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

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2013

Sikich

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS
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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, 2013, which collectively comprise the 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, 2013, 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

As discussed in Note 1, the financial statements present only the DeKalb County Forest Preserve District and does not purport to, and does not, present fairly the financial position of DeKalb County, Illinois as of December 31, 2013 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended December 31, 2012, and we expressed unmodified opinions on those financial statements.

The audit was conducted for purposes of forming an opinion on the financial statements as a whole.

The schedules of revenues, expenditures and changes in fund balance - budget and actual for each fund with comparative actual 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 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

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 21, 2014

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

DEKALB COUNTY FOREST PRESERVE DISTRICT
DEKALB COUNTY, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2013

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, 2013.

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 individual funds. Both perspectives (government-wide and individual major funds) 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 $11,732,841 exceeded the liabilities and deferred inflows of resources of $1,562,238 at the close of the fiscal year by $10,170,603. 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 $555,000 to the Land Acquisition, and $34,372 was transferred from the Retirement Fund to the General Fund in 2013.

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 activities are consolidated into one column that presents the 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 (governmental), 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.

The government-wide financial statements present functions of the Forest Preserve that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Forest Preserve include governmental activities of culture & recreation.

The DeKalb County Forest Preserve District is a discretely presented 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 statements allow 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 funds 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, 2013

	2013	2012
Assets:		
Current and Other Assets	7,125,300	6,302,354
Capital Assets	4,607,541	4,666,703
Total Assets	11,732,841	10,969,057
Liabilities:		
Long-Term Liabilities	41,762	39,613
Other Liabilities	35,476	35,615
Deferred Inflows Of Resources:		
Unearned Property Taxes	1,485,000	1,484,000
Total Liabilities and Deferred Inflows of Resources	1,562,238	1,559,228
Net Position:		
Invested in Capital Assets	4,607,541	4,666,703
Restricted:	1,062,077	802,233
Unrestricted:	4,500,985	3,940,893
Total Net Position	10,170,603	9,409,829

The Forest Preserve's net position increased during fiscal year 2013 by $760,774. This increase included $561,000 that was assigned for land acquisition.

Unrestricted net position of $4,500,985 includes amounts assigned for land acquisition of $3,881,230. The Land Acquisition monies have future "first right of refusal" land acquisition opportunities. For more detailed information, see the Statement of Net Position on Page 4 of the DeKalb County Forest Preserve District 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 Position
For the Fiscal Year Ended December 31, 2013

2. Governmental Revenues

	2013	2012
Revenues		
General Revenues		
Property Taxes	1,480,633	1,500,937
Other Taxes	13,893	37,195
Investment Income	15,197	17,756
Intergovernmental	21,906	10,000
Miscellaneous	66,502	8,943
Total Revenue	1,598,131	1,574,831
Expenses		
Cultural and Recreation	837,357	864,293
Total Expense	837,357	864,293

For the fiscal year ended December 31, 2013, revenues totaled $1,598,131 for the Forest Preserve's Governmental Activities. Revenues from the Forest Preserve's largest source of revenues of $1,480,633 come from the Property Tax revenues. The property tax revenues make up 92.6% of the Forest Preserve's total revenues.

3. Governmental Expenses

DeKalb County Forest Preserve Governmental Activities total expenses amounted to $837,357. All of the expenses were culture and recreation. The amount of capital outlay expense was $128,822 for land acquisition, a 30 horsepower mower and improvements at several parks. Personnel costs were the largest expenditure for 2013 with personnel services of $404,347 or 57.5% of total budgeted expenditures.

IV. Financial Analysis of Forest Preserve District’s Funds

As of December 31, 2013, 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 fund balance total of $5,604,824 compared with 2012 of $4,782,739. The fund balance in the Land Acquisition Fund of $4,031,230 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 $15,197 on all fund type investments for the year ended December 31, 2013 compared with 2012 interest revenue of $17,756.

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, 2013.

