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**TOWN OF SHIELDS
LAKE COUNTY, ILLINOIS**

GENERAL PURPOSE FINANCIAL REPORT

FEBRUARY 28, 2014

TOWN OF SHIELDS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Shields
Lake Bluff, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Town of Shields (Township), Lake County, Illinois as of and for the year ended February 28, 2014, and the related notes to the financial statements, which collectively comprise the Township'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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting 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 the 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 Township'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 Township'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 modified cash basis financial position of the governmental activities and each major fund of Town of Shields as of February 28, 2014, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 opinions are not modified with respect to this matter.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 6 and 24 through 37, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

Other Information – Change in Accounting Principle

As discussed in Note 15 to the financial statements, the Township implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
July 7, 2014

SUPPLEMENTAL INFORMATION

TOWN OF SHIELDS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Town of Shields (Township), we offer readers of the Township's statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended February 28, 2014.

FINANCIAL HIGHLIGHTS

- Net Position decreased \$49,461 compared to the prior year.
- Of the total capital assets of \$1,389,017, 60%, or \$835,818, are allocated to the Road and Bridge Fund. The remainder is allocated to the General Fund.
- At February 28, 2014, the General Fund and Road and Bridge Fund combine to report ending fund balances of \$1,379,736, an increase of \$7,438 from the prior year. Of this total amount, \$327,174 is restricted, \$154,584 is assigned in the Road and Bridge Fund, and the balance (\$897,978) is available to meet the obligations of the Township (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The Statement of Net Position – Modified Cash Basis presents information on all of the Township's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference 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 Township is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported on the cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurs.

Both of the government-wide financial statements distinguish functions of the Township 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 governmental activities of the Township include general government, assessor, road and bridge, and community assistance and services. The Township does not have any business-type activities.

The government-wide financial statements can be found on pages 7 and 8 of this report.

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 Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are 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, unlike the government-wide financial statements, 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 a government'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 Township's near-term financing decisions. Both the governmental fund Balance Sheet – Modified Cash Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet – Modified Cash Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis for the General Fund and Road and Bridge Fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 9 through 12 of this report.

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 13 through 23 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information concerning the Township's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The Township adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The budgetary comparison statements and related notes can be found on pages 24 through 36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,719,804 at the close of the most recent fiscal year.

Town of Shields' Net Position

	Governmental Activities	
	2/28/2014	2/29/2013
Current and Other Assets	\$ 1,383,123	\$ 1,371,885
Capital Assets	1,389,017	1,443,887
Total Assets	<u>\$ 2,772,140</u>	<u>\$ 2,815,772</u>
Long-Term Liabilities Outstanding	\$ 48,949	\$ 46,920
Other Liabilities	3,387	(413)
Total Liabilities	<u>\$ 52,336</u>	<u>\$ 46,507</u>
Net Position		
Net Investment in Capital Assets	\$ 1,389,017	\$ 1,443,887
Restricted	323,406	300,996
Unrestricted	1,007,381	1,024,382
Total Net Position	<u><u>\$ 2,719,804</u></u>	<u><u>\$ 2,769,265</u></u>

The largest portion of the Township's net position (\$1,389,017) reflects its investment in capital assets (e.g., land, buildings, leasehold improvements, infrastructure, furniture and fixtures, machinery and equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. A majority of these assets (60%) are allocated to Road and Bridge.

An additional portion of the Township's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position for the Township as a whole.

The Township's net position decreased by \$49,461 during the current fiscal year. The difference is primarily attributable to a decrease in General Fund property tax revenue of \$180,997.

Governmental activities - Governmental activities decreased the Township's net position by \$49,461. Key elements of this decrease are as follows:

	Governmental Activities	
	2/28/2014	2/29/2013
Revenues		
Program Revenues		
Charges for Services	\$ 1,455	\$ 6,511
Operating Grants and Contributions	200,946	185,875
General Revenues		
Property Taxes	912,191	1,083,730
Motor Fuel Tax	4,486	3,809
Personal Property Replacement Tax	47,326	41,343
Unrestricted Investment Earnings	579	1,311
Other	9,223	7,603
Total Revenues	<u>\$ 1,176,206</u>	<u>\$ 1,330,182</u>
Expenses		
General Government	\$ 450,263	\$ 521,370
Assessor	290,534	272,889
Road and Bridge	244,128	331,936
Community Assistance and Services	228,665	254,192
Depreciation - Unallocated	12,077	12,077
Total Expenses	<u>\$ 1,225,667</u>	<u>\$ 1,392,464</u>
Increase/(Decrease) in Net Position	\$ (49,461)	\$ (62,282)
Net Position - Beginning of Year	<u>2,769,265</u>	<u>2,831,547</u>
Net Position - End of Year	<u>\$ 2,719,804</u>	<u>\$ 2,769,265</u>

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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

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

The fund balance of the Township's General Fund decreased by \$47,324 and the Road and Bridge Fund increased by \$54,762 during the current fiscal year. The decrease in the General Fund balance is primarily due to a decrease in property tax revenue of \$180,997 resulting from a 7.6% decrease in property values for tax year 2012 compared to tax year 2011 along with a decrease in the levy rate. The increase in the Road and Bridge Fund balance is primarily due to a decrease of total fund expenses of \$82,196 compared to the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Significant differences between the budget and actual revenues and expenditures are summarized as follows:

- HUD Grant revenues exceeded budgeted HUD Grant revenues by \$200,946. In total, actual revenues exceeded budgeted revenues by \$223,928.
- Actual expenditures exceeded budgeted expenditures by \$91,727. This was primarily attributable to expenditures related to the HUD Grant for which there was no budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Township’s investment in capital assets for its governmental activities as of February 28, 2014 amounts to \$1,389,017 (net of accumulated depreciation). This investment in capital assets includes land, buildings, leasehold improvements, infrastructure, furniture and fixtures, machinery and equipment, and vehicles. The net decrease in the Township’s investment in capital assets for the current fiscal year was \$54,870 and was primarily due to current year depreciation expense.

