VILLAGE OF TIMBERLANE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

VILLAGE OF TIMBERLANE, ILLINOIS

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Financial Section

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 Village of Timberlane, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

The prior year comparative information has been derived from the Village's 2012 financial statements and, in our report dated March 13, 2013, 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 in accordance with the modified cash basis of accounting described in Note 1 to the financial statements; this includes determining that the modified cash basis is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – 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, 2013, 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other-Matters

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 supplementary information on pages 18 through 21 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The additional supplementary information on pages 22 and 23 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.

Benning Tipp Lemon LLC

Freeport, Illinois
February 13, 2014

Village of Timberlane

Statement of Net Position - Modified Cash Basis

December 31, 2013

With Comparative Totals for December 31, 2012

		Governmental Activities 2013	2012
Assets			
Assets:			
Cash and cash equivalents	$	379,752	333,550
Capital assets:			
Non-depreciable		292,615	267,955
Depreciable, net of accumulated depreciation		764,466	787,608
Total assets		1,436,833	1,389,113
Liabilities and Net Position			
Liabilities:			
Noncurrent liabilities:			
Due within one year		23,331	22,709
Due in more than one year		302,102	326,243
Total liabilities		325,433	348,952
Net Position:			
Invested in capital assets		731,648	706,611
Restricted for maintenance of roads and bridges		29,984	40,167
Unrestricted		349,768	293,383
Total net position	$	1,111,400	1,040,161

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, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities:					
General government	$ 75,226	13,714	-	-	(61,512)
Highways and streets	118,582	-	22,449	3,192	(92,941)
Interest	9,410	-	-	-	(9,410)
Total governmental activities	$ 203,218	13,714	22,449	3,192	(163,863)

General revenues:	
Taxes:	
Property taxes	$ 86,380
State income tax	97,028
Sales and use tax	16,032
Utility tax	35,558
Total taxes	234,998
Investment income	104
Total general revenues	235,102
Change in net position	71,239
Net assets:	
Beginning	1,040,161
Ending	$ 1,111,400

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, 2013

		General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	$	349,768	29,984	379,752
Total assets		349,768	29,984	379,752
Liabilities:		-	-	-
Fund balances:				
Restricted:				
Audit		11,395	-	11,395
Highways & streets		24,660	29,984	54,644
Orth Road improvement		71,233	-	71,233
Unassigned:				
General		242,480	-	242,480
Total fund balances		349,768	29,984	379,752
Total liabilities and fund balances	$	349,768	29,984	379,752

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, 2013

Fund balances of Governmental Funds			$	379,752
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:				
Capital assets	$	1,176,333		
Accumulated depreciation		(119,252)		1,057,081
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:				
Mortgage payable				(325,433)
Net position of governmental activities			$	1,111,400

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, 2013

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues received:			
Taxes:			
Property tax	$ 86,380	-	86,380
Sales tax	519	-	519
Utility tax	35,558	-	35,558
Intergovernmental:			
State income tax	97,028	-	97,028
Local use tax	15,513	-	15,513
Motor fuel tax	-	22,449	22,449
Grants	-	3,192	3,192
Licenses, fees, and permits	8,614	-	8,614
Rental income	5,100	-	5,100
Interest	95	9	104
Total revenues	248,807	25,650	274,457
Expenditures disbursed:			
Current:			
General government	61,704	-	61,704
Highways and streets	73,129	35,833	108,962
Capital expenditures	24,660	-	24,660
Debt service:			
Principal	23,519	-	23,519
Interest	9,410	-	9,410
Total expenditures	192,422	35,833	228,255
Net change in fund balance	56,385	(10,183)	46,202
Fund balances:			
Beginning	293,383	40,167	333,550
Ending	$ 349,768	29,984	379,752

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, 2013

Net Change in Fund Balances - total Governmental Funds	$	46,202
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		24,660
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		23,519
Change in Net Position of Governmental Activities	$	71,239

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

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.

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 funds:

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.

The Motor Fuel Tax Fund accounts for the state allotments used to fund the street maintenance.

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.

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:

Assets	Capitalization	Years
Land Improvements	$1,000	20
Building & Improvements	$1,000	20-40
Equipment	$ 500	10
Streets	$1,000	40

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 2012 property tax levy proceeds were reflected as revenue in the financial statements for the year ended December 31, 2013.

The property tax calendar for the 2012 tax levy was as follows:

Lien Date	January 1, 2012
Levy Date	December 20, 2012
First Installment due	June 3, 2013
Second Installment due	September 3, 2013

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 2012 tax rates per $100 of assessed valuation together with the related maximum tax rates are as follows:

	Rate Per $ 100 of Assessed Valuation	
Type of Levy	Rate	Legal Maximum
General	0.24425	0.43750
Audit	0.02008	None
Liability Insurance	0.03632	None
TOTAL VILLAGE	0.30065	

1. Summary of Significant Accounting Policies (Continued)

J. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent. Under the requirements for GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, 2013, the Village only has restricted and unassigned fund balances.

