

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
(A Component Unit of DeKalb County, Illinois)

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2012



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

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman
Members of the District Board
DeKalb County Forest Preserve District
Sycamore, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the DeKalb County Forest Preserve District (the District), Sycamore, Illinois, a discretely presented component unit of DeKalb County, Illinois, as of and for the year ended December 31, 2012, which collectively comprise the DeKalb County Forest Preserve District's basic financial statements as listed in the table of contents, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the DeKalb County Forest Preserve District, Sycamore, Illinois, as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended December 31, 2012. Statement No. 63 added new classifications on the statement of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of net position to the new classifications contained in GASB Statement No. 63.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeKalb County Forest Preserve District's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the DeKalb County Forest Preserve District's basic financial statements for the year ended December 31, 2011, which are not presented with the accompanying financial statements. In our report dated March 22, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeKalb County Forest Preserve District's financial statements as a whole.

The combining and individual fund financial statements and schedules, related to the 2011 financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The supplemental schedules, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Naperville, Illinois
April 17, 2013

A handwritten signature in black ink, appearing to read "John D. D.", is located to the right of the date.

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

**DEKALB COUNTY FOREST PRESERVE DISTRICT
DEKALB COUNTY, ILLINOIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS-

DECEMBER 31, 2012

The Forest Preserve District Commissioners and the Finance Office of DeKalb County are pleased to present to readers of the financial statements of the DeKalb County Forest Preserve District this narrative overview and analysis of the financial activities of the DeKalb County Forest Preserve for the fiscal year ended December 31, 2012.

In the past, the primary focus of local government financial statements has been summarized by fund type information on a current financial resource basis. This approach has been modified, and DeKalb County Forest Preserves' Financial Statements present two kinds of statements, each with a different snapshot of the Forest Preserve's finances. The new Financial Statements' focus is on both the Forest Preserve as a whole (government-wide) and on the major fund. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year and government to government), and enhance the Forest Preserve's accountability.

DeKalb County Forest Preserve Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Forest Preserve's financial activity, (3) identify changes in the Forest Preserve's financial position (its ability to address the subsequent year's challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

I. Financial Highlights

The Forest Preserve Governmental Activities assets of \$10,969,057 exceeded the liabilities of \$1,559,228 at the close of the fiscal year by \$9,409,829. The Forest Preserve has maintained its employment force and has been able to continue with modest pay increases for its employees. A change in the Forest Preserve in 2011 was establishing the three new funds. These funds are Forest Preserve Land Acquisition, Forest Preserve Retirement and Forest Preserve Tort and Liability. There was money transferred to these funds from the Forest Preserve General Fund, in the amounts of \$607,000 to the Land Acquisition, and \$36,687 was transferred from the Retirement Fund to the General Fund in 2012.

II. Overview of the Financial Statements

A. Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to emulate the corporate sector 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 is the "Unrestricted Net Position" and it is designed to be similar to bottom line results for the private sector. This statement then 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. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Forest Preserve District is improving.

The Statement of Activities presents information showing how the Forest Preserve's net position changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Forest Preserve's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

Both of the government-wide financial statements distinguish functions of the Forest Preserve that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (business-type activities). The governmental activities of the Forest Preserve include general governmental activities of culture & recreation.

The DeKalb County Forest Preserve District is a component unit of DeKalb County. Therefore, the financial information of this unit is also reported in the financial information of DeKalb County in the Comprehensive Annual Financial Report.

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than (the previous model's) fund types. The funds of the Forest Preserve can be placed into the governmental funds category.

1. Governmental Funds

The Governmental Major Fund presentation is presented on a “sources and uses of liquid resources” basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligation (bond and others) into the Governmental Activities column in the Government-Wide statements.

2. Proprietary Funds

The Forest Preserve District has no Proprietary Funds.

3. Fiduciary Funds

The Forest Preserve District has no Fiduciary Funds.

C. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report beginning on page 10.

D. Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Forest Preserve's progress in funding its obligation to provide benefits to its' employees. Required supplementary information can be found on pages 27-32 of this report.

III. Financial Analysis of the Forest Preserve as a whole

In accordance with GASB Statement 34, a comparison of government-wide information is presented. The current year comparative statements follow:

GOVERNMENT-WIDE STATEMENTS

A. Net Position

The following table reflects the condensed Statement of Net Position:

**Table 1
 Statement of Net Position
 For the Fiscal Year Ended December 31, 2012**

| | 2012 | 2011 |
|---------------------------------------|-------------------|------------------|
| <u>Assets:</u> | | |
| Current and Other Assets | 6,302,354 | 5,760,022 |
| Capital Assets | 4,666,703 | 4,221,604 |
| Total Assets | 10,969,057 | 9,981,626 |
| <u>Liabilities:</u> | | |
| Long-Term Liabilities | 39,613 | 31,284 |
| Other Liabilities | 35,615 | 200,000 |
| <u>Deferred Inflows Of Resources:</u> | | |
| Unearned Property Taxes | 1,484,000 | 1,502,000 |
| Total Liabilities | 1,559,228 | 1,611,927 |
| <u>Net Position:</u> | | |
| Invested in Capital Assets | 4,666,703 | 4,221,604 |
| Restricted: | 802,233 | 703,757 |
| Unrestricted: | 3,940,893 | 3,487,562 |
| Total Net Position | 9,409,829 | 8,412,923 |

The Forest Preserve's net assets increased during fiscal year 2012 by \$996,906. This increase included an additional \$770,000 that was set aside for land purchase.

Unrestricted net position of (\$3,940,893), includes wetland mitigation (\$310,305), Natural Resource Education – Community Foundation (\$21,057), and Land Acquisition (\$3,393,695). For more detailed information, see the Statement of Net Position on Page 4 of the DeKalb County Forest Preserve District Component Unit Annual Financial Report.