Town of Shields' Capital Assets
(net of depreciation)

	Governmental Activities	
	2/28/2014	2/29/2013
Land	\$ 486,499	\$ 486,499
Buildings	2,911	3,175
Leasehold Improvements	58,447	69,406
Infrastructure	796,942	829,638
Furniture and Fixtures	5,335	6,178
Machinery and Equipment	8,671	11,090
Vehicles	30,212	37,901
Total	<u>\$ 1,389,017</u>	<u>\$ 1,443,887</u>

Additional information on the Township’s capital assets can be found in note 3 on page 19 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Trustees of the Township considered various factors in preparing the appropriations ordinance for the Township which was adopted for the 2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township’s finances for all those with an interest in the Township’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Shields, 906 Muir Ave., Lake Bluff, Illinois 60044.

BASIC FINANCIAL STATEMENTS

TOWN OF SHIELDS
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FEBRUARY 28, 2014

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 999,818
Investments	373,242
Due from Other Governments	10,063
Capital Assets	
Land	486,499
Other Capital Assets, Net of Depreciation	902,518
Total Assets	\$ 2,772,140
 LIABILITIES	
Unremitted Payroll Withholdings	\$ 3,387
Net Pension Obligation	23,902
Non-Current Liabilities	
Due Within One Year	25,047
Total Liabilities	\$ 52,336
 NET POSITION	
Net Investment in Capital Assets	\$ 1,389,017
Restricted for:	
Road and Bridge	232,966
Illinois Municipal Retirement	46,517
Housing and Urban Development	43,923
Unrestricted / (Deficit)	1,007,381
Total Net Position	\$ 2,719,804

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED FEBRUARY 28, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
Governmental Activities		Charges for Services	Operating Grants and Contributions	Governmental Activities
General Government	\$ 450,263	\$ 1,455	\$ -	\$ (448,808)
Assessor	290,534	-	-	(290,534)
Road and Bridge	244,128	-	-	(244,128)
Community Assistance and Services	228,665	-	200,946	(27,719)
Depreciation - Unallocated	12,077	-	-	(12,077)
Total Governmental Activities	\$ 1,225,667	\$ 1,455	\$ 200,946	\$ (1,023,266)
General Revenues				
Taxes				
Property Taxes				\$ 912,191
Motor Fuel Tax				4,486
Personal Property Replacement Taxes				47,326
Unrestricted Investment Earnings				579
Other Income				9,223
Total General Revenues				\$ 973,805
Change in Net Position				\$ (49,461)
Net Position - Beginning of Year				2,769,265
Net Position - End of Year				\$ 2,719,804

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 AS OF FEBRUARY 28, 2014

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 617,816	\$ 382,002	\$ 999,818
Investments	373,242	-	373,242
Due from Other Governments	-	10,063	10,063
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 991,058</u>	<u>\$ 392,065</u>	<u>\$ 1,383,123</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Unremitted Payroll Withholdings	\$ 2,640	\$ 747	\$ 3,387
Total Liabilities	<u>\$ 2,640</u>	<u>\$ 747</u>	<u>\$ 3,387</u>
Fund Balance			
Restricted			
Illinois Municipal Retirement	\$ 46,517	\$ -	\$ 46,517
Road and Bridge	-	236,734	236,734
Housing and Urban Development	43,923	-	43,923
Assigned			
Road and Bridge	-	154,584	154,584
Unassigned	897,978	-	897,978
Total Fund Balance	<u>\$ 988,418</u>	<u>\$ 391,318</u>	<u>\$ 1,379,736</u>
Total Liabilities and Fund Balance	<u>\$ 991,058</u>	<u>\$ 392,065</u>	<u>\$ 1,383,123</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
 TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 FEBRUARY 28, 2014

Total Fund Balances - Governmental Funds	\$ 1,379,736
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital Assets, net of accumulated depreciation	1,389,017
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(25,047)
The Net Pension Obligation is not included in the governmental funds.	<u>(23,902)</u>
Net Position of Governmental Activities	<u><u>\$ 2,719,804</u></u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	General Fund	Road and Bridge Fund	Total Governmental Funds
REVENUE RECEIVED			
Local Taxes			
Property Taxes	\$ 642,402	\$ 269,789	\$ 912,191
Intergovernmental			
Motor Fuel Tax	-	4,486	4,486
Personal Property Replacement Taxes	34,748	12,578	47,326
U.S. Department of Housing and Urban Development Shelter Care Plus (HUD) Grant	200,946	-	200,946
Other Local Sources			
Interest	490	89	579
Passports	1,455	-	1,455
Miscellaneous			
Other	4,187	5,036	9,223
	<u>\$ 884,228</u>	<u>\$ 291,978</u>	<u>\$ 1,176,206</u>
EXPENDITURES DISBURSED			
CURRENT			
General Government	\$ 414,385	\$ 34,852	\$ 449,237
Community Assistance and Services	228,265	-	228,265
Assessor	288,902	-	288,902
Road and Bridge	-	163,679	163,679
CAPITAL OUTLAY	-	38,685	38,685
	<u>\$ 931,552</u>	<u>\$ 237,216</u>	<u>\$ 1,168,768</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (47,324)	\$ 54,762	\$ 7,438
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCES	\$ (47,324)	\$ 54,762	\$ 7,438
FUND BALANCE - MARCH 1, 2013	<u>1,035,742</u>	<u>336,556</u>	<u>1,372,298</u>
FUND BALANCE - FEBRUARY 28, 2014	<u>\$ 988,418</u>	<u>\$ 391,318</u>	<u>\$ 1,379,736</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 YEAR ENDED FEBRUARY 28, 2014

