

TOWNSHIP OF ORLAND, ILLINOIS
ANNUAL FINANCIAL REPORT
YEAR ENDED MARCH 31, 2014



TOWNSHIP OF ORLAND, ILLINOIS

ANNUAL FINANCIAL REPORT

March 31, 2014

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FINANCIAL SECTION



TOWNSHIP OF ORLAND, ILLINOIS

INDEPENDENT AUDITOR'S REPORT



TOWNSHIP OF ORLAND, ILLINOIS

GW & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Supervisor and
Members of the Board of Trustees
Township of Orland, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Orland, Illinois ("the Township"), as of and for the year ended March 31, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 of the governmental activities and each major fund of the Township, as of March 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 3-10 and 29-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

GW & Associates, P.C.

GW & Associates, P.C.
September 5, 2014

MANAGEMENT’S DISCUSSION AND ANALYSIS



TOWNSHIP OF ORLAND, ILLINOIS

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

Our discussion and analysis of the Township of Orland (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2014. The management of the Township encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

- The Township's net position as of March 31, 2014 is \$31,142,145, a decrease of \$233,918 from the prior year.
- Total Township revenues for the year ended March 31, 2014 were \$3,379,407 while total expenses were \$3,613,325.
- The Town Fund's fund balance decreased by \$162,894 for the year ended March 31, 2014 to \$3,492,553.

Overview of the Financial Statements

The 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 supplementary information in addition to the basic financial statements.

Using the Financial Section of this Annual Report

The financial statements' focus is on the Township as a whole and on the major individual funds. Both perspectives allow the readers to address relevant questions, broaden the basis for comparison and enhance the reader's understanding of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate like.

The Statement of Net Position combines and consolidates governmental funds' current financial resources with capital assets and long term obligations. It uses the accrual basis of accounting and economic resources measurement focus. The Statement of Net Position can be found on page 11 of this report.

The Statement of Activities is focused on both the growth and the new costs of various activities. These activities are supported by the government's general taxes and other resources. This is intended to

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

summarize and simplify the users' analysis of the costs of various governmental services. The Statement of Activities can be found on page 12 of this report.

The governmental activities reflect the Township's basic services, which are general assistance, street and road, senior assistance and administration. Property taxes finance the majority of these services.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be included into one category: governmental funds.

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds rather than fund types.

The governmental fund statements are presented on a sources and uses of liquid resources (cash and cash equivalents) basis. This is the manner in which the financial plan is usually developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of the government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond or loan proceeds and interfund transfers as other sources and uses as well as capital expenditures and bond or loan principal payments as expenditures. The reconciliations eliminate these transactions and incorporate the capital assets and long term obligations into the governmental activities column in government-wide statements. The fund financial statements can be found on pages 13-16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17.

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to the budgetary information and the Township's progress in funding its obligation to provide pension benefits to its employers.

Financial Analysis of the Township of Orland's Government-Wide Financial Statements

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION

MARCH 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets	\$ 5,821,952	\$ 5,749,269
Capital assets, net	<u>26,835,969</u>	<u>26,958,655</u>
Total assets	<u>32,657,921</u>	<u>32,707,924</u>
Liabilities		
Current liabilities	107,882	106,466
Long-term liabilities	<u>37,110</u>	<u>37,810</u>
Total liabilities	<u>144,992</u>	<u>144,276</u>
Total deferred inflows of resources	<u>1,370,784</u>	<u>1,187,585</u>
Net position		
Invested in capital assets	26,835,969	26,958,655
Unrestricted	<u>4,306,176</u>	<u>4,417,407</u>
Total net position	<u><u>\$ 31,142,145</u></u>	<u><u>\$ 31,376,062</u></u>

Current assets are up approximately \$70,000 from the prior year. This is primarily a result of a \$190,000 increase in property taxes receivable coupled with a \$30,000 increase in prepaid assets. Conversely,

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

cash and cash equivalents dropped by \$165,000 in the current year. Total liabilities remained level with the prior year while deferred inflows of resources increased by \$183,000 due to deferred property taxes from the 2013 levy not received within 60 days of year-end.

Statement of Activities

The following chart reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2014 and 2013

Revenues	<u>2014</u>	<u>2013</u>
Program Revenues		
Charges for services	\$ 315,646	\$ 378,736
Operating grants and contributions	92,872	71,199
General revenues		
Property taxes	2,849,901	2,901,552
Interest income	13,834	6,452
Other general revenues	<u>107,154</u>	<u>89,600</u>
Total revenues	3,379,407	3,447,539
Expenses		
General government	1,527,597	1,304,092
Culture and recreation	623,594	561,471
Road and Bridge	1,063,711	949,017
General Assistance	<u>398,423</u>	<u>525,743</u>
Total expenses	3,613,325	3,340,323
Change in net position	<u>(233,918)</u>	<u>107,216</u>
Net position - April 1	<u>31,376,063</u>	<u>31,268,847</u>
Net position - March 31	<u>\$ 31,142,145</u>	<u>\$ 31,376,063</u>

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

Total revenues for fiscal 2014 decreased by 2.0% from the prior year with an 8% increase in expenses. The most significant change within expenses were increases to salaries and benefits, intergovernmental agreements, and a special 8k race event in the general government function.