B. Activities

1. Changes in Net Position

The following table summarizes the revenues and expenses of the District's activities:

Table 2
Changes in Net Assets
For the Fiscal Year Ended December 31, 2012

2. Governmental Revenues

| | <u>Governmental Activities</u> | |
|-------------------------|---------------------------------------|--------------------------------|
| | <u>2012</u> | <u>2011</u> |
| Revenues | | |
| Program Revenue | | |
| Charges for Services | 53,662 | 54,637 |
| Capital Grants | 235,706 | 363,840 |
| General Revenues | | |
| Property Taxes | 1,500,937 | 1,502,517 |
| Other Taxes | 37,195 | 38,473 |
| Investment Income | 17,756 | 19,164 |
| Intergovernmental | 10,000 | 0 |
| Miscellaneous | <u>8,943</u> | <u>8,852</u> |
| Total Revenue | <u><u>1,571,831</u></u> | <u><u>1,987,483</u></u> |
| Expenses | | |
| Cultural and Recreation | <u>864,293</u> | <u>793,640</u> |
| Total Expense | <u><u>864,293</u></u> | <u><u>793,640</u></u> |

For the fiscal year ended December 31, 2012, revenues totaled \$1,341,152 for the Forest Preserve's Governmental Activities. Revenues from the Forest Preserve's largest source of revenues of \$1,538,132 come from the Property Tax revenues. The property tax revenues

make up 95% of the Forest Preserve's total revenue budget. The next largest source of revenues for 2012 is a Capital Grant that makes up 15% of the revenue 2012 budget. Between 2011 and 2012, property tax revenues were steady.

3. Governmental Expenses

DeKalb County Forest Preserve Governmental Activities total expenses amounted to \$864,293. All of the expenses were culture and recreation. The amount of capital outlay expense was \$424,165 for land acquisition, two vehicles and park improvements was 49% of the budget. The largest expenditure for 2012 was personnel services of \$437,462 or 51% of the budget

IV. Financial Analysis of Forest Preserve District's Funds

As of December 31, 2012, the Forest Preserve General Fund, the Forest Preserve Retirement Fund, the Forest Preserve Land Acquisition Fund and the Forest Preserve Tort and Liability Fund had a combined net position total of \$4,782,739 compared with 2011 of \$4,226,738. The fund balance in the Land Acquisition Fund of \$3,343,695 is being held for future land purchases as opportunities become available. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and obligations of the U.S. Treasury. The County Treasurer utilizes a competitive bidding system with local financial institutions to assure that the highest return possible is made on funds invested. DeKalb County Forest Preserve earned interest revenue of \$14,756 on all fund type investments for the year ended December 31, 2012 compared with 2011 interest revenue of \$19,164.

The County Treasurer is an elected official charged with the responsibility and authority to handle the investments for the Forest Preserve. The Treasurer's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All of the funds of the DeKalb County Forest Preserve were insured and collateralized properly as of December 31, 2010.

V. General Fund Budgetary Highlights

**Table 3
 For the Fiscal Year Ended December 31, 2012**

| | Original Budget | Amended Budget | Actual |
|---|----------------------------|---------------------------|------------------|
| REVENUES | | | |
| Taxes | 1,248,000 | 1,248,000 | 1,274,191 |
| Intergovernmental | 0 | 0 | 0 |
| Interest Income | 8,000 | 8,000 | 4,356 |
| Miscellaneous | <u>50,000</u> | <u>50,000</u> | <u>62,605</u> |
| Total Revenues | <u>1,306,000</u> | <u>1,306,000</u> | <u>1,341,152</u> |
| EXPENDITURES AND TRANSFERS | | | |
| Expenditures | 705,000 | 791,200 | 772,881 |
| Transfers | <u>(562,000)</u> | <u>(562,000)</u> | <u>(570,313)</u> |
| Total Expenditures and Transfers | <u>143,000</u> | <u>229,200</u> | <u>192,568</u> |
| Change in Fund Balance | <u>39,000</u> | <u>(47,200)</u> | <u>2,042</u> |

As can be seen above, revenues were higher than original budget by \$35,152 all of this can be attributable to money that was received for the wetland bank of \$163,840 during 2012. Investment income was \$3,644 less due to the lower interest rates on investments.

VI. Capital Assets

The following schedule reflects the District's capital asset balances as of December 31, 2012:

**Table 4
 Capital Assets
 As of December 31, 2012**

| | Governmental Activities | |
|-------------------------------------|--------------------------------|--------------------|
| | <u>2012</u> | <u>2011</u> |
| Land & Land Right of Way | 3,984,385 | 3,614,730 |
| Buildings | 434,297 | 392,065 |
| Land Improvements | 684,568 | 632,120 |
| Equipment | 122,070 | 122,070 |
| Vehicles | 155,496 | 109,406 |
| Less: | | |
| Accumulated Depreciation | <u>(714,318)</u> | <u>(648,787)</u> |
| Total Capital Assets | <u>4,666,703</u> | <u>4,221,604</u> |

The Total Capital Assets for the Forest Preserve increased by \$445,099 in 2012. This increase is the land purchase of additional acres of the Hoppe Farm for \$136,018 which is adjacent to the Russell Woods Forest Preserve. There continues to be restoration work at Prairie Oaks Forest Preserve and the opening of Oak Savannah Forest Preserve that was included in the Land Improvements costs. There continues to be discussions with the Forest Preserve Commissioners and the Forest Preserve Director regarding properties that are or could become available next to existing preserves and wetland properties and it is hoped that property will be purchased during 2013. The Park District has wonderful volunteers that play a key role in many of the natural resource management activities. Boy Scouts and Girl Scouts are the most regular and reliable for the District. Two new volunteer groups began working for the Park District during 2012, the Sigma Nu Fraternity from NIU, that worked the NIU Cares Day, and Opportunity House in Sycamore. Volunteers enjoy the chance to work in a preserve and learn about the natural world. Global Positioning Mapping (GPS) continued during the year with Patty Ruback a consultant and trainer from NIU. Ms. Ruback donates many hours of her time while teaching valuable skills and training in GPS for the Forest Preserve staff.

VII. Long-Term Debt

The Forest Preserve has no General Obligation or Revenue Bonded Debt.

Under the current state statutes, DeKalb County Forest Preserve's general obligation bonded debt issuances are subject to a legal limitation based on 2.3 percent of total assessed value of real and personal property. That would allow the Forest Preserve to currently incur debt up to \$46,668,465.

VIII. Economic Factors And Next Year's Budget Issues

The taxable assessed valuation for the Forest Preserve decreased last year by over \$117 million dollars from the previous year for a total of 2,029,063,723. There is concern that the commercial and industrial value only makes up about 21% of the property tax base, which puts a lot of burden on residential property tax payers who make up 69% of the tax base. On-going efforts are in place, however, to bring increased economic development to the County, which will help diversify that tax base.

