

VILLAGE OF TIMBERLANE, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2012**

VILLAGE OF TIMBERLANE, ILLINOIS

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BEGGIN TIPP LAMM LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Trustees
Village of Timberlane, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Timberlane, Illinois, as of and for the year ended December 31, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

The prior year comparative information has been derived from the Village's 2011 financial statements and, in our report dated May 14, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements; 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. As discussed in Note 1 to the financial statements, the Village of Timberlane prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

BEGGIN TIPP LAMM LLC

524 West Stephenson Street, Suite 200
Freeport, Illinois 61032
Phone: 815-235-9610 • Fax: 815-235-9650
Website: BegginTippLamm.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Timberlane, Illinois, as of December 31, 2012, and the respective changes in financial position – modified cash basis for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

Other-Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Timberlane, Illinois financial statements as a whole. The supplementary information on pages 18 through 21 is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the responsibility of management and was derived from and relates 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 financial statements as a whole. The additional supplementary information on pages 22 and 23 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.

Beggio Tipp Lamm LLC

March 13, 2013

Village of Timberlane
Statement of Net Position - Modified Cash Basis
December 31, 2012
With Comparative Totals for December 31, 2011

	Governmental Activities	
	2012	2011
<u>Assets</u>		
Assets:		
Cash and cash equivalents	\$ 333,550	290,618
Capital assets:		
Non-depreciable	267,955	242,900
Depreciable, net of accumulated depreciation	787,608	810,750
Total assets	1,389,113	1,344,268
<u>Liabilities and Net Position</u>		
Liabilities:		
Noncurrent liabilities:		
Due within one year	22,709	362,678
Due in more than one year	326,243	-
Total liabilities	348,952	362,678
Net Position:		
Invested in capital assets	706,611	690,972
Restricted for maintenance of roads and bridges	40,167	42,610
Unrestricted	293,383	248,008
Total net position	\$ 1,040,161	981,590

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

Village of Timberlane

Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:				
General government	\$ 97,580	6,631	-	(87,757)
Highways and streets	42,950	-	22,808	(20,142)
Interest	17,916	-	-	(17,916)
Total governmental activities	\$ 158,446	6,631	22,808	(125,815)
			3,192	
			-	
			-	
			3,192	
General revenues:				
Taxes:				\$
Property taxes				83,518
State income tax				85,365
Sales and use tax				15,184
Total taxes				184,067
Investment income				319
Total general revenues				184,386
				58,571
Net assets:				
Beginning				981,590
Ending				\$ 1,040,161

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

Village of Timberlane

Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis
Governmental Funds

December 31, 2012

	<u>General Fund</u>	<u>Non-major Motor Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 293,383	40,167	333,550
Total assets	<u>293,383</u>	<u>40,167</u>	<u>333,550</u>
Liabilities:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted:			
Audit	10,938	-	10,938
Highways & streets	36,897	40,167	77,064
Orth Road improvement	71,126	-	71,126
Unassigned			
General	175,059	-	175,059
Liability insurance	(637)	-	(637)
Total fund balances	<u>293,383</u>	<u>40,167</u>	<u>333,550</u>
Total liabilities			
and fund balances	<u>\$ 293,383</u>	<u>40,167</u>	<u>333,550</u>

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

Village of Timberlane
 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 \$ 333,550

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:

Capital assets	\$	1,151,673	
Accumulated depreciation		<u>(96,110)</u>	1,055,563

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

Mortgage payable		<u>(348,952)</u>	
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Net position of governmental activities \$ 1,040,161

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

Village of Timberlane
Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2012

	<u>General Fund</u>	<u>Non-major Motor Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
Revenues received:			
Taxes:			
Property tax	\$ 83,518	-	83,518
Sales tax	858	-	858
Intergovernmental:			
State income tax	85,365	-	85,365
Local use tax	14,326	-	14,326
Motor fuel tax	-	22,808	22,808
Grants	-	3,192	3,192
Licenses, fees, and permits	6,631	-	6,631
Interest	284	35	319
Total revenues	<u>190,982</u>	<u>26,035</u>	<u>217,017</u>
Expenditures disbursed:			
Current:			
General government	74,438	-	74,438
Highways and streets	14,472	28,478	42,950
Capital expenditures	25,055	-	25,055
Debt service:			
Principal	13,726	-	13,726
Interest	17,416	-	17,416
Fiscal agent fees	500	-	500
Total expenditures	<u>145,607</u>	<u>28,478</u>	<u>174,085</u>
Net change in fund balance	45,375	(2,443)	42,932
Fund balances:			
Beginning	<u>248,008</u>	<u>42,610</u>	<u>290,618</u>
Ending	<u>\$ 293,383</u>	<u>40,167</u>	<u>333,550</u>