Financial Analysis of the Township of Orland's Funds

Governmental Funds

The Township of Orland's major funds are the General Fund, Road and Bridge Fund, and General Assistance Fund. Generally speaking a major fund meets the following criteria:

- total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of that individual governmental fund is at least 10% of the corresponding total (assets, liabilities and so forth) for all governmental funds

and

- total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of the individual governmental fund is at least 5% of the corresponding total for all governmental and enterprise funds combined

The major funds are the Township's primary operating funds as well as the largest source of day-to-day delivery of services.

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

Governmental Funds

The following chart reflects a condensed comparison of 2014 and 2013 revenues and expenditures:

Revenues

Revenues decreased by 2% over the prior year among all funds. Most notably, property taxes fell by \$26,000 in the Road and Bridge fund and \$33,000 in the General Assistance fund.

	<u>2014</u>	<u>2013</u>	Increase (Decrease) <u>2014 to 2013</u>
Revenues			
General (Town) Fund	\$ 2,469,981	\$ 2,470,870	\$ (889)
Road and Bridge Fund	709,780	740,262	(30,482)
General Assistance Fund	<u>199,646</u>	<u>236,408</u>	<u>(36,762)</u>
Total Revenues	<u><u>\$ 3,379,407</u></u>	<u><u>\$ 3,447,540</u></u>	<u><u>\$ (68,133)</u></u>
Expenditures			
General (Town) Fund	\$ 2,632,875	\$ 2,161,371	\$ 471,504
Road and Bridge Fund	801,321	801,907	(586)
General Assistance Fund	<u>57,142</u>	<u>264,033</u>	<u>(206,891)</u>
Total Expenditures	<u><u>\$ 3,491,338</u></u>	<u><u>\$ 3,227,311</u></u>	<u><u>\$ 264,027</u></u>
Other Financing Sources(Uses)			
General (Town) Fund	\$ -	\$ (107,212)	\$ 107,212
Road and Bridge Fund	-	45,668	(45,668)
General Assistance Fund	<u>-</u>	<u>61,544</u>	<u>(61,544)</u>
Total Other Financing Sources (Uses)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

Expenditures

Town Fund expenditures increased almost 22% in fiscal 2014. Included in the increase was \$100,000 regarding an intergovernmental agreement with the Village of Orland Park. Additionally, a shift of salaries and benefits costs from General Assistance to the Town Fund also added to the increase. Road and Bridge Fund expenditures decreased nominally from the prior year. General Assistance Fund expenditures decreased almost 78% due to a reduction in program costs for such things as rent assistance, mortgage assistance, utility assistance, etc. Additionally, salary and benefit charges were shifted to the Town Fund.

Other Financing Sources (Uses)

Transfers were made from the Town Fund to the Road and Bridge Fund and General Assistance Fund in the prior year to forgive amounts owed (in the case of the Road and Bridge Fund) or to provide additional resources for operations. No transfers were made in the current year.

Budgetary Highlights

The Township of Orland operates under the Budget Ordinance process. The budget is adopted by the Township Board and filed at the Cook County Courthouse preceding April 1 of the budgeted fiscal year. Although an amended budget may also be prepared and adopted by the Board, no major amendments or addendums were necessary during fiscal year 2014.

Historically, the Township has taken a very conservative approach in developing their budgets. During fiscal year 2014, revenues and expenditures versus budgeted amounts for the major funds showed the following variances:

Governmental Funds

<u>Fund</u>	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>	<u>Budgeted Expenses</u>	<u>Actual Expenses</u>	<u>Variance</u>
Town Fund	\$ 2,443,000	\$ 2,469,981	\$ 26,981	\$ 2,550,678	\$ 2,632,875	\$ 82,197
Road and Bridge	969,507	709,780	(259,727)	1,002,390	801,321	(201,069)
General Assistance	233,100	199,646	(33,454)	242,350	57,142	(185,208)

Town Fund revenues differed by less than 1% from budget while expenditures were about 3% over budget. Specifically, Township administration was approximately \$197,000 over budget. Road and Bridge Fund revenues were under budget by 27% as a result of property taxes being under budget by \$285,000. Expenditures were under budget by 20% with operating costs being \$202,000 under budget.

TOWNSHIP OF ORLAND, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2014

In the General Assistance Fund, revenues were 14% under budget. Expenditures were 76% under budget.

Capital Assets

At the end of the fiscal year 2014, the Township had combined total capital assets of \$26,835,969 invested in a broad range of capital assets including buildings, Township facilities, roads, equipment and vehicles. The most significant additions were in infrastructure for road resurfacing and in land improvements and equipment related to park renovations. (For more information, see Note 4 to the financial statements.)

Governmental Activities Change in Capital Assets

	Balance	Net	Balance
	<u>April 1, 2013</u>	<u>Additions/ Deletions</u>	<u>March 31, 2014</u>
Non-depreciable assets-land	\$16,838,582	\$ -	\$ 16,838,582
Depreciable capital assets			
Land improvements	241,337	224,523	465,860
Infrastructure	14,543,741	32,462	14,576,203
Buildings & Improvements	3,740,325	-	3,740,325
Equipment	1,232,566	(4,498)	1,228,068
Vehicles	136,645	149,550	286,195
Accumulated depreciation	<u>(9,774,541)</u>	<u>(524,723)</u>	<u>(10,299,264)</u>
 Total capital assets, net	 <u>\$26,958,655</u>	 <u>\$(122,686)</u>	 <u>\$ 26,835,969</u>

DEBT ADMINISTRATION

The only long term debt that the Township has at year end are compensated absences which represent that portion of accumulated unused sick leave that is payable upon termination.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general knowledge of the Township's finances and to demonstrate the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Township Office, 14807 Ravinia, Orland Park, IL 60462.