V. General Fund Budgetary Highlights

Table 3
For the Fiscal Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual
REVENUES AND TRANSFERS			
Taxes	1,144,000	1,144,000	1,145,169
Intergovernmental	-	-	21,906
Interest Income	8,000	8,000	5,188
Miscellaneous	53,000	53,000	56,502
Transfers	45,000	45,000	34,372
Total Revenues and Transfers	1,250,000	1,250,000	1,263,137
EXPENDITURES AND TRANSFERS			
Expenditures	675,000	702,825	645,440
Transfers	555,000	555,000	555,000
Total Expenditures and Transfers	1,230,000	1,257,825	1,200,440
Change in Fund Balance	20,000.	(7,825)	62,697

As can be seen above, revenues and transfers were higher than budget by $13,137. Investment income was $2,812 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, 2013:

Table 4
Capital Assets
As of December 31, 2013

	Governmental Activities	
	2013	**2012**
Land & Land Right of Way	3,984,385	3,984,385
Buildings	456,227	434,297
Land Improvements	684,568	684,568
Equipment	121,659	122,070
Vehicles	131,909	155,496
Less:		
Accumulated Depreciation	(771,207)	(714,113)
Total Capital Assets	4,607,541	4,666,703

The Total Capital Assets for the Forest Preserve decrease of $59,162 in 2013 was caused by depreciation costs in excess of current year capital asset additions. 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 2014. The Park District does have a "first right of refusal" on several properties should they become available to purchase during 2014. The Park District projects during 2013 included working with the City of Genoa on a hiking/biking trail connection to Russell Woods Forest Preserve and working with the Village of Shabbona on a hiking/biking trail connection to Chief Shabbona Forest Preserve, Shabbona Lake State Park, Shabbona grade school and the Village of Shabbona businesses. An application was submitted to the U.S. Army Corp of Engineers to expand the wetland bank at Afton South Prairie Forest Preserve in 2013.. Wonderful volunteers 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. Students from NIU are also a source of volunteer help for the Forest Preserve.

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 $42,893,746.

VIII. Economic Factors and Next Year's Budget Issues

The taxable assessed valuation for the Forest Preserve decreased last year by over 164 million dollars from the previous year for a total of $1,864,945,488. 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 65% 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 2013. 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 2014 financial year is well underway. The next budget to be developed will be the FY 2015 budget. It will be discussed in the fall of 2014 for the fiscal year beginning January 1, 2015. 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 (PTELL) 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 or Peter Stefan, Finance Director, DeKalb County Government, Finance Office, 200 N. Main Street, Sycamore, IL 60178.

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DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2013

	Governmental Activities
ASSETS	
Cash and investments	$ 5,607,906
Receivables, net of allowance, where applicable	
Property taxes	1,485,000
Accounts	26,193
Accrued interest	1,976
Prepaid expenses	4,225
Capital assets not being depreciated	3,984,385
Capital assets being depreciated (net of accumulated depreciation)	623,156
Total assets	11,732,841
LIABILITIES	
Accounts payable	22,570
Accrued payroll	12,906
Noncurrent liabilities	
Due in more than one year	41,762
Total liabilities	77,238
DEFERRED INFLOWS OF RESOURCES	
Unearned property taxes	1,485,000
Total deferred inflows of resources	1,485,000
Total liabilities and deferred inflows of resources	1,562,238
NET POSITION	
Investment in capital assets	4,607,541
Restricted for	
Culture and recreation	281,201
Employee retirement	569,634
Tort and liability	211,242
Unrestricted	4,500,985
TOTAL NET POSITION	$ 10,170,603

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

		Program Revenues			Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants**	**Capital Grants**	**Governmental Activities**
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and recreation	$ 837,357	$ -	$ -	$ -	$ (837,357)
Total governmental activities	837,357	-	-	-	(837,357)
TOTAL PRIMARY GOVERNMENT	$ 837,357	$ -	$ -	$ -	(837,357)
		General revenues			
		Taxes			
		Property			1,480,633
		Replacement			13,893
		Investment income			15,197
		Intergovernmental			21,906
		Miscellaneous			66,502
		Total			1,598,131
		CHANGE IN NET POSITION			760,774
		NET POSITION, JANUARY 1, 2013			9,409,829
		NET POSITION, DECEMBER 31, 2013			$ 10,170,603

See accompanying notes to financial statements.