Net Change in Fund Balances - Total Governmental Funds		\$ 7,438
<p>Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.</p>		
Depreciation Expense	\$ (56,570)	
Capital Outlays	<u>1,700</u>	(54,870)
<p>Some expenses in the Statement of Activities - Modified Cash Basis do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Compensated Absences		(1,529)
<p>The change in the Net Pension Obligation is not included in the governmental funds.</p>		
		<u>(500)</u>
Change in Net Position of Governmental Activities		<u>\$ (49,461)</u>

The Notes to Financial Statements are an integral part of this statement.

TOWN OF SHIELDS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Town of Shields' (Township) financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Township are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Township. Component units are legally separate entities for which the Township (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Township's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Township. Using these criteria, the Township has determined that the Shields Township News meets the above criteria. The Shields Township News is blended into the Township's primary government financial statements as part of the General Fund although it remains a separate legal entity. In addition, the Township is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund (reporting the Township's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities. The Township's general government, assessor, road and bridge, and community assistance and services are classified as governmental activities. The Township does not have any business-type activities.

In the government-wide Statement of Net Position – Modified Cash Basis, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a modified cash, economic resource basis, which recognizes all long-term assets as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities – Modified Cash Basis reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.). The Statement of Activities – Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, assessor, road and bridge

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Financial Statements (Continued)*

and community assistance and services). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Township did not receive any capital grants during the year ended February 28, 2014.

The net costs (by function) are normally covered by general revenue (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.).

The Township does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Township 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 comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The Township electively made all governmental funds major funds.

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 Township reports these major governmental funds and fund types:

1. General Fund – The General Fund is the Township's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The Town and General Assistance Funds are included in this fund.
2. Special Revenue Funds – The Special Revenue Fund (Road and Bridge Fund) is used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

The activities reported in these funds are reported in the governmental activities in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

In the government-wide Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Township utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

E. *Cash and Cash Equivalents and Investments*

The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the Township's inventories is not deemed to be material.

G. *Interfund Activities*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. 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 expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Buildings	75 years
Leasehold Improvements	20 years
Infrastructure	25-40 years
Furniture and Fixtures	15-20 years
Machinery and Equipment	5-15 years
Vehicles	8-15 years

GASBS No. 34 requires the Township to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Township. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

I. *Compensated Absences*

The Township accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position – Modified Cash Basis and represents a reconciling item between the fund and government-wide presentations.

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the Township. Vacation time does not carryover, however any accumulated time is paid upon termination.

J. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position – Modified Cash Basis. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Government-Wide Net Position*

Net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – all other net positions are reported in this category.

L. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Pursuant to resolution #R-2012-01 by the Board of Trustees, the Supervisor has been delegated this authority. All assigned fund balances are the residual amounts of the fund.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. *Governmental Fund Balances (Continued)*

- Assigned (Continued)

Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Township itself.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Township permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

M. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the Township’s district on or before the last Tuesday in December. The 2012 tax levies were passed by the board on December 13, 2012. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year and are payable in two installments early in June and early in September of the following calendar year. The Township receives significant distributions of tax receipts approximately one month after these dates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Township’s name.

The Township is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

Investments

As of February 28, 2014, the Township had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	5-10	More than 10
State Investment Pool	\$ 930,472	\$ 930,472	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The Township’s investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of February 28, 2014, the Township’s investments were rated as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2014 was as follows:

	Balance 3/1/2013	Increases	Decreases	Balance 2/28/2014
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 486,499	\$ -	\$ -	\$ 486,499
	<u>\$ 486,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,499</u>
Other Capital Assets				
Buildings	\$ 19,839	\$ -	\$ -	\$ 19,839
Leasehold Improvements	219,178	-	-	219,178
Infrastructure	994,070	-	-	994,070
Furniture and Fixtures	19,404	-	-	19,404
Machinery and Equipment	176,783	1,700	-	178,483
Vehicles	158,119	-	-	158,119
	<u>\$ 1,587,393</u>	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ 1,589,093</u>
Less Accumulated Depreciation for:				
Buildings	\$ 16,664	\$ 264	\$ -	\$ 16,928
Leasehold Improvements	149,772	10,959	-	160,731
Infrastructure	164,432	32,696	-	197,128
Furniture and Fixtures	13,226	843	-	14,069
Machinery and Equipment	165,693	4,119	-	169,812
Vehicles	120,218	7,689	-	127,907
	<u>\$ 630,005</u>	<u>\$ 56,570</u>	<u>\$ -</u>	<u>\$ 686,575</u>
Other Capital Assets, Net	<u>\$ 957,388</u>	<u>\$ (54,870)</u>	<u>\$ -</u>	<u>\$ 902,518</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,443,887</u>	<u>\$ (54,870)</u>	<u>\$ -</u>	<u>\$ 1,389,017</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 304
Assessor	324
Road and Bridge	43,465
Community Assistance and Services	400
Unallocated	12,077
Total Governmental Activities Depreciation Expense	<u>\$ 56,570</u>

NOTE 4 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities are summarized as follows:

	Balance 3/1/2013	Additions	Retirements	Balance 2/28/2014	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 23,518	\$ 1,529	\$ -	\$ 25,047	\$ 25,047

NOTE 5 - INTERFUND LOANS

There were no interfund loans as of February 28, 2014.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - DEFICIT FUND BALANCES

There were no funds with a deficit fund balance as of February 28, 2014.

