

VILLAGE OF TIMBERLANE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

VILLAGE OF TIMBERLANE, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials.....	i
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT.....	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	9
Notes to Financial Statements.....	10 - 21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
General Fund.....	22
Motor Fuel Tax – Special Revenue Fund	23
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – General Fund	24
Schedule of Expenditures – General Fund.....	25
SUPPLEMENTAL SCHEDULES	
Schedule of Assess Valuation, Tax Rates, Tax Extension and Levied Taxes Collected	
Last Five Tax Levy Years.....	26 - 27
Schedule of Legal Debt Margin – Last Five Fiscal Years	28
Consolidate Year-End Financial Report	29

INTRODUCTORY SECTION

VILLAGE OF TIMBERLANE, ILLINOIS

**List of Principal Officials
December 31, 2018**

VILLAGE PRESIDENT

Stephen M. Rapp

BOARD OF TRUSTEES

Laura Herter

James Wehrle

William Hursh

Donna Leone

Christina Jones

VILLAGE CLERK

Debra Marner

VILLAGE TREASURER

Stacy Kleyn

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Individual Fund Budgetary Comparison Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

February 21, 2019

The Honorable Village President
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, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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 Village'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 Village'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 Village of Timberlane, Illinois, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as 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 Village of Timberlane, Illinois' basic financial statements. The introductory section, individual fund budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


LAUTERBACH & AMEN, LLP

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

Our discussion and analysis of the Village of Timberlane's financial performance provides an overview of the Village's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$49,960, or 2.6 percent.
- During the year, government-wide revenues for the primary government totaled \$268,641, while expenses totaled \$318,601, resulting in a decrease to net position of \$49,960.
- The Village's net position totaled \$1,858,641 on December 31, 2018, which includes \$1,226,673 net investment in capital assets, \$155,710 subject to external restrictions, and \$476,258 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$2,148, resulting in ending fund balance of \$593,094, a decrease of less than one percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3-5) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3-5 of this report.

The Statement of Net Position reports information on all of the Village's assets and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year.

VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village only reports governmental activities. The governmental activities of the Village include general government and highways and streets.

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 Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village are reported as governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Motor Fuel Tax Fund, which are considered major funds.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6-9 of this report.

VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

USING THIS ANNUAL REPORT – Continued

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 on pages 10-21 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's budgetary comparison schedules for the General Fund and Motor Fuel Tax Fund. Required supplementary information can be found on pages 22-23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets exceeded liabilities/deferred inflows by \$1,858,641.

	Net Position	
	2018	2017
Current Assets	\$ 700,003	710,063
Capital Assets	1,226,673	1,269,356
Total Assets	1,926,676	1,979,419
Other Liabilities	2,035	4,818
Deferred Inflows	66,000	66,000
Total Liabilities/Deferred Inflows	68,035	70,818
Net Position		
Net Investment in Capital Assets	1,226,673	1,269,356
Restricted	155,710	148,315
Unrestricted	476,258	490,930
Total Net Position	1,858,641	1,908,601

A large portion of the Village's net position, \$1,226,673 or 66.0 percent, reflects its investment in capital assets (for example, land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$155,710 or 8.4 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 25.6 percent, or \$476,258, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 4,180	5,410
Operating Grants/Contrib.	23,906	23,823
General Revenues		
Property Taxes	90,224	92,663
Utility Taxes	31,723	30,161
Income Taxes	89,446	85,787
Sales and Use Taxes	26,730	24,514
Other General Revenues	2,432	8,587
Total Revenues	<u>268,641</u>	<u>270,945</u>
Expenses		
General Government	61,303	121,774
Highways and Streets	257,298	126,535
Interest on Long-Term Debt	-	10,822
Total Expenses	<u>318,601</u>	<u>259,131</u>
Change in Net Position	(49,960)	11,814
Net Position - Beginning	<u>1,908,601</u>	<u>1,896,787</u>
Net Position - Ending	<u>1,858,641</u>	<u>1,908,601</u>

Net position of the Village's governmental activities decreased by 2.6 percent (\$1,908,601 in 2017 compared to \$1,858,641 in 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$476,258 at December 31, 2018.