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

Village of Timberlane

Reconciliation of the Governmental Funds Statement of Revenues Received,
Expenditures Disbursed and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balances - total Governmental Funds \$ 42,932

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

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

Capital asset purchases capitalized	25,055
Depreciation expense	(23,142)

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

Debt payments	13,726
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Change in Net Position of Governmental Activities \$ 58,571

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

Village of Timberlane, Illinois
Notes to Financial Statements
December 31, 2012

1. Summary of Significant Accounting Policies

The basic financial statements of the Village of Timberlane, Illinois (the Village) have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Village's accounting policies are described below.

A. The Village was organized in 1995 and operates under a Board of Trustees form of government. The Village is not financially accountable for any component units or other entities.

B. Financial Reporting Entity

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

C. Fund Accounting

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets, and the servicing of long-term debt. The general fund is used to account for all activities of the general government not accounted for in some other fund.

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
December 31, 2012

1. Summary of Significant Accounting Policies (Continued)

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Village. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degrees 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.

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

The Village reports the following major governmental fund:

The General Fund accounts for all financial resources except those required to be accounted for in another fund. Generally, this fund is used to record the revenues and expenditures in connection with the general administration and maintenance activities.

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

Measurement Focus

The government-wide Statement of Net Position and Statement of Activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. Governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
 December 31, 2012

1. Summary of Significant Accounting Policies (Continued)

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

Basis of Accounting

In the government-wide Statement of Net Position, Statement of Activities and fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes revenues when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

These financial statements are modified from the cash basis method because the Village records fixed assets, depreciation, and long-term debt.

F. Cash and Cash Equivalents

The Village considers all cash on hand, demand deposits and short-term investments with a maturity of six months or less when purchased to be cash and cash equivalents.

G. Capital Assets

Capital assets, which include property, plant, equipment and vehicles, are reported in the applicable governmental activities columns in the government-wide financial statements. 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. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Capitalization</u>	<u>Years</u>
Land Improvements	\$1,000	20
Building & Improvements	\$1,000	20-40
Equipment	\$ 500	10
Streets	\$1,000	40

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
 December 31, 2012

1. Summary of Significant Accounting Policies (Continued)

H. Estimates

The preparation of financial statements in conformity with the modified cash basis method of accounting requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i. Property Taxes

The Village annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the Village Board. Property taxes are recognized as they are received. The 2011 property tax levy proceeds were reflected as revenue in the financial statements for the year ended December 31, 2012.

The property tax calendar for the 2011 tax levy was as follows:

Lien Date	January 1, 2011
Levy Date	December 15, 2011
First Installment due	June 11, 2012
Second Installment due	September 4, 2012

Payments must be made on these due dates or penalty will be assessed. The Village will receive distributions of tax receipts within the months of June, August, September and November. Tax bills were mailed at least 30 days prior to the first installment due date. Property taxes are billed and collected by the County Treasurer of Boone County, Illinois.

The Village's 2011 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

<u>Type of Levy</u>	<u>Rate Per \$ 100 of Assessed Valuation</u>	
	<u>Rate</u>	<u>Legal Maximum</u>
General	0.22205	0.43750
Audit	0.01036	None
Liability Insurance	<u>0.02899</u>	None
TOTAL VILLAGE	<u>0.26140</u>	

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
December 31, 2012

1. **Summary of Significant Accounting Policies (Continued)**

J. Fund Equity/Net Position

The Village implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* effective with the December 31, 2012 financial statements. Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent. Under the new GASB requirements, fund balances are divided into five classifications: non-spendable, restricted, committed, assigned and unassigned.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact. Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The Village reports restricted fund balance amounts for special revenue funds as they are imposed by tax levies. The Motor Fuel Tax fund balance is reported as restricted due to restraints externally imposed through regulation of the Illinois Department of Transportation.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the Village's Board of Trustees, and it takes an ordinance or resolution to establish a fund balance commitment. Amounts intended to be used for specific purposes would be considered assigned. Assignments should not cause deficits in the unassigned fund balance. Unassigned fund balance is the residual classification for the general fund.

When both restricted and unrestricted resources are available for use, the Village uses restricted resources first, and then unrestricted resources as they are needed. As of December 31, 2012, the Village only has restricted and unassigned fund balances.