NOTE 7 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2012 tax levies. A summary of the assessed valuation, rates, and extensions for the years 2012, 2011, and 2010 follows:

Tax Year	2012		2011		2010	
	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	\$1,781,099,584		\$1,926,914,557		\$2,062,796,448	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Corporate	0.0340	\$ 605,574	0.0400	\$ 770,766	0.0370	\$ 763,235
Illinois Municipal Retirement	0.0020	35,622	0.0030	57,807	0.0020	41,256
*Road and Bridge	0.0290	274,133	0.0260	258,612	0.0230	251,587
	<u>0.0650</u>	<u>\$ 915,329</u>	<u>0.0690</u>	<u>\$ 1,087,185</u>	<u>0.0620</u>	<u>\$ 1,056,078</u>

* Extensions for Road and Bridge are shown net, after deducting the portion of the taxes extended which are allocable to the underlying municipalities within the Township.

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 28, 2014 the General Fund had expenditures that exceeded the amount budgeted by \$91,727. The excess is primarily attributable to expenses related to a U.S. Department of Housing and Urban Development Shelter Care Plus Grant received in the Town Fund.

NOTE 9 - OPERATING LEASES

The Township had a rental agreement with the Board of Education of School District No. 65 for the second floor of the West Elementary School Building. The agreement is for 30 years beginning July 1, 1999 and ending June 30, 2029. The building has since been sold and payments are now being made to the Korogluyan Family Trust. The annual rent during the first year of the lease was \$26,116 and each year thereafter rent shall increase at the lesser of the Consumer Price Index – Urban rate for each July 1 to June 30 period or five percent. Total rent expense for the year ended February 28, 2014 was \$36,517.

The Township had a copier lease for 48 months which began on June 28, 2010 with payments of \$272 per month. During the year, this lease was closed and a new copier lease was signed for 60 months beginning February 1, 2014 and ending January 31, 2019 at an amount of \$375 per month. Total equipment leasing expense for the year ended February 28, 2014 was \$4,037.

Future minimum rental payments to cover outstanding lease agreements at February 28, 2014 are:

Year Ending February 28	Amount
2015	\$ 41,235
2016	41,235
2017	41,235
2018	41,235
2019	40,860
2020-2024	183,667
2025-2029	159,178
	<u>\$ 548,645</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. *Illinois Municipal Retirement Fund*

Plan Description. The Township's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Township's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's contribution rate for calendar year 2013 used by the Township was 11.29%. The Township also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The Township's annual pension cost and the net pension obligation to the plan as of December 31, 2013 (the date the most current actuarial information is available) is as follows:

Annual required contribution	\$ 52,028
Interest on net pension obligation	1,755
Adjustments to annual required contribution	<u>(1,255)</u>
Annual pension cost	\$ 52,528
Contributions made	<u>(52,028)</u>
Increase/(decrease) in net pension obligation	\$ 500
Net pension obligation - beginning of the year	<u>23,402</u>
Net pension obligation - end of the year	<u><u>23,902</u></u>

For calendar year ending December 31, 2013, the Township actual contributions for pension cost for the Regular plan were \$52,028, which was its required contribution for calendar year 2013.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 52,028	100%	\$ 23,902
12/31/2012	56,733	97%	23,402
12/31/2011	59,863	89%	21,217

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Illinois Municipal Retirement Fund (Continued)*

Funded Status and Funding Progress (Continued)

value of the Township's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Township's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 93.97% funded. The actuarial accrued liability for benefits was \$1,826,957 and the actuarial value of assets was \$1,716,793, resulting in an underfunded actuarial accrued liability (UAAL) of \$110,164. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$460,834 and the ratio of the UAAL to the covered payroll was 24%.

The schedule of funding progress, presented as supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. *Social Security*

All employees are covered under Social Security. The Township paid \$34,375 to social security in fiscal year 2014, the total contribution required.

NOTE 11 - INTERFUND TRANSFERS

There were no interfund transfers for the year ended February 28, 2014.

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), a joint risk management pool of townships through which property, general liability, automobile liability, uninsured motorists, underinsured motorists, public officials and employees liability, employee benefits liability, and workers' compensation and employers' liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Township and TOIRMA is governed by a contract and bylaws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions for TOIRMA, to report claims on a timely basis, cooperate with TOIRMA, its claims administrator, and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by TOIRMA. Members have a contractual obligation to fund any deficit of TOIRMA attributable to a membership year during which they were a member. TOIRMA is responsible for administering the self-insurance program and purchasing excess insurance

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RISK MANAGEMENT (Continued)

according to the direction of the Board of Directors. TOIRMA also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended February 28, 2014 there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Township is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended February 28, 2014, there were no significant adjustments in premiums based on actual experience.

NOTE 13 - CONTINGENCIES

The Township is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 14 - SUBSEQUENT EVENTS

The Township has evaluated subsequent events through July 7, 2014, the date on which the financial statements were available to be issued.