In the government-wide financial statements, restricted net position is 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 position that does not meet the definition of "restricted" or "invested in capital assets" is classified as unrestricted net position.

1. Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows and Inflows of Resources

The Village implemented GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* effective with the December 31, 2012 financial statements, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities***,** effective with the December 31, 2013 financial statements. GASB Statement 63 changes the title of the "Statement of Net Assets" to the "Statement of Net Position" and also standardizes the presentation of deferred outflows of resources and deferred inflows of resources. Under GASB Statements 63 and 65, certain items previously reported as assets are now reported as deferred outflows of resources in a separate section following total assets, and certain items previously reported as liabilities are now reported as deferred inflows of resources in a separate section following total liabilities. As of December 31, 2013, the Village did not have any items that meet the definition of deferred inflows or deferred outflows in accordance with GASB Statements 63 and 65.

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 U.S. Treasury securities, backed by full faith and credit of the U.S. Government, and U.S. Agency securities, backed by an implied full faith and credit guarantee of the U.S. Government. In addition, monies are invested in commercial paper of the highest rated U.S. firms, in collateralized repurchase agreements, and in U.S. Government mutual funds that invest in U.S. Government obligations and collateralized repurchase agreements.

2. Cash and Deposits (Continued)

The repurchase agreements are collateralized at 102% with U.S. Treasury and Agency 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 each individual participants' account.

		Cash and Deposits
General Fund	$	349,768
Special Revenue Funds:		
Motor Fuel Fund		29,984
Total	$	379,752

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, 2013 was as follows:

		Beginning Balance	Increases	Decreases	Total
Capital assets not being depreciated:					
Land	$	242,900	-	-	242,900
Construction in progress		25,055	24,660	-	49,715
		267,955	24,660	-	292,615
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		60,616	12,123	-	72,739
Furniture and equipment		6,633	1,399	-	8,032
Infrastructure		28,861	9,620	-	38,481
Total capital assets being depreciated		96,110	23,142	-	119,252
Total capital assets being depreciated, net		787,608	(23,142)	-	764,466
Governmental activities captial assets, net	$	1,055,563	1,518	-	1,057,081

All of the depreciation expense was for general government.

4. Long-Term Debt

The outstanding debt as of December 31, 2013 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%	$	325,433	23,331
Total outstanding debt	$	325,433	23,331

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

Year Ending		Mortgage Loan		Total
December 31,		Principal	Interest	Payments
2014	$	23,331	8,543	31,874
2015		23,971	7,904	31,875
2016		24,607	7,267	31,874
2017		253,524	6,572	260,096
Total	$	325,433	30,286	355,719

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

		Beginning Balance	New Issues	Retired	Ending Balance
Mortgage loan 2012	$	348,952	-	23,519	325,433

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 $20,925,830. At December 31, 2013, the statutory limit for the Village was $1,804,853 and the legal debt margin was $1,479,420.

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 21, 2013, the Village paid $8,134 to the Illinois Municipal League Risk Management Association; $5,826 for liability and $2,308 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, 2013, 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 but the work was delayed due to the discovery of mussels, which were assumed to be threatened or endangered species. In August 2013, it was determined that this was not the case and work on the bridge can be resumed in mid-April 2014. The bridge is expected to be completed by the end of July 2014. 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 still waiting to receive a DCEO grant for $30,000 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, 2013, the following table shows a summary of the activity associated with these tax levies:

	Audit	Liability Insurance	Road and Bridge	Impact Fees
Beginning equity	$ 10,938	(637)	36,897	71,126
Revenues	4,201	7,591	59,118	22
Expenditures	(4,200)	(9,216)	(71,355)	-
Adjustments/transfers	456	2,262	-	85
Ending equity	$ 11,395	-	24,660	71,233

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, 2013

		2013				2012
		Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:						
Taxes	$	108,811	108,811	122,457	13,646	84,376
Intergovernmental		122,746	122,746	112,541	(10,205)	99,691
Licenses, fees and permits		14,550	14,550	8,614	(5,936)	6,631
Other		950	950	5,195	4,245	284
		247,057	247,057	248,807	1,750	190,982
Expenditures disbursed:						
Current:						
General government		116,567	116,567	61,704	54,863	74,438
Highways and streets		100,500	100,500	73,129	27,371	14,472
Capital expenditures		500	500	24,660	(24,160)	25,055
Debt Service:						
Principal		23,000	23,000	23,519	(519)	13,726
Interest		9,000	9,000	9,410	(410)	17,416
Fiscal agent fees		-	-	-	-	500
Total expenditures		249,567	249,567	192,422	57,145	145,607
Net change in fund balance	$	(2,510)	(2,510)	56,385	58,895	45,375

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 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.

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 no amendments to the original budget.