Population growth with additional subdivisions consuming open farmland presents a challenge for the Forest Preserve. The question where to find new forest preserve land was on the agenda of the Forest Preserve Commissioners and the Director of the Forest Preserve District in 2012. As growth slows due to the economy in DeKalb County, the ability to purchase open space and recreational areas does increase. The balancing act is finding affordable land to purchase for Forest Preserves to help maintain and improve the quality of life for all residents of DeKalb County.

As of this writing, the FY 2013 financial year is well underway. The next budget to be developed will be the FY 2014 budget. It will be discussed in the fall of 2013 for the fiscal year beginning January 1, 2014. Budget issues that the Forest Preserve Commissioners and the Forest Preserve Committee will be discussing will be continuing to develop the new Potawatomi Woods 293 acres purchased during fiscal year 2002 as well as land acquisition for additional Forest Preserves. The continued increase in costs for Health Insurance and Pensions will also put a strain on the budget. The Forest Preserve continues to fully comply with the Property Tax Extension Limitation Law (P-TELL) that was approved by the voters in April 1999. The challenge of providing the best services with the best staff and keeping costs in line with available revenues continues to be the goal of the Forest Preserve staff as well as the Forest Preserve Commissioners.

IX. Request for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Forest Preserve finances and to demonstrate the Forest Preserve's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to either Terry Hannan, Superintendent of the DeKalb County Forest Preserve at 110 E. Sycamore Street, Sycamore, IL 60178 or Peter Stefan, Finance Director, DeKalb County Government, Finance Office, 200 N. Main Street, Sycamore, IL 60178.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2012

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and investments | \$ 4,788,841 |
| Receivables, net of allowance, where applicable | |
| Property taxes | 1,484,000 |
| Accounts | 24,214 |
| Accrued interest | 1,421 |
| Prepaid expenses | 3,878 |
| Capital assets not being depreciated | 3,984,385 |
| Capital assets being depreciated (net of accumulated depreciation) | 682,318 |
| Total assets | 10,969,057 |
| LIABILITIES | |
| Accounts payable | 23,041 |
| Accrued payroll | 12,574 |
| Noncurrent liabilities | |
| Due within one year | 3,791 |
| Due in more than one year | 35,822 |
| Total liabilities | 75,228 |
| DEFERRED INFLOWS OF RESOURCES | |
| Unearned property taxes | 1,484,000 |
| Total deferred inflows of resources | 1,484,000 |
| Total liabilities and deferred inflows of resources | 1,559,228 |
| NET POSITION | |
| Investment in capital assets | 4,666,703 |
| Restricted for | |
| Culture and recreation | 293,210 |
| Employee retirement | 360,011 |
| Tort and liability | 149,012 |
| Unrestricted | 3,940,893 |
| TOTAL NET POSITION | \$ 9,409,829 |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

| FUNCTIONS/PROGRAMS | Program Revenues | | | | Net (Expense) Revenue and Change in Net Position |
|-------------------------------|------------------|---------------------------------|---------------------|-------------------|---|
| PRIMARY GOVERNMENT | Expenses | Charges for Services | Operating Grants | Capital Grants | Governmental Activities |
| Governmental activities | | | | | |
| Culture and recreation | \$ 864,293 | \$ 53,662 | \$ - | \$ 235,706 | \$ (574,925) |
| Total governmental activities | 864,293 | 53,662 | - | 235,706 | (574,925) |
| TOTAL PRIMARY GOVERNMENT | \$ 864,293 | \$ 53,662 | \$ - | \$ 235,706 | (574,925) |
| | | General revenues | | | |
| | | Taxes | | | |
| | | Property | | | 1,500,937 |
| | | Tax increment financing surplus | | | 22,609 |
| | | Replacement | | | 14,586 |
| | | Investment income | | | 14,756 |
| | | Intergovernmental | | | 10,000 |
| | | Miscellaneous | | | 8,943 |
| | | Total | | | 1,571,831 |
| | | CHANGE IN NET POSITION | | | 996,906 |
| | | NET POSITION, JANUARY 1, 2012 | | | 8,412,923 |
| | | NET POSITION, DECEMBER 31, 2012 | | | \$ 9,409,829 |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

BALANCE SHEET

December 31, 2012

| | Major Governmental Funds | | | Nonmajor Governmental | Total |
|---|--------------------------|-------------------|---------------------|--------------------------|---------------------|
| | General | Retirement | Land Acquisition | Tort & Liability | |
| ASSETS | | | | | |
| Cash and investments | \$ 725,375 | \$ 360,011 | \$ 3,545,026 | \$ 158,429 | \$ 4,788,841 |
| Property taxes receivable | 1,110,000 | 250,000 | - | 124,000 | 1,484,000 |
| Accounts receivable | 24,214 | - | - | - | 24,214 |
| Accrued interest receivable | 1,421 | - | - | - | 1,421 |
| Prepaid items | 3,878 | - | - | - | 3,878 |
| TOTAL ASSETS | \$ 1,864,888 | \$ 610,011 | \$ 3,545,026 | \$ 282,429 | \$ 6,302,354 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 13,624 | \$ - | \$ - | \$ 9,417 | \$ 23,041 |
| Accrued payroll | 11,243 | - | 1,331 | - | 12,574 |
| Total liabilities | 24,867 | - | 1,331 | 9,417 | 35,615 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable property taxes | 1,110,000 | 250,000 | - | 124,000 | 1,484,000 |
| Total deferred inflows of resources | 1,110,000 | 250,000 | - | 124,000 | 1,484,000 |
| Total liabilities and deferred inflows of resources | 1,134,867 | 250,000 | 1,331 | 133,417 | 1,519,615 |
| FUND BALANCES | | | | | |
| Nonspendable - prepaid items | 3,878 | - | - | - | 3,878 |
| Restricted for land cash | 9,788 | - | - | - | 9,788 |
| Restricted for wetland mitigation | 246,261 | - | - | - | 246,261 |
| Restricted for Natural Resource Education Consortium | 14,924 | - | - | - | 14,924 |
| Restricted for "Jeff's Trees" | 1,000 | - | - | - | 1,000 |
| Restricted for natural resource education - Community Foundation | 21,057 | - | - | - | 21,057 |
| Restricted for cabin relocation | 180 | - | - | - | 180 |
| Restricted for employee retirement | - | 360,011 | - | - | 360,011 |
| Restricted for tort and liability | - | - | - | 149,012 | 149,012 |
| Unrestricted | | | | | |
| Assigned for land acquisition | - | - | 3,393,695 | - | 3,393,695 |
| Assigned for land improvements | - | - | 140,000 | - | 140,000 |
| Assigned for cash flows | 101,357 | - | - | - | 101,357 |
| Assigned for special projects | 11,700 | - | - | - | 11,700 |
| Assigned for paid hours off contingency | 37,910 | - | - | - | 37,910 |
| Assigned for bike path | 5,000 | - | 10,000 | - | 15,000 |
| Unassigned | 276,966 | - | - | - | 276,966 |
| Total fund balances | 730,021 | 360,011 | 3,543,695 | 149,012 | 4,782,739 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 1,864,888 | \$ 610,011 | \$ 3,545,026 | \$ 282,429 | \$ 6,302,354 |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