BASIC FINANCIAL STATEMENTS



TOWNSHIP OF ORLAND, ILLINOIS

TOWNSHIP OF ORLAND, ILLINOIS
STATEMENT OF NET POSITION
MARCH 31, 2014

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,831,372
Investments	1,505,642
Property taxes receivable, net	1,396,672
Other receivable	16,250
Prepaid assets	72,016
Capital assets	
Land	16,838,582
Capital assets, net of accumulated depreciation	<u>9,997,387</u>
 Total assets	 <u>32,657,921</u>
 Liabilities	
Accounts payable	53,560
Accrued expenses	32,302
Deferred revenues	22,020
Non-current liabilities	
Compensated absences	<u>37,110</u>
 Total liabilities	 <u>144,992</u>
 Deferred Inflows of Resources	
Unearned revenue - property taxes	<u>1,370,784</u>
 Total deferred inflows of resources	 <u>1,370,784</u>
 Net Position	
Invested in capital assets	26,835,969
Unrestricted	<u>4,306,176</u>
 Total net position	 <u><u>\$ 31,142,145</u></u>

See accompanying notes to financial statements

**TOWNSHIP OF ORLAND, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2014**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 1,527,597	\$ 2,204	\$ 2,500	\$ (1,522,893)
Culture and recreation	623,594	83,638	-	(539,956)
Road and bridge	1,063,711	33,271	-	(1,030,440)
General assistance	398,423	196,533	90,372	(111,518)
Total governmental activities	\$ 3,613,325	\$ 315,646	\$ 92,872	\$ (3,204,807)
 General Revenues				
Taxes				
Property taxes, levied for general purposes				2,849,901
Replacement taxes				39,715
Unrestricted investment earnings				13,834
Miscellaneous revenues				67,439
Total general revenues				2,970,889
 Change in net position				(233,918)
 Net Position- April 1, 2013				31,376,063
 Net Position- March 31, 2014				\$ 31,142,145

**TOWNSHIP OF ORLAND, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2014**

	Major Funds			Total
	Town Fund	Road and Bridge Fund	General Assistance Fund	
Assets				
Cash and cash equivalents	\$ 1,984,577	\$ 546,178	\$ 300,617	\$ 2,831,372
Investments	1,505,642	-	-	1,505,642
Property taxes receivable-net	1,038,858	252,248	105,566	1,396,672
Other receivables	11,948	4,302	-	16,250
Prepaid assets	54,918	17,098	-	72,016
Due from other funds	2,243	-	-	2,243
Total assets	<u>\$ 4,598,186</u>	<u>\$ 819,826</u>	<u>\$ 406,183</u>	<u>\$ 5,824,195</u>
Liabilities				
Accounts payable	\$ 36,543	\$ 17,017	\$ -	\$ 53,560
Accrued expenses	26,479	5,823	-	32,302
Deferred revenue	22,020	-	-	22,020
Due to other funds	-	2,243	-	2,243
Total liabilities	<u>85,042</u>	<u>25,083</u>	<u>-</u>	<u>110,125</u>
Deferred Inflows of Resources				
Unearned revenue-property taxes	1,020,591	246,569	103,624	1,370,784
Total deferred inflows of resources	<u>1,020,591</u>	<u>246,569</u>	<u>103,624</u>	<u>1,370,784</u>
Fund Balances				
Nonspendable	54,918	17,098	-	72,016
Restricted				
Road and bridge	-	531,076	-	531,076
General assistance	-	-	302,559	302,559
Assigned				
Future capital expenditures	711,568	-	-	711,568
Unassigned	2,726,067	-	-	2,726,067
Total fund balances	<u>3,492,553</u>	<u>548,174</u>	<u>302,559</u>	<u>4,343,286</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,598,186</u>	<u>\$ 819,826</u>	<u>\$ 406,183</u>	<u>\$ 5,824,195</u>

TOWNSHIP OF ORLAND, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
MARCH 31, 2014

Total fund balances- governmental funds \$ 4,343,286

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

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

Capital assets	37,135,233	
Accumulated depreciation	<u>(10,299,264)</u>	
Net capital assets		26,835,969

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Compensated absences		<u>(37,110)</u>
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Net position of governmental activities **\$ 31,142,145**

