

**BYRON FOREST PRESERVE DISTRICT, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

# BYRON FOREST PRESERVE DISTRICT, ILLINOIS

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## 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, 2014, 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 2013 financial statements and in our report dated February 24, 2014, 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.

## 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, 2014, 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, schedule of funding progress and notes on pages 44 through 46 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 47 through 55 and supplementary financial information on pages 56 through 64 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 65 and 66 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.

*Beggin Tipp Lamn LLC*

Freeport, Illinois  
April 16, 2015

**BYRON FOREST PRESERVE DISTRICT, ILLINOIS**  
**Management's Discussion and Analysis**  
December 31, 2014  
(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, 2014.

<b>FINANCIAL HIGHLIGHTS</b>
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- Net asset position and performance in total – The District's total net position at December 31, 2014 was \$12,677,860.
- Governmental activity summary – Net position for governmental activities increased by \$587,186 during the fiscal year.
- Business-type activity summary – Net position for business-type activities decreased by \$116,933 during the fiscal year.
- General Fund summary – The District's General Fund reported an increase of \$63,268 in fund balance for the year.

<b>OVERVIEW OF THE FINANCIAL STATEMENTS</b>
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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, 2014  
(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"> <li>- Statement of net position</li> <li>- Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of net position</li> <li>- Statement of revenues, expenses, and changes in net position</li> <li>- Statement of cash flows</li> </ul>
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 funds' 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, 2014  
(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, 2014  
(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, 2014**  
**With Comparative Totals as of December 31, 2013**

		Governmental Activities		Business-type Activities		Total Government	
		2014	2013	2014	2013	2014	2013
Current and other assets	\$	3,789,269	3,854,463	678,852	749,509	4,468,121	4,603,972
Capital assets		11,561,855	11,758,433	4,370,699	4,414,255	15,932,554	16,172,688
<b>Total assets</b>		<b>15,351,124</b>	<b>15,612,896</b>	<b>5,049,551</b>	<b>5,163,764</b>	<b>20,400,675</b>	<b>20,776,660</b>
Other liabilities		119,851	106,567	39,157	36,437	159,008	143,004
Long-term liabilities		4,931,844	5,685,722	-	-	4,931,844	5,685,722
<b>Total liabilities</b>		<b>5,051,695</b>	<b>5,792,289</b>	<b>39,157</b>	<b>36,437</b>	<b>5,090,852</b>	<b>5,828,726</b>
Deferred inflows of resources:							
Property taxes		2,631,963	2,740,327	-	-	2,631,963	2,740,327
<b>Total liabilities and deferred inflows of resources</b>		<b>7,683,658</b>	<b>8,532,616</b>	<b>39,157</b>	<b>36,437</b>	<b>7,722,815</b>	<b>8,569,053</b>
Net position:							
Net investment in capital assets		6,690,195	6,133,862	4,370,699	4,414,255	11,060,894	10,548,117
Restricted for:							
Debt service		436,033	436,793	-	-	436,033	436,793
Capital projects		34,845	35,344	-	-	34,845	35,344
Unrestricted		506,393	474,281	639,695	713,072	1,146,088	1,187,353
<b>Total net position</b>	<b>\$</b>	<b>7,667,466</b>	<b>7,080,280</b>	<b>5,010,394</b>	<b>5,127,327</b>	<b>12,677,860</b>	<b>12,207,607</b>

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, 2014  
(Unaudited)

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

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

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

**Current Year Impacts - Net Position**

Overall, the District's combined net position increased from \$12,207,607 to \$12,677,860, an increase of \$470,253. This net increase resulted primarily because of a transfer of capital assets. Net position of the District's governmental activities increased by \$587,186 during the year, due to the transfer of capital assets for business-type activities, and ended at \$7,667,466. The District's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, increased by \$32,112 and restricted net position decreased by \$1,259.

The net position of business-type activities decreased \$116,933 during the year and ended the year at \$5,010,394. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$639,695, a decrease of \$73,377. The annual operating cost of the District's business-type activities for fiscal year 2014 was \$1,246,923, an increase of \$63,601 from 2013.

**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, 2014  
(Unaudited)

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2014**  
**With Comparative Totals for the Year Ended December 31, 2013**

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 231,395	224,789	813,404	807,120	1,044,799	1,031,909
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	2,739,834	2,723,851	-	-	2,739,834	2,723,851
Interest	3,187	4,238	1,841	1,412	5,028	5,650
Equipment trade-ins	266,400	243,057	-	-	266,400	243,057
Bond interest refund	76,187	82,026	-	-	76,187	82,026
Other	25,460	20,493	472	550	25,932	21,043
<b>Total revenues</b>	<b>3,342,463</b>	<b>3,298,454</b>	<b>815,717</b>	<b>809,082</b>	<b>4,158,180</b>	<b>4,107,536</b>
<b>Expenses</b>						
Culture & recreation	2,149,492	2,083,941	-	-	2,149,492	2,083,941
Interest on long-term debt	291,512	388,531	-	-	291,512	388,531
PrairieView Golf Course	-	-	1,246,923	1,183,322	1,246,923	1,183,322
<b>Total expenses</b>	<b>2,441,004</b>	<b>2,472,472</b>	<b>1,246,923</b>	<b>1,183,322</b>	<b>3,687,927</b>	<b>3,655,794</b>
Excess (deficiency) of						
Revenues over (under) expenses	901,459	825,982	(431,206)	(374,240)	470,253	451,742
Transfers to Prairie View Golf Course	(314,273)	(1,448,642)	314,273	1,448,642	-	-
<b>Changes in net position</b>	<b>587,186</b>	<b>(622,660)</b>	<b>(116,933)</b>	<b>1,074,402</b>	<b>470,253</b>	<b>451,742</b>
Beginning net position	7,080,280	7,702,940	5,127,327	4,052,925	12,207,607	11,755,865
Prior period adjustment	-	-	-	-	-	-
<b>Ending net position</b>	<b>\$ 7,667,466</b>	<b>7,080,280</b>	<b>5,010,394</b>	<b>5,127,327</b>	<b>12,677,860</b>	<b>12,207,607</b>

**Current Year Impacts-Changes In Net Position**

**Governmental Activities**

**Revenues:**

Revenues from governmental activities total \$3,342,463, an increase of \$44,009 from prior year. Property taxes were the District's largest source of revenue at \$2,739,834 or approximately 82% of total revenue.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Management's Discussion and Analysis (Continued)**  
December 31, 2014  
(Unaudited)

Sale of equipment represents approximately 8%, charges for services were \$231,395 or 6.9%. Revenues from all other sources were \$104,834 or 3.1% of the total.

**Expenses:**

The expenses for governmental activities were \$2,441,004 a decrease of \$31,468 from 2013. All of the expenses were for cultural and recreational purposes. The following is a summary of the object classification of these expenses:

	<u>2014</u>			<u>2013</u>		
Personnel	\$	967,951	40%	907,661	37%	
Contractual services		292,234	12%	298,721	12%	
Material & supplies		624,248	26%	626,328	25%	
Depreciation		265,059	11%	251,231	10%	
Interest on long-term debt		291,512	12%	388,531	16%	
Total	\$	<u>2,441,004</u>	<u>100%</u>	<u>2,472,472</u>	<u>100%</u>	

**Business-Type Activities**

**Revenues:**

Revenue from business-type activities totaled \$815,717, which was \$6,635 higher than in 2013. The two major sources of business-type revenue are the charges for services \$559,894 and concessions \$253,510. Interest income on various cash balances earned \$1,841.

**Expenses:**

Expenses for business-type activities totaled \$1,246,923, as compared to \$1,183,322 in 2013. This equals an increase of \$63,601. The following is a summary of the object classification of these expenses:

	<u>2014</u>		<u>2013</u>	<u>Changes from 2013</u>
Personnel	\$	474,626	448,189	26,437
Contractual services		111,883	100,917	10,966
Material & supplies		305,113	290,402	14,711
Depreciation		355,301	343,814	11,487
Total	\$	<u>1,246,923</u>	<u>1,183,322</u>	<u>63,601</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Management's Discussion and Analysis (Continued)**  
December 31, 2014  
(Unaudited)

<b>FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS</b>
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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 2013 is as follows:

	<u>2014</u>	<u>2013</u>	<u>Changes from 2013</u>
Revenues	\$ 3,266,276	3,222,229	44,047
Expenditures and other uses	<u>4,415,303</u>	<u>4,420,074</u>	<u>(4,771)</u>
Revenues (under) expenditures	(1,149,027)	(1,197,845)	48,818
Other financing resources	<u>1,211,914</u>	<u>938,384</u>	<u>273,530</u>
Change in Fund Balances	<u>\$ 62,887</u>	<u>(259,461)</u>	<u>322,348</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. Revenues from fees and charges increased by \$6,606 to \$231,395. The District received \$278,355 for sale of equipment, an increase of \$29,498 from 2013. All other revenues in 2014 were \$16,692 as compared to \$24,732 in 2013, a decrease of \$8,040.