December 31, 2012

| | |
|---|---------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 4,782,739 |
| 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 governmental funds | 4,666,703 |
| Long-term liabilities, including compensated absences payable, and the net other postemployment benefit obligation, are not due and payable in the current period and, therefore, are not reported in governmental funds | <u>(39,613)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 9,409,829</u> |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2012

| | Governmental Funds | | | Nonmajor Governmental | Total |
|--|--------------------|-------------------|---------------------|--------------------------|---------------------|
| | General | Retirement | Land Acquisition | Tort & Liability | |
| REVENUES | | | | | |
| Taxes | \$ 1,274,191 | \$ 139,877 | \$ - | \$ 124,064 | \$ 1,538,132 |
| Intergovernmental | - | - | 10,000 | - | 10,000 |
| Investment income | 4,356 | 978 | 8,668 | 754 | 14,756 |
| Miscellaneous | 62,605 | - | - | - | 62,605 |
| Total revenues | 1,341,152 | 140,855 | 18,668 | 124,818 | 1,625,493 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Culture and recreation | 592,809 | - | 25,276 | 27,242 | 645,327 |
| Capital outlay | 180,072 | - | 207,328 | 36,765 | 424,165 |
| Total expenditures | 772,881 | - | 232,604 | 64,007 | 1,069,492 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 568,271 | 140,855 | (213,936) | 60,811 | 556,001 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 36,687 | - | 607,000 | - | 643,687 |
| Transfers (out) | (607,000) | (36,687) | - | - | (643,687) |
| Total other financing sources (uses) | (570,313) | (36,687) | 607,000 | - | - |
| NET CHANGE IN FUND BALANCE | (2,042) | 104,168 | 393,064 | 60,811 | 556,001 |
| FUND BALANCE, JANUARY 1, 2012 | 732,063 | 255,843 | 3,150,631 | 88,201 | 4,226,738 |
| FUND BALANCE, DECEMBER 31, 2012 | \$ 730,021 | \$ 360,011 | \$ 3,543,695 | \$ 149,012 | \$ 4,782,739 |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2012

| | |
|--|-------------------|
| NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | \$ 556,001 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | 274,719 |
| Contributions of capital assets are reported only in the statement of activities | 235,706 |
| The change in compensated absences payable and the net other postemployment benefit payable is reported as an expenditure when paid in governmental funds but as incurred on the statement of activities | (4,194) |
| Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | <u>(65,326)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 996,906</u> |

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The District is governed by the same 24-member board as DeKalb County. The District does have the authority to prepare and approve its own budget, to levy taxes and to obtain financing. There are no component units included in the District. A component unit is a legally separate organization for which a primary government is financially accountable. However, in accordance with GASB Statement No. 61, the District is considered to be a discretely presented component unit of DeKalb County, Illinois.

b. Basis of Presentation

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

The following fund categories (further defined by fund type) are used by the District:

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds) and the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds). The general fund is used to account for all activities of the District not accounted for in some other fund.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements.

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

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

The District reports the following major governmental funds:

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

The Retirement Fund accounts for the funds restricted for the District's expenditures for employee retirement.

The Land Acquisition Fund accounts for the funds assigned for the District's purchases of land.

d. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance, regardless of when collected). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are recognized as revenue in the year budgeted for (intended to finance), if collected within 60 days after year end.

A 60-day period is used for revenue recognition for most other governmental fund revenues. Those revenues susceptible to accrual are property taxes and replacement taxes. Rental revenues and donations are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures, if any, are recorded only when payment is due.

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

e. Cash and Investments

Cash

Cash includes cash on hand and amounts in demand deposits, as well as short-term investments with an original maturity of three months or less from the date of purchase.

Investments

Investments with a maturity greater than one year at time of purchase, if any, are stated at fair value. Nonnegotiable certificates of deposit and all other investments, if any, are reported at cost.

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Receivables and Payables

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

Advances between funds, if any, reported in the fund financial statements are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Prepaid Items/Expenses

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

h. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year except for land improvements, where the cost must be greater than \$50,000. 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.

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

| Assets | Years |
|----------------------------|-------|
| Buildings | 40 |
| Land/preserve improvements | 8-20 |
| Vehicles | 7-20 |
| Equipment | 3-25 |

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

District employees are entitled to vacation/sick leave based on their length of employment. Vacation/sick leave either vests or accumulates and is accrued when earned.

Vested or accumulated vacation/sick leave attributable to employees who were no longer employed as of December 31, 2012, but have yet to be paid out is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements.

Vested or accumulated vacation/sick leave is recorded as an expense and liability of governmental activities at the government-wide level as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

j. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the governmental activities column. Bond premiums, discounts, and gain (loss) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board, which is considered the District's highest level of decision making authority.

Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Superintendent at the District. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the District.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

2. DEPOSITS AND INVESTMENTS

Investment of the District's funds, by statute, is vested with the County Treasurer. The County Treasurer's investment policy guides the investments of the County and the District. The investment policy permits the County and the District to make deposits/investments in insured commercial banks located within and in close proximity to the County, obligations of the U.S. Treasury (bills), money market mutual funds with portfolios of securities issued or guaranteed (implicitly or explicitly) by the United States and Illinois Funds.

It is the policy of the County and the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's investment policy requires pledging of collateral with a fair value of 105% (110% if collateral pledged is not guaranteed by the U.S. Government) for all bank balances in excess of federal depository insurance with the collateral held by an independent third party acting as the County's agent. All bank balances of the deposits were insured or collateralized at December 31, 2012.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

In accordance with its investment policy, the County and the District limit their exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a short-term (annual) period. The investment policy does not limit the maximum maturity length of investments. However, the policy does require the County and the District to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and prohibits the selling of securities prior to maturity.