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

BALANCE SHEET

December 31, 2013

	Major Governmental Funds			Nonmajor Governmental	
	General	**Retirement**	**Land Acquisition**	**Tort & Liability**	**Total**
ASSETS					
Cash and investments	$ 784,203	$ 569,634	$ 4,032,458	$ 221,611	$ 5,607,906
Property taxes receivable	1,075,000	335,000	-	75,000	1,485,000
Accounts receivable	25,693	-	-	500	26,193
Accrued interest receivable	1,976	-	-	-	1,976
Prepaid items	4,225	-	-	-	4,225
TOTAL ASSETS	$ 1,891,097	$ 904,634	$ 4,032,458	$ 297,111	$ 7,125,300
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 11,701	$ -	$ -	$ 10,869	$ 22,570
Accrued payroll	11,678	-	1,228	-	12,906
Total liabilities	23,379	-	1,228	10,869	35,476
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	1,075,000	335,000	-	75,000	1,485,000
Total deferred inflows of resources	1,075,000	335,000	-	75,000	1,485,000
Total liabilities and deferred inflows of resources	1,098,379	335,000	1,228	85,869	1,520,476
FUND BALANCES					
Nonspendable - prepaid items	4,225	-	-	-	4,225
Restricted for land cash	9,788	-	-	-	9,788
Restricted for wetland mitigation	239,036	-	-	-	239,036
Restricted for Natural Resource Education Consortium	6,274	-	-	-	6,274
Restricted for "Jeff's Trees"	1,000	-	-	-	1,000
Restricted for natural resource education - Community Foundation	24,923	-	-	-	24,923
Restricted for cabin relocation	180	-	-	-	180
Restricted for employee retirement	-	569,634	-	-	569,634
Restricted for tort and liability	-	-	-	211,242	211,242
Unrestricted					
Assigned for land acquisition	-	-	3,881,230	-	3,881,230
Assigned for land improvements	-	-	140,000	-	140,000
Assigned for cash flows	101,357	-	-	-	101,357
Assigned for special projects	4,600	-	-	-	4,600
Assigned for paid hours off contingency	39,684	-	-	-	39,684
Assigned for bike path	5,000	-	10,000	-	15,000
Assigned for trail maintenance	19,000	-	-	-	19,000
Assigned for equipment	18,000	-	-	-	18,000
Unassigned	319,651	-	-	-	319,651
Total fund balances	792,718	569,634	4,031,230	211,242	5,604,824
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,891,097	$ 904,634	$ 4,032,458	$ 297,111	$ 7,125,300

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, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 5,604,824
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	4,607,541
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	(41,762)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 10,170,603

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, 2013

	Governmental Funds			Nonmajor Governmental	
	General	**Retirement**	**Land Acquisition**	**Tort & Liability**	**Total**
REVENUES					
Taxes	$ 1,145,169	$ 249,435	$ -	$ 99,922	$ 1,494,526
Intergovernmental	21,906	-	-	-	21,906
Investment income	5,188	1,194	8,163	652	15,197
Miscellaneous	56,502	-	10,000	-	66,502
Total revenues	1,228,765	250,629	18,163	100,574	1,598,131
EXPENDITURES					
Current					
Culture and recreation	578,688	-	50,880	17,656	647,224
Capital outlay	66,752	-	41,382	20,688	128,822
Total expenditures	645,440	-	92,262	38,344	776,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	583,325	250,629	(74,099)	62,230	822,085
OTHER FINANCING SOURCES (USES)					
Transfers in	34,372	-	561,634	-	596,006
Transfers (out)	(555,000)	(41,006)	-	-	(596,006)
Total other financing sources (uses)	(520,628)	(41,006)	561,634	-	-
NET CHANGE IN FUND BALANCES	62,697	209,623	487,535	62,230	822,085
FUND BALANCES, JANUARY 1, 2013	730,021	360,011	3,543,695	149,012	4,782,739
FUND BALANCES, DECEMBER 31, 2013	$ 792,718	$ 569,634	$ 4,031,230	$ 211,242	$ 5,604,824