Expenditures and other uses in 2014 were \$4,415,303 as compared to \$4,420,074 in 2013, a decrease of \$4,771. Capital outlay decreased from \$880,681 in 2013 to \$585,057 in 2014, a decrease of \$295,624. A major change was in debt payments: principal payments increased from \$1,959,091 in 2013 to \$2,194,454 in 2014, and interest payments increased from \$267,253 in 2013 to \$275,016 in 2014. All other expenditures in 2014 were \$1,360,776 compared to \$1,313,049 in 2013, an increase of \$47,727. Other financing resources increased by \$273,530 in 2014 compared to 2013.

The General Fund is the chief operating fund of the District. During the year ended December 31, 2014, the General Fund's unrestricted fund balance increased from \$320,060 in 2013 to \$383,328 at December 31, 2014. This is an increase of \$63,268 or approximately 20%. Revenues for 2014 were \$7,107 higher than in 2013. Charges & fees increased by \$6,606.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Management's Discussion and Analysis (Continued)**  
December 31, 2014  
(Unaudited)

General Fund expenditures were \$582,394, an increase of \$9,187. Personnel cost decreased by \$1,926 and contractual services increased by \$11,583.

The Land Development Bond Fund, a debt service fund, reported a decrease in fund equity of \$760 resulting in a fund balance of \$436,033. The decrease was attributed to higher principal payments.

The Capital Project Fund balance decreased by \$382 to a positive fund balance of \$32,171.

The Land Acquisition Capital Project Fund was previously reported as a major fund on the Governmental Funds financial statements prior to 2014. 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 2014 is \$2,674.

**General Fund budgetary highlights**

General Fund	FY 14	
	Original & Final Budget	FY 14 Actual
<b>Revenues</b>		
Taxes	\$ 399,000	398,917
Charges & fees	221,050	231,395
Interest	1,000	2,029
Other	12,550	13,321
<b>Total revenues</b>	<b>633,600</b>	<b>645,662</b>
<b>Expenditures</b>		
Personnel	311,125	311,682
Contractual services	190,900	219,185
Material & supplies	53,400	51,527
<b>Total expenditures</b>	<b>555,425</b>	<b>582,394</b>
<b>Changes in fund balance before transfers</b>		
	\$ 78,175	63,268

Actual General Fund revenues were \$12,062 higher than originally budgeted during FY 14 and expenditures were \$26,969 higher than budgeted.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Management's Discussion and Analysis (Continued)**  
December 31, 2014  
(Unaudited)

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2014, the District's investment in capital assets for its governmental and business-type activities amounts to \$15,932,554 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, equipment and vehicles. The net decrease in the District's investment in capital assets for the current fiscal year was \$240,134 or 1.5% (governmental activities decreased by \$196,578 and business-type activities decreased by \$43,556). 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,342,510	7,342,510	216,000	216,000	7,558,510	7,558,510
Construction in progress	-	-	19,858	-	19,858	-
Land improvements	580,193	619,147	886,688	821,909	1,466,881	1,441,056
Buildings & improvements	3,300,516	3,431,762	2,859,698	2,970,968	6,160,214	6,402,730
Equipment	271,827	289,682	363,619	374,571	635,446	664,253
Vehicles	66,809	75,332	24,836	30,807	91,645	106,139
Total	\$ 11,561,855	11,758,433	4,370,699	4,414,255	15,932,554	16,172,688

The District expended \$206,326 for land improvements, \$129,024 for equipment and \$27,546 for vehicles in 2014. The District disposed of governmental and golf course equipment of \$23,335, and vehicles of \$5,000 during 2014. The district had construction in progress of \$19,858.

**Long-Term Debt**

The District's outstanding debt at December 31, 2014 was \$4,931,844. This debt is comprised of \$4,205,000 in G.O. bonds, \$666,660 in loans, and \$60,184 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, 2014, the statutory limit of the District was \$15,309,631. The District's net debt applicable to limit was \$4,435,627, leaving a legal debt margin of \$10,874,004. 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, 2014  
(Unaudited)

<b>ECONOMIC FACTORS</b>
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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, \$509,000,000 for tax year 2013, and then was reassessed at \$482,400,000 for tax year 2014.

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 2014 and 2013. Prairie View Golf Course had a net operating loss of \$433,519 during 2014 and \$376,202 during 2013. Prairie View has taken steps to reduce the operating loss for 2015 i.e. by reducing the number of seasonal workers, hiring a new golf pro, adding electric carts w/ GPS, 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.

<b>CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT</b>
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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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash & cash equivalents:			
Pooled	\$ 810,435	139,326	949,761
Non-pooled	7,151	10,179	17,330
Investments:			
Pooled	524,299	90,135	614,434
Non-pooled	-	14,543	14,543
Receivables:			
Taxes receivable	2,631,963	-	2,631,963
Due from employees	100	-	100
Other receivables	5,733	1,169	6,902
Internal balances	(253,235)	253,235	-
Health insurance deposit	59,000	-	59,000
Prepaid items	3,823	136,940	140,763
Inventories	-	33,325	33,325
Capital assets not being depreciated	7,342,510	235,858	7,578,368
Capital assets (net of accumulated depreciation)	4,219,345	4,134,841	8,354,186
<b>Total assets</b>	<b>15,351,124</b>	<b>5,049,551</b>	<b>20,400,675</b>
<b>Liabilities:</b>			
Accounts payable	52,132	3,244	55,376
Accrued liabilities	21,103	8,385	29,488
Accrued interest payable	8,000	-	8,000
Unearned fee revenue	-	27,528	27,528
Unamortized bond premium	38,616	-	38,616
Noncurrent liabilities:			
Due within one year	602,315	-	602,315
Due in more than one year	4,329,529	-	4,329,529
<b>Total liabilities</b>	<b>5,051,695</b>	<b>39,157</b>	<b>5,090,852</b>
<b>Deferred Inflows of Resources:</b>			
Property taxes	2,631,963	-	2,631,963
<b>Total liabilities and deferred     inflows of resources</b>	<b>7,683,658</b>	<b>39,157</b>	<b>7,722,815</b>
<b>Net Position:</b>			
Net investment in capital assets	6,690,195	4,370,699	11,060,894
Restricted for:			
Debt service	436,033	-	436,033
Capital projects	34,845	-	34,845
Unrestricted	506,393	639,695	1,146,088
<b>Total Net Position</b>	<b>\$ 7,667,466</b>	<b>5,010,394</b>	<b>12,677,860</b>

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, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government		
	Expenses				Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Culture & recreation	\$ 2,149,492	231,395	-	-	(1,918,097)	-	(1,918,097)
Interest on long-term debt	291,512	-	-	-	(291,512)	-	(291,512)
Total governmental activities	2,441,004	231,395	-	-	(2,209,609)	-	(2,209,609)
<b>Business-type activities:</b>							
PrairieView Golf Course	1,246,923	813,404	-	-	-	(433,519)	(433,519)
Total business-type activities	1,246,923	813,404	-	-	-	(433,519)	(433,519)
Total	\$ 3,687,927	1,044,799	-	-	(2,209,609)	(433,519)	(2,643,128)
<b>General revenues:</b>							
Property taxes					\$ 2,739,834	-	2,739,834
Interest					3,187	1,841	5,028
Bond interest refund					76,187	-	76,187
Other					25,460	472	25,932
Equipment trade-ins					266,400	-	266,400
<b>Transfers:</b>							
Contribution of capital assets to Prairie View Golf Course					(314,273)	314,273	-
Total general revenues and transfers					2,796,795	316,586	3,113,381
<b>Change in net position</b>					587,186	(116,933)	470,253
<b>Net position:</b>							
Beginning					7,080,280	5,127,327	12,207,607
Ending					\$ 7,667,466	5,010,394	12,677,860

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Balance Sheet  
**Governmental Funds**  
December 31, 2014