VILLAGE OF TIMBERLANE, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2018**

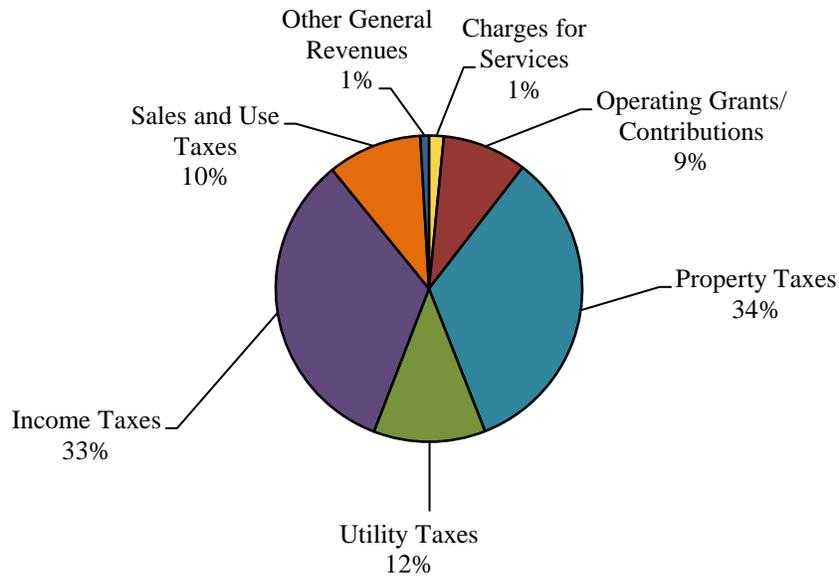
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

Revenues for governmental activities totaled \$268,641, while the cost of all governmental functions totaled \$318,601. This results in a deficit of \$49,960. In 2017, revenues of \$270,945 exceeded expenses of \$259,131, resulting in a surplus of \$11,814. Expenses in 2018 increased \$59,470 due mainly to an increase in highways and streets expenses.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes, utility taxes and income taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from sales and use taxes.

Revenues by Source - Governmental Activities



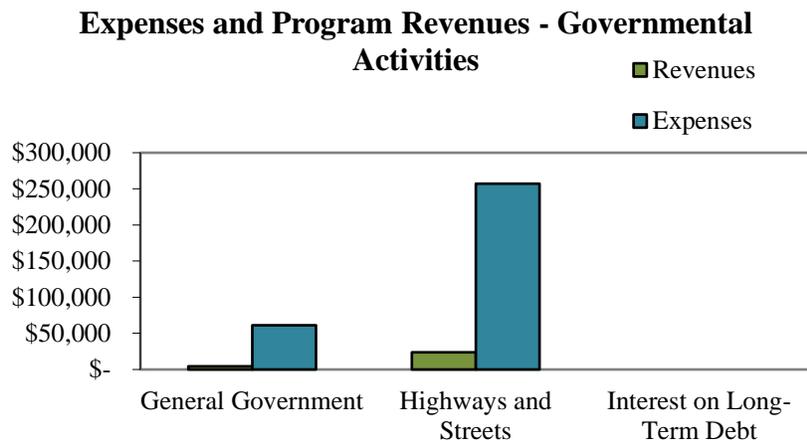
VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Timberlane uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$631,968, which is \$7,277, or 1.1 percent, lower than last year's total of \$639,245. Of the \$631,968 total, \$476,258, or approximately 75.4 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a negative change in fund balance for the year of \$2,148, a decrease of less than one percent. This was due in large part to licenses, fees and permits revenues being lower than budgeted by \$9,320 and the highways and streets expenditures being higher than budgeted by \$13,255. These variances is further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance on page 22.

VILLAGE OF TIMBERLANE, ILLINOIS

**Management’s Discussion and Analysis
December 31, 2018**

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS – Continued

Governmental Funds – Continued

The General Fund is the chief operating fund of the Village. At December 31, 2018, unassigned fund balance in the General Fund was \$476,258, which represents 80.3 percent of the total fund balance of the General Fund.