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended February 28, 2014, the Township implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SUPPLEMENTAL INFORMATION

TOWN OF SHIELDS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
FEBRUARY 28, 2014

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 1,716,793	\$ 1,826,957	\$ 110,164	93.97%	\$ 460,834	23.91%
12/31/2012	1,468,140	1,739,495	271,355	84.40%	524,824	51.70%
12/31/2011	1,526,646	1,788,588	261,942	85.35%	556,868	47.04%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$1,976,882. On a market basis, the funded ratio would be 108.21%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Town of Shields. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	
	ORIGINAL AND FINAL	ACTUAL AMOUNTS
REVENUE RECEIVED		
Local Taxes		
Property Taxes	\$ 625,000	\$ 642,402
Intergovernmental		
Personal Property Replacement Taxes	24,000	34,748
U.S. Department of Housing and Urban Development Shelter Care Plus (HUD) Grant	-	200,946
Other Local Sources		
Interest	300	490
Passports	6,500	1,455
Miscellaneous		
Other	4,500	4,187
	<u>\$ 660,300</u>	<u>\$ 884,228</u>
EXPENDITURES DISBURSED		
CURRENT		
General Government		
Salaries		
Administration	\$ 151,267	\$ 153,657
Assessor	76,802	76,802
Highway Commissioner	34,895	35,056
Town Clerk	7,780	7,812
Trustees	2,403	2,403
Health and Dental Insurance		
Administration	18,600	12,922
Payroll Taxes		
Administration	21,000	11,827
Assessor	-	5,875
Highway Commissioner	-	2,682
Town Clerk	-	598
Trustees	-	184
IMRF Contributions	21,300	26,452
Unemployment Compensation	1,100	881
Worker's Compensation	11,000	8,996
Maintenance - Building	4,200	2,748
Maintenance - Landscape	800	542
Maintenance - Equipment	300	-
Accounting Services	10,000	7,803
Legal Services	6,500	1,800
Postage	1,800	1,543
Telephone	4,000	3,120
Computer Software	1,100	314
Website Management	3,000	2,700
Publishing	1,000	863
Printing	750	905
Dues and Conferences	1,500	1,401
Travel Expense	1,000	1,133
Training	900	408
Utilities	5,000	2,550
Liability Insurance	12,000	7,825

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
EXPENDITURES DISBURSED (Continued)			
CURRENT (Continued)			
General Government (Continued)			
Office Rental	\$ 18,414		\$ 18,258
Real Estate Taxes	2,000		988
Computer Assistance	500		833
Equipment Leasing	1,800		2,066
Office and Operating Supplies	3,300		2,264
Miscellaneous	4,000		8,174
	<u>\$ 430,011</u>		<u>\$ 414,385</u>
Community Assistance and Services			
Administration - HUD	\$ -		\$ 13,775
Rent - HUD	-		163,393
Food Pantry	6,500		238
Lake Forest Senior Care	25,000		-
E/A Partnership Fund	10,000		-
Sr. Citizen Taxi Program	32,000		21,908
Prescriptions	700		276
Utilities	13,000		4,224
Shelter	14,500		16,399
Personal Grant	-		274
Transient/Auto Fuel	1,700		720
Transportation	2,000		2,639
Personal Incidentals	1,650		2,371
Miscellaneous	2,800		2,048
	<u>\$ 109,850</u>		<u>\$ 228,265</u>
Assessor			
Salaries	\$ 183,000		\$ 187,082
Health and Dental Insurance			
Assessor and Staff	14,500		12,542
Payroll Taxes	14,000		14,105
Unemployment Compensation	200		263
IMRF Contributions	20,000		25,035
Maintenance - Building	4,200		2,748
Maintenance - Landscape	800		543
Maintenance - Equipment	300		-
Accounting Services	2,000		1,400
Legal Services	500		-
Postage	600		586
Telephone	1,700		1,398
Computer Software	500		-
Website Management	500		-
Publishing	-		52
Printing	500		388
Dues and Conferences	2,500		1,044
Travel Expense	2,500		660
Training	2,000		1,700
Utilities	5,000		2,550
Open Tax File	7,200		7,200

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES DISBURSED (Continued)		
CURRENT (Continued)		
Assessor (Continued)		
Office Rental	\$ 18,414	\$ 18,258
Real Estate Taxes	2,000	988
Professional Services	3,000	3,905
Computer Assistance	750	-
Office and Operating Supplies	3,500	1,772
Equipment Leasing	1,800	1,971
Miscellaneous	7,000	2,712
	\$ 298,964	\$ 288,902
CAPITAL OUTLAY		
General Government	\$ 500	\$ -
Assessor	500	-
	\$ 1,000	\$ -
TOTAL EXPENDITURES DISBURSED	\$ 839,825	\$ 931,552
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (179,525)	\$ (47,324)
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (179,525)	\$ (47,324)
FUND BALANCE - MARCH 1, 2013	1,035,742	1,035,742
FUND BALANCE - FEBRUARY 28, 2014	\$ 856,217	\$ 988,418