	General Fund	Land Development Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash & cash equivalents					
Pooled	\$ 354,571	264,754	36,847	154,263	810,435
Non-pooled	4,477	-	-	2,674	7,151
Investments					
Pooled	229,384	171,279	23,838	99,798	524,299
Property taxes receivable, net	371,000	1,927,963	-	333,000	2,631,963
Other receivable	5,733	-	-	-	5,733
Health insurance deposit	59,000	-	-	-	59,000
Prepaid items	3,823	-	-	-	3,823
Due from employees	100	-	-	-	100
<b>Total assets</b>	<u>1,028,088</u>	<u>2,363,996</u>	<u>60,685</u>	<u>589,735</u>	<u>4,042,504</u>
<b>Liabilities:</b>					
Accounts payable	9,132	-	20,474	22,526	52,132
Accrued payroll liabilities	11,393	-	8,040	1,670	21,103
Due to other funds	253,235	-	-	-	253,235
Total liabilities	<u>273,760</u>	<u>-</u>	<u>28,514</u>	<u>24,196</u>	<u>326,470</u>
<b>Deferred Inflows of Resources:</b>					
Property taxes	371,000	1,927,963	-	333,000	2,631,963
<b>Total liabilities and deferred     inflows of resources</b>	<u>644,760</u>	<u>1,927,963</u>	<u>28,514</u>	<u>357,196</u>	<u>2,958,433</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepaid items	3,823	-	-	-	3,823
Restricted for:					
Special revenue funds	-	-	-	229,865	229,865
Debt service fund	-	436,033	-	-	436,033
Committed to:					
Capital projects funds	-	-	32,171	2,674	34,845
Unassigned	379,505	-	-	-	379,505
Total fund balances	<u>383,328</u>	<u>436,033</u>	<u>32,171</u>	<u>232,539</u>	<u>1,084,071</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 1,028,088</u>	<u>2,363,996</u>	<u>60,685</u>	<u>589,735</u>	<u>4,042,504</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, 2014

<b>Fund balances of Governmental Funds</b>	\$ 1,084,071
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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	\$ 14,627,166	
Accumulated depreciation	<u>(3,065,311)</u>	11,561,855

Premiums on bonds are recognized in the current period in governmental funds but are capitalized and amortized over the life of the bond issue in the statement of net position:

Unamortized bond premium	<u>(38,616)</u>
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(4,205,000)	
Construction loan payable	(666,660)	
Accrued interest payable	(8,000)	
Compensated absences	<u>\$ (60,184)</u>	<u>(4,939,844)</u>

<b>Net position of governmental activities</b>	<b>\$ <u>7,667,466</u></b>
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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, 2014

	General Fund	Land Development Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 398,917	2,012,016	-	328,901	2,739,834
Charges & fees	231,395	-	-	-	231,395
Interest	2,029	498	308	352	3,187
Sale of equipment / trade-ins	-	-	278,355	-	278,355
Other	13,321	-	-	184	13,505
Total revenue	<u>645,662</u>	<u>2,012,514</u>	<u>278,663</u>	<u>329,437</u>	<u>3,266,276</u>
<b>Expenditures:</b>					
Current:					
Culture & recreation					
Personnel	311,682	-	342,012	252,483	906,177
Contractual services	219,185	428	37,570	70,613	327,796
Material & supplies	51,527	-	40,862	5,580	97,969
Capital outlay	-	-	585,057	-	585,057
Debt service:					
Principal	-	1,770,000	424,454	-	2,194,454
Interest	-	242,846	32,170	-	275,016
Bond issue costs	-	-	28,834	-	28,834
Total expenditures	<u>582,394</u>	<u>2,013,274</u>	<u>1,490,959</u>	<u>328,676</u>	<u>4,415,303</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>63,268</u>	<u>(760)</u>	<u>(1,212,296)</u>	<u>761</u>	<u>(1,149,027)</u>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	1,450,000	-	1,450,000
Bond interest refund	-	-	76,187	-	76,187
Transfers in (out)	-	-	(314,273)	-	(314,273)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,211,914</u>	<u>-</u>	<u>1,211,914</u>
<b>Net change in fund balances</b>	<u>63,268</u>	<u>(760)</u>	<u>(382)</u>	<u>761</u>	<u>62,887</u>
<b>Fund balances:</b>					
Beginning	<u>320,060</u>	<u>436,793</u>	<u>32,553</u>	<u>231,778</u>	<u>1,021,184</u>
Ending	<u>\$ 383,328</u>	<u>436,033</u>	<u>32,171</u>	<u>232,539</u>	<u>1,084,071</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, 2014

<b>Net Change in Fund Balances - total governmental funds</b>	\$	62,887
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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	\$ 68,481	
Depreciation expense	<u>(265,059)</u>	(196,578)

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

Bond proceeds		(1,450,000)
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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	\$ 1,770,000	
Construction loan payment	208,340	
Capital lease payment	<u>216,111</u>	2,194,451

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:

Change in other post employment benefit asset		(45,342)
Decrease in compensated absences		9,427
Decrease in accrued interest payable		6,000
Amortization of bond premium		<u>6,341</u>

<b>Change in net position of governmental activities</b>	\$	<u><u>587,186</u></u>
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**The notes to the financial statements are an integral part of this statement.**

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Statement of Net Position  
**Proprietary Fund - PrairieView Golf Course**  
December 31, 2014  
With Comparative Totals for December 31, 2013

	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
Cash & cash equivalents		
Pooled	\$ 139,326	274,123
Non-pooled	10,179	11,616
Investments		
Pooled	90,135	160,740
Non-pooled	14,543	14,495
Other receivables	1,169	5,713
Prepaid expenses	136,940	-
Inventories	33,325	29,587
Due from other funds	253,235	253,235
<b>Total current assets</b>	<u>678,852</u>	<u>749,509</u>
<b>Noncurrent Assets:</b>		
Capital assets:		
Non-depreciable	235,858	216,000
Depreciable, net of accumulated depreciation	4,134,841	4,198,255
<b>Total noncurrent assets</b>	<u>4,370,699</u>	<u>4,414,255</u>
<b>Total Assets</b>	<u>5,049,551</u>	<u>5,163,764</u>
<b>Current Liabilities:</b>		
Accounts payable	3,244	2,681
Accrued wages	8,385	6,429
Unearned fee revenue	27,528	27,327
<b>Total current liabilities</b>	<u>39,157</u>	<u>36,437</u>
<b>Total Liabilities</b>	<u>39,157</u>	<u>36,437</u>
<b>Net Position:</b>		
Net investment in capital assets	4,370,699	4,414,255
Unrestricted	639,695	713,072
<b>Total Net Position</b>	<u>\$ 5,010,394</u>	<u>5,127,327</u>

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 Fund - PrairieView Golf Course**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>	<u>2013</u>
<b>Operating revenues:</b>		
Charges for services	\$ 559,894	600,243
Concessions	<u>253,510</u>	<u>206,877</u>
Total operating revenues	<u>813,404</u>	<u>807,120</u>
<b>Operating expenses:</b>		
Operations	891,622	839,508
Depreciation	<u>355,301</u>	<u>343,814</u>
Total operating expenses	<u>1,246,923</u>	<u>1,183,322</u>
<b>Operating income (loss)</b>	<u>(433,519)</u>	<u>(376,202)</u>
<b>Nonoperating revenue (expense):</b>		
Gain (loss) on disposal of capital assets	472	550
Interest on investments	<u>1,841</u>	<u>1,412</u>
Total nonoperating revenue (expense)	<u>2,313</u>	<u>1,962</u>
<b>Net income (loss) before transfers and other extraordinary items:</b>	(431,206)	(374,240)
<b>Transfers:</b>		
Transfers in	<u>314,273</u>	<u>1,448,642</u>
Total transfers	<u>314,273</u>	<u>1,448,642</u>
<b>Change in net position</b>	(116,933)	1,074,402
<b>Net position:</b>		
Beginning	<u>5,127,327</u>	<u>4,052,925</u>
Ending	<u>\$ 5,010,394</u>	<u>5,127,327</u>

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Statement of Cash Flows  
**Proprietary Fund - PrairieView Golf Course**  
December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>	<u>2013</u>
<b>Cash flow from operating activities:</b>		
Receipts from customers & users	\$ 813,605	805,404
Payments to suppliers	(552,567)	(402,215)
Payments to employees	(425,465)	(399,582)
Payments for employee benefits	(47,205)	(48,443)
Net cash provided (used) by operating activities	<u>(211,632)</u>	<u>(44,836)</u>
<b>Cash flows from capital financing activities:</b>		
Proceeds received on sale of capital assets	<u>3,000</u>	<u>550</u>
Net cash provided (used) by capital financing activities	<u>3,000</u>	<u>550</u>
<b>Cash flows used in investing activities:</b>		
Sale (purchase) of investments, net	70,557	66,521
Interest on investments	<u>1,841</u>	<u>1,412</u>
Net cash provided (used) by investing activities	<u>72,398</u>	<u>67,933</u>
Net increase (decrease) in cash and cash equivalents	(136,234)	23,647
<b>Cash and cash equivalents:</b>		
Beginning	<u>285,739</u>	<u>262,092</u>
Ending	\$ <u><u>149,505</u></u>	<u><u>285,739</u></u>
<b>Noncash capital activities:</b>		
Contributions of capital assets from government	\$ <u><u>314,273</u></u>	<u><u>1,448,642</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 Fund - PrairieView Golf Course**  
December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>	<u>2013</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (433,519)	(376,202)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	355,301	343,814
Changes in assets & liabilities:		
(Increase) decrease in:		
Accounts receivable	4,544	(3,868)
Inventories	(3,738)	(303)
Prepaid expenses	(136,940)	-
Increase (decrease) in:		
Accounts payable	563	(6,725)
Accrued liabilities	1,956	164
Unearned fee revenues	201	(1,716)
<b>Net cash provided (used) by operating activities</b>	<b>\$ <u>(211,632)</u></b>	<b><u>(44,836)</u></b>

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

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements**  
December 31, 2014

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, 2014

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, 2014

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 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, 2014

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. Prepaid items primarily consist of a down payment for golf carts for the 2015 golf season and prepaid software maintenance.