J. Expenditures exceeded appropriations in the Motor Fuel Tax Fund by $15,833.

Village of Timberlane
Schedule of Detailed Revenues Received and Expenditures Disbursed - Budget and Actual
General Fund
For the Year Ended December 31, 2013
With Comparative Totals for December 31, 2012

	2013 Original Budget	2013 Final Budget	2013 Actual	2013 Variance Positive (Negative)	2012 Actual
Revenues received:					
Taxes:					
Property	$ 82,911	82,911	86,380	3,469	83,518
Sales tax	900	900	519	(381)	858
Utility tax	25,000	25,000	35,558	10,558	-
Total taxes	108,811	108,811	122,457	13,646	84,376
Intergovernmental:					
State income	77,989	77,989	97,028	19,039	85,365
Local use tax	14,757	14,757	15,513	756	14,326
Grants	30,000	30,000	-	(30,000)	-
Total intergovernmental	122,746	122,746	112,541	(10,205)	99,691
Licenses, fees and permits	14,550	14,550	8,614	(5,936)	6,631
Other revenue:					
Interest	350	350	95	(255)	284
Rental income	600	600	5,100	4,500	-
Total revenue	247,057	247,057	248,807	1,750	190,982
Expenditures disbursed:					
General government:					
Salaries	36,000	36,000	28,239	7,761	32,221
Payroll taxes	-	-	2,169	(2,169)	2,471
Insurance	8,000	8,000	8,134	(134)	7,644
Automobile Allowance	2,000	2,000	726	1,274	1,690
Grounds	2,000	2,000	1,196	804	1,375
Maintenance-building	1,500	1,500	542	958	-
Permits and fees	10,000	10,000	4,220	5,780	5,276
Mosquito control	6,467	6,467	5,648	819	6,373
Professional services	2,000	2,000	-	2,000	1,430
Legal services	3,000	3,000	1,082	1,918	2,977
Engineering	35,000	35,000	534	34,466	3,568
Audit	4,200	4,200	4,200	-	4,000
Advertising and publishing	500	500	70	430	293
Telephone	1,500	1,500	1,215	285	1,262
Utilities	2,500	2,500	2,179	321	2,062
Dues	500	500	353	147	350
Miscellaneous	1,300	1,300	1,144	156	1,440
Contingency	100	100	53	47	6
Capital outlay	500	500	24,660	(24,160)	25,055
Total general government	117,067	117,067	86,364	30,703	99,493
Highways and streets:					
Equipment/roads	500	500	-	500	-
Streets-general	80,000	80,000	68,320	11,680	14,472
Snow removal	20,000	20,000	4,809	15,191	-
Total highways and streets	100,500	100,500	73,129	27,371	14,472
Debt Service:					
Principal	23,000	23,000	23,519	(519)	13,726
Interest	9,000	9,000	9,410	(410)	17,416
Fiscal agent fees	-	-	-	-	500
Total Debt Service	32,000	32,000	32,929	(929)	31,642
Total expenditures	$ 249,567	249,567	192,422	57,145	145,607

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, 2013
With Comparative Totals for December 31, 2012

	2013				2012
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues received:					
Intergovernmental -					
Motor fuel taxes	$ 22,510	22,510	22,449	(61)	22,808
Grants	-	-	3,192	3,192	3,192
Interest	-	-	9	9	35
Total revenues	22,510	22,510	25,650	3,140	26,035
Expenditures disbursed:					
Highways and streets:					
Streets-general	-	-	1,035	(1,035)	7,779
Snow removal	20,000	20,000	34,798	(14,798)	20,699
Total expenditures	20,000	20,000	35,833	(15,833)	28,478
Net change in fund balance	$ 2,510	2,510	(10,183)	(12,693)	(2,443)

Village of Timberlane
Schedule of Assessments, Rates and Extensions

	2013		2012	
	For Tax Year 2012		For Tax Year 2011	
Assessed valuation		$ 20,925,830		$ 23,252,868
Property tax rates				
	Maximum	Actual	Maximum	Actual
Corporate	0.43750	0.24425	0.43750	0.22205
Audit	0.00000	0.02008	0.00000	0.01036
Liability Insurance	0.00000	0.03632	0.00000	0.02899
Total tax rate		0.30065		0.26140
Property tax extensions				
Corporate		$ 51,111		$ 51,633
Audit		4,202		2,409
Liability Insurance		7,600		6,741
		62,914		60,783
Property tax collections				
Corporate		51,044		51,580
Audit		4,196		2,407
Liability Insurance		7,590		6,734
Total levied taxes collected		62,830		60,721
Percentage of extensions collected:		99.9%		99.9%
50% of Road & Bridge tax levied by townships		23,548		22,792
Total taxes collected		$ 86,378		$ 83,513

Village of Timberlane
Schedule of Legal Debt Margin
December 31, 2013

		2013	2012
Assessed Valuation *	$	20,925,830	23,252,868
Statutory Debt Limitation (8.625% of Assessed Valuation)		1,804,853	2,005,560
General long-term debt		325,433	348,952
Total amount of debt applicable to debt limit		325,433	348,952
Legal Debt Margin	$	1,479,420	1,656,608

* The assessed value for the year ended December 31, 2013 and 2012 is the assessed value for tax year 2012 and 2011, respectively.