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 ROAD AND BRIDGE FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
REVENUE RECEIVED		
Local Taxes		
Property Taxes	\$ 270,000	\$ 269,789
Intergovernmental		
Motor Fuel Tax	3,000	4,486
Personal Property Replacement Taxes	12,194	12,578
Other Local Sources		
Interest	200	89
Miscellaneous		
Other	-	5,036
	\$ 285,394	\$ 291,978
EXPENDITURES DISBURSED		
CURRENT		
General Government		
Salaries	\$ 4,500	\$ 4,500
Health Insurance	600	542
Unemployment Insurance	400	279
Worker's Compensation	5,000	2,687
Payroll Taxes	5,000	7,143
Medical - Drug Testing	85	170
Accounting Services	3,000	2,600
Legal Services	1,000	-
Postage	350	20
Telephone	1,000	1,577
Publishing	200	-
Printing	400	247
Travel	250	522
Training	200	-
Liability Insurance	9,000	8,521
Dues and Conferences	400	235
Computer Assistance	200	-
Julie Fees	200	-
NPDES Fees	1,000	1,000
Office and Operating Supplies	200	149
Miscellaneous	200	23
Municipal Replacement Tax	5,600	4,637
	\$ 38,785	\$ 34,852
Road and Bridge		
Salaries	\$ 55,000	\$ 93,368
IMRF Contributions	2,400	-
Maintenance - Building	300	1,020
Maintenance - Equipment	13,000	15,634
Utilities	2,500	2,604
Street Lighting	13,000	11,252
Scavenger	700	936
Maintenance - Traffic Signal	4,000	1,871

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 ROAD AND BRIDGE FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	
	ORIGINAL AND FINAL	ACTUAL AMOUNTS
EXPENDITURES DISBURSED (Continued)		
CURRENT (Continued)		
Road and Bridge (Continued)		
Truck Testing	\$ 200	\$ 141
Tree Planting	1,000	-
Land Fill	300	-
Maintenance Supplies - Building	1,000	2,114
Maintenance Supplies - Equipment	3,000	5,108
Maintenance Supplies - Road	2,000	107
Small Tools	300	583
Automotive - Fuel, Oil, Etc.	8,000	7,910
Tree Removal	2,500	3,350
Truck License	200	-
Road Salt	20,000	17,045
Road Signs	1,500	516
Miscellaneous	200	120
Contingency	500	-
	\$ 131,600	\$ 163,679
CAPITAL OUTLAY		
Road and Bridge	\$ 114,600	\$ 38,685
	\$ 114,600	\$ 38,685
 TOTAL EXPENDITURES DISBURSED	 \$ 284,985	 \$ 237,216
 EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	 \$ 409	 \$ 54,762
 OTHER FINANCING SOURCES/(USES)	 -	 -
 NET CHANGE IN FUND BALANCE	 \$ 409	 \$ 54,762
 FUND BALANCE - MARCH 1, 2013	 336,556	 336,556
 FUND BALANCE - FEBRUARY 28, 2014	 \$ 336,965	 \$ 391,318

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
GENERAL FUND
COMBINING BALANCE SHEET - MODIFIED CASH BASIS - GENERAL FUND
YEAR ENDED FEBRUARY 28, 2014

	Town Fund	General Assistance Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 606,462	\$ 11,354	\$ 617,816
Investments	373,242	-	373,242
Total Assets	\$ 979,704	\$ 11,354	\$ 991,058
LIABILITIES AND FUND BALANCE			
Liabilities			
Unremitted Payroll Withholdings	\$ 2,640	\$ -	\$ 2,640
Total Liabilities	\$ 2,640	\$ -	\$ 2,640
Fund Balance			
Restricted			
Illinois Municipal Retirement	\$ 46,517	\$ -	\$ 46,517
Housing and Urban Development	43,923	-	43,923
Unassigned	886,624	11,354	897,978
Total Fund Balance	\$ 977,064	\$ 11,354	\$ 988,418
Total Liabilities and Fund Balance	\$ 979,704	\$ 11,354	\$ 991,058

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
 FUND FINANCIAL STATEMENTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS
 GENERAL FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>General Fund Total</u>
REVENUE RECEIVED			
Local Taxes			
Property Taxes	\$ 642,402	\$ -	\$ 642,402
Intergovernmental			
Personal Property Replacement Taxes	34,748	-	34,748
U.S. Department of Housing and Urban Development Shelter Care Plus (HUD) Grant	200,946	-	200,946
Other Local Sources			
Interest	489	1	490
Passports	1,455	-	1,455
Miscellaneous			
Other	4,187	-	4,187
	<u>\$ 884,227</u>	<u>\$ 1</u>	<u>\$ 884,228</u>
EXPENDITURES DISBURSED			
CURRENT			
General Government	\$ 412,470	\$ 1,915	\$ 414,385
Community Assistance and Services	199,314	28,951	228,265
Assessor	288,902	-	288,902
	<u>\$ 900,686</u>	<u>\$ 30,866</u>	<u>\$ 931,552</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (16,459)	\$ (30,865)	\$ (47,324)
OTHER FINANCING SOURCES/(USES)			
Transfers	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (46,459)	\$ (865)	\$ (47,324)
FUND BALANCE - MARCH 1, 2013	<u>1,023,523</u>	<u>12,219</u>	<u>1,035,742</u>
FUND BALANCE - FEBRUARY 28, 2014	<u>\$ 977,064</u>	<u>\$ 11,354</u>	<u>\$ 988,418</u>

