971 |
| Accrued liabilities | 164 | (261) |
| Unearned fee revenues | <u>(1,716)</u> | <u>3,067</u> |
| Net cash provided (used) by operating activities | \$ <u>(44,836)</u> | <u>(27,196)</u> |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- A. The District was organized in 1980 under the provisions of "an act to provide for the creation and management of forest preserve districts in counties having a population of less than 3,000,000", approved June 27, 1913 as amended. The District is a separate, autonomous, special purpose taxing district governed by a five member elected Board of Commissioners. The District is a primary unit of government as defined by GASB-14.

B. Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is not financially accountable for any component units or other entities.

C. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: government and proprietary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of a District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of long-term debt (debt service funds).

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are usually provided to outside parties (enterprise funds).

D. Government-Wide and Fund Financial Statements

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

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

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports the following major governmental funds:

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Included in these services are general administration of the District and financial management. Any other activity for which a special fund has not been created is accounted for in the general fund.

The Land Development Bond Fund (Debt Service Fund) accounts for the periodic payment of principal and interest on the non-referendum general obligation bond payments.

The Capital Projects Fund accounts for major capital expenditures not financed by enterprise funds.

The Land Acquisition Capital Projects Fund accounts for bonds issued for the purpose of acquiring land preserves.

The District reports the following major proprietary fund:

The PrairieView Golf Course Fund accounts for revenues and cost of operations of the District's golf course. These operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges and the activities be measured on a net income basis.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred.

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

The revenues susceptible to accrual are property taxes. Fees, admissions and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The District reports deferred inflows of resources on its financial statements for property taxes, levied in the current year to finance the subsequent year's budget, since they do not meet both the "measurable" and "available" criteria for revenue recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the financial statements and revenue is recognized.

F. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers all demand deposits and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investments with a maturity of one year or less and all non-negotiable certificates of deposits are recorded at cost or amortized cost. All other investments are recorded at fair value.

H. Inventory

Inventory is recorded at cost using the first-in/first-out (FIFO) method of valuation. Inventory is recorded in proprietary funds only. Inventory in the governmental funds is determined to be immaterial to the financial statements.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

J. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Board of Commissioners. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year end.

Revenue from those taxes which are not considered available is reported as a deferred inflow of resources.

The property tax calendar for the 2012 tax levy is as follows:

| | |
|---|-------------------|
| Lien Date | January 1, 2012 |
| Levy Date | November 19, 2012 |
| Tax Bills Mailed (at least 30 days prior to first installment due date) | |
| First Installment Due | June 14, 2013 |
| Second Installment Due | September 6, 2013 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Property Taxes (Continued)

Property taxes are billed and collected by the County Treasurer of Ogle County, Illinois. The 2013 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has been recorded as a receivable as of December 31, 2013 as the tax was levied in December 2013. However, since the tax will not be received within 60 days, the entire levy is also recorded as a deferred inflow of resources.

The District's 2012 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

| Type of Levy | Rate Per \$100 of Assessed Valuation | |
|---------------------------------|---|------------------|
| | Rate | Legal Maximum |
| District | | |
| General | 0.06000 | 0.0600 |
| Audit | 0.00181 | 0.0050 |
| Insurance | 0.01617 | None |
| IMRF | 0.01360 | None |
| Unemployment | 0.00151 | None |
| Workers' Compensation Insurance | 0.00378 | None |
| Social Security | 0.01285 | None |
| Bond | <u>0.30200</u> | None |
| TOTAL DISTRICT | <u><u>0.41172</u></u> | |

K. Capital Assets

Capital assets, which include property, plant, equipment and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (all amounts not rounded) with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|--------------------------|--------------|
| Land improvements | 25 |
| Buildings & improvements | 20-50 |
| Equipment | 5-15 |
| Vehicles | 5-8 |

L. Compensated Absences

Employees earn vacation based upon their length of service. Such pay is expensed when paid by the District. In the event of termination, an employee is paid for accumulated vacation days. The total liability for these compensated absences will be payable from future resources and is recorded in long-term debt.

M. Short-Term Interfund Receivables/Payables

During the course of operations, a few transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as interfund receivables/payables.

N. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Equity/Net Position (Continued)

Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The District reports restricted fund balance amounts for the debt service fund and special revenue funds imposed by tax levies.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the District's Board of Commissioners, and it takes an ordinance, resolution, or formal vote of approval to establish a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

Amounts intended to be used for specific purposes are assigned. Assignments should not cause deficits in the unassigned fund balance. The District did not have any assigned fund balances at the end of the year.

Unassigned fund balance is the residual classification for the general fund and is used for any deficit fund balances.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Invested in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "invested in capital assets" is classified as unrestricted net position.

O. Deferred Outflows and Inflows of Resources

The District implemented GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective with the December 31, 2012 financial statements, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, effective with the December 31, 2013 financial statements. GASB Statement 63 changes the title

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows and Inflows of Resources (Continued)

of the "Statement of Net Assets" to the "Statement of Net Position" and also standardizes the presentation of deferred outflows of resources and deferred inflows of resources. Under GASB Statements 63 and 65, certain items previously reported as assets are now reported as deferred outflows of resources in a separate section following total assets, and certain items previously reported as liabilities are now reported as deferred inflows of resources in a separate section following total liabilities. The District's deferred revenue from property taxes is classified as a deferred inflow of resources. In addition, GASB Statement 65 reclassifies certain assets and liabilities as current outflows of resources and inflows of resources (not deferred). Therefore, the District's remaining deferred bond issuance costs have been fully expensed in the December 31, 2013 financial statements.

2. DEPOSITS AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, public funds money market and short-term certificates of deposit with original maturities of three months or less from date of acquisition.

The District's investment policy allows funds to be invested in savings, money market accounts, certificates of deposit, Illinois Park District Liquid Asset Fund, Illinois Public Treasurer's Investment Pool and U.S. Government Securities backed by the full faith and credit of the U.S. Government.

Deposits or investments in financial institutions in excess of amounts of Federal Depository Insurance are to be collateralized with a third party for the benefit of the District. For pledged securities with a maturity in excess of one year, the market value at the time of pledging shall equal or exceed 110% of the portion of the deposit requiring collateralization.

Investments are reported at cost, which approximates fair market value of the investment.

At December 31, 2013, the District's cash, cash equivalents and investments consisted of the following:

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

2. DEPOSITS AND INVESTMENTS (Continued)

| | |
|----------------------------------|---------------------|
| Cash & cash equivalents | |
| Cash on hand | \$ 3,020 |
| Demand deposits and money market | 38,509 |
| Public funds money manager | <u>1,050,765</u> |
| Total cash & cash equivalents | <u>1,092,294</u> |
| Investments | |
| Certificates of deposit | <u>626,070</u> |
| TOTAL | <u>\$ 1,718,364</u> |

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not specifically address the risks attributable to the concentration of credit risk. The District's deposits were all collateralized either by FDIC or additional pledged collateral held by an independent third party. All of the District's deposits and investments are with the same bank.

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|----------------|----------------|-------------------|
| <u>Governmental Activities</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 7,342,510 | - | - | 7,342,510 |
| Construction in progress | <u>185,315</u> | - | <u>185,315</u> | - |
| Total capital assets not being depreciated | <u>7,527,825</u> | <u>-</u> | <u>185,315</u> | <u>7,342,510</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 1,207,663 | - | - | 1,207,663 |
| Building & improvements | 4,477,374 | 568,780 | 139,400 | 4,906,754 |
| Equipment | 740,246 | 22,120 | - | 762,366 |
| Vehicles | <u>359,572</u> | - | <u>15,180</u> | <u>344,392</u> |
| Total capital assets being depreciated | <u>6,784,855</u> | <u>590,900</u> | <u>154,580</u> | <u>7,221,175</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 542,997 | 45,519 | - | 588,516 |
| Building & improvements | 1,428,654 | 118,196 | 71,858 | 1,474,992 |
| Equipment | 421,844 | 50,840 | - | 472,684 |
| Vehicles | <u>244,560</u> | <u>36,676</u> | <u>12,176</u> | <u>269,060</u> |
| Total accumulated depreciation | <u>2,638,055</u> | <u>251,231</u> | <u>84,034</u> | <u>2,805,252</u> |
| Net capital assets being depreciated | <u>4,146,800</u> | <u>339,669</u> | <u>70,546</u> | <u>4,415,923</u> |
| Net governmental activities capital assets | <u>\$ 11,674,625</u> | <u>339,669</u> | <u>255,861</u> | <u>11,758,433</u> |