The Motor Fuel Tax Fund reported decrease in fund balance for the year of \$5,129. Ending fund balance of \$38,874 is restricted for future highways and streets qualifying expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village made one budget amendments to the General Fund and Motor Fuel Tax Fund during the year. General Fund actual revenues for the year totaled \$244,474, compared to budgeted revenues of \$254,163. Taxes and interest items were slightly higher than budgeted, while intergovernmental, licenses, fees and premits, and miscellaneous came in under budget for the year.

The General Fund actual expenditures for the year were \$1,592 lower than budgeted (\$246,622 actual compared to \$248,214 budgeted), due primarily to the Village spending more than what was budgeted on for highways and streets during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village’s investment in capital assets as of December 31, 2018 was \$1,226,673 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and infrastructure.

	<u>Capital Assets - Net of Depreciation</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 242,900	242,900
Furniture and Equipment	9	359
Infrastructure	983,764	1,026,097
Total	<u>1,226,673</u>	<u>1,269,356</u>

There were no capital asset additions in the current year.

Additional information on the Village’s capital assets can be found in note 3 on page 18 of this report.

VILLAGE OF TIMBERLANE, ILLINOIS

Management's Discussion and Analysis December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had no outstanding debt,

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$2,043,067.

Additional information on the Village's legal debt margin can be found in Note 3 on pages 19 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2019 budget, including the rising costs of labor and the continued need for infrastructure repairs. In the past year the Village had an engineering firm prepare a report evaluating all streets in the Village and the maintenance costs involved to maintain and repair these streets. The Village Board will use this report in the coming years to prioritize road projects.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Timberlane's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Hall at 2940 Charleston Court, Caledonia, IL 61011.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF TIMBERLANE, ILLINOIS

**Statement of Net Position
December 31, 2018**

ASSETS	
Current Assets	
Cash and Investments	\$ 625,854
Receivables - Net of Allowances	
Property Taxes	66,000
Other Taxes	2,063
Prepays	<u>6,086</u>
Total Current Assets	<u>700,003</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	242,900
Depreciable	<u>1,203,460</u>
	1,446,360
Accumulated Depreciation	<u>(219,687)</u>
Total Noncurrent Assets	<u>1,226,673</u>
Total Assets	<u>1,926,676</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 2,035

DEFERRED INFLOWS OF RESOURCES

Property Taxes	66,000
Total Liabilities and Deferred Inflows of Resources	<u>68,035</u>

NET POSITION

Investment in Capital Assets	1,226,673
Restricted	
Audit	16,777
Liability Insurance	5,435
Highways and Streets	60,119
Orth Road Improvement	73,379
Unrestricted	<u>476,258</u>
Total Net Position	<u><u>1,858,641</u></u>

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

VILLAGE OF TIMBERLANE, ILLINOIS

Statement of Activities
For the Fiscal Year Ended December 31, 2018

	Expenses	Program Revenues			Net (Expenses)/ Revenues
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 61,303	4,180	-	-	(57,123)
Highways and Streets	257,298	-	23,906	-	(233,392)
Total Governmental Activities	<u>318,601</u>	<u>4,180</u>	<u>23,906</u>	<u>-</u>	<u>(290,515)</u>
		General Revenues			
		Taxes			
				Property Taxes	90,224
				Utility Taxes	31,723
		Intergovernmental - Unrestricted			
				State Income Tax	89,446
				Sales and Use Tax	26,730
				Interest Income	2,432
					<u>240,555</u>
		Change in Net Position			(49,960)
		Net Position - Beginning			<u>1,908,601</u>
		Net Position - Ending			<u><u>1,858,641</u></u>

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

VILLAGE OF TIMBERLANE, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2018**

	General	<u>Special Revenue</u> Motor Fuel Tax	Totals
ASSETS			
Cash and Investments	\$ 588,158	37,696	625,854
Receivables - Net of Allowances			
Property Taxes	66,000	-	66,000
Other Taxes	34	2,029	2,063
Prepays	6,086	-	6,086
Total Assets	<u>660,278</u>	<u>39,725</u>	<u>700,003</u>
LIABILITIES			
Accounts Payable	1,184	851	2,035
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	66,000	-	66,000
Total Liabilities and Deferred Inflows of Resources	<u>67,184</u>	<u>851</u>	<u>68,035</u>
FUND BALANCES			
Restricted	116,836	38,874	155,710
Unassigned	476,258	-	476,258
Total Fund Balances	<u>593,094</u>	<u>38,874</u>	<u>631,968</u>