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 BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	822,085
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		21,930
The loss on disposal of capital assets is reported only in the statement of activities		(120)
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		(2,149)
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		(80,972)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	760,774

See accompanying notes to financial statements.

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.

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.

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. Non-negotiable certificates of deposit and all other investments, if any, are reported at cost.

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

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, 2013, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. 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 assets 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 assets 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, 2013.

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, 2014 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.

4. CAPITAL ASSETS

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

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 3,984,385	$ -	$ -	$ 3,984,385
Total capital assets not being depreciated	3,984,385	-	-	3,984,385
Capital assets being depreciated				
Land improvements	684,568	-	-	684,568
Buildings	434,297	21,930	-	456,227
Equipment	122,070	-	411	121,659
Vehicles	155,496	-	23,587	131,909
Total capital assets being depreciated	1,396,431	21,930	23,998	1,394,363
Less accumulated depreciation for				
Land improvements	355,705	36,042	-	391,747
Buildings	232,127	18,800	-	250,927
Equipment	49,554	11,053	291	60,316
Vehicles	76,727	15,077	23,587	68,217
Total accumulated depreciation	714,113	80,972	23,878	771,207
Total capital assets being depreciated, net	682,318	(59,042)	120	623,156
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 4,666,703	$ (59,042)	$ 120	$ 4,607,541

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

GOVERNMENTAL ACTIVITIES	
Culture and recreation	$ 80,972
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 80,972

5. LEGAL DEBT MARGIN

ASSESSED VALUATION - 2012 (latest available)	$ 1,864,945,488
Legal debt limit - 2.3% of assessed valuation	42,893,746
Amount of debt applicable to debt limit	-
LEGAL DEBT MARGIN	$ 1,822,051,742

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, 2013	Additions	Reductions	Balances December 31, 2013	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences	$ 37,910	$ 5,565	$ 3,791	$ 39,684	$ -
Other postemployment benefits	1,703	375	-	2,078	-
TOTAL GOVERNMENTAL ACTIVITIES	$ 39,613	$ 5,940	$ 3,791	$ 41,762	$ -

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 (IMRF)

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, 2013 was 13.57% of covered payroll. The employer contribution requirements are established and may be amended by IMRF Board of Trustees.

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

For December 31, 2013, the District's annual pension cost of $38,748 was equal to the District's actual contributions. The required contribution was determined as part of the December 31, 2011 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, 2013 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
2011	$ 41,496	108.85%	$ -
2012	38,309	100.00%	-
2013	38,748	100.00%	-

The funded status of the Plan as of December 31, 2013, based on actuarial valuations performed as of December 31, 2013 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)	$ 1,681,762
Actuarial value of plan assets	1,534,389
Unfunded actuarial accrued liability (UAAL)	147,373
Funded ratio (actuarial value of plan assets/AAL)	91.24%
Covered payroll (active plan members)	$ 285,545
UAAL as a percentage of covered payroll	51.61%

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (IMRF) (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 (most recent available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	4
TOTAL	4

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, 2011	$ 430	$ -	0.00%	$ 1,279
December 31, 2012	424	-	0.00%	1,703
December 31, 2013	375	-	0.00%	2,078

The net OPEB obligation as of December 31, 2013 was calculated as follows:

Annual required contribution	$ 364
Interest on net OPEB obligation	68
Adjustment to annual required contribution	(57)
Annual OPEB cost	375
Contributions made	-
Increase in net OPEB obligation	375
Net OPEB obligation, beginning of year	1,703
NET OPEB OBLIGATION, END OF YEAR	$ 2,078

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2012 (most recent available) 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 (most recent available), 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 advance funded its obligation. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

9. INDIVIDUAL FUND DISCLOSURES

Individual fund transfers between funds at December 31, 2013 are as follows:

Fund	Transfer To	Transfer From
General	$ 34,372	$ 555,000
Retirement	-	41,006
Land Acquisition	561,634	-
TOTAL	$ 596,006	$ 596,006

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, 2013.