All depreciation expense of governmental activities capital assets was for culture and recreation purposes.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

3. **CAPITAL ASSETS (Continued)**

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|------------------|------------------|-------------------|
| <u>Business-type Activities</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 216,000 | - | - | 216,000 |
| Construction in progress | 1,083,430 | - | 1,083,430 | - |
| Total capital assets not being depreciated | <u>1,299,430</u> | <u>-</u> | <u>1,083,430</u> | <u>216,000</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 3,227,549 | - | - | 3,227,549 |
| Building & improvements | 1,486,425 | 2,500,281 | - | 3,986,706 |
| Equipment | 1,271,747 | - | 9,067 | 1,262,680 |
| Vehicles | 39,974 | 31,789 | - | 71,763 |
| Total capital assets being depreciated | <u>6,025,695</u> | <u>2,532,070</u> | <u>9,067</u> | <u>8,548,698</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 2,276,538 | 129,102 | - | 2,405,640 |
| Building & improvements | 928,780 | 86,958 | - | 1,015,738 |
| Equipment | 780,397 | 116,779 | 9,067 | 888,109 |
| Vehicles | 29,981 | 10,975 | - | 40,956 |
| Total accumulated depreciation | <u>4,015,696</u> | <u>343,814</u> | <u>9,067</u> | <u>4,350,443</u> |
| Net capital assets being depreciated | <u>2,009,999</u> | <u>2,188,256</u> | <u>-</u> | <u>4,198,255</u> |
| Net governmental activities capital assets | <u>\$ 3,309,429</u> | <u>2,188,256</u> | <u>1,083,430</u> | <u>4,414,255</u> |

4. **CAPITAL LEASES**

In 2011, the District entered into three lease agreements for financing the acquisition of various equipment for PrairieView Golf Course. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

| | <u>PrairieView Golf Course</u> |
|--------------------------------|------------------------------------|
| Asset: | |
| Equipment | \$ 509,406 |
| Less: Accumulated depreciation | <u>(194,055)</u> |
| Total | <u>\$ 315,351</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013 are as follows:

| <u>Year Ending December 31</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2014 minimum lease payments | \$ 223,490 |
| Less: amount representing interest | <u>(7,379)</u> |
| Present value of minimum lease payments | <u>\$ 216,111</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

5. LONG-TERM DEBT

A. The following is a summary of debt transactions of the District for the year ended December 31, 2013:

| <u>GOVERNMENTAL ACTIVITIES</u> | <u>Beginning Balance</u> | <u>New Issues</u> | <u>Retired</u> | <u>Ending Balance</u> |
|---------------------------------------|-------------------------------------|------------------------------|-----------------------|----------------------------------|
| G.O. Bonds - Series 2013 | \$ - | 1,430,000 | 1,430,000 | - |
| G.O. Bonds - Series 2010B | 4,845,000 | - | 320,000 | 4,525,000 |
| Construction loan | - | 875,000 | - | 875,000 |
| Capital leases | 425,202 | - | 209,091 | 216,111 |
| Compensated absences | 61,150 | 67,627 | 59,166 | 69,611 |
| Total | \$ <u>5,331,352</u> | <u>2,372,627</u> | <u>2,018,257</u> | <u>5,685,722</u> |

G.O. Bonds were issued to fund the 2013 capital projects activities.

Compensated absences are paid from the general and golf funds. Lease payments will be made from the capital projects fund. All other debt is paid from the debt service fund.

The outstanding debt as of December 31, 2013 consists of the following individual amounts:

| <u>GOVERNMENTAL ACTIVITIES</u> | <u>Balances 12/31/13</u> | <u>Current Portion</u> |
|--|-------------------------------------|-----------------------------------|
| ▪ \$5,165,000 G.O. Bonds, Series 2010B, Build America Bonds, principal due January 1, 2012 through 2025; interest rates vary 2.375% to 6.25% based on time, and are payable January 1 and July 1. 35% of the interest paid is then reimbursed to the District, after each payment is made. | \$ 4,525,000 | 320,000 |
| ▪ \$875,000 Construction loan, 2.4% interest payable in 4 annual installments of \$233,131 beginning June 2014 through June 2017 | 875,000 | 208,631 |
| ▪ Capital leases | 216,111 | 216,111 |
| ▪ Accumulated unpaid vacation and comp time | <u>69,611</u> | <u>69,611</u> |
| Total outstanding debt | \$ <u>5,685,722</u> | <u>814,353</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

5. LONG-TERM DEBT (continued)

B. The annual requirements to amortize all debt outstanding as of December 31, 2013 including interest are as follows:

| Year Ending Dec. 31, | G.O. Bonds 2010B | | Construction Loan | | Compensated | Total | |
|----------------------------|------------------|-----------|-------------------|----------|-------------|-----------|-----------|
| | Principal | Interest | Principal | Interest | Absences | Principal | Interest |
| 2014 | \$ 320,000 | 234,690 | 208,631 | 24,500 | 69,611 | 598,242 | 259,190 |
| 2015 | 325,000 | 222,751 | 217,139 | 15,993 | - | 542,139 | 238,744 |
| 2016 | 335,000 | 208,879 | 222,350 | 10,782 | - | 557,350 | 219,661 |
| 2017 | 340,000 | 193,265 | 226,880 | 5,445 | - | 566,880 | 198,710 |
| 2018 | 350,000 | 176,137 | - | - | - | 350,000 | 176,137 |
| 2019-2023 | 1,955,000 | 571,502 | - | - | - | 1,955,000 | 571,502 |
| 2024-2025 | 900,000 | 56,600 | - | - | - | 900,000 | 56,600 |
| Total | \$ 4,525,000 | 1,663,824 | 875,000 | 56,720 | 69,611 | 5,469,611 | 1,720,544 |

C. Legal Debt Margin

The District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.3% of its equalized assessed value of \$661,684,327. At December 31, 2013, the statutory limit for the District was \$15,218,740. The District's legal debt margin was \$10,039,422.

6. RISK MANAGEMENT COOPERATIVE

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. The District participates in the Park District Risk Management Agency (PDRMA). PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. Property, general liability, automobile liability, crime, boiler and machinery, public officials, employment practices liability, worker's compensation and pollution liability 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 property/casualty coverage in effect for the period January 1, 2013 to December 31, 2013:

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

6. RISK MANAGEMENT COOPERATIVE (Continued)

| Coverage | Member Deductible | PDRMA Self-insured Retention | Limits | Insurance Company | Policy Number |
|--|-------------------|------------------------------|--|---|-----------------|
| <u>1. Property</u> | | | | PDRMA | P070112 |
| All losses per occurrence | \$1,000 | \$1,000,000 | \$1,000,000,000/all members Declaration 11 | Reinsurers: Various Reinsurers through the Public Entity Property Reinsurance Program (PEPIP) | |
| 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 | \$1,000 | Included | \$25,000,000 | | |
| Business interruption, Rental Income, Tax Income | | | \$100,000,000/reported values | | |
| Combined | \$1,000 | | \$500,000/\$2,500,000/non-reported values | | |
| Service interruption | 24 hours | N/A | \$25,000,000 | | |
| | | | Other sub-limits apply - refer to coverage document | | |
| Boiler and Machinery | | | \$100,000,000 Equip. Breakdown | | |
| Property damage | \$1,000 | \$9,000 | Property damage-included | Travelers Indemnity Co. of Illinois | BME1 0525L478 |
| Business Income | 48 hours | N/A | Included | | |
| | | | Other sub-limits apply - refer to coverage document | | |
| Fidelity and Crime | \$1,000 | \$24,000 | \$2,000,000/occurrence | National Union Fire Insurance Co. | 01-582-86-58 |
| Seasonal employees | \$1,000 | \$9,000 | \$1,000,000/occurrence | | |
| Blanket bond | \$1,000 | \$24,000 | \$2,000,000/occurrence | | |
| <u>2. Workers Compensation</u> | N/A | \$500,000 | Statutory | PDRMA | WC010113 |
| EMPLOYERS LIABILITY | | \$500,000 | \$3,500,000 Employers Liability | Government Entities Mutual (GEM) | GEM-0003 B13001 |
| <u>3. Liability</u> | | | | | |
| General | None | \$500,000 | \$21,500,000/occurrence | PDRMA | |
| Auto Liability | None | \$500,000 | \$21,500,000/occurrence | Reinsurers: L010113 | |
| Employment Practices | None | \$500,000 | \$21,500,000/occurrence | GEM/Great | GEM-0003 |
| Public Officials' Liability | None | \$500,000 | \$21,500,000/occurrence | American/ Starr | B13001 |
| Law Enforcement Liability | None | \$500,000 | \$21,500,000/occurrence | Indemnity and | |
| Uninsured/Underinsured Motorists | None | \$500,000 | \$1,000,000/occurrence | Liability Co. | 8090016 |
| <u>4. Pollution Liability</u> | | | | | |
| Liability - third party | None | \$25,000 | \$5,000,000/occurrence | XL Environmental Insurance | PEC2535804 |
| Property - first party | \$1,000 | \$24,000 | \$30,000,000 3 year aggregate | | |
| <u>5. Outbreak Expense</u> | 24 hours | N/A | \$15,000 per day \$1 million aggregate policy limit | Great American | |
| <u>6. Information Security and Privacy Insurance with Electronic Media Liability Coverage</u> | | | | | |
| Information Security & Privacy Liability | None | \$100,000 | \$2,000,000/occurrence/annual aggregate | Beazley Lloyds Syndicate | C121280 |
| Privacy Notification Costs | None | \$100,000 | \$500,000/occur/annual aggregate | AFB 2623/623 through the PEPIP program | |
| Regulatory Defense & Penalties | None | \$100,000 | \$2,000,000/occur/annual aggregate | | |
| Website Media Content Liability | None | \$100,000 | \$2,000,000/occur/annual aggregate | | |
| Cyber Extortion | None | \$100,000 | \$2,000,000/occur/annual aggregate | | |
| Data Protect. & Bus. Interrupt. | \$1,000 | \$100,000 | \$2,000,000/occur/annual aggregate | | |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