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 2013 tax levy is as follows:

Lien Date	January 1, 2013
Levy Date	November 18, 2013
Tax Bills Mailed (at least 30 days prior to first installment due date)	
First Installment Due	June 13, 2014
Second Installment Due	September 5, 2014



BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

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 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has been recorded as a receivable as of December 31, 2014 as the tax was levied in December 2014. 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 2013 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	0.05994	0.06000
Audit	0.00180	0.00500
Insurance	0.01607	None
IMRF	0.01352	None
Unemployment	0.00150	None
Workers' Compensation Insurance	0.00376	None
Social Security	0.01277	None
Bond	<u>0.30232</u>	None
TOTAL DISTRICT	<u>0.41168</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, 2014

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, 2014

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. Net investment 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 "net investment 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, 2014

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, which consist of certificates of deposit, are reported at cost, which approximates fair market value of the investment.

At December 31, 2014, the District's cash, cash equivalents and investments consisted of the following:

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

2. DEPOSITS AND INVESTMENTS (Continued)

Cash & cash equivalents	
Cash on hand	\$ 4,420
Demand deposits and money market	26,823
Public funds money manager	935,848
Total cash & cash equivalents	<u>967,091</u>
Investments	
Certificates of deposit	<u>628,977</u>
TOTAL	<u>\$ 1,596,068</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, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Governmental Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 7,342,510	-	-	7,342,510
Total capital assets not being depreciated	<u>7,342,510</u>	<u>-</u>	<u>-</u>	<u>7,342,510</u>
Capital assets being depreciated:				
Land improvements	1,207,663	6,620	-	1,214,283
Building & improvements	4,906,754	-	-	4,906,754
Equipment	762,366	34,315	-	796,681
Vehicles	344,392	27,546	5,000	366,938
Total capital assets being depreciated	<u>7,221,175</u>	<u>68,481</u>	<u>5,000</u>	<u>7,284,656</u>
Less accumulated depreciation for:				
Land improvements	588,516	45,574	-	634,090
Building & improvements	1,474,992	131,246	-	1,606,238
Equipment	472,684	52,170	-	524,854
Vehicles	269,060	36,069	5,000	300,129
Total accumulated depreciation	<u>2,805,252</u>	<u>265,059</u>	<u>5,000</u>	<u>3,065,311</u>
Net capital assets being depreciated	<u>4,415,923</u>	<u>(196,578)</u>	<u>-</u>	<u>4,219,345</u>
Net governmental activities capital assets	<u>\$ 11,758,433</u>	<u>(196,578)</u>	<u>-</u>	<u>11,561,855</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, 2014

3. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Business-type Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 216,000	-	-	216,000
Construction in progress	-	19,858	-	19,858
Total capital assets not being depreciated	216,000	19,858	-	235,858
Capital assets being depreciated:				
Land improvements	3,227,549	199,706	-	3,427,255
Building & improvements	3,986,706	-	-	3,986,706
Equipment	1,262,680	94,709	23,335	1,334,054
Vehicles	71,763	-	-	71,763
Total capital assets being depreciated	8,548,698	294,415	23,335	8,819,778
Less accumulated depreciation for:				
Land improvements	2,405,640	134,927	-	2,540,567
Building & improvements	1,015,738	111,270	-	1,127,008
Equipment	888,109	103,133	20,807	970,435
Vehicles	40,956	5,971	-	46,927
Total accumulated depreciation	4,350,443	355,301	20,807	4,684,937
Net capital assets being depreciated	4,198,255	(60,886)	2,528	4,134,841
Net governmental activities capital assets	\$ 4,414,255	(41,028)	2,528	4,370,699

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 qualified as capital leases for accounting purposes and, therefore, had been recorded at the present value of their future minimum lease payments as of the inception date. The lease terms ranged from three to four years, and final payments of principal and interest totaling \$223,490 were made on the capital leases in 2014.

The assets acquired through capital leases are as follows:

	<u>PrairieView Golf Course</u>
Asset:	
Equipment	\$ 509,406
Less: Accumulated depreciation	(266,827)
Total	<u>\$ 242,579</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

5. LONG-TERM DEBT

- A. The following is a summary of debt transactions of the District for the year ended December 31, 2014:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Retired</u>	<u>Ending Balance</u>
G.O. Bonds - Series 2014	\$ -	1,450,000	1,450,000	-
G.O. Bonds - Series 2010B	4,525,000	-	320,000	4,205,000
Construction loan	875,000	-	208,340	666,660
Capital leases	216,111	-	216,111	-
Compensated absences	69,611	61,603	71,030	60,184
Total	\$ <u>5,685,722</u>	<u>1,511,603</u>	<u>2,265,481</u>	<u>4,931,844</u>

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

Compensated absences are paid from the general and golf funds. The construction loan and lease payments are made from the capital projects fund. All other debt is paid from the debt service fund.

The outstanding debt as of December 31, 2014 consists of the following individual amounts:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balances 12/31/14</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.	\$ 4,205,000	325,000
▪ \$875,000 Construction loan, 2.4% interest payable in 4 annual installments of \$233,131 beginning June 2014 through June 2017	666,660	217,131
▪ Accumulated unpaid vacation and comp time	<u>60,184</u>	<u>60,184</u>
Total outstanding debt	\$ <u>4,931,844</u>	<u>602,315</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

5. LONG-TERM DEBT (Continued)

B. The annual requirements to amortize all debt outstanding as of December 31, 2014 including interest are as follows:

GOVERNMENTAL ACTIVITIES							
Year Ending Dec. 31,	G.O. Bonds 2010B		Construction Loan		Compensated Absences	Total	
	Principal	Interest	Principal	Interest		Principal	Interest
2015	\$ 325,000	222,751	217,131	16,000	60,184	602,315	238,751
2016	335,000	208,879	222,343	10,788	-	557,343	219,667
2017	340,000	193,265	227,186	5,452	-	567,186	198,717
2018	350,000	176,137	-	-	-	350,000	176,137
2019	365,000	157,358	-	-	-	365,000	157,358
2020-2024	2,030,000	456,369	-	-	-	2,030,000	456,369
2025	460,000	14,375	-	-	-	460,000	14,375
Total	\$ 4,205,000	1,429,134	666,660	32,240	60,184	4,931,844	1,461,374

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 (EAV) of \$665,636,142. At December 31, 2014, the statutory limit for the District was \$15,309,631. The District's legal debt margin was \$10,874,004.

Effective January 1, 2015, indebtedness incurred for any purpose other than land acquisition is limited to .6% of the District's EAV, as amended from the previous limit of .3%. The total indebtedness for any purpose other than land acquisition at December 31, 2014 is \$666,660. At December 31, 2014 the .6% statutory limit for the District was \$3,993,817 which leaves a legal debt margin of \$3,327,157.