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.

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, 2013
(With Comparative Actual)

	2013			2012
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Taxes	$ 1,144,000	$ 1,144,000	$ 1,145,169	$ 1,274,191
Intergovernmental	-	-	21,906	-
Interest income	8,000	8,000	5,188	4,356
Miscellaneous	53,000	61,650	56,502	62,605
Total revenues	1,205,000	1,213,650	1,228,765	1,341,152
EXPENDITURES				
Culture and recreation				
Personnel services	418,000	411,200	404,347	434,647
Commodities and services	109,000	116,400	117,568	102,075
Supplies and materials	62,000	62,000	56,773	56,087
Capital outlay	86,000	113,225	66,752	180,072
Total expenditures	675,000	702,825	645,440	772,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	530,000	510,825	583,325	568,271
OTHER FINANCING SOURCES (USES)				
Transfers in	45,000	45,000	34,372	36,687
Transfers (out)	(555,000)	(555,000)	(555,000)	(607,000)
Total other financing sources (uses)	(510,000)	(510,000)	(520,628)	(570,313)
NET CHANGE IN FUND BALANCE	$ 20,000	$ 825	62,697	(2,042)
FUND BALANCE, JANUARY 1, 2013			730,021	732,063
FUND BALANCE, DECEMBER 31, 2013			$ 792,718	$ 730,021

(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, 2013

	2013			2012
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Taxes				
Property taxes	$ 250,000	$ 250,000	$ 249,435	$ 139,877
Investment income	-	-	1,194	978
Total revenues	250,000	250,000	250,629	140,855
EXPENDITURES				
None	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	250,000	250,000	250,629	140,855
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(45,000)	(45,000)	(41,006)	(36,687)
Total other financing sources (uses)	(45,000)	(45,000)	(41,006)	(36,687)
NET CHANGE IN FUND BALANCE	$ 205,000	$ 205,000	209,623	104,168
FUND BALANCE, JANUARY 1, 2013			360,011	255,843
FUND BALANCE, DECEMBER 31, 2013			$ 569,634	$ 360,011

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2013

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	$ 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%
2013	1,534,389	1,681,762	91.24%	147,373	285,545	51.61%

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2013

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%
2013	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2013

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2013	38,748	38,748	100.00%

(See independent auditor's report.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2013

Actuarial Valuation Date December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	$ -	$ 308	0.00%
2009	-	263	0.00%
2010	-	263	0.00%
2011	-	416	0.00%
2012	-	416	0.00%
2013	-	364	0.00%

(See independent auditor's report.)

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.

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, 2013
(With Comparative Actual)

	2013			2012
	Original Budget	**Final Budget**	**Actual**	**Actual**
TAXES				
Property	$ 1,134,000	$ 1,134,000	$ 1,131,276	$ 1,259,605
Replacement	10,000	10,000	13,893	14,586
Total taxes	1,144,000	1,144,000	1,145,169	1,274,191
INTERGOVERNMENTAL	-	-	21,906	-
INVESTMENT INCOME	8,000	8,000	5,188	4,356
MISCELLANEOUS				
Farm rental	18,000	18,000	19,606	19,496
Shelter house/camping fees	10,000	10,000	11,447	13,770
Donations	-	-	4,895	2,296
NREC	25,000	33,650	16,359	20,396
DeKalb Community Foundation	-	-	4,088	2,145
Miscellaneous	-	-	107	4,502
Total miscellaneous	53,000	61,650	56,502	62,605
TOTAL REVENUES	$ 1,205,000	$ 1,213,650	$ 1,228,765	$ 1,341,152