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 TOWN FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
REVENUE RECEIVED		
Local Taxes		
Property Taxes	\$ 625,000	\$ 642,402
Intergovernmental		
Personal Property Replacement Taxes	24,000	34,748
U.S. Department of Housing and Urban Development Shelter Care Plus (HUD) Grant	-	200,946
Other Local Sources		
Interest	300	489
Passports	6,500	1,455
Miscellaneous		
Other	3,500	4,187
	\$ 659,300	\$ 884,227
EXPENDITURES DISBURSED		
CURRENT		
General Government		
Salaries		
Administration	\$ 151,267	\$ 153,657
Assessor	76,802	76,802
Highway Commissioner	34,895	35,056
Town Clerk	7,780	7,812
Trustees	2,403	2,403
Health and Dental Insurance		
Administration	18,600	12,922
Payroll Taxes		
Administration	21,000	11,827
Assessor	-	5,875
Highway Commissioner	-	2,682
Town Clerk	-	598
Trustees	-	184
IMRF Contributions	21,300	26,452
Unemployment Compensation	1,100	881
Worker's Compensation	11,000	8,996
Maintenance - Building	4,200	2,748
Maintenance - Landscape	800	542
Maintenance - Equipment	300	-
Accounting Services	10,000	7,803
Legal Services	6,500	1,800
Postage	1,800	1,543
Telephone	4,000	3,120
Computer Software	1,100	314
Website Management	3,000	2,700
Publishing	1,000	863
Printing	750	905
Dues and Conferences	1,500	1,401
Travel Expense	1,000	1,133
Training	900	408

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TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
TOWN FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES DISBURSED (Continued)		
CURRENT (Continued)		
General Government (Continued)		
Utilities	\$ 5,000	\$ 2,550
Liability Insurance	9,500	5,910
Office Rental	18,414	18,258
Real Estate Taxes	2,000	988
Computer Assistance	500	833
Equipment Leasing	1,800	2,066
Office and Operating Supplies	3,300	2,264
Miscellaneous	4,000	8,174
	\$ 427,511	\$ 412,470
Community Assistance and Services		
Administration - HUD	\$ -	\$ 13,775
Rent - HUD	-	163,393
Food Pantry	6,500	238
Lake Forest Senior Care	25,000	-
E/A Partnership Fund	10,000	-
Sr. Citizen Taxi Program	32,000	21,908
	\$ 73,500	\$ 199,314
Assessor		
Salaries	\$ 183,000	\$ 187,082
Health and Dental Insurance		
Assessor and Staff	14,500	12,542
Payroll Taxes	14,000	14,105
Unemployment Compensation	200	263
IMRF Contributions	20,000	25,035
Maintenance - Building	4,200	2,748
Maintenance - Landscape	800	543
Maintenance - Equipment	300	-
Accounting Services	2,000	1,400
Legal Services	500	-
Postage	600	586
Telephone	1,700	1,398
Computer Software	500	-
Website Management	500	-
Publishing	-	52
Printing	500	388
Dues and Conferences	2,500	1,044
Travel Expense	2,500	660
Training	2,000	1,700
Utilities	5,000	2,550
Open Tax File	7,200	7,200
Office Rental	18,414	18,258
Real Estate Taxes	2,000	988
Professional Services	3,000	3,905
Computer Assistance	750	-

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TOWN OF SHIELDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 TOWN FUND
 FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES DISBURSED (Continued)		
CURRENT (Continued)		
Assessor (Continued)		
Office and Operating Supplies	\$ 3,500	\$ 1,772
Equipment Leasing	1,800	1,971
Miscellaneous	7,000	2,712
	\$ 298,964	\$ 288,902
CAPITAL OUTLAY		
General Government	\$ 500	\$ -
Assessor	500	-
	\$ 1,000	\$ -
 TOTAL EXPENDITURES DISBURSED	 \$ 800,975	 \$ 900,686
 EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	 \$ (141,675)	 \$ (16,459)
 OTHER FINANCING SOURCES/(USES)		
Transfer to General Assistance Fund	(30,000)	(30,000)
 NET CHANGE IN FUND BALANCE	 \$ (171,675)	 \$ (46,459)
 FUND BALANCE - MARCH 1, 2013	 1,023,523	 1,023,523
 FUND BALANCE - FEBRUARY 28, 2014	 \$ 851,848	 \$ 977,064

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
REVENUE RECEIVED		
Other Local Sources		
Interest	\$ -	\$ 1
Miscellaneous		
Other	1,000	-
	\$ 1,000	\$ 1
EXPENDITURES DISBURSED		
CURRENT		
General Government		
Liability Insurance	\$ 2,500	\$ 1,915
	\$ 2,500	\$ 1,915
Community Assistance and Services		
Prescriptions	\$ 700	\$ 276
Utilities	13,000	4,224
Shelter	14,500	16,399
Personal Grant	-	274
Transient/Auto Fuel	1,700	720
Transportation	2,000	2,639
Personal Incidentals	1,650	2,371
Miscellaneous	2,800	2,048
	\$ 36,350	\$ 28,951
TOTAL EXPENDITURES DISBURSED	\$ 38,850	\$ 30,866
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (37,850)	\$ (30,865)
OTHER FINANCING SOURCES/(USES)		
Transfer from Town Fund	30,000	30,000
NET CHANGE IN FUND BALANCE	\$ (7,850)	\$ (865)
FUND BALANCE - MARCH 1, 2013	12,219	12,219
FUND BALANCE - FEBRUARY 28, 2014	\$ 4,369	\$ 11,354

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
NOTES TO SUPPLEMENTAL INFORMATION
FEBRUARY 28, 2014

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The Township Board of Trustees adopts the budgets for all governmental fund types; however, two separate budgets are prepared. The Township and Road District budgets were passed on February 28, 2013.