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. Since August 1, 2004 the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. 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. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2014 through December 31, 2014:



**BYRON FOREST PRESERVE DISTRICT, ILLINOIS**  
**Notes to Financial Statements (Continued)**  
December 31, 2014

6. **RISK MANAGEMENT COOPERATIVE (Continued)**

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<b><u>1. Property</u></b>				PDRMA	
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members Declaration 11	Reinsurers: Various	P070113
Flood/except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate	Reinsurers through the Public Entity Property Reinsurance Program (PEPIP)	
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		
			<b>Other sub-limits apply - refer to coverage document</b>		
Boiler and Machinery			\$100,000,000 Equip. Breakdown		
Property damage	\$1,000	\$9,000	Property damage-included	Travelers	
Business Income	48 hours	N/A	Included	Indemnity Co. of Illinois	BME1 0525L478
			<b>Other sub-limits apply - refer to coverage document</b>		
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/occurrence	National Union	01-770-96-51
Seasonal employees	\$1,000	\$9,000	\$1,000,000/occurrence	Fire Insurance Co.	
Blanket bond	\$1,000	\$24,000	\$2,000,000/occurrence		
<b><u>2. Workers Compensation</u></b>	N/A	\$500,000	Statutory	PDRMA	WC010114
<b>EMPLOYERS LIABILITY</b>		\$500,000	\$3,500,000 Employers Liability	Government Entities Mutual (GEM)	GEM-0003 B14001
<b><u>3. Liability</u></b>					
General	None	\$500,000	\$21,500,000/occurrence	PDRMA	
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers:	L010114
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	B14001
Law Enforcement Liability	None	\$500,000	\$21,500,000/occurrence	Indemnity and	
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/occurrence	Liability Co.	8090020
<b><u>4. Pollution Liability</u></b>					
Liability - third party	None	\$25,000	\$5,000,000/occurrence	XL Environmental Insurance	PEC 2535804
Property - first party	\$1,000	\$24,000	\$30,000,000 3 year aggregate		
<b><u>5. Outbreak Expense</u></b>	24 hours	N/A	\$15,000 per day \$1 million aggregate policy limit	Great American	
<b><u>6. Information Security and Privacy Insurance with Electronic Media Liability Coverage</u></b>					
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	
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/occur/annual aggregate	through the PEPIP program	
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, 2014

6. RISK MANAGEMENT COOPERATIVE (Continued)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<b><u>6. Information Security (Cont.)</u></b> First Party Bus. Interruption	8 hours	\$100,000	\$25,000 hourly sublimit / \$25,000 forensic expense / \$100,000 dependent business interruption		
<b><u>7. Volunteer Medical Accident</u></b>	None	\$5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	self-insured	
<b><u>8. Underground Storage Tank Liability</u></b>	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	self-insured	
<b><u>9. Unemployment Compensation</u></b>	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 Property/Casualty Program's balance sheet at December 31, 2013 and the statement of revenues and expenses for the period ending December 31, 2013. The Byron Forest Preserve District's portion of the overall equity of the pool is 0.006% or \$2,376.

Assets	\$ 60,509,769
Liabilities	\$ 20,225,423
Member Balances	\$ 40,284,346
Revenues	\$ 20,737,466
Expenditures	\$ 17,177,774

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

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 (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*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 annual required contribution rate for calendar year 2014 was 11.04 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*

The required contribution for calendar year 2014 was \$97,523.

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>
12/31/14	\$ 97,523	100%	\$ 0
12/31/13	86,832	100%	\$ 0
12/31/12	93,070	90%	\$ 9,080

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment 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, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

*Funded Status and Funding Progress*

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 83.83 percent funded. The actuarial accrued liability for benefits was \$2,049,701 and the actuarial value of assets was \$1,718,194, resulting in an underfunded actuarial accrued liability (UAAL) of \$331,507. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$883,359 and the ratio of the UAAL to the covered payroll was 38 percent.

The schedule of funding progress, presented as required supplementary information (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 has evaluated its potential other postemployment benefits (OPEB) liability. The District provides limited health insurance coverage for its eligible retired employees until age 65, when coverage ends. There was one former employee with an employment contract where the District paid 100% of the health insurance benefits after employment but that contract has ended in 2014. Besides the completed contract, former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium, and no other former employees have chosen to stay in the District's health insurance plan. Other than the one previous employment contract which has ended, there has been 0% utilization. In addition, the District does not have any current employment contracts in place where the District has agreed to pay any future postemployment health insurance costs, and the District does not intend to offer to pay for any postemployment health insurance costs for any current or future employees.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, and the District has no current employees with agreements for future explicit subsidies upon retirement. Consequently, the District has not recorded any post-employment benefit liability as of December 31, 2014.

The December 31, 2011 actuarial valuation, which was the latest performed, calculated a net OPEB asset of \$45,342. This asset has been removed from the government-wide financial statements as of December 31, 2014.

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	\$ 354,571	229,384	583,955
Enterprise Funds:			
PrairieView Golf Fund	139,326	90,135	229,461
Special revenue funds:			
IMRF	9,041	5,849	14,890
Social Security	31,274	20,232	51,506
Audit	3,372	2,181	5,553
Unemployment Insurance	26,686	17,264	43,950
Liability insurance	58,446	37,811	96,257
Worker's Compensation	25,444	16,461	41,905
Land Development Bond	264,754	171,279	436,033
Total special revenue funds	419,017	271,077	690,094
Capital Projects Fund	36,847	23,838	60,685
TOTAL POOLED CASH	\$ 949,761	614,434	1,564,195

The General Fund, Land Acquisition Capital Projects Fund, and Golf Fund have other small cash, checking and savings accounts.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

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 future installments.

INTERFUND TRANSFERS

The District made the following interfund transfers:

<u>FROM</u>	<u>TO</u>	
Capital Projects Fund *	Business Activities - Golf Fund *	\$ 314,273

\* denotes major fund

The transfers from the Capital Projects Fund to the Golf Fund were for capital assets acquired through the Capital Projects Fund for the Prairie View Golf Course.

11. MAJOR TAXPAYER - EXELON

Exelon's Byron Nuclear Power Plant currently accounts for approximately 72% of the District's equalized assessed value. The Plant's assessed value decreased from \$509,000,000 for tax year 2013 to \$482,000,000 for tax year 2014. This decrease has resulted in a \$104,000 reduction in the District's 2015 budget. The Plant's current license to operate the nuclear towers in Byron is valid through 2024.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
**Notes to Financial Statements (Continued)**  
December 31, 2014

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. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT 68

GASB Statement 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the District for the year ending December 31, 2015. This Statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Statement 68 replaces the requirements of Statement 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

14. SUBSEQUENT EVENTS

The District has evaluated subsequent events through April 16, 2015, 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 \$1,370,000 General Obligation Bonds, Series 2015, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal and interest.

15. RECLASSIFICATIONS

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 399,000	398,917	(83)	396,947
Charges & fees	221,050	231,395	10,345	224,789
Interest	1,000	2,029	1,029	1,386
Other	12,550	13,321	771	15,433
Total revenues	<u>633,600</u>	<u>645,662</u>	<u>12,062</u>	<u>638,555</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	311,125	311,682	(557)	313,608
Contractual services	190,900	219,185	(28,285)	207,602
Material & supplies	53,400	51,527	1,873	51,997
Total expenditures	<u>555,425</u>	<u>582,394</u>	<u>(26,969)</u>	<u>573,207</u>
<b>Net change in fund balance</b>	<u>\$ 78,175</u>	<u>63,268</u>	<u>(14,907)</u>	<u>65,348</u>
<b>Fund balance</b>				
Beginning		<u>320,060</u>		<u>254,712</u>
Ending		<u>\$ 383,328</u>		<u>320,060</u>



BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Required Supplementary Information  
Schedule of Funding Progress  
**Illinois Municipal Retirement Fund**  
December 31, 2014

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
12/31/14	\$ 1,718,194	2,049,701	331,507	83.83 %	\$ 883,359	37.53 %
12/31/13	1,599,341	1,852,067	252,726	86.35	790,819	31.96
12/31/12	1,276,872	1,658,440	381,568	76.99	840,744	45.38

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$2,057,570. On a market basis, the funded ratio would be 100.38%.