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

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
December 31, 2012

1. Summary of Significant Accounting Policies (Continued)

K. Statement of Net Position

The Village implemented GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position, effective with the December 31, 2012 financial statements. GASB Statement 63 changes the title of the "Statement of Net Assets" to the "Statement of Net Position" and provides that deferred outflows should be reported in a separate section following assets and deferred inflows should be reported in a separate section following liabilities. As of December 31, 2012, the Village did not have any items that meet the definition of deferred inflows or deferred outflows in accordance with GASB Statement 63.

2. Cash and Deposits

The Village's investment policy includes all funds governed by the Board of Trustees. The policy requires the Village to invest public funds in a manner, which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of public funds. Investments may be made in any type allowed for in the Illinois Compiled Statutes (30ILCS 235) Public Funds Investment Act regarding the investment of public funds.

All of the Village's cash deposits are deposits invested in the Illinois Funds. The Illinois Funds Money Market Fund is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the Public Treasurer and other custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The monies invested by the individual participants are pooled together and invested in the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

The time deposits are collateralized 105% over FDIC or FSLIC \$250,000 insurance with U.S. Treasury obligations and marked to market on a daily basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations and the collateral is checked daily to determine sufficiency. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with individual participants' accounts.

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
December 31, 2012

2. Cash and Deposits (Continued)

		Cash and Deposits	
General Fund	\$	293,383	
Special Revenue Funds:			
Motor Fuel Fund		40,167	
Total	\$	333,550	

The monies held in these investments are allowable within the guidelines of the State Statutes and the Village's investment policy.

3. Capital Assets

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

		Beginning Balance	Increases	Decreases		Total
Capital assets not being depreciated:						
Land	\$	242,900	-	-		242,900
Construction in progress		-	25,055	-		25,055
		242,900	25,055	-		267,955
Capital assets being depreciated:						
Building & building improvements		484,931	-	-		484,931
Furniture and equipment		13,982	-	-		13,982
Infrastructure		384,805	-	-		384,805
Total capital assets being depreciated		883,718	-	-		883,718
Less accumulated depreciation for:						
Building & building improvements		48,493	12,123	-		60,616
Furniture and equipment		5,235	1,398	-		6,633
Infrastructure		19,240	9,621	-		28,861
Total capital assets being depreciated		72,968	23,142	-		96,110
Total capital assets being depreciated, net		810,750	(23,142)	-		787,608
Governmental activities capital assets, net	\$	1,053,650	1,913	-		1,055,563

All of the depreciation expense was for general government.

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
December 31, 2012

4. Long-Term Debt

The outstanding debt as of December 31, 2012 consists of the following individual amounts:

	Balances December 31	Current Portion
Secured promissary note for Village Hall construction on 12/15/12; principal amount \$348,952; monthly payments of \$2,656 are due until December 15, 2017 when a balloon payment of \$231,687 will be due; interest rate is 2.67%	\$ 348,952	22,709
Total outstanding debt	\$ 348,952	22,709

The annual requirements to amortize each outstanding long-term debt at year-end consists of the following:

Year Ending December 31,	Mortgage Loan		Total
	Principal	Interest	Payments
2013	\$ 22,709	9,166	31,875
2014	23,331	8,543	31,874
2015	23,971	7,904	31,875
2016	24,607	7,267	31,874
2017	254,334	6,572	260,906
Total	\$ 348,952	39,452	388,404

All debt service payments are paid for by the General Fund.

	Beginning Balance	New Issues	Retired	Ending Balance
Mortgage loan 2007	\$ 362,678	-	362,678	-
Mortgage loan 2012	-	348,952	-	348,952
	\$ 362,678	348,952	362,678	348,952

Legal Debt Margin

The Village's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 8.625% of its equalized assessed value of \$23,252,868. At December 31, 2012, the statutory limit for the Village was \$2,005,560 and the legal debt margin was \$1,656,608.

Village of Timberlane, Illinois
Notes to Financial Statements (Continued)
 December 31, 2012

5. Tort Liability Insurance

The Village is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Village has purchased commercial insurance to provide for any expenses that may result from the claims related to the aforementioned risks of loss. On November 15, 2012, the Village paid \$7,644 to the Illinois Municipal League Risk Management Association; \$5,710 for liability and \$1,934 for workers' compensation insurance. There have been no significant reductions in insurance coverage in the prior year. Claims settled from these risks have not exceeded commercial insurance coverage in any of the past three years. As of December 31, 2012, the Village has no open claims or assessments.