The County and the District limit exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government (U.S. Treasury obligations) and certificates of deposit.

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

To limit its exposure, the County's and the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the County's and the District's agent separate from where the investment was purchased.

Concentration of credit risk - The County's and the District's investment policy requires diversification of the portfolio but does not contain any specific diversification targets.

3. PROPERTY TAXES

Property taxes for 2012 attached as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2013, and are payable in two installments on or about June 1, 2013 and September 1, 2013. The County collects such taxes and remits them periodically.

The District has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2013 tax levy has been recorded as a receivable and as unavailable revenue on the financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

| | Balance January 1, 2012 | Increases | Decreases | Balance December 31, 2012 |
|---|-------------------------------|-------------------|-------------|---------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 3,614,730 | \$ 369,655 | \$ - | \$ 3,984,385 |
| Total capital assets not being depreciated | <u>3,614,730</u> | <u>369,655</u> | <u>-</u> | <u>3,984,385</u> |
| Capital assets being depreciated | | | | |
| Land improvements | 632,120 | 52,448 | - | 684,568 |
| Buildings | 392,065 | 42,232 | - | 434,297 |
| Equipment | 122,070 | - | - | 122,070 |
| Vehicles | 109,406 | 46,090 | - | 155,496 |
| Total capital assets being depreciated | <u>1,255,661</u> | <u>140,770</u> | <u>-</u> | <u>1,396,431</u> |
| Less accumulated depreciation for | | | | |
| Land improvements | 324,907 | 30,798 | - | 355,705 |
| Buildings | 217,425 | 14,702 | - | 232,127 |
| Equipment | 38,501 | 11,053 | - | 49,554 |
| Vehicles | 67,954 | 8,773 | - | 76,727 |
| Total accumulated depreciation | <u>648,787</u> | <u>65,326</u> | <u>-</u> | <u>714,113</u> |
| Total capital assets being depreciated, net | <u>606,874</u> | <u>75,444</u> | <u>-</u> | <u>682,318</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 4,221,604</u> | <u>\$ 445,099</u> | <u>\$ -</u> | <u>\$ 4,666,703</u> |

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

| | |
|---|------------------|
| GOVERNMENTAL ACTIVITIES | |
| Culture and recreation | <u>\$ 65,326</u> |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$ 65,326</u> |

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LEGAL DEBT MARGIN

| | |
|---|-------------------------|
| ASSESSED VALUATION - 2011 (latest available) | <u>\$ 2,029,063,723</u> |
| Legal debt limit - 2.3% of assessed valuation | 46,668,466 |
| Amount of debt applicable to debt limit | <u>-</u> |
| LEGAL DEBT MARGIN | <u>\$ 1,982,395,257</u> |

Chapter 70, Act 805, Section 13 of the Illinois Compiled Statutes provides that the District: "...may not become indebted in any manner or for any purpose to an amount including existing indebtedness in the aggregate exceeding 2.3% of the assessed value of such taxable property therein, as ascertained by the last equalized assessment for the State and County purposes. No district may incur (a) indebtedness in excess of .3% of the assessed value of taxable property in the district, as ascertained by the last equalized assessment for the State and County purposes, for the development of forest preserve lands held by the district or (b) indebtedness for any other purpose except the acquisition of land..." unless the proposition to issue bonds or otherwise incur indebtedness is certified by the board to the proper election officials who shall submit the proposition at an election in accordance with the general election law and approved majority of those voting upon the proposition.

6. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the fiscal year:

| | Balances January 1, 2012 | | | Additions | | Reductions | | Balances December 31, 2012 | | Current Portion |
|----------------------------------|--------------------------------|--------|----|-----------|----|------------|----|----------------------------------|----|--------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Compensated absences | \$ | 34,140 | \$ | 7,184 | \$ | 3,414 | \$ | 37,910 | \$ | 3,791 |
| Other postemployment benefits | | 1,279 | | 424 | | - | | 1,703 | | - |
| TOTAL GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| | \$ | 35,419 | \$ | 7,608 | \$ | 3,414 | \$ | 39,613 | \$ | 3,791 |

Compensated absences, the net pension obligation and the other postemployment benefit liabilities have historically been retired by the General Fund.

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan (the Plan), the Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the Plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer contribution for the year ended December 31, 2012 was 13.56% of covered payroll. The employer contribution requirements are established and may be amended by IMRF Board of Trustees.

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

For December 31, 2012, the District's annual pension cost of \$38,809 was equal to the District's actual contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.00% per year, depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

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

| For Calendar Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------|------------------------------------|-------------------------------------|------------------------------|
| 2010 | \$ 42,282 | 91.31% | \$ 3,673 |
| 2011 | 41,496 | 108.85% | - |
| 2012 | 38,309 | 100.00% | - |

The funded status of the Plan as of December 31, 2012, based on actuarial valuations performed as of December 31, 2012 for IMRF is as follows. The actuarial assumptions used to determine the funded status of the Plan are the same actuarial assumptions used to determine the employer APC of the Plan as described above.

| | Illinois Municipal Retirement |
|---|-------------------------------------|
| Actuarial accrued liability (AAL) | \$ 1,584,123 |
| Actuarial value of plan assets | 1,373,664 |
| Unfunded actuarial accrued liability (UAAL) | 210,459 |
| Funded ratio (actuarial value of plan assets/AAL) | 86.71% |
| Covered payroll (active plan members) | \$ 282,514 |
| UAAL as a percentage of covered payroll | 74.50% |

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and Illinois Compiled Statutes (ILCS). The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

b. Benefits Provided

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the District's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a medicare supplement plan from the District's insurance provider.

c. Membership

At December 31, 2012, membership consisted of:

| | |
|--|-----------------|
| Retirees and beneficiaries currently receiving benefits | - |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active employees | <u>4</u> |
| TOTAL | <u><u>4</u></u> |

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the past three years is as follows:

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|------------------|------------------------|--|---------------------|
| December 31, 2010 | \$ 273 | \$ - | 0.00% | \$ 849 |
| December 31, 2011 | 430 | - | 0.00% | 1,279 |
| December 31, 2012 | 424 | - | 0.00% | 1,703 |