6. RISK MANAGEMENT COOPERATIVE (Continued)

| Coverage | Member Deductible | PDRMA Self-insured Retention | Limits | Insurance Company | Policy Number |
|--|-------------------|------------------------------|--|-------------------|---------------|
| <u>6. Information Security (Cont.)</u> First Party Bus. Interruption | 8 hours | \$100,000 | \$25,000 hourly sublimit / \$25,000 forensic expense / \$100,000 dependent business interruption | | |
| <u>7. Volunteer Medical Accident</u> | None | \$5,000 | \$5,000 medical expense and AD&D excess of any other collectible insurance | self-insured | |
| <u>8. Underground Storage Tank Liability</u> | None | N/A | \$10,000, follows Illinois Leaking Underground Tank Fund | self-insured | |
| <u>9. Unemployment Compensation</u> | N/A | N/A | Statutory | member-funded | |

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Byron Forest Preserve District. Settlements have not exceeded insurance claims in each of the past three years.

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

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the 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 balance sheet at December 31, 2012 and the statement of revenues and expenses for the period ending December 31, 2012. The Byron Forest Preserve District's portion of the overall equity of the pool is -0.027% or (\$9,949).

| | |
|-----------------|---------------|
| Assets | \$ 58,731,852 |
| Liabilities | \$ 22,007,198 |
| Member Balances | \$ 36,724,654 |
| Revenues | \$ 21,144,568 |
| Expenditures | \$ 17,586,080 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

6. RISK MANAGEMENT COOPERATIVE (Continued)

Since 97% 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.

7. EMPLOYEE RETIREMENT SYSTEMS

Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org. The latest report available is for the year ended December 31, 2012.

Funding Policy

As set by statute, the District's Regular plan members are required to contribute 4.5% 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 employer contribution rate for calendar year 2012 used by the employer was 9.99 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 11.07 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

For calendar year ending December 31, 2012, the District's actual contributions for pension cost for the Regular were \$83,990. Its required contribution for calendar year 2012 was \$93,070.

Three-Year Trend Information for the Regular Plan

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-----------------------------------|--|--|---------------------------------------|
| 12/31/12 | \$ 93,070 | 90% | \$ 9,080 |
| 12/31/11 | 82,429 | 90% | \$ 8,544 |
| 12/31/10 | 66,624 | 100% | \$ 0 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 76.99 percent funded. The actuarial accrued liability for benefits was \$1,658,440 and the actuarial value of assets was \$1,276,872, resulting in an underfunded actuarial accrued liability (UAAL) of \$381,568. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$840,744 and the ratio of the UAAL to the covered payroll was 45%.

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

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The District provides limited health insurance coverage for its eligible retired employees. Coverage to non-disabled retirees is available on a 100% contributory basis until age 65, when coverage ends, unless otherwise agreed upon in the employment contract. The District intends to fund the plan on a pay-as-you-go basis. The District reports plan data as of December 31, 2011 based on the latest actuary report. The District obtains an updated report every three years.

Participant information

At December 31, 2011, the participants in the plan consisted of:

| | |
|---|-----------|
| Retirees and beneficiaries receiving benefits | 1 |
| Active vested plan members | 8 |
| Active non-vested plan members | <u>12</u> |
| Total | <u>21</u> |
| Number of participating employees | 1 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost of each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

| | 12/31/11 | 12/31/10 |
|--|-------------|----------|
| Annual required contribution | \$ 6,040 | 6,040 |
| Interest on net OPEB obligation | (1,486) | (718) |
| Adjustment to annual required contribution | 991 | 479 |
| Annual OPEB cost | 5,545 | 5,801 |
| Contributions made | 21,163 | 21,163 |
| Increase (decrease) in net OPEB obligation | (15,618) | (15,362) |
| Net OPEB obligation beginning of year | (29,724) | (14,362) |
| Net OPEB obligation (excess) end of year | \$ (45,342) | (29,724) |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for 2010 and 2011 are as follows:

| | 12/31/11 | 12/31/10 |
|---|-------------|----------|
| Annual OPEB cost | \$ 5,545 | 5,801 |
| Employer contributions | 21,163 | 21,163 |
| Percentage of annual OPEB costs contributed | 381.7% | 364.8% |
| Net OPEB obligation (asset) | \$ (45,342) | (29,724) |

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Actuarial methods and assumptions – actuarial cost method

Under this cost method, the costs attributable to past service and the current year's service are determined by prorating over all years of service the benefits expected to be paid from the plan. The normal cost for any year is determined equal to the present value of the current year's portion of the employee's expected postretirement medical benefit. The current year's portion is equal to the expected postretirement medical benefit divided by the total credited service at the anticipated retirement date. The accrued liability is determined equal to the present value of the past years' portion of the employee's expected postretirement medical benefit. The past year's portion is equal to the expected postretirement medical benefit times the ratio of the participant's credited service to the total credited service at the anticipated retirement date. The sum of these values for all employees determines the normal cost and the accrued liability for the plan.

In the December 31, 2011 actuarial valuation, which was the latest performed, the actuarial assumptions included a discount rate of 5.00% and an initial healthcare cost trend rate of 8.00% initial and 6% ultimate. 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 over 30 years.

9. POOLED CASH, SAVINGS AND CERTIFICATE OF DEPOSIT

The District maintains pooled checking, savings and certificate of deposit accounts to maximize interest earnings. The following is a listing of each fund's share of pooled accounts:

| | Checking / Savings | Investments | Total |
|-----------------------------|-----------------------|-------------|-----------|
| General Fund | \$ 326,357 | 191,370 | 517,727 |
| Enterprise Funds: | | | |
| PrairieView Golf Fund | 274,123 | 160,740 | 434,863 |
| Special revenue funds: | | | |
| IMRF | 13,069 | 7,664 | 20,733 |
| Social Security | 29,702 | 17,416 | 47,118 |
| Audit | 3,510 | 2,058 | 5,568 |
| Unemployment Insurance | 26,359 | 15,457 | 41,816 |
| Liability insurance | 58,970 | 34,578 | 93,548 |
| Worker's Compensation | 26,662 | 15,634 | 42,296 |
| Land Development Bond | 275,339 | 161,454 | 436,793 |
| Total special revenue funds | 433,611 | 254,261 | 687,872 |
| Capital Projects Fund | 34,874 | 5,204 | 40,078 |
| TOTAL POOLED CASH | \$ 1,068,965 | 611,575 | 1,680,540 |

The General Fund and Golf Funds have other small cash, checking and savings accounts.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

10. INDIVIDUAL FUND DISCLOSURES

Individual fund interfund receivable/payables are as follows:

| <u>Governmental funds:</u> | <u>Receivable</u> | <u>Payable</u> |
|------------------------------|-------------------|----------------|
| General Fund * | \$ - | 253,235 |
| Total governmental | - | 253,235 |
| <u>Enterprise funds:</u> | | |
| PrairieView Golf Fund * | 253,235 | - |
| Total enterprise | 253,235 | - |
| TOTAL | \$ 253,235 | 253,235 |

* - denotes major fund

The District discontinued Stone Quarry Recreation Park operations in 2012, and the General Fund assumed the Stone Quarry's remaining inter-fund payable to PrairieView Golf Fund. The loan is expected to be repaid in installments within the next three years.