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

VILLAGE OF TIMBERLANE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

December 31, 2018

Total Governmental Fund Balances \$ 631,968

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 funds. 1,226,673

Net Position of Governmental Activities 1,858,641

VILLAGE OF TIMBERLANE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2018**

	General	Special Revenue Motor Fuel Tax	Totals
Revenues			
Taxes	\$ 121,947	-	121,947
Intergovernmental	116,176	23,906	140,082
Licenses, Fees and Permits	4,180	-	4,180
Interest	2,171	261	2,432
Total Revenues	<u>244,474</u>	<u>24,167</u>	<u>268,641</u>
Expenditures			
Current			
General Government	60,953	-	60,953
Highways and Streets	185,669	29,296	214,965
Total Expenditures	<u>246,622</u>	<u>29,296</u>	<u>275,918</u>
Net Change in Fund Balances	(2,148)	(5,129)	(7,277)
Fund Balances - Beginning	<u>595,242</u>	<u>44,003</u>	<u>639,245</u>
Fund Balances - Ending	<u><u>593,094</u></u>	<u><u>38,874</u></u>	<u><u>631,968</u></u>

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

VILLAGE OF TIMBERLANE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (7,277)

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Depreciation Expense (42,683)

Changes in Net Position of Governmental Activities (49,960)

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Timberlane (Village), Illinois was organized in 1995 and operates under a Board of Trustees form of government. The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). The Village's general administrative and highways and streets services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (general government, highways and streets, etc.). These functions are supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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. The net costs (by function) are normally covered by general revenue (property tax, intergovernmental revenues, interest income, etc.). The Village does not allocate indirect costs. This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. The Village's funds are all reported as governmental funds. The emphasis in fund financial statements is on the major funds.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses) for the determination of major funds.

A fund is considered major if it is the primary operating fund of the Village or total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined.

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund type is used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one special revenue fund. The Motor Fuel Tax Fund accounts for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and traffic signals.

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide Statement of Net Position and the Statement of Activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, licenses and interest revenue. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

VILLAGE OF TIMBERLANE, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$5,000 (\$25,000 for infrastructure assets), are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Furniture and Equipment	10 Years
Infrastructure	40 Years

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- Prior to January 1, the Village’s Treasurer 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.
- Public hearings are conducted prior to December 31 to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance prior to January 1. This is the amount reported as original budget.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- 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.
- Expenditures cannot legally exceed appropriations at the fund level.
- Budgetary authority lapses at year-end.
- 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.
- The Village made one amendment to the original budget.

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Village's deposits totaled \$498,194 and the bank balances totaled \$499,587. In addition, at year-end, the Village had \$127,660 invested in Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated by structuring the portfolio so that securities mature concurrent with cash need to meet anticipate demands. Since all possible cash demands cannot be anticipated, consideration should be given to investment in securities with active secondary or resale markets. A portion of the investment portfolio may be placed in money market and mutual funds or local government investment pools that offer the same day liquidity for short-term funds. No investment shall be made with maturity in excess of one year, except in connection with the refunding, defeasance, or payment of debt obligations. At year-end, the average maturity of the investment in Illinois Funds was less than one year.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy is to avoid unreasonable risk diversification of investments. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment portfolio is limited to relatively low risk securities. At year-end the Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third-party institution in the name of the Village. The collateralization level will be 110% of market value of principal and accrued interest. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village's investment policy states that all security transactions, including collateral for repurchase agreements, entered in to by the Village shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent, third-party custodian designated by the Village and evidenced by safekeeping receipts and a written custodial agreement. The Village's investment in the Illinois Funds is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Boone County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF TIMBERLANE, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 242,900	-	-	242,900
Depreciable Capital Assets				
Furniture and Equipment	13,982	-	-	13,982
Infrastructure	1,189,478	-	-	1,189,478
	<u>1,203,460</u>	-	-	<u>1,203,460</u>
Less Accumulated Depreciation				
Furniture and Equipment	13,623	350	-	13,973
Infrastructure	163,381	42,333	-	205,714
	<u>177,004</u>	<u>42,683</u>	-	<u>219,687</u>
 Total Net Depreciable Capital Assets	 <u>1,026,456</u>	 <u>(42,683)</u>	 -	 <u>983,773</u>
 Total Net Capital Assets	 <u>1,269,356</u>	 <u>(42,683)</u>	 -	 <u>1,226,673</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 350
Highways and Streets	<u>42,333</u>
	<u>42,683</u>