A. *Road and Bridge Fund*

1. The tentative budget is prepared by the Highway Commissioner and filed with the Town Clerk.
2. The Town Clerk makes the tentative budget conveniently available for public inspection for a period of at least thirty days prior to final action.
3. At least thirty days prior, notice of the public hearing is published in a newspaper published in the town.
4. The tentative budget is adopted by the Town Board of Trustees prior to May 31.

B. *Town Funds (General Town and General Assistance)*

1. The tentative budget is prepared by the Board of Trustees and filed with the Town Clerk.
2. The Town Clerk makes the tentative budget conveniently available for public inspection for a period of at least thirty days prior to final action.
3. At least thirty days prior, notice of the public hearing is published in a newspaper published in the town.
4. The tentative budget is adopted by the Town Board of Trustees prior to May 31.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. The budgets are adopted using the modified cash basis method of accounting.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended February 28, 2014 the General Fund had expenditures that exceeded the amount budgeted by \$91,727. The excess is primarily attributable to expenses related to a U.S. Department of Housing and Urban Development Shelter Care Plus Grant received in the Town Fund.

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - NOT INCLUDING GRANTS
TOWN FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
REVENUE RECEIVED		
Local Taxes		
Property Taxes	\$ 625,000	\$ 642,402
Intergovernmental		
Personal Property Replacement Taxes	24,000	34,748
Other Local Sources		
Interest	300	489
Passports	6,500	1,455
Miscellaneous		
Other	3,500	4,187
	\$ 659,300	\$ 683,281
EXPENDITURES DISBURSED		
CURRENT		
General Government		
Salaries		
Administration	\$ 151,267	\$ 153,657
Assessor	76,802	76,802
Highway Commissioner	34,895	35,056
Town Clerk	7,780	7,812
Trustees	2,403	2,403
Health and Dental Insurance		
Administration	18,600	12,922
Payroll Taxes		
Administration	21,000	11,827
Assessor	-	5,875
Highway Commissioner	-	2,682
Town Clerk	-	598
Trustees	-	184
IMRF Contributions	21,300	26,452
Unemployment Compensation	1,100	881
Worker's Compensation	11,000	8,996
Maintenance - Building	4,200	2,748
Maintenance - Landscape	800	542
Maintenance - Equipment	300	-
Accounting Services	10,000	7,803
Legal Services	6,500	1,800
Postage	1,800	1,543
Telephone	4,000	3,120
Computer Software	1,100	314
Website Management	3,000	2,700
Publishing	1,000	863
Printing	750	905
Dues and Conferences	1,500	1,401
Travel Expense	1,000	1,133
Training	900	408
Utilities	5,000	2,550
Liability Insurance	9,500	5,910

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - NOT INCLUDING GRANTS
TOWN FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES DISBURSED (Continued)		
CURRENT (Continued)		
General Government (Continued)		
Office Rental	\$ 18,414	\$ 18,258
Real Estate Taxes	2,000	988
Computer Assistance	500	833
Equipment Leasing	1,800	2,066
Office and Operating Supplies	3,300	2,264
Miscellaneous	4,000	8,174
	\$ 427,511	\$ 412,470
Community Assistance and Services		
Food Pantry	\$ 6,500	\$ 238
Lake Forest Senior Care	25,000	-
E/A Partnership Fund	10,000	-
Sr. Citizen Taxi Program	32,000	21,908
	\$ 73,500	\$ 22,146
Assessor		
Salaries	\$ 183,000	\$ 187,082
Health and Dental Insurance		
Assessor and Staff	14,500	12,542
Payroll Taxes	14,000	14,105
Unemployment Compensation	200	263
IMRF Contributions	20,000	25,035
Maintenance - Building	4,200	2,748
Maintenance - Landscape	800	543
Maintenance - Equipment	300	-
Accounting Services	2,000	1,400
Legal Services	500	-
Postage	600	586
Telephone	1,700	1,398
Computer Software	500	-
Website Management	500	-
Publishing	-	52
Printing	500	388
Dues and Conferences	2,500	1,044
Travel Expense	2,500	660
Training	2,000	1,700
Utilities	5,000	2,550
Open Tax File	7,200	7,200
Office Rental	18,414	18,258
Real Estate Taxes	2,000	988
Professional Services	3,000	3,905
Computer Assistance	750	-
Office and Operating Supplies	3,500	1,772
Equipment Leasing	1,800	1,971
Miscellaneous	7,000	2,712
	\$ 298,964	\$ 288,902

See Accompanying Independent Auditor's Report

TOWN OF SHIELDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - NOT INCLUDING GRANTS
TOWN FUND
FOR THE YEAR ENDED FEBRUARY 28, 2014

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
EXPENDITURES DISBURSED (Continued)		
CAPITAL OUTLAY		
General Government	\$ 500	\$ -
Assessor	500	-
	\$ 1,000	\$ -
 TOTAL EXPENDITURES DISBURSED	 \$ 800,975	 \$ 723,518
 EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	 \$ (141,675)	 \$ (40,237)
 OTHER FINANCING SOURCES/(USES)		
Transfer to General Assistance Fund	(30,000)	(30,000)
	(30,000)	(30,000)
 NET CHANGE IN FUND BALANCE	 \$ (171,675)	 \$ (70,237)
 FUND BALANCE - MARCH 1, 2013	 936,369	 936,369
 FUND BALANCE - FEBRUARY 28, 2014	 \$ 764,694	 \$ 866,132

See Accompanying Independent Auditor's Report