INTERFUND TRANSFERS

The District made the following interfund transfers:

| <u>FROM</u> | <u>TO</u> | |
|--|--|--------------|
| Land Acquisition Capital Projects Fund * | Business Activities - Golf Fund * | \$ 1,365,434 |
| Capital Projects Fund * | Business Activities - Golf Fund * | \$ 83,208 |
| Capital Projects Fund * | Land Acquisition Capital Projects Fund * | \$ 606,502 |

* denotes major fund

The transfers from the Capital Projects Fund and Land Acquisition Capital Projects Fund to the Golf Fund were for capital assets acquired through these capital project funds for the Prairie View Golf Course. The transfers from the Capital Projects Fund to the Land Acquisition Capital Projects Fund were made to distribute bond proceeds and transfer funds for the construction of the new maintenance complex.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

11. MAJOR TAXPAYER - EXELON

Exelon's Byron Nuclear Power Plant currently accounts for approximately 76% of the District's equalized assessed value. The Plant's current license to operate the nuclear towers in Byron is valid through 2024.

12. HEALTH INSURANCE AGREEMENT

In 2010, the District entered into an intergovernmental agreement with the Byron School District to create the Byron Health Insurance Cooperative, which provides group health insurance and coverage benefits for District employees and, if applicable their spouses and dependents, under the terms and conditions of the agreement. This agreement also required the District to contribute \$59,000 in initial reserves which is recognized as a deposit in the financial statements. The contract was renewed in July 2013 and is renewed on an annual basis.

13. PREPAID ITEMS

The District booked \$5,439 of prepaid health insurance cost, which was deducted in its payment for January 2014 expenses to the School District.

14. STONE QUARRY RECREATION PARK

As the Stone Quarry Recreation Park was unable to generate sufficient revenues to cover operating expenses due to the economy and other factors, the District discontinued Park operations in September 2012. The Stone Quarry Recreation Park's capital assets were either donated to outside parties, transferred within the District to governmental activities, or determined to be impaired at year end as they were no longer in use. The losses related to these disposals are classified as special items in the Proprietary Funds' Stone Quarry Recreation Park's Schedule of Revenue, Expenses, and Changes in Fund Net Position for 2012. The remaining inter-fund payable balance that Stone Quarry Recreation Park owed to other funds was eliminated with a transfer from the General Fund in 2012.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Financial Statements (Continued)
December 31, 2013

15. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 24, 2014, which was the date that these financial statements were available for issuance. Subsequent to year end, the Board of Commissioners approved an ordinance providing for the issuance of \$1,450,000 General Obligation Bonds, Series 2014, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal and interest.

16. RECLASSIFICATIONS

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 presentation.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|--|-------------------------------|-------------------|------------------------------------|------------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 397,000 | 396,947 | (53) | 388,228 |
| Charges & fees | 215,310 | 224,789 | 9,479 | 146,546 |
| Interest | 1,100 | 1,386 | 286 | 1,544 |
| Other | 12,550 | 15,433 | 2,883 | 3,994 |
| Total revenues | <u>625,960</u> | <u>638,555</u> | <u>12,595</u> | <u>540,312</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | 330,975 | 313,608 | 17,367 | 308,538 |
| Contractual services | 206,305 | 207,602 | (1,297) | 178,656 |
| Material & supplies | 49,800 | 51,997 | (2,197) | 41,905 |
| Total expenditures | <u>587,080</u> | <u>573,207</u> | <u>13,873</u> | <u>529,099</u> |
| Excess (deficiency) of revenues over (under) expenditures | 38,880 | 65,348 | 26,468 | 11,213 |
| Other financing sources(uses): | | | | |
| Transfers in (out) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(297,348)</u> |
| Net change in fund balance | <u>\$ 38,880</u> | <u>65,348</u> | <u>26,468</u> | <u>(286,135)</u> |
| Fund balance | | | | |
| Beginning | | <u>254,712</u> | | <u>540,847</u> |
| Ending | | <u>\$ 320,060</u> | | <u>254,712</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Funding Progress
Illinois Municipal Retirement Fund
December 31, 2013

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll (b-a)/c |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/12 | \$ 1,276,872 | 1,658,440 | 381,568 | 76.99 % | \$ 840,744 | 45.38 % |
| 12/31/11 | 1,091,426 | 1,479,684 | 388,258 | 73.76 | 813,712 | 47.71 |
| 12/31/10 | 904,192 | 1,271,815 | 367,623 | 71.09 | 807,565 | 45.52 |
| 12/31/09 | 1,132,815 | 1,388,068 | 255,253 | 81.61 | 836,706 | 30.51 |
| 12/31/08 | 1,296,079 | 1,231,385 | (64,694) | 105.25 | 871,430 | 0.00 |
| 12/31/07 | 1,444,712 | 1,355,403 | (89,309) | 106.59 | 790,466 | 0.00 |

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,347,289. On a market basis, the funded ratio would be 81.24%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Funding Progress
Post Employment Benefits Other Than Pension
December 31, 2013

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll (b-a)/c |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/11 | \$ - | 123,622 | 123,622 | 0.00 % | \$ - | 0.00 % |
| 12/31/09 | \$ - | 123,622 | 123,622 | 0.00 % | \$ - | 0.00 % |

Actuarial study will be performed every three years, unless management determines that there is a significant change. The latest actuarial study was performed as of December 31, 2011, as presented above.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Notes to Required Supplementary Information
December 31, 2013

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General, all Special Revenue, and Capital Projects funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary date reflected in the financial statements.

- A. Prior to January 1, the District Executive Director submits to the Board of Commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to January 1, the budget is legally enacted by Board of Commissioners action. This is the amount reported as original budget.
- D. The Board of Commissioners is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by following the same procedures as adopting the original budget.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year.
- F. All budgets for these funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. No budget amendments were made during the year. The level of legal control is at the fund level.
- I. The District's expenditures exceeded appropriations in the following funds:

| | <u>Expenditures</u> | <u>Appropriations</u> | <u>Excess</u> |
|---------------------|---------------------|-----------------------|---------------|
| Liability Insurance | \$ 108,679 | 107,054 | 1,625 |
| Audit | 12,700 | 11,500 | 1,200 |
| Total | \$ <u>121,379</u> | <u>118,554</u> | <u>2,825</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

| | Special Revenue | | | | | | |
|--|-------------------|--------------------------------|-----------------------------------|----------------------------------|----------------------------|---------------|----------------|
| | IMRF Fund | Liability Insurance Fund | Unemployment Insurance Fund | Worker's Compensation Fund | Social Security Fund | Audit Fund | Total |
| Assets: | | | | | | | |
| Cash & cash equivalents | \$ 13,069 | 58,970 | 26,359 | 26,662 | 29,702 | 3,510 | 158,272 |
| Investments | 7,664 | 34,578 | 15,457 | 15,634 | 17,416 | 2,058 | 92,807 |
| Property tax receivable, net | 90,000 | 107,000 | 10,000 | 25,000 | 85,000 | 12,000 | 329,000 |
| Total assets | <u>110,733</u> | <u>200,548</u> | <u>51,816</u> | <u>67,296</u> | <u>132,118</u> | <u>17,568</u> | <u>580,079</u> |
| Liabilities: | | | | | | | |
| Accounts payable | 6,797 | 7,755 | - | 6,076 | - | - | 20,628 |
| Accrued wages | - | 1,464 | - | - | - | - | 1,464 |
| Deferred revenue | 90,000 | 107,000 | 10,000 | 25,000 | 85,000 | 12,000 | 329,000 |
| Total liabilities | <u>96,797</u> | <u>116,219</u> | <u>10,000</u> | <u>31,076</u> | <u>85,000</u> | <u>12,000</u> | <u>351,092</u> |
| Fund balances: | | | | | | | |
| Restricted | 13,936 | 84,329 | 41,816 | 36,220 | 47,118 | 5,568 | 228,987 |
| Total liabilities and fund balances | <u>\$ 110,733</u> | <u>200,548</u> | <u>51,816</u> | <u>67,296</u> | <u>132,118</u> | <u>17,568</u> | <u>580,079</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