TOWNSHIP OF ORLAND, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2014

	Major Funds			Total
	Town Fund	Road and Bridge Fund	General Assistance Fund	
Revenues				
Property taxes	\$ 2,022,961	\$ 627,627	\$ 199,313	\$ 2,849,901
Replacement taxes	15,894	23,821	-	39,715
Food pantry	25,217	-	-	25,217
Service fees and donations	345,326	-	-	345,326
Investment income	12,812	768	254	13,834
Miscellaneous revenue	47,771	57,564	79	105,414
Total revenues	<u>2,469,981</u>	<u>709,780</u>	<u>199,646</u>	<u>3,379,407</u>
Expenditures				
Current				
Township administration	1,151,622	-	-	1,151,622
Assessor	144,467	-	-	144,467
Youth services	137,530	-	-	137,530
Senior citizen services	468,114	-	-	468,114
Health services	203,555	-	-	203,555
Supervisor	22,100	-	57,142	79,242
Trustee	29,200	-	-	29,200
Clerk	16,200	-	-	16,200
Road and bridge	19,400	716,515	-	735,915
Home relief/food pantry	136,287	-	-	136,287
Capital outlay	304,400	84,806	-	389,206
Total expenditures	<u>2,632,875</u>	<u>801,321</u>	<u>57,142</u>	<u>3,491,338</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(162,894)</u>	<u>(91,541)</u>	<u>142,504</u>	<u>(111,931)</u>
Net change in fund balances	<u>(162,894)</u>	<u>(91,541)</u>	<u>142,504</u>	<u>(111,931)</u>
Fund Balance at Beginning of Year	<u>3,655,447</u>	<u>639,715</u>	<u>160,055</u>	<u>4,455,217</u>
Fund Balance at End of Year	<u>\$ 3,492,553</u>	<u>\$ 548,174</u>	<u>\$ 302,559</u>	<u>\$ 4,343,286</u>

TOWNSHIP OF ORLAND, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2014

Net change in fund balances - total governmental funds \$ (111,931)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets

Capital outlay	402,037	
Depreciation	<u>(524,723)</u>	
Net capital outlay		(122,686)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

Compensated absences		<u>699</u>
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Change in net position of governmental activities \$ (233,918)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Orland, Illinois (the “Township”), as reflected in the accompanying financial statements for the year end March 31, 2014, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

Reporting Entity

The Township is a municipal corporation governed by an elected board. In 2013, the Township adopted the provisions of the Governmental Accounting Standard Board (“GASB”) Statement No. 61, “The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34” which modifies certain requirements for inclusion of component units in the financial reporting entity. An organization is considered a component unit of the primary government if 1) the government appoints a voting majority of the organization’s board and there is a financial benefit or burden relationship or the government is able to impose its will on the organization or 2) the organization is fiscally dependent on the government and there is a financial benefit or burden relationship or 3) the government determines that it would be misleading to exclude the organization from its financial statements.

Based on the foregoing criteria, the Township does not exercise oversight responsibility over any other entity and thus does not include other entities in the Township’s financial statements.

Basis of Presentation

The Township’s basic financial statements consist of Township-wide statements, including a statement of net position, statement of activities and fund financial statements, which provide a more detailed level of financial information. The Township-wide focus is more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Township-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. In the Township-wide statement of net position, the governmental activities are presented on a consolidated basis. These statements include the financial activities of the primary government. The effect of interfund activity has been removed from these statements. The Township-wide statement of activities reflects both the direct expenses and net cost of each function of the Township’s governmental activities.

Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that are required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

identifies the extent to which each government function is self-financing or draws from general revenues of the Township.

Fund Financial Statements

The financial transactions of the Township are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the Township classifies governmental fund balance as follows:

- a. Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the Township board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Township board that originally created the commitment.
- d. Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Financial management may assign amounts for a specific purpose. The Township board may also take official action to assign amounts. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.
- e. Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance would also include negative balances for any governmental fund other than the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If there is an expenditure incurred for purposes for which restricted, committed, assigned or unassigned fund balance classifications could be used, then the Township will consider restricted fund balance to be spent first, then committed fund balance, followed by assigned fund balance and finally unassigned fund balance.

Measurement Focus and Basis of Accounting

Township-Wide Financial Statements

The Township-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Township has reported three categories of program revenues in the statement of activities: 1) charges for services, 2) program-specific operating grants and contributions and 3) program-specific capital grants and contributions. Program revenues are derived from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Township's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include real estate tax and personal property replacement tax. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Township's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the Township-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the Township-wide statements and the statements for governmental funds.

The Township reports the following major governmental funds:

General Fund (also known as the Town fund) accounts for all revenues and expenditures applicable to the general operations of the Township government that are not accounted for in another fund.

Road and Bridge Fund accounts for all revenues and expenditures applicable to the upkeep, repair, and administration of the Township's roads.

General Assistance Fund accounts for all revenues and expenditures applicable to the services provided to the residents of the township.

Cash and Cash Equivalents

The Township considers cash and investments with an original maturity of less than 90 days to be cash equivalents. Cash and equivalents consist of checking and money market accounts at financial institutions.

Short-Term Interfund Receivables/Payables

During the course of operation, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental columns in the Township-wide financial

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statements. Capital assets are defined by the Township as assets with a useful life of more than one year and an initial individual cost of more than \$5,000.

All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. 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.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land Improvements	20 years
Building	50 years
Equipment	8-20 years
Infrastructure	20-50 years

Property Taxes

The Township’s policy is to record property taxes receivable when they have been levied or extended and are both measurable and available. Taxes levied and not yet available to pay current year operating expenditures are shown as deferred revenue. Property taxes attach as an enforceable lien on January 1. Taxes are levied in December and extended in March subsequent to the calendar year to which they apply and are payable in installments on March 1 and September 1 in the year they are extended.

Deferred Inflows of Resources

Deferred inflows of resources are recorded when assets are acquired that apply to a future reporting period. Property taxes which have been deemed to be measurable but not available or have been levied for use in the subsequent period represent deferred inflows of resources.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation and vested sick leave balances for Township employees.