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2013
(With Comparative Actual)

	2013			2012
	Original Budget	**Final Budget**	**Actual**	**Actual**
PERSONNEL SERVICES				
Regular salaries and wages	$ 215,000	$ 215,000	$ 214,280	$ 249,428
Boards and commissions	6,000	6,000	5,230	6,770
Deferred compensation	5,000	5,000	5,016	5,127
Seasonal	60,000	60,000	62,104	58,778
Safety and security	10,000	10,000	10,364	9,365
Longevity pay	6,000	6,000	7,086	6,368
Health insurance	45,000	45,000	42,864	36,696
Life insurance	1,000	1,000	677	662
FICA	24,000	22,030	22,030	24,070
Retirement - IMRF	45,000	40,170	34,171	36,745
Unemployment insurance	1,000	1,000	525	638
Total personnel service	418,000	411,200	404,347	434,647
COMMODITIES AND SERVICES				
Travel and meetings	1,100	1,100	632	678
Environmental education	20,000	20,000	20,000	20,000
Public notices	500	500	-	72
Membership	500	500	450	690
Maintenance - vehicles	6,000	6,000	5,812	4,839
Maintenance - building and grounds	20,000	25,700	25,825	12,581
Maintenance - equipment	6,000	6,000	6,067	6,201
Postage	300	300	479	394
Utilities - telephone	6,000	6,000	4,908	4,670
Utilities - electricity	7,000	7,000	6,185	6,322
Commercial services	8,000	9,700	10,716	10,205
Professional services	6,000	6,000	9,225	6,200
Community Foundation	-	-	223	-
Contribution to agencies	1,000	1,000	1,251	1,913
NREC expenses	25,000	25,000	25,000	25,000
Other expenses	1,600	1,600	795	2,310
Total commodities and services	109,000	116,400	117,568	102,075

(This schedule is continued on the following page.)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

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

For the Year Ended December 31, 2013
(With Comparative Actual)

	2013 Original Budget	2013 Final Budget	2013 Actual	2012 Actual
SUPPLIES AND MATERIALS				
Supplies	$ 25,000	$ 25,000	$ 21,469	$ 21,308
Fuels and lubricants	32,000	32,000	33,162	29,482
Vehicular parts	2,000	2,000	239	172
Machine and equipment parts	2,000	2,000	1,903	1,614
Clothing	1,000	1,000	-	3,511
Total supplies and materials	62,000	62,000	56,773	56,087
CAPITAL OUTLAY				
Development improvements	51,000	71,000	43,978	44,747
Other staff improvements	10,000	10,000	8,661	5,940
Wetland mitigation	-	7,225	7,225	64,044
Vehicles and equipment	25,000	25,000	6,888	65,341
Total capital outlay	86,000	113,225	66,752	180,072
TOTAL EXPENDITURES	$ 675,000	$ 702,825	$ 645,440	$ 772,881

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, 2013
(With Comparative Actual)

	2013			2012
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ 10,000
Investment income	-	-	8,163	8,668
Miscellaneous	-	-	10,000	-
Total revenues	-	-	18,163	18,668
EXPENDITURES				
Current				
Culture and recreation	40,000	51,550	50,880	25,276
Capital outlay				
Land acquisition	15,000	41,400	41,382	207,328
Total expenditures	15,000	92,950	92,262	232,604
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,000)	(92,950)	(74,099)	(213,936)
OTHER FINANCING SOURCES (USES)				
Transfers in	555,000	555,000	561,634	607,000
Total other financing sources (uses)	555,000	555,000	561,634	607,000
NET CHANGE IN FUND BALANCE	$ 540,000	$ 462,050	487,535	393,064
FUND BALANCE, JANUARY 1, 2013			3,543,695	3,150,631
FUND BALANCE, DECEMBER 31, 2013			$ 4,031,230	$ 3,543,695