| | Special Revenue | | | | | | Total |
|------------------------------------|-----------------|--------------------------------|-----------------------------------|----------------------------------|----------------------------|---------------|---------|
| | IMRF Fund | Liability Insurance Fund | Unemployment Insurance Fund | Worker's Compensation Fund | Social Security Fund | Audit Fund | |
| Revenues: | | | | | | | |
| Property taxes | \$ 89,974 | 106,977 | 9,991 | 25,008 | 85,014 | 11,974 | 328,938 |
| Interest | 35 | 204 | 107 | 97 | 78 | 10 | 531 |
| Other | - | 5,060 | - | - | - | - | 5,060 |
| Total revenues | 90,009 | 112,241 | 10,098 | 25,105 | 85,092 | 11,984 | 334,529 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Culture & recreation | | | | | | | |
| Personnel | 86,161 | 64,445 | 9,161 | - | 75,102 | - | 234,869 |
| Contractual services | - | 36,704 | - | 24,304 | - | 12,700 | 73,708 |
| Material & supplies | - | 7,530 | - | - | - | - | 7,530 |
| Total expenditures | 86,161 | 108,679 | 9,161 | 24,304 | 75,102 | 12,700 | 316,107 |
| Net change in fund balances | 3,848 | 3,562 | 937 | 801 | 9,990 | (716) | 18,422 |
| Fund balances: | | | | | | | |
| Beginning | 10,088 | 80,767 | 40,879 | 35,419 | 37,128 | 6,284 | 210,565 |
| Ending | \$ 13,936 | 84,329 | 41,816 | 36,220 | 47,118 | 5,568 | 228,987 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
IMRF Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|-------------------------------|------------------|------------------------------------|----------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Property tax | \$ 90,000 | 89,974 | (26) | 79,937 |
| Interest | 100 | 35 | (65) | 44 |
| Total revenues | <u>90,100</u> | <u>90,009</u> | <u>(91)</u> | <u>79,981</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | <u>90,000</u> | <u>86,161</u> | <u>3,839</u> | <u>84,026</u> |
| Net change in fund balance | <u>\$ 100</u> | <u>3,848</u> | <u>3,748</u> | <u>(4,045)</u> |
| Fund balance: | | | | |
| Beginning | | <u>10,088</u> | | <u>14,133</u> |
| Ending | | <u>\$ 13,936</u> | | <u>10,088</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Liability Insurance Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|--|-------------------------|---|----------------------|
| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>Actual</u> |
| Revenues: | | | | |
| Property tax | \$ 107,000 | 106,977 | (23) | 109,906 |
| Interest | 250 | 204 | (46) | 211 |
| Other | <u>-</u> | <u>5,060</u> | <u>5,060</u> | <u>500</u> |
| Total revenues | <u>107,250</u> | <u>112,241</u> | <u>4,991</u> | <u>110,617</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | 67,584 | 64,445 | 3,139 | 63,751 |
| Contractual services | 31,750 | 36,704 | (4,954) | 31,683 |
| Material & supplies | <u>7,720</u> | <u>7,530</u> | <u>190</u> | <u>8,192</u> |
| Total expenditures | <u>107,054</u> | <u>108,679</u> | <u>(1,625)</u> | <u>103,626</u> |
| Net change in fund balance | \$ <u>196</u> | 3,562 | <u>3,366</u> | 6,991 |
| Fund balance: | | | | |
| Beginning | | <u>80,767</u> | | <u>73,776</u> |
| Ending | | \$ <u>84,329</u> | | <u>80,767</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Unemployment Insurance Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|--|------------------|---|---------------|
| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>Actual</u> |
| Revenues: | | | | |
| Property taxes | \$ 10,000 | 9,991 | (9) | 13,981 |
| Interest | <u>250</u> | <u>107</u> | <u>(143)</u> | <u>88</u> |
| Total revenues | <u>10,250</u> | <u>10,098</u> | <u>(152)</u> | <u>14,069</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | <u>10,000</u> | <u>9,161</u> | <u>839</u> | <u>1,041</u> |
| Net change in fund balance | \$ <u>250</u> | 937 | <u>687</u> | 13,028 |
| Fund balance: | | | | |
| Beginning | | <u>40,879</u> | | <u>27,851</u> |
| Ending | | \$ <u>41,816</u> | | <u>40,879</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Worker's Compensation Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|-------------------------------|------------------|------------------------------------|---------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Property taxes | \$ 25,000 | 25,008 | 8 | 24,985 |
| Interest | <u>250</u> | <u>97</u> | <u>(153)</u> | <u>104</u> |
| Total revenues | <u>25,250</u> | <u>25,105</u> | <u>(145)</u> | <u>25,089</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Contractual services | <u>25,000</u> | <u>24,304</u> | <u>696</u> | <u>24,960</u> |
| Net change in fund balance | <u>\$ 250</u> | 801 | <u>551</u> | 129 |
| Fund balance: | | | | |
| Beginning | | <u>35,419</u> | | <u>35,290</u> |
| Ending | | <u>\$ 36,220</u> | | <u>35,419</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Social Security Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|--|-------------------------|---|----------------------|
| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>Actual</u> |
| Revenues: | | | | |
| Property taxes | \$ 85,000 | 85,014 | 14 | 87,900 |
| Interest | <u>100</u> | <u>78</u> | <u>(22)</u> | <u>74</u> |
| Total revenues | <u>85,100</u> | <u>85,092</u> | <u>(8)</u> | <u>87,974</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | <u>85,000</u> | <u>75,102</u> | <u>9,898</u> | <u>81,587</u> |
| Net change in fund balance | \$ <u>100</u> | 9,990 | <u>9,890</u> | 6,387 |
| Fund balance: | | | | |
| Beginning | | <u>37,128</u> | | <u>30,741</u> |
| Ending | | \$ <u>47,118</u> | | <u>37,128</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Audit Fund

For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | | | <u>2012</u> |
|-----------------------------------|--|------------------------|---|---------------------|
| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>Actual</u> |
| Revenues: | | | | |
| Property taxes | \$ 12,000 | 11,974 | (26) | 11,974 |
| Interest | <u>75</u> | <u>10</u> | <u>(65)</u> | <u>13</u> |
| Total revenues | <u>12,075</u> | <u>11,984</u> | <u>(91)</u> | <u>11,987</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Contractual services | <u>11,500</u> | <u>12,700</u> | <u>(1,200)</u> | <u>11,050</u> |
| Net change in fund balance | \$ <u>575</u> | (716) | <u>(1,291)</u> | 937 |
| Fund balance: | | | | |
| Beginning | | <u>6,284</u> | | <u>5,347</u> |
| Ending | | <u>\$ <u>5,568</u></u> | | <u><u>6,284</u></u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Expenditures - Budget and Actual (Continued)

General Fund

For the Year Ended December 31, 2013

With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|----------------------------------|-------------------------------|---------|------------------------------------|---------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Culture & Recreation: | | | | |
| <u>Administrative:</u> | | | | |
| Personnel: | | | | |
| Salaries | \$ 59,500 | 59,381 | 119 | 57,270 |
| Salaries - part time | 8,500 | 10,319 | (1,819) | 11,593 |
| Salaries - seasonal | 15,050 | 11,730 | 3,320 | 8,359 |
| Health Insurance | 30,000 | 39,828 | (9,828) | 29,048 |
| Total personnel | 113,050 | 121,258 | (8,208) | 106,271 |
| Contractual services: | | | | |
| Public notices | 250 | 49 | 201 | 217 |
| Legal | 12,000 | 8,031 | 3,969 | 7,595 |
| Other professional services | 4,000 | 6,297 | (2,297) | 5,676 |
| Communications | 14,300 | 15,832 | (1,532) | 15,643 |
| Postage | 10,500 | 5,974 | 4,526 | 11,913 |
| Training & travel | 6,300 | 9,390 | (3,090) | 7,988 |
| Printing | 30,000 | 21,078 | 8,922 | 12,772 |
| Advertising | 25,000 | 29,187 | (4,187) | 18,230 |
| Natural gas | 6,600 | 7,685 | (1,085) | 4,496 |
| Electrical | 24,000 | 23,814 | 186 | 24,387 |
| Building repair & maintenance | 8,000 | 8,729 | (729) | 9,551 |
| Equipment repair & maintenance | 2,500 | 3,306 | (806) | 3,630 |
| Dues & membership | 4,505 | 6,394 | (1,889) | 3,500 |
| Uniforms | 1,500 | 993 | 507 | 895 |
| Computer repairs & support | 9,000 | 14,384 | (5,384) | 13,008 |
| Rental property repairs | - | 2,174 | (2,174) | 1,403 |
| Total contractual services | 158,455 | 163,317 | (4,862) | 140,902 |
| Material & supplies: | | | | |
| Janitorial | 2,000 | 734 | 1,266 | 1,419 |
| Office | 3,500 | 4,186 | (686) | 4,015 |
| Motor fuel & lubrication | 1,600 | 2,024 | (424) | 1,574 |
| Hardware & small tools | \$ 150 | 33 | 117 | - |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Expenditures - Budget and Actual (Continued)