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). The General Fund is typically used to liquidate these liabilities. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expenditure/expense is reported and a liability is recognized for the portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” at retirement.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes. Commitments of fund balance includes amounts that can only be used for purposes determined by formal action of the Board, and assignments of fund balance represent tentative management plans that are subject to change.

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, laws, or regulation of other governments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash

The carrying amount of cash was \$2,831,372 at March 31, 2014. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government, local governments or with letters of credit issued by the Federal Home Loan Bank held in the Township's name by financial institutions acting as the Township's agent. The Township's investment policy requires that deposits be collateralized at 110% of the bank balance.

Investments

Statutes authorized the Township to make deposits/invest in commercial banks, savings and loan institutions, credit union shares, obligation of the U.S. treasury and U.S. agencies, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating service and the Illinois Funds Money Market. The Township had deposits with a carrying amount of \$1,505,642 in the CDARS Network. This is a program whereby the Township entered into a CDARS Deposit Placement Agreement and a custodial agreement with a member bank in the CDARS Network. The member bank places deposits into CDs issued by other members of the network in increments below the standard FDIC insurance limits so that the deposits are eligible for FDIC insurance.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 3 – INTERFUND TRANSACTIONS

Due To/From Other Funds

All fund types at March 31, 2014, are summarized as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Town Fund		
Road and Bridge	\$ 2,243	\$ -
Total General Town Fund	<u>\$ 2,243</u>	<u>\$ -</u>
Road and Bridge Fund		
General Town	\$ -	\$ 2,243
Total Road and Bridge Fund	<u>\$ -</u>	<u>\$ 2,243</u>

All interfund balances will be repaid in the next fiscal year. The interfunds occurred in order to show the liability due to the General Town Fund, which paid for all expenditures.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 4 – CAPITAL ASSETS

Governmental capital assets activity for the year ended March 31, 2014 was as follows:

Governmental Activities	Balance April 1, 2013	Additions	Deletions	Transfers	Balance March 31, 2014
Capital assets not being depreciated					
Land	\$ 16,838,582	\$ -	\$ -	\$ -	\$ 16,838,582
Capital assets being depreciated					
Infrastructure	14,543,741	32,462	-	-	14,576,203
Land improvements	241,337	224,523	-	-	465,860
Buildings	3,740,325	-	-	-	3,740,325
Equipment	1,232,566	15,623	-	(20,121) *	1,228,068
Vehicles	136,645	129,429	-	20,121 *	286,195
Total capital assets being depreciated	19,894,614	402,037	-	-	20,296,651
Accumulated depreciation	9,774,541	524,723	-	-	10,299,264
Total capital assets being depreciated, net	10,120,073	(122,686)	-	-	9,997,387
Government activities capital assets, net	\$ 26,958,655	\$ (122,686)	\$ -	\$ -	\$ 26,835,969

* Vehicle was improperly coded to equipment in PYs; reclassified to proper category in FY14.

Depreciation expense for the Township's governmental activities was charged to governmental functions as follows:

General Government	\$ 177,538
Culture and Recreation	17,950
General Assistance	1,439
Road and Bridge	327,796
Total	<u>\$ 524,723</u>

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation activity for the Township associated with governmental activities for the year ended March 31, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One year
Compensated Absences	<u>\$ 37,810</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 37,110</u>	<u>-</u>
Total	<u>\$ 37,810</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 37,110</u>	<u>\$ -</u>

Compensated absences are paid out of the fund the employee’s salary was paid from. Currently, this is the General Town fund and the Road and Bridge Fund.

NOTE 6 – DEFINED BENEFIT PENSION PLAN

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 (RSI). That report may be obtained on-line at www.imrf.org.

Funding Policy

As set by statute, Township 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 of its own employees. The employer annual required contribution rate for calendar year 2013 was 11.73% of annual covered payroll. 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.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 6 – DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost

The required contribution for calendar year 2013 was \$111,922.

<u>Calender Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 111,922	100%	\$ -
12/31/12	87,179	117%	-
12/31/11	87,951	98%	2,275

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) 7.5% 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 value of the Township's employer 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 employer plan's unfunded actuarial 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 plan was 83.27% funded. The actuarial accrued liability for benefits was \$1,838,249 and the actuarial value of assets was \$1,530,748 resulting in an underfunded actuarial accrued liability (UAAL) of \$307,501. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$954,148 and the ratio of the UAAL to the covered payroll was 32%.

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

On a market basis, the actuarial value of assets as of December 31, 2013 is \$1,937,773. On a market basis, the funded ratio would be 105.41%.

NOTE 7 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Township also purchases its employee health and accident insurance from commercial carriers. The Township did not have any significant reduction in insurance coverage from coverage in the prior year and settlements did not exceed insurance coverage during the past three fiscal years.

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) recently issued the following statements:

GASB Statement No. 67 – *Financial Reporting for Pension Plans* is effective for the Township’s pension plan’s fiscal year ending December 31, 2014. It supersedes Statements No. 25 and No. 50 as they relate to pension plans that are administered through trust or similar arrangements meeting certain criteria. It modifies the format of financial statements for plans and mandates various disclosures for the total pension liability and net pension liability, including significant assumptions and rates of return. The statement also requires the presentation of new information about annual money weighted rates of return in the notes to the financial statements and in 10 year RSI schedules.

GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* is effective for the Township beginning with its fiscal year ending March 31, 2016. It supersedes Statements No. 27 and No. 50 as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. The statement requires governments providing defined benefit pensions to recognize their long term obligation for pension benefits as a liability for the first time. It also requires more comprehensive and comparable measurements of the annual costs of pension benefits and requires revised and new note disclosures and RSI.

GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations* is effective for the Township beginning with its fiscal year ending March 31, 2015. It establishes accounting and financial reporting requirements for government combinations and disposal of government operations.

GASB Statement No. 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees* is effective for the Township beginning with its fiscal year ending March 31, 2015. It requires governments that extend a nonexchange financial guarantee to recognize a liability under certain circumstances and provides for disclosure requirements for governments giving or receiving guarantees.

GASB statement No.71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date- An Amendment of GASB Statement No. 68*. This statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68.

TOWNSHIP OF ORLAND, ILLINOIS

Notes to financial statements
March 31, 2014

NOTE 8 –NEW ACCOUNTING PRONOUNCEMENTS (Continued)

Management has not yet completed its evaluation of the impact, if any, the provisions of these GASB statements might have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



TOWNSHIP OF ORLAND, ILLINOIS

TOWNSHIP OF ORLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOWN FUND
FOR THE YEAR ENDED MARCH 31, 2014

	Town Fund		
	Original and Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 2,050,000	\$ 2,022,961	\$ (27,039)
Replacement taxes	13,000	15,894	2,894
Food pantry	25,000	25,217	217
Service fees and donations	327,500	345,326	17,826
Investment income	5,000	12,812	7,812
Miscellaneous revenue	22,500	47,771	25,271
Total revenues	<u>2,443,000</u>	<u>2,469,981</u>	<u>26,981</u>
Expenditures			
Current			
Township administration	954,316	1,151,622	197,306
Assessor	144,292	144,467	175
Youth services	132,640	137,530	4,890
Senior citizens services	497,815	468,114	(29,701)
Health services	199,319	203,555	4,236
Supervisor	22,100	22,100	-
Trustee	29,200	29,200	-
Clerk	14,850	16,200	1,350
Road and Bridge	19,400	19,400	-
Home relief /food pantry	85,746	136,287	50,541
Capital outlay	451,000	304,400	(146,600)
Total expenditures	<u>2,550,678</u>	<u>2,632,875</u>	<u>82,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,678)</u>	<u>(162,894)</u>	<u>(55,216)</u>
Net change in fund balance	<u>\$ (107,678)</u>	<u>(162,894)</u>	<u>\$ (55,216)</u>
Fund Balance at Beginning of Year		<u>3,655,447</u>	
Fund Balance at End of Year		<u>\$ 3,492,553</u>	

TOWNSHIP OF ORLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED MARCH 31, 2014

	Road and Bridge Fund		
	Original and Final Budget	Actual	Variance Over(Under) Final Budget
Revenues			
Property taxes	\$ 912,507	\$ 627,627	\$ (284,880)
Replacement taxes	17,000	23,821	6,821
Investment income	8,000	768	(7,232)
Miscellaneous revenue	32,000	57,564	25,564
Total revenues	<u>969,507</u>	<u>709,780</u>	<u>(259,727)</u>
Expenditures			
Current			
Road and Bridge	918,890	716,515	(202,375)
Capital outlay	83,500	84,806	1,306
Total expenditures	<u>1,002,390</u>	<u>801,321</u>	<u>(201,069)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,883)</u>	<u>(91,541)</u>	<u>(58,658)</u>
Net change in fund balance	<u>\$ (32,883)</u>	<u>(91,541)</u>	<u>\$ (58,658)</u>
Fund Balance at Beginning of Year		<u>639,715</u>	
Fund Balance at End of Year		<u>\$ 548,174</u>	

TOWNSHIP OF ORLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED MARCH 31, 2014

	General Assistance Fund		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over(Under) Final Budget</u>
Revenues			
Property taxes	\$ 230,000	\$ 199,313	\$ (30,687)
Investment income	100	254	154
Miscellaneous revenue	3,000	79	(2,921)
Total revenues	<u>233,100</u>	<u>199,646</u>	<u>(33,454)</u>
Expenditures			
Current			
Supervisor	242,350	57,142	(185,208)
Total expenditures	<u>242,350</u>	<u>57,142</u>	<u>(185,208)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,250)</u>	<u>142,504</u>	<u>151,755</u>
Net change in fund balance	<u>\$ (9,250)</u>	142,504	<u>\$ 151,755</u>
Fund Balance at Beginning of Year		<u>160,055</u>	
Fund Balance at End of Year		<u>\$ 302,559</u>	

**TOWNSHIP OF ORLAND, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
MARCH 31, 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	\$ 1,530,748	\$ 1,838,249	\$ 307,501	83.27%	\$ 954,148	32.23%
12/31/2012	1,371,043	1,752,993	381,950	78.21%	886,863	43.07%
12/31/2011	1,159,078	1,592,494	433,416	72.78%	877,753	49.38%

Schedule of Employer Contributions

Calendar Year Ended	Annual Required Contribution	Percentage Contributed
12/31/2013	\$ 111,922	100%
12/31/2012	87,179	117%
12/31/2011	87,951	98%

TOWNSHIP OF ORLAND, ILLINOIS

Notes to the required supplementary information
March 31, 2014

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

The procedures used in establishing the budgetary data reflected in the financial statements is as follows:

1. The Township Supervisor submits to the Town Board a proposed operating budget for the fiscal year. The operating budget (modified accrual basis) includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comment.
3. The budget is legally enacted through passage of an ordinance.
4. The Township Supervisor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board and must be in compliance with applicable statutes.
5. There were no budget amendments during the year.