VILLAGE OF TIMBERLANE, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2017	<u>\$ 23,687,733</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>2,043,067</u>
Amount of Debt Applicable to Limit	
General Long-Term Debt	<u>-</u>
Legal Debt Margin	<u>2,043,067</u>

NET POSITION/FUND BALANCE

Investment in Capital Assets

Investment in capital assets was comprised of the following as of December 31, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 1,226,673</u>

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

VILLAGE OF TIMBERLANE, ILLINOIS

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Motor Fuel Tax	Totals
Fund Balances			
Restricted			
Audit	\$ 16,777	-	16,777
Libility Insurance	5,435	-	5,435
Highways and Streets	21,245	38,874	60,119
Orth Road Improvement	73,379	-	73,379
	<u>116,836</u>	<u>38,874</u>	<u>155,710</u>
Unassigned	<u>476,258</u>	-	<u>476,258</u>
Total Fund Balances	<u>593,094</u>	<u>38,874</u>	<u>631,968</u>

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF TIMBERLANE, ILLINOIS

Notes to the Financial Statements December 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Litigation

The Village is not a defendant in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

OTHER POST-EMPLOYMENT BENEFITS PLAN

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules
 - General Fund
 - Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF TIMBERLANE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 121,000	121,000	121,947
Intergovernmental	117,563	117,563	116,176
Licenses, Fees and Permits	13,500	13,500	4,180
Interest	1,000	1,000	2,171
Miscellaneous	1,100	1,100	-
Total Revenues	<u>254,163</u>	<u>254,163</u>	<u>244,474</u>
Expenditures			
Current			
General Government	75,100	75,100	60,953
Highways and Streets	182,414	172,414	185,669
Capital Outlay	700	700	-
Total Expenditures	<u>258,214</u>	<u>248,214</u>	<u>246,622</u>
Net Change in Fund Balance	<u>(4,051)</u>	<u>5,949</u>	<u>(2,148)</u>
Fund Balance - Beginning			<u>595,242</u>
Fund Balance - Ending			<u><u>593,094</u></u>

VILLAGE OF TIMBERLANE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 24,051	24,051	23,906
Interest	-	-	261
Total Revenues	<u>24,051</u>	<u>24,051</u>	<u>24,167</u>
Expenditures			
Highways and Streets			
Streets - General	-	-	950
Snow Removal	20,000	30,000	28,346
Total Expenditures	<u>20,000</u>	<u>30,000</u>	<u>29,296</u>
Net Change in Fund Balance	<u>4,051</u>	<u>(5,949)</u>	<u>(5,129)</u>
Fund Balance - Beginning			<u>44,003</u>
Fund Balance - Ending			<u><u>38,874</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedule include:

- Individual Fund Budgetary Comparison Schedule
General Fund

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund accounts for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and traffic signals.

VILLAGE OF TIMBERLANE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 86,000	86,000	90,224
Utility Tax	35,000	35,000	31,723
Total Taxes	121,000	121,000	121,947
Intergovernmental			
State Income Tax	92,933	92,933	89,446
State Sales Tax	1,000	1,000	591
Local Use Tax	23,630	23,630	26,139
Total Intergovernmental	117,563	117,563	116,176
Licenses, Fees and Permits	13,500	13,500	4,180
Interest	1,000	1,000	2,171
Miscellaneous			
Other	1,100	1,100	-
Total Revenues	254,163	254,163	244,474