The net OPEB obligation as of December 31, 2012 was calculated as follows:

| | |
|--|-----------------|
| Annual required contribution | \$ 416 |
| Interest on net OPEB obligation | 51 |
| Adjustment to annual required contribution | (43) |
| Annual OPEB cost | 424 |
| Contributions made | - |
| Increase in net OPEB obligation | 424 |
| Net OPEB obligation, beginning of year | 1,279 |
| NET OPEB OBLIGATION, END OF YEAR | \$ 1,703 |

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2012 was as follows:

| | |
|---|------------|
| Actuarial accrued liability (AAL) | \$ 6,878 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 6,878 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0% |
| Covered payroll (active plan members) | \$ 337,846 |
| UAAL as a percentage of covered payroll | 2.0% |

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

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

In the December 31, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a discount rate of 4.00% and an initial healthcare cost trend rate of 8.00% with an ultimate healthcare inflation rate of 6.00%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

DEKALB COUNTY FOREST PRESERVE DISTRICT
 SYCAMORE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES

Individual fund transfers between funds at December 31, 2012 are as follows:

| Fund | Transfer To | Transfer From |
|------------------|-------------------|-------------------|
| General | \$ 36,687 | \$ 607,000 |
| Retirement | - | 36,687 |
| Land Acquisition | 607,000 | - |
| TOTAL | \$ 643,687 | \$ 643,687 |

These transfers are to reimburse the General Fund for retirement costs and to provide funding for future costs related to land acquisition. These transfers will not be repaid.

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For the health coverage, the District was self-insured through the County through December 31, 2002. As of January 1, 2003, the District and the County discontinued the self-insured health coverage plan and purchased third party indemnity insurance to limit its exposure. Premiums have been displayed as expenditures in the General Fund. Since December 19, 2007, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts and special recreation associations through which property, general liability, automotive liability, crime, boiler and machinery, public officials, employment practices liability and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District. The District is not aware of any additional amounts owed to PDRMA at December 31, 2012

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by a resolution of the District's governing body.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RISK MANAGEMENT (Continued)

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA.

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

REQUIRED SUPPLEMENTARY INFORMATION

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2012
(With Comparative Actual)

| | 2012 | | | 2011 Actual |
|--|--------------------|--------------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Taxes | \$ 1,248,000 | \$ 1,248,000 | \$ 1,274,191 | \$ 1,343,730 |
| Intergovernmental | - | - | - | 163,840 |
| Interest income | 8,000 | 8,000 | 4,356 | 5,763 |
| Miscellaneous | 50,000 | 50,000 | 62,605 | 63,489 |
| Total revenues | <u>1,306,000</u> | <u>1,306,000</u> | <u>1,341,152</u> | <u>1,576,822</u> |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Personnel services | 399,600 | 439,600 | 434,647 | 437,462 |
| Commodities and services | 97,900 | 102,300 | 102,075 | 112,297 |
| Supplies and materials | 54,500 | 57,300 | 56,087 | 57,739 |
| Capital outlay | 153,000 | 192,000 | 180,072 | 210,250 |
| Total expenditures | <u>705,000</u> | <u>791,200</u> | <u>772,881</u> | <u>817,748</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | <u>601,000</u> | <u>514,800</u> | <u>568,271</u> | <u>759,074</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 45,000 | 45,000 | 36,687 | 41,640 |
| Transfers (out) | (607,000) | (607,000) | (607,000) | (770,000) |
| Total other financing sources (uses) | <u>(562,000)</u> | <u>(562,000)</u> | <u>(570,313)</u> | <u>(728,360)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 39,000</u> | <u>\$ (47,200)</u> | <u>(2,042)</u> | <u>30,714</u> |
| FUND BALANCE, JANUARY 1, 2012 | | | <u>732,063</u> | <u>701,349</u> |
| FUND BALANCE, DECEMBER 31, 2012 | | | <u>\$ 730,021</u> | <u>\$ 732,063</u> |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2012

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 140,000 | \$ 140,000 | \$ 139,877 |
| Investment income | - | - | 978 |
| Total revenues | 140,000 | 140,000 | 140,855 |
| EXPENDITURES | | | |
| None | - | - | - |
| Total expenditures | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 140,000 | 140,000 | 140,855 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | (45,000) | (45,000) | (36,687) |
| Total other financing sources (uses) | (45,000) | (45,000) | (36,687) |
| NET CHANGE IN FUND BALANCE | \$ 95,000 | \$ 95,000 | 104,168 |
| FUND BALANCE, JANUARY 1, 2012 | | | 255,843 |
| FUND BALANCE, DECEMBER 31, 2012 | | | \$ 360,011 |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2012

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry-Age | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Covered Payroll | UAAL as a Percentage of Covered Payroll (4) / (5) |
|--|--|--|-------------------------------------|---|---------------------------|--|
| 2007 | \$ 990,649 | \$ 1,177,398 | 84.14% | \$ 186,749 | \$ 225,925 | 82.66% |
| 2008 | 988,473 | 1,355,448 | 72.93% | 366,975 | 252,510 | 145.33% |
| 2009 | 1,055,551 | 1,411,149 | 74.80% | 355,598 | 269,221 | 132.08% |
| 2010 | 1,159,330 | 1,421,976 | 81.53% | 262,646 | 264,264 | 99.39% |
| 2011 | 1,244,042 | 1,491,552 | 83.41% | 247,510 | 271,228 | 91.26% |
| 2012 | 1,373,664 | 1,584,123 | 86.71% | 210,459 | 282,514 | 74.50% |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2012

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry-Age | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Covered Payroll | UAAL as a Percentage of Covered Payroll (4) / (5) |
|--|--|--|-------------------------------------|---|---------------------------|--|
| 2008 | \$ - | \$ 5,047 | 0.00% | \$ 5,047 | \$ 277,962 | 1.82% |
| 2009 | - | 5,047 | 0.00% | 5,047 | 277,962 | 1.82% |
| 2010 | - | 8,155 | 0.00% | 8,155 | 298,030 | 2.74% |
| 2011 | - | 8,155 | 0.00% | 8,155 | 298,030 | 2.74% |
| 2012 | - | 6,878 | 0.00% | 6,878 | 337,846 | 2.04% |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2012

| <u>Calendar Year</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|--------------------------|-----------------------------------|---|-----------------------------------|
| 2007 | \$ 28,286 | \$ 28,286 | 100.00% |
| 2008 | 32,675 | 32,675 | 100.00% |
| 2009 | 35,753 | 35,753 | 100.00% |
| 2010 | 38,609 | 42,282 | 91.31% |
| 2011 | 45,167 | 41,416 | 109.06% |
| 2012 | 38,309 | 38,309 | 100.00% |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2012

| <u>Actuarial Valuation Date December 31,</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|--|-----------------------------------|---|-----------------------------------|
| 2008 | \$ - | \$ 308 | 0.00% |
| 2009 | - | 263 | 0.00% |
| 2010 | - | 263 | 0.00% |
| 2011 | - | 416 | 0.00% |
| 2012 | - | 416 | 0.00% |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

BUDGETS

Formal budgetary integration is employed as a management control device. Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for all funds. The annual appropriation lapses at fiscal year end.