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  
**Notes to Required Supplementary Information**  
December 31, 2014

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 major funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General	\$ 582,394	555,425	26,969
Land Development Bond Fund	2,013,274	1,995,600	17,674
Total	<u>\$ 2,595,668</u>	<u>2,551,025</u>	<u>44,643</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Combining Balance Sheet  
**Nonmajor Governmental Funds**  
December 31, 2014

	Special Revenue							Land Acquisition
	IMRF Fund	Liability Insurance Fund	Unemployment Insurance Fund	Worker's Compensation Fund	Social Security Fund	Audit Fund	Capital Projects Fund	Total
<b>Assets:</b>								
Cash & cash equivalents								
Pooled	\$ 9,041	58,446	26,686	25,444	31,274	3,372	-	154,263
Non-pooled	-	-	-	-	-	-	2,674	2,674
Investments	5,849	37,811	17,264	16,461	20,232	2,181	-	99,798
Property tax receivable, net	95,000	110,000	10,000	25,000	80,000	13,000	-	333,000
Total assets	<u>109,890</u>	<u>206,257</u>	<u>53,950</u>	<u>66,905</u>	<u>131,506</u>	<u>18,553</u>	<u>2,674</u>	<u>589,735</u>
<b>Liabilities:</b>								
Accounts payable	8,475	7,586	-	6,465	-	-	-	22,526
Accrued wages	-	1,670	-	-	-	-	-	1,670
Total liabilities	8,475	9,256	-	6,465	-	-	-	24,196
<b>Deferred inflows of resources:</b>								
Property taxes	95,000	110,000	10,000	25,000	80,000	13,000	-	333,000
Total liabilities and deferred inflows of resources	<u>103,475</u>	<u>119,256</u>	<u>10,000</u>	<u>31,465</u>	<u>80,000</u>	<u>13,000</u>	<u>-</u>	<u>357,196</u>
<b>Fund balances:</b>								
Restricted	6,415	87,001	43,950	35,440	51,506	5,553	-	229,865
Committed	-	-	-	-	-	-	2,674	2,674
	<u>6,415</u>	<u>87,001</u>	<u>43,950</u>	<u>35,440</u>	<u>51,506</u>	<u>5,553</u>	<u>2,674</u>	<u>232,539</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 109,890</u>	<u>206,257</u>	<u>53,950</u>	<u>66,905</u>	<u>131,506</u>	<u>18,553</u>	<u>2,674</u>	<u>589,735</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, 2014

Special Revenue								Land Acquisition
	IMRF Fund	Liability Insurance Fund	Unemployment Insurance Fund	Worker's Compensation Fund	Social Security Fund	Audit Fund	Capital Projects Fund	Total
<b>Revenues:</b>								
Property taxes	\$ 89,979	106,949	9,984	25,023	84,987	11,979	-	328,901
Interest	23	131	62	56	71	6	3	352
Other	-	184	-	-	-	-	-	184
Total revenues	90,002	107,264	10,046	25,079	85,058	11,985	3	329,437
<b>Expenditures:</b>								
Current:								
Culture & recreation								
Personnel	97,523	66,378	7,912	-	80,670	-	-	252,483
Contractual services	-	32,634	-	25,859	-	12,000	120	70,613
Material & supplies	-	5,580	-	-	-	-	-	5,580
Total expenditures	97,523	104,592	7,912	25,859	80,670	12,000	120	328,676
<b>Net change in fund balances</b>	(7,521)	2,672	2,134	(780)	4,388	(15)	(117)	761
<b>Fund balances:</b>								
Beginning	13,936	84,329	41,816	36,220	47,118	5,568	2,791	231,778
Ending	\$ 6,415	87,001	43,950	35,440	51,506	5,553	2,674	232,539

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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property tax	\$ 90,000	89,979	(21)	89,974
Interest	25	23	(2)	35
Total revenues	<u>90,025</u>	<u>90,002</u>	<u>(23)</u>	<u>90,009</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	<u>90,000</u>	<u>97,523</u>	<u>(7,523)</u>	<u>86,161</u>
<b>Net change in fund balance</b>	\$ <u>25</u>	(7,521)	<u>(7,546)</u>	3,848
<b>Fund balance:</b>				
Beginning		<u>13,936</u>		<u>10,088</u>
Ending		\$ <u>6,415</u>		<u>13,936</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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property tax	\$ 107,000	106,949	(51)	106,977
Interest	150	131	(19)	204
Other	<u>-</u>	<u>184</u>	<u>184</u>	<u>5,060</u>
Total revenues	<u>107,150</u>	<u>107,264</u>	<u>114</u>	<u>112,241</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	67,200	66,378	822	64,445
Contractual services	31,750	32,634	(884)	36,704
Material & supplies	<u>7,720</u>	<u>5,580</u>	<u>2,140</u>	<u>7,530</u>
Total expenditures	<u>106,670</u>	<u>104,592</u>	<u>2,078</u>	<u>108,679</u>
<b>Net change in fund balance</b>	<b>\$ <u>480</u></b>	<b>2,672</b>	<b><u>2,192</u></b>	<b>3,562</b>
<b>Fund balance:</b>				
Beginning		<u>84,329</u>		<u>80,767</u>
Ending		<u>\$ 87,001</u>		<u>84,329</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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Property taxes	\$ 10,000	9,984	(16)	9,991
Interest	<u>100</u>	<u>62</u>	<u>(38)</u>	<u>107</u>
Total revenues	<u>10,100</u>	<u>10,046</u>	<u>(54)</u>	<u>10,098</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	<u>10,000</u>	<u>7,912</u>	<u>2,088</u>	<u>9,161</u>
<b>Net change in fund balance</b>	<b>\$ <u>100</u></b>	<b>2,134</b>	<b><u>2,034</u></b>	<b>937</b>
<b>Fund balance:</b>				
Beginning		<u>41,816</u>		<u>40,879</u>
Ending		<b>\$ <u>43,950</u></b>		<b><u>41,816</u></b>

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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 25,000	25,023	23	25,008
Interest	<u>100</u>	<u>56</u>	<u>(44)</u>	<u>97</u>
Total revenues	<u>25,100</u>	<u>25,079</u>	<u>(21)</u>	<u>25,105</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Contractual services	<u>25,000</u>	<u>25,859</u>	<u>(859)</u>	<u>24,304</u>
<b>Net change in fund balance</b>	<b>\$ <u>100</u></b>	<b>(780)</b>	<b><u>(880)</u></b>	<b>801</b>
<b>Fund balance:</b>				
Beginning		<u>36,220</u>		<u>35,419</u>
Ending		<b>\$ <u>35,440</u></b>		<u>36,220</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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property taxes	\$ 85,000	84,987	(13)	85,014
Interest	50	71	21	78
Total revenues	<u>85,050</u>	<u>85,058</u>	<u>8</u>	<u>85,092</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	<u>85,000</u>	<u>80,670</u>	<u>4,330</u>	<u>75,102</u>
<b>Net change in fund balance</b>	<b>\$ <u>50</u></b>	<b>4,388</b>	<b><u>4,338</u></b>	<b>9,990</b>
<b>Fund balance:</b>				
Beginning		<u>47,118</u>		<u>37,128</u>
Ending		<u>\$ 51,506</u>		<u>47,118</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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>			<u>2013</u>
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Property taxes	\$ 12,000	11,979	(21)	11,974
Interest	25	6	(19)	10
Total revenues	<u>12,025</u>	<u>11,985</u>	<u>(40)</u>	<u>11,984</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Contractual services	<u>11,500</u>	<u>12,000</u>	<u>(500)</u>	<u>12,700</u>
<b>Net change in fund balance</b>	<u>\$ 525</u>	<u>(15)</u>	<u>(540)</u>	<u>(716)</u>
<b>Fund balance:</b>				
Beginning		<u>5,568</u>		<u>6,284</u>
Ending		<u>\$ 5,553</u>		<u>5,568</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
**Land Acquisition Capital Projects Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Property taxes	\$ -	-	-	-
Interest	75	3	(72)	374
Total revenues	75	3	(72)	374
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Contractual services	500	120	380	1,564
Material & supplies	-	-	-	8,531
Capital outlay	-	-	-	342,182
	500	120	380	352,277
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(425)	(117)	308	(351,903)
<b>Other financing sources (uses):</b>				
Capital - related debt issued	-	-	-	875,000
Transfers in	-	-	-	606,502
Transfers out	-	-	-	(1,365,434)
	-	-	-	116,068
<b>Net change in fund balance</b>	\$ (425)	(117)	308	(235,835)
<b>Fund balance:</b>				
Beginning		2,791		238,626
Ending		\$ 2,674		2,791

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Expenditures - Budget and Actual  
**General Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Culture &amp; Recreation:</b>				
<u>Administrative:</u>				
Personnel:				
Salaries	\$ 60,450	62,893	(2,443)	59,381
Salaries - part time	9,500	11,003	(1,503)	10,319
Salaries - seasonal	13,000	11,864	1,136	11,730
Health Insurance	13,725	19,561	(5,836)	39,828
Total personnel	<u>96,675</u>	<u>105,321</u>	<u>(8,646)</u>	<u>121,258</u>
Contractual services:				
Public notices	250	1,121	(871)	49
Legal	12,000	40,995	(28,995)	8,031
Other professional services	5,000	4,974	26	6,297
Communications	15,750	17,915	(2,165)	15,832
Postage	7,000	8,144	(1,144)	5,974
Training & travel	7,650	8,081	(431)	9,390
Printing	10,500	9,490	1,010	21,078
Advertising	25,000	30,735	(5,735)	29,187
Natural gas	6,600	7,731	(1,131)	7,685
Electrical	24,000	14,410	9,590	23,814
Building repair & maintenance	8,000	9,141	(1,141)	8,729
Equipment repair & maintenance	2,500	2,463	37	3,306
Dues & membership	4,000	4,817	(817)	6,394
Uniforms	1,500	915	585	993
Computer repairs & support	8,000	7,597	403	14,384
Rental property repairs	1,500	332	1,168	2,174
Total contractual services	<u>139,250</u>	<u>168,861</u>	<u>(29,611)</u>	<u>163,317</u>
Material & supplies:				
Janitorial	2,000	532	1,468	734
Office	4,000	3,697	303	4,186
Motor fuel & lubrication	1,600	1,328	272	2,024
Hardware & small tools	\$ 150	-	150	33