6. Subsequent Events

In 2012, structural damage was discovered on a large bridge leading to the indefinite closure of a portion of Orth Road. Engineering work started in September 2012 and the bridge is expected to be completed in late 2013. The total estimated cost is \$865,000; \$616,000 is expected to be paid by the Federal government, \$124,500 by Boone County and \$124,500 by the Village. The Village is in the process of applying for a DCEO grant to help pay for its portion of the bridge repair expense.

7. Changes in Restricted Fund Equity

The Village levies taxes for the following funds, which it records in the General Fund. During the fiscal year ended December 31, 2012, the following table shows a summary of the activity associated with these tax levies:

	Audit	Liability Insurance	Road and Bridge	Impact Fees
Beginning equity	\$ 12,517	271	52,176	71,096
Revenues	2,421	6,736	22,827	30
Expenditures	(4,000)	(7,644)	(38,106)	-
Ending equity	\$ 10,938	(637)	36,897	71,126

8. Deficit Fund Balance

The Liability Insurance Fund reported a deficit fund balance of \$637. It is anticipated that this deficit will be eliminated by a transfer from the General Fund during 2013.

Village of Timberlane
 Supplementary Information
 Schedule of Revenues Received, Expenditures Disbursed
 and Changes in Fund Balance - Budget and Actual
General Fund
 For the Year Ended December 31, 2012

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Taxes	\$ 84,046	84,046	84,376	330	81,165
Intergovernmental	81,071	81,071	99,691	18,620	77,827
Licenses, fees and permits	11,250	17,750	6,631	(11,119)	8,632
Other	1,300	1,300	284	(1,016)	135
	<u>177,667</u>	<u>184,167</u>	<u>190,982</u>	<u>6,815</u>	<u>167,759</u>
Expenditures disbursed:					
Current:					
General government	80,150	81,150	74,438	6,712	82,339
Highways and streets	37,500	36,000	14,472	21,528	26,019
Capital expenditures	500	500	25,055	(24,555)	-
Debt Service:					
Principal	13,000	13,000	13,726	(726)	14,345
Interest	19,000	19,000	17,416	1,584	18,583
Fiscal agent fees	-	500	500	-	-
	<u>150,150</u>	<u>150,150</u>	<u>145,607</u>	<u>4,543</u>	<u>141,286</u>
Net change in fund balance	<u>\$ 27,517</u>	<u>34,017</u>	<u>45,375</u>	<u>11,358</u>	<u>26,473</u>

Village of Timberlane, Illinois
Notes to Supplementary Information
December 31, 2012

Legal Compliance and Accountability

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

- A. Prior to January 1, the Village's President submits to the Board of Trustees a proposed operating budget for the calendar year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted prior to December 31 to obtain taxpayer comments.
- C. The budget is legally enacted through passage of an ordinance prior to January 1. This is the amount reported as original budget.
- D. Formal budgetary integration is not employed as a management control device during the year for any fund.
- E. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis method of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- F. Expenditures cannot legally exceed appropriations at the fund level.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/ budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.
- I. The Village made amendments to the original budget, which are reported in the supplementary financial information.
- J. Expenditures exceeded appropriations in the Motor Fuel Tax Fund by \$8,478.

Village of Timberlane
Schedule of Detailed Revenues Received and Expenditures Disbursed - Budget and Actual
General Fund