The Forest Preserve Committee prepares an operating budget which summarizes the appropriation units and recommends the proposed appropriations. Public hearings on the proposed appropriations are conducted. The appropriations are legally enacted through passage of an ordinance. The budget may be amended by the Board of Commissioners. Expenditures may not legally exceed budgeted appropriations at the line item level. During the period, supplementary appropriations were approved.

Expenditures exceeded budget in the Land Acquisition Fund by \$(136,604).

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012
(With Comparative Actual)

| | 2012 | | | 2011 Actual |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual | |
| TAXES | | | | |
| Property | \$ 1,238,000 | \$ 1,238,000 | \$ 1,259,605 | \$ 1,328,634 |
| Replacement | 10,000 | 10,000 | 14,586 | 15,096 |
| Total taxes | 1,248,000 | 1,248,000 | 1,274,191 | 1,343,730 |
| INTERGOVERNMENTAL | - | - | - | 163,840 |
| INVESTMENT INCOME | 8,000 | 8,000 | 4,356 | 5,763 |
| MISCELLANEOUS | | | | |
| Farm rental | 15,000 | 15,000 | 19,496 | 15,937 |
| Shelter house/camping fees | 10,000 | 10,000 | 13,770 | 13,400 |
| Donations | - | - | 2,296 | 2,650 |
| NREC | 25,000 | 25,000 | 20,396 | 25,300 |
| DeKalb - Sycamore Trail | - | - | - | 5,000 |
| DeKalb Community Foundation | - | - | 2,145 | - |
| Miscellaneous | - | - | 4,502 | 1,202 |
| Total miscellaneous | 50,000 | 50,000 | 62,605 | 63,489 |
| TOTAL REVENUES | \$ 1,306,000 | \$ 1,306,000 | \$ 1,341,152 | \$ 1,576,822 |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012
(With Comparative Actual)

| | 2012 | | | 2011 |
|---------------------------------------|--------------------|-----------------|----------------|----------------|
| | Original Budget | Final Budget | Actual | Actual |
| Personnel service | | | | |
| Regular salaries and wages | \$ 210,000 | \$ 250,000 | \$ 249,428 | \$ 279,274 |
| Boards and commissions | 4,000 | 4,000 | 6,770 | 6,445 |
| Deferred compensation | 5,000 | 5,000 | 5,127 | 4,747 |
| Seasonal | 60,000 | 60,000 | 58,778 | 30,801 |
| Safety and security | 5,000 | 5,000 | 9,365 | 9,202 |
| Longevity pay | 6,000 | 6,000 | 6,368 | 6,009 |
| Health insurance | 40,000 | 40,000 | 36,696 | 34,008 |
| Life insurance | 600 | 600 | 662 | 648 |
| FICA | 23,000 | 23,000 | 24,070 | 23,876 |
| Retirement - IMRF | 45,000 | 45,000 | 36,745 | 41,693 |
| Unemployment insurance | 1,000 | 1,000 | 638 | 759 |
| Total personnel service | 399,600 | 439,600 | 434,647 | 437,462 |
| Commodities and services | | | | |
| Travel and meetings | 1,100 | 1,100 | 678 | 667 |
| Environmental education | 20,000 | 20,000 | 20,000 | 20,000 |
| Public notices | 500 | 500 | 72 | 144 |
| Membership | 500 | 500 | 690 | 1,390 |
| Maintenance - vehicles | 5,000 | 5,000 | 4,839 | 8,174 |
| Maintenance - building and grounds | 15,000 | 15,000 | 12,581 | 8,847 |
| Maintenance - equipment | 4,000 | 4,000 | 6,201 | 4,934 |
| Postage | 300 | 300 | 394 | 300 |
| Utilities - telephone | 6,000 | 6,000 | 4,670 | 4,530 |
| Utilities - electricity | 7,000 | 7,000 | 6,322 | 6,303 |
| Commercial services | 7,000 | 10,200 | 10,205 | 8,336 |
| Professional services | 5,000 | 6,200 | 6,200 | 6,100 |
| Community Foundation | - | - | - | 907 |
| Contribution to agencies | 500 | 500 | 1,913 | 2,028 |
| NREC expenses | 25,000 | 25,000 | 25,000 | 25,000 |
| Other expenses | 1,000 | 1,000 | 2,310 | 14,637 |
| Total commodities and services | 97,900 | 102,300 | 102,075 | 112,297 |

(This schedule is continued on the following page.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND (Continued)

For the Year Ended December 31, 2012
(With Comparative Actual)

| | 2012 | | | 2011 |
|------------------------------|--------------------|-----------------|------------|------------|
| | Original Budget | Final Budget | Actual | Actual |
| Supplies and materials | | | | |
| Supplies | \$ 23,000 | \$ 23,000 | \$ 21,308 | \$ 23,378 |
| Fuels and lubricants | 28,000 | 30,800 | 29,482 | 30,548 |
| Vehicular parts | 1,000 | 1,000 | 172 | 361 |
| Machine and equipment parts | 1,500 | 1,500 | 1,614 | 3,452 |
| Clothing | 1,000 | 1,000 | 3,511 | - |
| Total supplies and materials | 54,500 | 57,300 | 56,087 | 57,739 |
| Capital outlay | | | | |
| Development improvements | 23,000 | 62,000 | 44,747 | 1,121 |
| Other staff improvements | 10,000 | 10,000 | 5,940 | 7,197 |
| Land acquisition | 65,000 | 65,000 | - | 42,250 |
| Wetland mitigation | - | - | 64,044 | 140,625 |
| Vehicles and equipment | 55,000 | 55,000 | 65,341 | 19,057 |
| Total capital outlay | 153,000 | 192,000 | 180,072 | 210,250 |
| TOTAL EXPENDITURES | \$ 705,000 | \$ 791,200 | \$ 772,881 | \$ 817,748 |