General Fund

For the Year Ended December 31, 2013

With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|------------------------------------|-------------------------------|--------------------|------------------------------------|--------------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Material & supplies (continued): | | | | |
| Safety | \$ 500 | 427 | 73 | 223 |
| Gift shop | 1,500 | 1,310 | 190 | 1,148 |
| Concessions | 1,000 | 1,348 | (348) | 1,877 |
| Bar service | 1,300 | 3,948 | (2,648) | 1,153 |
| Volunteer expenses | 800 | 802 | (2) | 1,276 |
| Total materials & supplies | <u>12,350</u> | <u>14,812</u> | <u>(2,462)</u> | <u>12,685</u> |
| Total administrative | <u>283,855</u> | <u>299,387</u> | <u>(15,532)</u> | <u>259,858</u> |
| <u>Board of Commissioners:</u> | | | | |
| Personnel: | | | | |
| Supplemental compensation | <u>6,500</u> | <u>500</u> | <u>6,000</u> | <u>10,750</u> |
| Contractual services: | | | | |
| Training & travel | 2,500 | 2,315 | 185 | 2,992 |
| Dues & membership | 4,500 | 2,000 | 2,500 | 2,000 |
| Miscellaneous | <u>5,000</u> | <u>8,146</u> | <u>(3,146)</u> | <u>7,213</u> |
| Total contractual services | <u>12,000</u> | <u>12,461</u> | <u>(461)</u> | <u>12,205</u> |
| Total board of commissioners | <u>18,500</u> | <u>12,961</u> | <u>5,539</u> | <u>22,955</u> |
| <u>Heritage farm museum:</u> | | | | |
| Contractual services: | | | | |
| Natural gas | - | - | - | 393 |
| Electrical | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,880</u> |
| Total heritage farm museum | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,273</u> |
| <u>Education/Nature:</u> | | | | |
| Personnel: | | | | |
| Salaries | 80,375 | 76,483 | 3,892 | 79,831 |
| Salaries -part time | 53,500 | 47,598 | 5,902 | 47,437 |
| Salaries - seasonal | 6,000 | 14,781 | (8,781) | - |
| Health Insurance | <u>17,650</u> | <u>14,749</u> | <u>2,901</u> | <u>16,271</u> |
| Total personnel | \$ <u>157,525</u> | <u>153,611</u> | <u>3,914</u> | <u>143,540</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Expenditures - Budget and Actual (Continued)

General Fund

For the Year Ended December 31, 2013

With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|--------------------------------|-------------------------------|----------------|------------------------------------|----------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Contractual services: | | | | |
| Professional | \$ 2,000 | 655 | 1,345 | 1,758 |
| Postage | 250 | 3 | 247 | 54 |
| Training & travel | 3,000 | 2,659 | 341 | 2,527 |
| Equipment repair & maintenance | 250 | 194 | 56 | 128 |
| Dues & membership | 1,000 | 489 | 511 | 286 |
| Natural gas | 750 | 662 | 88 | 148 |
| Electrical | 2,000 | 1,875 | 125 | 180 |
| Uniforms | 750 | 842 | (92) | 658 |
| Heritage Farm Operating | 400 | 186 | 214 | 16 |
| Museum displays | 500 | 143 | 357 | - |
| Total contractual services | <u>10,900</u> | <u>7,708</u> | <u>3,192</u> | <u>5,754</u> |
| Material & supplies: | | | | |
| Office | 750 | 356 | 394 | 410 |
| Motor fuel & lubrication | 500 | 125 | 375 | 202 |
| Building & construction | 250 | 90 | 160 | - |
| Grain, feed & game | 750 | 659 | 91 | 688 |
| Nature Preschool | 4,500 | 4,817 | (317) | 2,942 |
| Adventure Club | 500 | 104 | 396 | 462 |
| Earthkeepers | 100 | 138 | (38) | 300 |
| Kids concert | 800 | 620 | 180 | 1,020 |
| Birthday parties | 300 | 147 | 153 | 177 |
| Field trips | 450 | 541 | (91) | 331 |
| Halloween on the Prairie | 1,200 | 1,725 | (525) | 1,397 |
| Summer Concerts | 2,500 | 2,510 | (10) | 1,950 |
| Summer Camps | 3,000 | 6,161 | (3,161) | 24 |
| Outdoor Adventure | 8,000 | 4,820 | 3,180 | 5,944 |
| Miscellaneous | - | 650 | (650) | 3,703 |
| Total material & supplies | <u>23,600</u> | <u>23,463</u> | <u>137</u> | <u>19,550</u> |
| Total education | \$ <u>192,025</u> | <u>184,782</u> | <u>7,243</u> | <u>168,843</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Expenditures - Budget and Actual (Continued)