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Expenditures - Budget and Actual (Continued)  
**General Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Material & supplies (continued):				
Safety	\$ 500	139	361	427
Gift shop	1,500	1,253	247	1,310
Concessions	1,000	1,278	(278)	1,348
Bar service	3,500	3,739	(239)	3,948
Volunteer expenses	800	571	229	802
Total materials & supplies	<u>15,050</u>	<u>12,537</u>	<u>2,513</u>	<u>14,812</u>
 Total administrative	 <u>250,975</u>	 <u>286,719</u>	 <u>(35,744)</u>	 <u>299,387</u>
 <u>Board of Commissioners:</u>				
Personnel:				
Supplemental compensation	<u>6,500</u>	<u>7,605</u>	<u>(1,105)</u>	<u>500</u>
 Contractual services:				
Training & travel	4,000	2,145	1,855	2,315
Dues & membership	5,000	2,000	3,000	2,000
Miscellaneous	<u>7,000</u>	<u>7,349</u>	<u>(349)</u>	<u>8,146</u>
Total contractual services	<u>16,000</u>	<u>11,494</u>	<u>4,506</u>	<u>12,461</u>
 Total board of commissioners	 <u>22,500</u>	 <u>19,099</u>	 <u>3,401</u>	 <u>12,961</u>
 <u>Education/Nature:</u>				
Personnel:				
Salaries	81,350	78,469	2,881	76,483
Salaries - part time	59,775	59,961	(186)	47,598
Salaries - seasonal	7,000	9,186	(2,186)	14,781
Health Insurance	<u>15,000</u>	<u>14,320</u>	<u>680</u>	<u>14,749</u>
 Total personnel	 \$ <u>163,125</u>	 <u>161,936</u>	 <u>1,189</u>	 <u>153,611</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Expenditures - Budget and Actual (Continued)  
**General Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Contractual services:				
Professional	\$ 1,250	205	1,045	655
Postage	200	-	200	3
Training & travel	4,000	1,336	2,664	2,659
Advertising	1,000	1,013	(13)	-
Equipment repair & maintenance	1,500	2,190	(690)	194
Building repair & maintenance	-	350	(350)	-
Dues & membership	1,100	742	358	489
Natural gas	750	-	750	662
Electrical	2,550	3,998	(1,448)	1,875
Uniforms	1,200	752	448	842
Heritage Farm Operating	400	90	310	186
Museum displays	500	-	500	143
Total contractual services	<u>14,450</u>	<u>10,676</u>	<u>3,774</u>	<u>7,708</u>
Material & supplies:				
Office	450	157	293	356
Motor fuel & lubrication	250	-	250	125
Building & construction	500	512	(12)	90
Grain, feed & game	750	618	132	659
Nature Preschool	3,000	2,760	240	4,817
Adventure Club	500	245	255	104
Earthkeepers	100	105	(5)	138
Kids concert	1,500	825	675	620
Birthday parties	300	156	144	147
Field trips	450	87	363	541
Halloween on the Prairie	1,200	913	287	1,725
Summer Concerts	2,500	2,545	(45)	2,510
Summer Camps	5,000	10,345	(5,345)	6,161
Outdoor Adventure	8,000	1,548	6,452	4,820
Miscellaneous	-	5,630	(5,630)	650
Total material & supplies	<u>24,500</u>	<u>26,446</u>	<u>(1,946)</u>	<u>23,463</u>
Total education	\$ <u>202,075</u>	<u>199,058</u>	<u>3,017</u>	<u>184,782</u>

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

**General Fund**

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Restoration/Management:</b>				
Personnel:				
Salaries	\$ 21,900	32,294	(10,394)	24,278
Salaries-full time hourly	12,525	-	12,525	5,336
Salaries-seasonal	4,000	-	4,000	2,600
Health insurance	6,400	4,526	1,874	6,025
Total personnel	<u>44,825</u>	<u>36,820</u>	<u>8,005</u>	<u>38,239</u>
Contractual services:				
Other professional services	7,000	7,123	(123)	7,468
Training & travel	2,000	1,559	441	709
Postage	100	-	100	-
Natural gas	2,000	4,323	(2,323)	1,878
Electrical	2,500	6,501	(4,001)	3,322
Building repair & maintenance	3,000	3,011	(11)	4,047
Vehicle repair & maintenance	1,000	863	137	663
Equipment repair & maintenance	1,500	1,263	237	1,626
Dues & membership	500	260	240	80
Uniforms	500	352	148	466
Advertising	100	-	100	-
Computer support	1,000	2,899	(1,899)	3,857
Total contractual services	<u>21,200</u>	<u>28,154</u>	<u>(6,954)</u>	<u>24,116</u>
Materials & supplies:				
Janitorial	750	204	546	779
Office	600	279	321	559
Motor fuel & lubrication	7,000	7,850	(850)	7,446
Building & construction	1,000	1,217	(217)	1,020
Hardware & small tools	1,000	780	220	926
Equipment parts	2,000	1,712	288	1,333
Grain, feed & game	500	33	467	445
Safety supplies	1,000	469	531	1,214
Total materials & supplies	<u>13,850</u>	<u>12,544</u>	<u>1,306</u>	<u>13,722</u>
Total restoration/management	<u>79,875</u>	<u>77,518</u>	<u>2,357</u>	<u>76,077</u>
<b>Total general fund</b>	<u>\$ 555,425</u>	<u>582,394</u>	<u>(26,969)</u>	<u>573,207</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
**Land Development Bond Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u>	<u>2013</u>
	<u>Actual</u>	<u>Actual</u>
<b>Revenues:</b>		
Property tax	\$ 2,012,016	1,997,966
Interest	<u>498</u>	<u>1,172</u>
Total revenues	<u>2,012,514</u>	<u>1,999,138</u>
<b>Expenditures:</b>		
Contractual services:		
Professional services	428	459
Debt service:		
Principal	1,770,000	1,750,000
Interest	<u>242,846</u>	<u>252,854</u>
Total expenditures	<u>2,013,274</u>	<u>2,003,313</u>
<b>Net change in fund balance</b>	(760)	(4,175)
<b>Fund balance:</b>		
Beginning	<u>436,793</u>	<u>440,968</u>
Ending	<u>\$ 436,033</u>	<u>436,793</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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Interest	\$ 2,500	308	(2,192)	776
Sale of equipment / trade-ins	272,400	278,355	5,955	248,857
Other income	5,000	-	(5,000)	-
Total revenues	<u>279,900</u>	<u>278,663</u>	<u>(1,237)</u>	<u>249,633</u>
<b>Expenditures:</b>				
Current:				
Culture & recreation:				
Personnel	350,950	342,012	8,938	326,419
Contractual services	28,600	37,570	(8,970)	18,975
Material & supplies	33,000	40,862	(7,862)	39,145
Capital outlay	904,400	585,057	319,343	538,499
Debt service:				
Principal	452,631	424,454	28,177	209,091
Interest	-	32,170	(32,170)	14,399
Bond issue costs	-	28,834	(28,834)	28,642
Total expenditures	<u>1,769,581</u>	<u>1,490,959</u>	<u>278,622</u>	<u>1,175,170</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,489,681)</u>	<u>(1,212,296)</u>	<u>277,385</u>	<u>(925,537)</u>
<b>Other financing sources (uses):</b>				
Capital - related debt issued	1,440,000	1,450,000	10,000	1,430,000
Bond interest refund	82,150	76,187	(5,963)	82,026
Transfers out	-	(314,273)	(314,273)	(689,710)
Total other financing sources (uses)	<u>1,522,150</u>	<u>1,211,914</u>	<u>(310,236)</u>	<u>822,316</u>
<b>Net change in fund balance</b>	<u>32,469</u>	<u>(382)</u>	<u>(32,851)</u>	<u>(103,221)</u>
<b>Fund balance:</b>				
Beginning		<u>32,553</u>		<u>135,774</u>
Ending	\$	<u>32,171</u>		<u>32,553</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Expenditures - Budget and Actual  
**Capital Projects Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014			2013
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Culture &amp; Recreation:</b>				
<u>Administrative:</u>				
Personnel:				
Salaries	\$ 137,500	182,187	(44,687)	141,939
Full time hourly	128,450	89,328	39,122	110,606
Salaries-seasonal	25,000	19,375	5,625	20,321
Health Insurance	60,000	51,122	8,878	53,553
Total personnel	350,950	342,012	8,938	326,419
Contractual services:				
Accessibility audit	-	21,244	(21,244)	-
Training and travel	2,000	1,032	968	4,063
Natural gas	1,500	2,212	(712)	1,204
Electrical	1,000	528	472	537
Building repair & maintenance	1,500	619	881	1,907
Vehicles repair & maintenance	4,000	3,617	383	3,985
Equipment repair & maintenance	17,100	6,860	10,240	5,698
Uniforms	1,500	1,458	42	1,581
Total contractual services	28,600	37,570	(8,970)	18,975
Material & supplies:				
Motor fuel & lubrication	19,000	27,854	(8,854)	26,360
Building & construction	2,000	1,088	912	1,807
Safety supplies	2,000	1,479	521	2,570
Equipment parts	10,000	10,441	(441)	8,408
Total material & supplies	33,000	40,862	(7,862)	39,145
Total culture & recreation	412,550	420,444	(7,894)	384,539
<b>Capital outlay:</b>				
Administrative capital	65,000	76,341	(11,341)	78,031
Education/ Nature	18,500	13,945	4,555	28,427
Restoration & management	144,500	92,836	51,664	68,952
Golf maintenance	646,400	666,896	(20,496)	369,451
Clubhouse	30,000	49,312	(19,312)	76,846
Less transfers to Golf	-	(314,273)	314,273	(83,208)
Total capital outlay	904,400	585,057	319,343	538,499
<b>Debt service:</b>				
Principal	452,631	424,454	28,177	209,091
Interest	-	32,170	(32,170)	14,399
Bond issue costs	-	28,834	(28,834)	28,642
Total debt service	452,631	485,458	(32,827)	252,132
Total capital projects	\$ 1,769,581	1,490,959	278,622	1,175,170