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2012
(With Comparative Actual)

| | 2012 | | | 2011 |
|--|--------------------|-------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 10,000 | \$ 200,000 |
| Investment income | - | - | 8,668 | 11,849 |
| Total revenues | - | - | 18,668 | 211,849 |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | - | 24,000 | 25,276 | |
| Capital outlay | | | | |
| Land acquisition | - | 72,000 | 207,328 | 412,326 |
| Total expenditures | - | 96,000 | 232,604 | 412,326 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | - | (96,000) | (213,936) | (200,477) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 607,000 | 607,000 | 607,000 | 770,000 |
| Total other financing sources (uses) | 607,000 | 607,000 | 607,000 | 770,000 |
| NET CHANGE IN FUND BALANCE | \$ 607,000 | \$ 511,000 | 393,064 | 569,523 |
| FUND BALANCE, JANUARY 1, 2012 | | | 3,150,631 | 2,581,108 |
| FUND BALANCE, DECEMBER 31, 2012 | | | <u>\$ 3,543,695</u> | <u>\$ 3,150,631</u> |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2012

| | Original Budget | Final Budget | Actual |
|---------------------------------|--------------------|-----------------|-------------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 124,000 | \$ 124,000 | \$ 124,064 |
| Investment income | - | - | 754 |
| Total revenues | <u>124,000</u> | <u>124,000</u> | <u>124,818</u> |
| EXPENDITURES | | | |
| Current | | | |
| Commodities and services | | | |
| Insurance premiums | 18,000 | 18,000 | 26,634 |
| Supplies and materials | | | |
| Supplies | - | - | 608 |
| Capital outlay | | | |
| Park improvements | 106,000 | 106,000 | 36,765 |
| Total expenditures | <u>124,000</u> | <u>124,000</u> | <u>64,007</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 60,811 |
| FUND BALANCE, JANUARY 1, 2012 | | | <u>88,201</u> |
| FUND BALANCE, DECEMBER 31, 2012 | | | <u>\$ 149,012</u> |

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS

Last Ten Tax Levy Years

| Tax Levy Year | 2011 | | 2010 | | 2009 | | 2008 | | 2007 | |
|--------------------|---------|---------------|---------|---------------|--------|---------------|--------|---------------|--------|---------------|
| Tax Payment Year | 2012 | | 2011 | | 2010 | | 2009 | | 2008 | |
| Assessed Valuation | \$ | 2,029,063,723 | \$ | 2,146,459,168 | \$ | 2,230,373,366 | \$ | 2,202,386,290 | \$ | 2,085,383,221 |
| | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount | Rate* | Amount |
| Tax Extensions | | | | | | | | | | |
| Corporate | 0.05988 | \$ 1,215,004 | 0.05964 | \$ 1,280,148 | 0.0600 | \$ 1,338,224 | 0.0600 | \$ 1,321,432 | 0.0600 | \$ 1,251,230 |
| FICA | 0.00114 | 23,131 | 0.00117 | 25,114 | 0.0011 | 24,088 | 0.0061 | 22,024 | 0.0010 | 20,020 |
| IMRF | 0.00690 | 140,005 | 0.00569 | 122,133 | 0.0045 | 100,144 | 0.0010 | 134,125 | 0.0024 | 50,049 |
| Tort | 0.00612 | 124,179 | 0.00350 | 75,126 | 0.0007 | 15,167 | 0.0007 | 15,196 | 0.0043 | 90,088 |
| TOTAL | 0.0740 | \$ 1,502,319 | 0.0700 | \$ 1,502,521 | 0.0663 | \$ 1,477,623 | 0.0678 | \$ 1,492,777 | 0.0677 | \$ 1,411,387 |

| Tax Levy Year | 2006 | | 2005 | | 2004 | | 2003 | | 2002 | |
|--------------------|--------|---------------|--------|---------------|--------|---------------|--------|---------------|--------|---------------|
| Tax Payment Year | 2007 | | 2006 | | 2005 | | 2004 | | 2003 | |
| Assessed Valuation | \$ | 1,886,297,529 | \$ | 1,699,140,609 | \$ | 1,534,517,472 | \$ | 1,463,872,794 | \$ | 1,375,430,314 |
| | Rate* | Amount |
| Tax Extensions | | | | | | | | | | |
| Corporate | 0.0517 | \$ 975,593 | 0.2347 | \$ 398,788 | 0.0241 | \$ 370,279 | 0.0239 | \$ 349,719 | 0.0245 | \$ 336,430 |
| FICA | 0.0010 | 18,674 | 0.0011 | 18,521 | 0.0012 | 17,647 | 0.0012 | 17,567 | 0.0013 | 17,055 |
| IMRF | 0.0017 | 31,124 | 0.0018 | 31,094 | 0.0018 | 26,854 | 0.0018 | 26,057 | 0.0012 | 19,119 |
| Tort | 0.0004 | 8,111 | 0.0004 | 8,156 | 0.0006 | 8,133 | 0.0006 | 8,051 | 0.0005 | 8,115 |
| TOTAL | 0.0548 | \$ 1,033,502 | 0.2380 | \$ 456,559 | 0.0277 | \$ 422,913 | 0.0275 | \$ 401,394 | 0.0275 | \$ 380,719 |

* Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the County Clerk

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF PROPERTY TAX COLLECTIONS

Last Ten Tax Levy Years

| Tax Levy Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Tax Payment Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| COLLECTIONS | \$ 381,550 | \$ 401,654 | \$ 422,988 | \$ 456,041 | \$ 1,032,376 | \$ 1,412,768 | \$ 1,489,324 | \$ 1,479,790 | \$ 1,502,517 | \$ 1,500,937 |
| LEVY AS EXTENDED | \$ 380,719 | \$ 401,394 | \$ 422,913 | \$ 456,559 | \$ 1,033,502 | \$ 1,411,387 | \$ 1,492,777 | \$ 1,477,623 | \$ 1,502,521 | \$ 1,502,319 |
| PERCENT COLLECTED | 100.22% | 100.06% | 100.02% | 99.89% | 99.89% | 100.10% | 99.77% | 100.15% | 100.00% | 99.91% |

Data Source

Office of the County Treasurer

(See independent auditor's report.)