General Fund

For the Year Ended December 31, 2013

With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|--------------------------------|-------------------------------|---------|------------------------------------|---------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Restoration/Management: | | | | |
| Personnel: | | | | |
| Salaries | \$ 23,200 | 24,278 | (1,078) | 21,636 |
| Salaries-full time hourly | 19,200 | 5,336 | 13,864 | 13,769 |
| Salaries-seasonal | 4,000 | 2,600 | 1,400 | 3,512 |
| Health insurance | 7,500 | 6,025 | 1,475 | 9,060 |
| Total personnel | 53,900 | 38,239 | 15,661 | 47,977 |
| Contractual services: | | | | |
| Other professional services | 6,000 | 7,468 | (1,468) | 5,419 |
| Training & travel | 2,000 | 709 | 1,291 | 728 |
| Postage | 100 | - | 100 | - |
| Natural gas | 1,750 | 1,878 | (128) | 1,103 |
| Electrical | 4,500 | 3,322 | 1,178 | 1,592 |
| Building repair & maintenance | 3,000 | 4,047 | (1,047) | 4,036 |
| Vehicle repair & maintenance | 1,000 | 663 | 337 | 509 |
| Equipment repair & maintenance | 1,500 | 1,626 | (126) | 1,154 |
| Dues & membership | 500 | 80 | 420 | 180 |
| Uniforms | 500 | 466 | 34 | 496 |
| Advertising | 100 | - | 100 | - |
| Computer support | 4,000 | 3,857 | 143 | 2,305 |
| Total contractual services | 24,950 | 24,116 | 834 | 17,522 |
| Materials & supplies: | | | | |
| Janitorial | 750 | 779 | (29) | 142 |
| Office | 600 | 559 | 41 | 223 |
| Motor fuel & lubrication | 7,000 | 7,446 | (446) | 6,267 |
| Building & construction | 1,000 | 1,020 | (20) | 751 |
| Hardware & small tools | 1,000 | 926 | 74 | 847 |
| Equipment parts | 2,000 | 1,333 | 667 | 1,068 |
| Grain, feed & game | 500 | 445 | 55 | 147 |
| Safety supplies | 1,000 | 1,214 | (214) | 226 |
| Total materials & supplies | 13,850 | 13,722 | 128 | 9,671 |
| Total restoration/management | 92,700 | 76,077 | 16,623 | 75,170 |
| Total general fund | \$ 587,080 | 573,207 | 13,873 | 529,099 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Land Development Bond Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|-----------------------------------|-------------------|------------------|
| | <u>Actual</u> | <u>Actual</u> |
| Revenues: | | |
| Property tax | \$ 1,997,966 | 1,517,907 |
| Interest | <u>1,172</u> | <u>1,014</u> |
| Total revenues | <u>1,999,138</u> | <u>1,518,921</u> |
| Expenditures: | | |
| Contractual services: | | |
| Professional services | 459 | 5,328 |
| Debt service: | | |
| Principal | 1,750,000 | 1,258,000 |
| Interest | <u>252,854</u> | <u>265,003</u> |
| Total expenditures | <u>2,003,313</u> | <u>1,528,331</u> |
| Net change in fund balance | (4,175) | (9,410) |
| Fund balance: | | |
| Beginning | <u>440,968</u> | <u>450,378</u> |
| Ending | <u>\$ 436,793</u> | <u>440,968</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|--|-------------------------------|------------------|------------------------------------|------------------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Interest | \$ 4,000 | 776 | (3,224) | 1,728 |
| Donations / trade-ins | 243,000 | 248,857 | 5,857 | 287,752 |
| Other income | 5,000 | - | (5,000) | 5,045 |
| Total revenues | <u>252,000</u> | <u>249,633</u> | <u>(2,367)</u> | <u>294,525</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture & recreation: | | | | |
| Personnel | 337,775 | 326,419 | 11,356 | 339,545 |
| Contractual services | 17,500 | 18,975 | (1,475) | 12,981 |
| Material & supplies | 31,500 | 39,145 | (7,645) | 36,809 |
| Capital outlay | 701,500 | 538,499 | 163,001 | 829,959 |
| Debt service: | | | | |
| Principal | 439,000 | 209,091 | 229,909 | 34,204 |
| Interest | - | 14,399 | (14,399) | 15,796 |
| Bond issue costs | - | 28,642 | 28,642 | 6,000 |
| Total expenditures | <u>1,527,275</u> | <u>1,175,170</u> | <u>409,389</u> | <u>1,275,294</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,275,275)</u> | <u>(925,537)</u> | <u>349,738</u> | <u>(980,769)</u> |
| Other financing sources (uses): | | | | |
| Capital - related debt issued | 1,400,000 | 1,430,000 | 30,000 | 938,000 |
| Bond interest refund | 85,675 | 82,026 | (3,649) | 88,561 |
| Transfers out | (355,000) | (689,710) | (334,710) | (62,015) |
| Total other financing sources (uses) | <u>1,130,675</u> | <u>822,316</u> | <u>(308,359)</u> | <u>964,546</u> |
| Net change in fund balance | <u>(144,600)</u> | <u>(103,221)</u> | <u>41,379</u> | <u>(16,223)</u> |
| Fund balance: | | | | |
| Beginning | | <u>135,774</u> | | <u>151,997</u> |
| Ending | | <u>\$ 32,553</u> | | <u>135,774</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Expenditures - Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | | | 2012 |
|----------------------------------|-------------------------------|-----------|------------------------------------|-----------|
| | Original & Final Budget | Actual | Variance Positive (Negative) | Actual |
| Culture & Recreation: | | | | |
| <u>Administrative:</u> | | | | |
| Personnel: | | | | |
| Salaries | \$ 163,875 | 141,939 | 21,936 | 156,333 |
| Salaries-full time | 76,900 | 110,606 | (33,706) | 88,358 |
| Salaries-seasonal | 25,000 | 20,321 | 4,679 | 29,008 |
| Health Insurance | 72,000 | 53,553 | 18,447 | 65,846 |
| Total personnel | 337,775 | 326,419 | 11,356 | 339,545 |
| Contractual services: | | | | |
| Training and travel | 2,000 | 4,063 | (2,063) | 755 |
| Natural gas | 1,500 | 1,204 | 296 | 1,015 |
| Electrical | 1,000 | 537 | 463 | 656 |
| Building repair & maintenance | 1,500 | 1,907 | (407) | 575 |
| Vehicles repair & maintenance | 4,000 | 3,985 | 15 | 5,189 |
| Equipment repair & maintenance | 6,000 | 5,698 | 302 | 3,722 |
| Uniforms | 1,500 | 1,581 | (81) | 1,070 |
| Total contractual services | 17,500 | 18,975 | (1,475) | 12,981 |
| Material & supplies: | | | | |
| Motor fuel & lubrication | 17,500 | 26,360 | (8,860) | 23,372 |
| Building & construction | 2,000 | 1,807 | 193 | 1,603 |
| Safety supplies | 2,000 | 2,570 | (570) | 2,098 |
| Equipment parts | 10,000 | 8,408 | 1,592 | 9,737 |
| Total material & supplies | 31,500 | 39,145 | (7,645) | 36,810 |
| Total culture & recreation | 386,775 | 384,539 | 2,236 | 389,336 |
| Capital outlay: | | | | |
| Administrative capital | 166,500 | 78,031 | 88,469 | 258,533 |
| Education/ Nature | 14,000 | 28,427 | (14,427) | 7,297 |
| Restoration & management | 88,500 | 68,952 | 19,548 | 177,971 |
| Golf maintenance | 359,000 | 369,451 | (10,451) | 386,831 |
| Clubhouse | 73,500 | 76,846 | (3,346) | 61,342 |
| less transfers to Golf | - | (83,208) | 83,208 | (62,015) |
| Total capital outlay | 701,500 | 538,499 | 163,001 | 829,959 |
| Debt service: | | | | |
| Principal | 439,000 | 209,091 | 229,909 | 34,204 |
| Interest | - | 14,399 | (14,399) | 15,796 |
| Bond issue costs | - | 28,642 | 28,642 | 6,000 |
| Total debt service | 439,000 | 252,132 | 244,152 | 56,000 |
| Total capital projects | \$ 1,527,275 | 1,175,170 | 409,389 | 1,275,295 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Land Acquisition Capital Projects Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|--|--------------------|--------------------|
| | <u>Actual</u> | <u>Actual</u> |
| Revenues: | | |
| Interest | \$ 374 | 11,594 |
| Total revenues | <u>374</u> | <u>11,594</u> |
| Expenditures: | | |
| Current: | | |
| Culture & recreation: | | |
| Contractual services | 1,564 | 61,799 |
| Material & supplies | 8,531 | - |
| Capital outlay | <u>342,182</u> | <u>854,982</u> |
| Total expenditures | <u>352,277</u> | <u>916,781</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(351,903)</u> | <u>(905,187)</u> |
| Other financing sources (uses): | | |
| Capital - related debt issued | 875,000 | - |
| Transfers in | 606,502 | - |
| Transfers out | <u>(1,365,434)</u> | <u>(1,083,429)</u> |
| Total other financing sources (uses) | <u>116,068</u> | <u>(1,083,429)</u> |
| Net change in fund balance | (235,835) | (1,988,616) |
| Fund balance: | | |
| Beginning | <u>238,626</u> | <u>2,227,242</u> |
| Ending | <u>\$ 2,791</u> | <u>238,626</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Fund Net Position
PrairieView Golf Course Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | 2013 | 2012 |
|---|--------------|-----------|
| | Actual | Actual |
| Operating revenues: | | |
| Charges for services: | | |
| Golf fees | \$ 340,492 | 364,554 |
| Pro shop | 56,476 | 66,193 |
| Cart rental | 166,291 | 184,568 |
| Driving range | 20,292 | 19,430 |
| Other | 16,692 | 14,400 |
| Total charges for service | 600,243 | 649,145 |
| Concessions | 206,877 | 216,035 |
| Total operating revenues | 807,120 | 865,180 |
| Operating expenses: | | |
| Operations | 839,508 | 852,026 |
| Depreciation | 343,814 | 318,502 |
| Total operating expenses | 1,183,322 | 1,170,528 |
| Net operating income (loss) | (376,202) | (305,348) |
| Nonoperating revenue (expense): | | |
| Gain (loss) on disposal of capital assets | 550 | 9,000 |
| Interest on investments | 1,412 | 1,972 |
| Total nonoperating revenue (expense) | 1,962 | 10,972 |
| Net Income (loss) before transfers | (374,240) | (294,376) |
| Transfers: | | |
| Transfers in | 1,448,642 | 1,145,444 |
| Total transfers | 1,448,642 | 1,145,444 |
| Change in net position | 1,074,402 | 851,068 |
| Net position: | | |
| Beginning | 4,052,925 | 2,742,451 |
| Prior period adjustment | - | 459,406 |
| Ending | \$ 5,127,327 | 4,052,925 |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Operating Expenses
PrairieView Golf Course Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> <u>Actual</u> | <u>2012</u> <u>Actual</u> |
|---------------------------------|------------------------------|------------------------------|
| Operating: | | |
| Personnel: | | |
| Salaries | \$ 399,746 | 410,908 |
| Employee benefits | 48,443 | 57,600 |
| Total personnel | <u>448,189</u> | <u>468,508</u> |
| Contractual services: | | |
| Natural gas | 8,385 | 7,326 |
| Electrical | 30,100 | 33,022 |
| Printing & advertising | 15,398 | 15,080 |
| Postage | 91 | 57 |
| Communication | 2,596 | 3,120 |
| Computer repairs & support | 4,175 | 3,358 |
| Dues & memberships | 3,930 | 4,320 |
| Training & travel | 2,391 | 2,426 |
| Equipment rental | 1,549 | 1,047 |
| Hotel study | 15,000 | - |
| Miscellaneous | 17,302 | 14,759 |
| Total contractual services | <u>100,917</u> | <u>84,515</u> |
| Material & supplies: | | |
| Office | 1,632 | 1,593 |
| Janitorial | 2,459 | 3,537 |
| Motor fuel & lubrication | 35,355 | 32,865 |
| Golf supplies | 4,413 | 3,681 |
| Gift shop & concession supplies | 147,696 | 151,929 |
| Turf maintenance | 63,762 | 71,200 |
| Building repair & maintenance | 4,979 | 6,352 |
| Equipment repair & maintenance | 26,822 | 21,595 |
| Other | 3,284 | 6,251 |
| Total material & supplies | <u>290,402</u> | <u>299,003</u> |
| Total operating | \$ <u>839,508</u> | <u>852,026</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Stone Quarry Recreation Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|--|---------------|---------------|
| | <u>Actual</u> | <u>Actual</u> |
| Operating revenues: | | |
| Charges for services: | | |
| Skate park | \$ - | 25,435 |
| Program income | - | 5,626 |
| Summer day camp | - | 11,889 |
| Other | - | 4,650 |
| Total charges for service | - | 47,600 |
| Concessions | - | 9,828 |
| Total operating revenues | - | 57,428 |
| Operating expenses: | | |
| Operations | - | 104,829 |
| Depreciation | - | 50,814 |
| Total operating expenses | - | 155,643 |
| Net operating income (loss) | - | (98,215) |
| Transfers and special items: | | |
| Donation of capital assets | - | (215,314) |
| Impairment loss on capital assets | - | (463,308) |
| Transfer of capital assets to general government | - | (994,460) |
| Transfers in | - | 297,348 |
| Total extraordinary items | - | (1,375,734) |
| Change in net position | - | (1,473,949) |
| Net position: | | |
| Beginning | - | 1,473,949 |
| Ending | \$ - | - |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Schedule of Operating Expenses
Stone Quarry Recreation Fund
For the Year Ended December 31, 2013
With Comparative Totals for the Year Ended December 31, 2012