The legal level of budgetary control has been established at the fund level. During the current year, budgets were adopted for the General Town, Road and Bridge and General Assistance Funds. No encumbrances are used.

The following funds had an excess of actual expenditures over related budgeted expenditures for the year ended March 31, 2014:

General Town Fund	\$82,197
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INDIVIDUAL FUND FINANCIAL SCHEDULES



TOWNSHIP OF ORLAND, ILLINOIS

TOWNSHIP OF ORLAND, ILLINOIS
TOWN FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014		Variance Over(Under) Final Budget	2013 Actual
	Original and Final Budget	Actual		
Expenditures				
Township administration				
Executive administrator	\$ 75,000	\$ 71,215	\$ (3,785)	\$ 53,614
Asst executive administration	55,000	55,350	350	55,215
Salaries-administrative assistant	36,224	54,426	18,202	32,912
Salaries-operations coordinator	35,400	55,392	19,992	28,366
Project/program manager	33,048	14,451	(18,597)	29,246
Case worker	-	24,222	24,222	-
Part time summer help	25,200	25,621	421	14,455
Employee's medical/life insurance	35,000	45,416	10,416	31,163
Maintenance-building	25,000	14,207	(10,793)	25,615
Maintenance-equipment	15,000	17,522	2,522	10,006
Maintenance-vehicle	-	2,342	2,342	546
Landscape service/snow removal	-	1,569	1,569	-
FICA/Medicare	86,249	66,150	(20,099)	72,144
IMRF	116,195	61,358	(54,837)	95,626
Workman's comp insurance	24,000	25,697	1,697	18,318
Illinois U/C Tax	-	9,320	9,320	-
Liability insurance	35,000	40,455	5,455	31,459
Bank service charges	4,000	5,747	1,747	4,428
Telephone	11,000	11,394	394	10,663
Bonding/notary public	500	583	83	206
Utilities-electric/heat/water	25,000	31,721	6,721	25,425
Rent-equipment	6,000	3,980	(2,020)	4,459
Travel	250	115	(135)	140
Janitor	18,000	17,060	(940)	16,560
Postage	35,000	5,091	(29,909)	41,202
Gas and oil	-	2,242	2,242	3,911
Garbage/refuse	2,500	2,540	40	2,450
Printing and legal notices	50,000	35,695	(14,305)	50,172
Accounting services	15,000	5,410	(9,590)	11,250
Audit services	11,250	15,000	3,750	-
Attorney/legal service	30,000	20,992	(9,008)	28,102
Other professional services	30,000	98,925	68,925	32,864
Dues and subscriptions	4,500	4,794	294	4,373
Security alarm system	2,000	2,391	391	1,909
Data processing services	4,000	2,926	(1,074)	5,250
Focus postage expense	-	11,465	11,465	-
Park maintenance expenditures	4,000	19,266	15,266	3,152
Scheduled activities	20,000	11,821	(8,179)	18,288
Other program/activities	15,000	5,893	(9,107)	12,940
Illiumin8k	-	30,759	30,759	-
Donations	-	10,000	10,000	-
Intergovernmental agreements	-	100,000	100,000	-
Community support	3,000	4,705	1,705	2,605
Open-space/retention	2,000	-	(2,000)	-
Cook County vehicle stickers	-	-	-	350
Monthly accounting service	-	-	-	12,618
Cook County hire back	15,000	11,439	(3,561)	11,123
Computer service	7,500	31,410	23,910	6,361
Ad books expense	500	675	175	175
Holiday expenditures	2,000	-	(2,000)	-
Office supplies	5,000	7,062	2,062	4,527
Promotional items	15,000	12,005	(2,995)	7,434
Operating supplies	15,000	12,634	(2,366)	13,959
Books/pamphlets/literature	-	189	189	-
Scholarship Fund Grant	-	27,530	27,530	6,086
Miscellaneous	5,000	3,451	(1,549)	1
Total township administration	954,316	1,151,622	197,306	841,668

TOWNSHIP OF ORLAND, ILLINOIS
TOWN FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014		Variance Over(Under) Final Budget	2013 Actual
	Original and Final Budget	Actual		
Assessor				
Salaries-elected official	16,200	16,200	-	16,200
Chief deputy assessor	45,872	55,362	9,490	44,124
Deputy assessor	34,415	29,489	(4,926)	33,104
Salaries-other personnel	12,000	10,073	(1,927)	9,900
Employee's medical/life insurance	25,000	16,637	(8,363)	25,155
Maintenance-equipment	950	950	-	900
IMRF	-	7,456	7,456	-
Ill. U/C Tax	-	1,731	1,731	-
Bonding/notary public	55	-	(55)	49
Travel	1,225	248	(977)	1,071
Training	1,500	500	(1,000)	1,050
Postage	1,000	-	(1,000)	-
Printing and legal notices	3,000	2,390	(610)	878
Other professional services	1,000	525	(475)	640
Dues and subscriptions	1,075	1,055	(20)	925
Rent-other	650	1,294	644	-
Office supplies	150	498	348	5
Operating supplies	200	59	(141)	179
Total assessor	<u>144,292</u>	<u>144,467</u>	<u>175</u>	<u>134,180</u>
Youth Services				
Salaries-director	58,240	57,547	(693)	46,559
Salaries-youth counselor	40,600	44,422	3,822	38,671
Counselor/community outreach	-	266	266	-
Salaries-prevention	13,900	7,021	(6,879)	12,721
Employee's medical/life insurance	6,000	8,932	2,932	5,896
IMRF	-	7,943	7,943	-
Ill. U/C Tax	-	1,554	1,554	-
Travel	300	-	(300)	-
Training	500	467	(33)	470
Printing and legal notices	4,000	3,252	(748)	3,545
Other professional services	5,000	3,984	(1,016)	5,032
Dues and subscriptions	250	75	(175)	50
Scheduled activities	3,000	1,540	(1,460)	2,866
Office supplies	100	250	150	-
Operating supplies	500	277	(223)	258
Books/pamphlets/literature	250	-	(250)	-
Total youth services	<u>132,640</u>	<u>137,530</u>	<u>4,890</u>	<u>116,068</u>