(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, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	$ 100,000	$ 100,000	$ 99,922
Investment income	-	-	652
Total revenues	100,000	100,000	100,574
EXPENDITURES			
Current			
Commodities and services			
Insurance premiums	18,500	18,500	15,990
Supplies and materials			
Supplies	1,000	1,000	1,666
Capital outlay			
Park improvements	30,000	30,000	20,688
Total expenditures	49,500	49,500	38,344
NET CHANGE IN FUND BALANCE	$ 50,500	$ 50,500	62,230
FUND BALANCE, JANUARY 1, 2013			149,012
FUND BALANCE, DECEMBER 31, 2013			$ 211,242

SUPPLEMENTAL SCHEDULES (Unaudited)

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS

Last Ten Tax Levy Years

Tax Levy Year	**2012**		**2011**		**2010**		**2009**		**2008**	
Tax Payment Year	**2013**		**2012**		**2011**		**2010**		**2009**	
Assessed Valuation	$ 1,864,945,488		$ 2,029,063,723		$ 2,146,459,168		$ 2,230,373,366		$ 2,202,386,290	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
Tax Extensions										
Corporate	0.05962	$ 1,110,092	0.05988	$ 1,215,004	0.05964	$ 1,280,148	0.0600	$ 1,338,224	0.0600	$ 1,321,432
FICA	0.00129	24,019	0.00114	23,131	0.00117	25,114	0.0011	24,088	0.0061	22,024
IMRF	0.01343	250,059	0.00690	140,005	0.00569	122,133	0.0045	100,144	0.0010	134,125
Tort	0.00538	100,173	0.00612	124,179	0.00350	75,126	0.0007	15,167	0.0007	15,196
TOTAL	0.0797	$ 1,484,343	0.0740	$ 1,502,319	0.0700	$ 1,502,521	0.0663	$ 1,477,623	0.0678	$ 1,492,777

Tax Levy Year	**2007**		**2006**		**2005**		**2004**		**2003**	
Tax Payment Year	**2008**		**2007**		**2006**		**2005**		**2004**	
Assessed Valuation	$ 2,085,383,221		$ 1,886,297,529		$ 1,699,140,609		$ 1,534,517,472		$ 1,463,872,794	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
Tax Extensions										
Corporate	0.0600	$ 1,251,230	0.0517	$ 975,593	0.2347	$ 398,788	0.0241	$ 370,279	0.0239	$ 349,719
FICA	0.0010	20,020	0.0010	18,674	0.0011	18,521	0.0012	17,647	0.0012	17,567
IMRF	0.0024	50,049	0.0017	31,124	0.0018	31,094	0.0018	26,854	0.0018	26,057
Tort	0.0043	90,088	0.0004	8,111	0.0004	8,156	0.0006	8,133	0.0006	8,051
TOTAL	0.0677	$ 1,411,387	0.0548	$ 1,033,502	0.2380	$ 456,559	0.0277	$ 422,913	0.0275	$ 401,394

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

Data Source

Office of the County Clerk

DEKALB COUNTY FOREST PRESERVE DISTRICT
SYCAMORE, ILLINOIS

SCHEDULE OF PROPERTY TAX COLLECTIONS

Last Ten Tax Levy Years

Tax Levy Year	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Tax Payment Year	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
COLLECTIONS	$ 401,654	$ 422,988	$ 456,041	$ 1,032,376	$ 1,412,768	$ 1,489,324	$ 1,479,790	$ 1,502,517	$ 1,500,937	$ 1,480,633
LEVY AS EXTENDED	$ 401,394	$ 422,913	$ 456,559	$ 1,033,502	$ 1,411,387	$ 1,492,777	$ 1,477,623	$ 1,502,521	$ 1,502,319	$ 1,484,343
PERCENT COLLECTED	100.06%	100.02%	99.89%	99.89%	100.10%	99.77%	100.15%	100.00%	99.91%	99.75%

Data Source

Office of the County Treasurer