| | <u>2013</u> | <u>2012</u> |
|--------------------------------|---------------|----------------|
| | <u>Actual</u> | <u>Actual</u> |
| Operating: | | |
| Personnel: | | |
| Salaries | \$ - | 51,597 |
| Employee benefits | - | 8,009 |
| Total personnel | <u>-</u> | <u>59,606</u> |
| Contractual services: | | |
| Natural gas | - | 2,811 |
| Electrical | - | 7,880 |
| Printing & advertising | - | 1,953 |
| Postage | - | 4 |
| Communication | - | 1,272 |
| Counselors | - | 5,355 |
| Uniforms | - | 474 |
| Training & travel | - | 1,037 |
| Computer support & repair | - | 3,329 |
| Miscellaneous | - | 3,504 |
| Total contractual services | <u>-</u> | <u>27,619</u> |
| Material & supplies: | | |
| Office | - | 589 |
| Janitorial | - | 307 |
| Concessions | - | 6,442 |
| Supplies | - | 1,894 |
| Building repair & maintenance | - | 3,039 |
| Equipment repair & maintenance | - | 870 |
| Miscellaneous | - | 4,463 |
| Total material & supplies | <u>-</u> | <u>17,604</u> |
| Total operating | <u>\$ -</u> | <u>104,829</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS
Assessed Valuations and Property Tax Rates
Extensions and Collections

| | Tax Years | | | | | |
|-------------------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | 2013 | | 2012 | | 2011 | |
| Assessed valuations | \$ <u>661,684,327</u> | | \$ <u>647,831,225</u> | | \$ <u>640,911,122</u> | |
| Property tax rates | | | | | | |
| | <u>Maximum</u> | <u>Actual</u> | <u>Maximum</u> | <u>Actual</u> | <u>Maximum</u> | <u>Actual</u> |
| Corporate | 0.06000 | 0.06000 | 0.06000 | 0.05998 | 0.06000 | 0.05960 |
| Bond | 0.00000 | 0.30200 | 0.00000 | 0.23451 | 0.00000 | 0.23492 |
| IMRF | 0.00000 | 0.01360 | 0.00000 | 0.01235 | 0.00000 | 0.01014 |
| Audit | 0.00500 | 0.00181 | 0.00500 | 0.00185 | 0.00500 | 0.00265 |
| Liability Insurance | 0.00000 | 0.01617 | 0.00000 | 0.01698 | 0.00000 | 0.01404 |
| Social Security | 0.00000 | 0.01285 | 0.00000 | 0.01358 | 0.00000 | 0.01560 |
| Unemployment Insurance | 0.00000 | 0.00151 | 0.00000 | 0.00216 | 0.00000 | 0.00218 |
| Workman's Comp | 0.00000 | <u>0.00378</u> | 0.00000 | <u>0.00386</u> | 0.00000 | <u>0.00312</u> |
| Total tax rate | | <u>0.41172</u> | | <u>0.34527</u> | | <u>0.34225</u> |
| Property tax extensions: | | | | | | |
| Corporate | | 397,011 | | 388,569 | | 381,983 |
| Bond | | 1,998,287 | | 1,519,229 | | 1,505,628 |
| IMRF | | 89,989 | | 80,007 | | 64,988 |
| Audit | | 11,976 | | 11,985 | | 16,984 |
| Liability Insurance | | 106,994 | | 110,002 | | 89,984 |
| Social Security | | 85,026 | | 87,975 | | 99,982 |
| Unemployment Insurance | | 9,991 | | 13,993 | | 13,972 |
| Workman's Comp | | <u>25,012</u> | | <u>25,006</u> | | <u>19,996</u> |
| | | \$ <u>2,724,287</u> | | \$ <u>2,236,767</u> | | \$ <u>2,193,518</u> |
| Property tax collections: | | | | | | |
| Corporate | | 396,947 | | 388,229 | | 381,740 |
| Bond | | 1,997,966 | | 1,517,907 | | 1,504,676 |
| IMRF | | 89,974 | | 79,937 | | 64,275 |
| Audit | | 11,974 | | 11,974 | | 16,973 |
| Liability Insurance | | 106,976 | | 109,906 | | 89,928 |
| Social Security | | 85,014 | | 87,900 | | 99,920 |
| Unemployment Insurance | | 9,991 | | 13,981 | | 13,964 |
| Workman's Comp | | <u>25,008</u> | | <u>24,985</u> | | <u>19,983</u> |
| Total levied taxes collected | | \$ <u>2,723,850</u> | | \$ <u>2,234,819</u> | | \$ <u>2,191,459</u> |
| Percentage of extensions collected: | | <u>99.98%</u> | | <u>99.91%</u> | | <u>99.91%</u> |

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

Schedule of Legal Debt Margin

December 31, 2013

| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-----------------------|--------------------|--------------------|
| Assessed Valuations* | \$ <u>661,684,327</u> | <u>647,831,225</u> | <u>640,911,122</u> |
| Statutory Debt Limitation (2.3 % of Assessed Valuation) | <u>15,218,740</u> | <u>14,900,118</u> | <u>14,740,956</u> |
| Amount of debt applicable to debt limit | | | |
| General obligation bonds | 4,525,000 | 4,845,000 | 5,165,000 |
| Leases payable | 216,111 | 425,202 | 459,406 |
| Construction loan | <u>875,000</u> | <u>-</u> | <u>-</u> |
| Total debt applicable to limit | 5,616,111 | 5,270,202 | 5,624,406 |
| Less: assets in debt service funds available for payment on debt | <u>436,793</u> | <u>440,968</u> | <u>450,378</u> |
| Net debt applicable to limit | <u>5,179,318</u> | <u>4,829,234</u> | <u>5,174,028</u> |
| Legal debt margin | \$ <u>10,039,422</u> | <u>10,070,884</u> | <u>9,566,928</u> |

* Assessed values are for the tax year one year earlier. For example, the assessed value for the year ended December 31, 2013 is the assessed value for tax year 2012.