For the Year Ended December 31, 2012
 With Comparative Totals for December 31, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Taxes:					
Property	\$ 83,146	83,146	83,518	372	80,526
Sales tax	900	900	858	(42)	639
Total taxes	<u>84,046</u>	<u>84,046</u>	<u>84,376</u>	<u>330</u>	<u>81,165</u>
Intergovernmental:					
State income	68,182	68,182	85,365	17,183	65,330
Local use tax	12,889	12,889	14,326	1,437	12,497
Grants	-	-	-	-	-
Total intergovernmental	<u>81,071</u>	<u>81,071</u>	<u>99,691</u>	<u>18,620</u>	<u>77,827</u>
Licenses, fees and permits	11,250	17,750	6,631	(11,119)	8,632
Other revenue:					
Interest	200	200	284	84	135
Miscellaneous	1,100	1,100	-	(1,100)	-
Total revenue	<u>177,667</u>	<u>184,167</u>	<u>190,982</u>	<u>6,815</u>	<u>167,759</u>
Expenditures disbursed:					
General government:					
Salaries	36,850	36,850	32,221	4,629	32,097
Payroll taxes	-	-	2,471	(2,471)	2,474
Insurance	8,000	8,000	7,644	356	7,192
Automobile Allowance	3,000	3,000	1,690	1,310	2,786
Grounds	2,000	2,000	1,375	625	1,676
Maintenance-building	1,500	1,500	-	1,500	1,482
Permits and fees	3,500	5,000	5,276	(276)	3,182
Mosquito control	6,500	6,500	6,373	127	5,040
Professional services	3,500	1,500	1,430	70	3,243
Legal services	1,500	3,000	2,977	23	925
Engineering	5,000	5,000	3,568	1,432	14,722
Audit	2,500	2,500	4,000	(1,500)	2,500
Advertising and publishing	500	500	293	207	400
Telephone	1,500	1,500	1,262	238	1,205
Utilities	2,600	2,600	2,062	538	2,040
Dues	500	500	350	150	355
Miscellaneous	1,100	1,100	1,440	(340)	955
Contingency	100	100	6	94	65
Capital outlay	500	500	25,055	(24,555)	-
Total general government	<u>80,650</u>	<u>81,650</u>	<u>99,493</u>	<u>(17,843)</u>	<u>82,339</u>
Highways and streets:					
Equipment/roads	500	500	-	500	-
Streets-general	15,000	15,000	14,472	528	11,703
Snow removal	22,000	20,500	-	20,500	14,316
Total highways and streets	<u>37,500</u>	<u>36,000</u>	<u>14,472</u>	<u>21,528</u>	<u>26,019</u>
Debt Service:					
Principal	13,000	13,000	13,726	(726)	14,345
Interest	19,000	19,000	17,416	1,584	18,583
Fiscal agent fees	-	500	500	-	-
Total Debt Service	<u>32,000</u>	<u>32,500</u>	<u>31,642</u>	<u>858</u>	<u>32,928</u>
Total expenditures	<u>\$ 150,150</u>	<u>150,150</u>	<u>145,607</u>	<u>4,543</u>	<u>141,286</u>

Village of Timberlane
Schedule of Revenues Received, Expenditures Disbursed
and Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund
For the Year Ended December 31, 2012
With Comparative Totals for December 31, 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues received:					
Intergovernmental -					
Motor fuel taxes	\$ 22,183	22,183	22,808	625	20,573
Grants	-	-	3,192	3,192	10,725
Interest	-	-	35	35	17
Total revenues	<u>22,183</u>	<u>22,183</u>	<u>26,035</u>	<u>3,852</u>	<u>31,315</u>
Expenditures disbursed:					
Highways and streets:					
Streets-general	-	-	7,779	(7,779)	-
Snow removal	<u>20,000</u>	<u>20,000</u>	<u>20,699</u>	<u>(699)</u>	<u>19,680</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>28,478</u>	<u>(8,478)</u>	<u>19,680</u>
Net change in fund balance	\$ <u>2,183</u>	<u>2,183</u>	<u>(2,443)</u>	<u>(4,626)</u>	<u>11,635</u>

Village of Timberlane
Schedule of Assessments, Rates and Extensions

	2012		2011	
	<u>For Tax Year 2011</u>		<u>For Tax Year 2010</u>	
Assessed valuation	\$ 23,252,868		\$ 24,945,757	
Property tax rates	Maximum	Actual	Maximum	Actual
Corporate	0.43750	0.22205	0.43750	0.19747
Audit	0.00000	0.01036	0.00000	0.01003
Liability Insurance	0.00000	0.02899	0.00000	0.02807
Total tax rate		0.26140		0.23557
Property tax extensions				
Corporate		\$ 51,633		\$ 49,260
Audit		2,409		2,502
Liability Insurance		6,741		7,002
		60,783		58,765
Property tax collections				
Corporate		51,580		49,252
Audit		2,407		2,501
Liability Insurance		6,734		6,999
Total levied taxes collected		60,721		58,752
Percentage of extensions collected:		99.9%		100.0%
50% of Road & Bridge tax levied by townships		22,792		21,774
Total taxes collected		\$ 83,513		\$ 80,526

Village of Timberlane
 Schedule of Legal Debt Margin
 December 31, 2012

	2012	2011
Assessed Valuation *	\$ <u>23,252,868</u>	<u>24,945,757</u>
Statutory Debt Limitation (8.625% of Assessed Valuation)	<u>2,005,560</u>	<u>2,151,572</u>
General long-term debt	<u>348,952</u>	<u>362,678</u>
Total amount of debt applicable to debt limit	<u>348,952</u>	<u>362,678</u>
Legal Debt Margin	\$ <u>1,656,608</u>	<u>1,788,894</u>

* The assessed value for the year ended December 31, 2012 and 2011 is the assessed value for tax year 2011 and 2010, respectively.