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, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	2014 <u>Actual</u>	2013 <u>Actual</u>
<b>Operating revenues:</b>		
Charges for services:		
Golf fees	\$ 314,639	340,492
Pro shop	61,250	56,476
Cart rental	152,567	166,291
Driving range	21,248	20,292
Other	10,190	16,692
Total charges for services	<u>559,894</u>	<u>600,243</u>
Concessions	253,510	206,877
Total operating revenues	<u>813,404</u>	<u>807,120</u>
<b>Operating expenses:</b>		
Operations	891,622	839,508
Depreciation	355,301	343,814
Total operating expenses	<u>1,246,923</u>	<u>1,183,322</u>
<b>Net operating income (loss)</b>	<u>(433,519)</u>	<u>(376,202)</u>
<b>Nonoperating revenue (expense):</b>		
Gain (loss) on disposal of capital assets	472	550
Interest on investments	1,841	1,412
Total nonoperating revenue (expense)	<u>2,313</u>	<u>1,962</u>
<b>Net Income (loss) before transfers</b>	(431,206)	(374,240)
<b>Transfers:</b>		
Transfers in	314,273	1,448,642
Total transfers	<u>314,273</u>	<u>1,448,642</u>
<b>Change in net position</b>	(116,933)	1,074,402
<b>Net position:</b>		
Beginning	<u>5,127,327</u>	<u>4,052,925</u>
Ending	<u>\$ 5,010,394</u>	<u>5,127,327</u>

BYRON FOREST PRESERVE DISTRICT, ILLINOIS  
Schedule of Operating Expenses  
**PrairieView Golf Course Fund**  
For the Year Ended December 31, 2014  
With Comparative Totals for the Year Ended December 31, 2013

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Operating:		
Personnel:		
Salaries	\$ 427,421	399,746
Employee benefits	47,205	48,443
Total personnel	<u>474,626</u>	<u>448,189</u>
Contractual services:		
Natural gas	13,213	8,385
Electrical	30,625	30,100
Printing & advertising	24,077	15,398
Postage	16	91
Communication	2,740	2,596
Computer repairs & support	3,279	4,175
Consulting	2,400	-
Dues & memberships	3,195	3,930
Training & travel	5,771	2,391
Equipment rental	1,894	1,549
Hotel study	1,000	15,000
Other professional fees	13,305	17,302
Miscellaneous	10,368	9,236
Total contractual services	<u>111,883</u>	<u>110,153</u>
Material & supplies:		
Office	1,733	1,632
Janitorial	2,568	2,459
Motor fuel & lubrication	30,630	35,355
Golf supplies	5,948	4,413
Gift shop & concession supplies	160,019	147,696
Turf maintenance	62,825	54,526
Building repair & maintenance	8,361	4,979
Equipment repair & maintenance	29,292	26,822
Other	3,737	3,284
Total material & supplies	<u>305,113</u>	<u>281,166</u>
Total operations	<u>\$ 891,622</u>	<u>839,508</u>

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

	<u>2014</u>		<u>2013</u>		<u>2012</u>	
<b>Assessed valuations*</b>	<u>\$ 665,636,142</u>		<u>\$ 661,684,327</u>		<u>\$ 647,831,225</u>	
<b>Property tax rates</b>						
	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>	<u>Maximum</u>	<u>Actual</u>
Corporate	0.06000	0.05994	0.06000	0.06000	0.06000	0.05998
Bond	0.00000	0.30232	0.00000	0.30200	0.00000	0.23451
IMRF	0.00000	0.01352	0.00000	0.01360	0.00000	0.01235
Audit	0.00500	0.00180	0.00500	0.00181	0.00500	0.00185
Liability Insurance	0.00000	0.01607	0.00000	0.01617	0.00000	0.01698
Social Security	0.00000	0.01277	0.00000	0.01285	0.00000	0.01358
Unemployment Insurance	0.00000	0.00150	0.00000	0.00151	0.00000	0.00216
Workman's Comp	0.00000	0.00376	0.00000	0.00378	0.00000	0.00386
<b>Total tax rate</b>	<u>0.41168</u>		<u>0.41172</u>		<u>0.34527</u>	
<b>Property tax extensions:</b>						
Corporate		398,982		397,011		388,569
Bond		2,012,351		1,998,287		1,519,229
IMRF		89,994		89,989		80,007
Audit		11,981		11,976		11,985
Liability Insurance		106,968		106,994		110,002
Social Security		85,002		85,026		87,975
Unemployment Insurance		9,985		9,991		13,993
Workman's Comp		25,028		25,012		25,006
		<u>\$ 2,740,291</u>		<u>\$ 2,724,287</u>		<u>\$ 2,236,767</u>
<b>Property tax collections:</b>						
Corporate		398,917		396,947		388,229
Bond		2,012,016		1,997,966		1,517,907
IMRF		89,979		89,974		79,937
Audit		11,979		11,974		11,974
Liability Insurance		106,949		106,976		109,906
Social Security		84,987		85,014		87,900
Unemployment Insurance		9,984		9,991		13,981
Workman's Comp		25,023		25,008		24,985
<b>Total levied taxes collected</b>		<u>\$ 2,739,834</u>		<u>\$ 2,723,850</u>		<u>\$ 2,234,819</u>
<b>Percentage of extensions collected:</b>		<u>99.98%</u>		<u>99.98%</u>		<u>99.91%</u>

\* Assessed values are for the tax year one year earlier. For example, the assessed value for the year ended December 31, 2014 is the assessed value for tax year 2013.

BYRON FOREST PRESERVE DISTRICT, ILLINOIS

**Schedule of Legal Debt Margin**

December 31, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed Valuations*	\$ <u>665,636,142</u>	<u>661,684,327</u>	<u>647,831,225</u>
Statutory Debt Limitation (2.3 % of Assessed Valuation)	<u>15,309,631</u>	<u>15,218,740</u>	<u>14,900,118</u>
Amount of debt applicable to debt limit			
General obligation bonds	4,205,000	4,525,000	4,845,000
Leases payable	-	216,111	425,202
Construction loan	<u>666,660</u>	<u>875,000</u>	<u>-</u>
Total debt applicable to limit	4,871,660	5,616,111	5,270,202
Less: assets in debt service funds available for payment on debt	<u>436,033</u>	<u>436,793</u>	<u>440,968</u>
Net debt applicable to limit	<u>4,435,627</u>	<u>5,179,318</u>	<u>4,829,234</u>
Legal debt margin	\$ <u>10,874,004</u>	<u>10,039,422</u>	<u>10,070,884</u>

\* Assessed values are for the tax year one year earlier. For example, the assessed value for the year ended December 31, 2014 is the assessed value for tax year 2013.