VILLAGE OF TIMBERLANE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
General Government			
Salaries	\$ 25,000	25,000	26,622
Payroll Taxes	-	-	2,104
Insurance	6,500	6,500	5,936
Automobile Allowance	500	500	50
Permits and Fees	10,000	10,000	3,171
Mosquito Control	5,000	5,000	2,832
Professional Services	1,200	1,200	152
Legal Services	3,000	3,000	3,732
Engineering	15,000	15,000	7,807
Audit	5,000	5,000	5,000
Advertising and Publishing	500	500	363
Rent	100	100	100
General Supplies	1,500	1,500	1,662
Web Site	200	200	107
Telephone	1,000	1,000	1,055
Dues	500	500	215
Contingency	100	100	45
Total General Government	<u>75,100</u>	<u>75,100</u>	<u>60,953</u>
Highways and Streets			
Equipment - Roads	500	500	-
Street Lighting	500	500	513
Streets - General	161,414	141,414	159,987
Snow Removal	20,000	30,000	25,169
Total Highways and Streets	<u>182,414</u>	<u>172,414</u>	<u>185,669</u>
Capital Outlay	<u>700</u>	<u>700</u>	<u>-</u>
Total Expenditures	<u>258,214</u>	<u>248,214</u>	<u>246,622</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF TIMBERLANE, ILLINOIS

**Schedule of Assessed Valuation, Tax Rates, Tax Extension and Levied Taxes Collected
Last Five Tax Levy Years
December 31, 2018**

See Following Page

VILLAGE OF TIMBERLANE, ILLINOIS

**Schedule of Assessed Valuation, Tax Rates, Tax Extension and Levied Taxes Collected
Last Five Tax Levy Years
December 31, 2018**

	<u>2013</u>
Assessed Valuation	<u>\$ 20,480,322</u>
Tax Rates	
Corporate	0.24321
Audit	0.04053
Liability Insurance	<u>0.02051</u>
Total Tax Rates	<u><u>0.30425</u></u>
Tax Extensions	
Corporate	\$ 49,810
Audit	8,300
Liability Insurance	<u>4,200</u>
Total Tax Extensions	<u><u>62,310</u></u>
Levied Taxes Collected	
Corporate	\$ 49,787
Audit	8,297
Liability Insurance	<u>4,199</u>
Total Levied Taxes Collected	<u><u>62,283</u></u>
Percentage of Extensions Collected	<u><u>99.96%</u></u>
50% of Road and Bridge Tax Levied by Townships	<u>\$ 25,958</u>
Total Taxes Collected	<u><u>\$ 88,241</u></u>

2014	2015	2016	2017
20,415,219	21,664,436	23,973,714	23,687,733
0.24492	0.22919	0.20679	0.21108
0.02156	0.02293	0.02069	0.02111
0.04213	0.04127	0.04137	0.02745
0.30861	0.29339	0.26885	0.25964
50,001	49,653	49,575	50,000
4,402	4,967	4,960	5,000
8,603	8,941	9,918	6,502
63,006	63,561	64,453	61,502
49,916	49,605	49,530	49,973
4,394	4,962	4,956	4,997
8,586	8,932	9,909	6,498
62,896	63,499	64,395	61,468
99.83%	99.90%	99.91%	99.94%
26,136	26,715	28,268	28,755
89,032	90,214	92,663	90,223

VILLAGE OF TIMBERLANE, ILLINOIS

**Schedule of Legal Debt Margin - Last Five Fiscal Years
December 31, 2018**

	2014	2015	2016	2017	2018
Assessed Valuation	\$ 20,480,322	20,415,219	21,664,436	23,973,714	23,687,733
Statutory Debt Limitation (8.625% of Assessed Valuation)	1,766,428	1,760,813	1,868,558	2,067,733	2,043,067
Amount of Debt Applicable to Debt General Long-Term Debt	455,684	356,991	355,891	-	-
Legal Debt Margin	1,310,744	1,403,822	1,512,667	2,067,733	2,043,067

VILLAGE OF TIMBERLANE, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2018**

<u>CSFA #</u>	<u>Program Name</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
494-00-1488	Motor Fuel Tax Program	\$ 29,296	-	-	29,296
	All Other Costs Not Allocated	-	-	289,305	289,305
	Totals	<u>29,296</u>	<u>-</u>	<u>289,305</u>	<u>318,601</u>