TOWNSHIP OF ORLAND, ILLINOIS
TOWN FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014		Variance Over(Under) Final Budget	2013 Actual
	Original and Final Budget	Actual		
Senior Citizens Services				
Salaries-service coordinator	34,598	34,583	(15)	32,640
Salaries-service assistance	29,376	28,679	(697)	24,480
Salaries-transport disp	35,141	34,870	(271)	31,946
Salaries-sr transport person	162,000	139,775	(22,225)	103,825
Senior-other personnel	20,000	21,374	1,374	20,203
Employee's medical/life insurance	6,000	9,341	3,341	5,264
Maintenance-vehicles	13,000	12,278	(722)	12,836
Maintenance-equipment	-	49	49	-
IMRF	-	17,457	17,457	-
Ill. U/C Tax	-	5,583	5,583	-
Telephone	4,000	3,623	(377)	3,756
Travel	400	-	(400)	391
Training	500	-	(500)	445
Printing and legal notices	7,500	8,289	789	6,872
Other professional services	-	3,314	3,314	2,280
Dues and subscriptions	300	50	(250)	-
Scheduled activities	155,000	121,685	(33,315)	159,175
Other program/activities	2,000	237	(1,763)	414
Community org support	500	-	(500)	200
Fuel	25,000	26,240	1,240	26,618
Operating supplies	2,500	682	(1,818)	1,721
Miscellaneous	-	5	5	-
Total senior citizens services	497,815	468,114	(29,701)	433,066
Health Services				
Salaries-service coordinator	39,657	39,633	(24)	34,319
Salaries-service assistance	29,712	2,363	(27,349)	28,050
Employee's medical/life insurance	9,000	8,810	(190)	6,422
IMRF	-	2,958	2,958	-
Ill. U/C Tax	-	527	527	-
Travel	200	-	(200)	-
Training	250	190	(60)	-
Printing and legal notices	5,000	5,388	388	5,069
Other professional services	2,500	10,860	8,360	2,375
Scheduled activities	3,000	4,243	1,243	3,180
Other program activity	2,000	2,335	335	1,051
Physical/hearing expenditures	2,000	1,970	(30)	1,610
Immunizations	35,000	47,654	12,654	33,527
Dental	31,000	31,390	390	33,025
Vision	8,000	4,760	(3,240)	9,415
Flu	15,000	24,412	9,412	14,595
Podiatry	2,500	2,085	(415)	2,255
Cholesterol screening	3,000	-	(3,000)	-
Health supplies	10,000	12,595	2,595	5,750
Office supplies	500	136	(364)	-
Operating supplies	1,000	1,246	246	373
Total health services	199,319	203,555	4,236	181,016

TOWNSHIP OF ORLAND, ILLINOIS
TOWN FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014		Variance Over(Under) Final Budget	2013 Actual
	Original and Final Budget	Actual		
Supervisor				
Salaries-elected official	22,100	22,100	-	22,100
Total supervisor	<u>22,100</u>	<u>22,100</u>	<u>-</u>	<u>22,100</u>
Trustee				
Salaries-elected official	29,200	29,200	-	29,200
Total trustee	<u>29,200</u>	<u>29,200</u>	<u>-</u>	<u>29,200</u>
Clerk				
Salaries-elected official	14,850	16,200	1,350	16,200
Total clerk	<u>14,850</u>	<u>16,200</u>	<u>1,350</u>	<u>16,200</u>
Road and Bridge				
Salaries-elected official	19,400	19,400	-	19,400
Total road and bridge	<u>19,400</u>	<u>19,400</u>	<u>-</u>	<u>19,400</u>
Home Relief/Food Pantry				
Food pantry coordinator	41,796	46,142	4,346	37,996
Employee's medical/life insurance	-	1,867	1,867	-
IMRF	-	3,382	3,382	-
Ill. U/C Tax	-	519	519	-
Postage	1,000	-	(1,000)	-
Printing and legal notices	3,000	1,183	(1,817)	981
Holiday pantry	2,000	35,539	33,539	998
Food pantry	30,000	42,823	12,823	31,695
School supplies	7,000	3,316	(3,684)	6,794
Post office food drive	200	-	(200)	-
Pet pantry	-	886	886	1,041
Office supplies	250	-	(250)	-
Operating supplies	500	630	130	351
Total home relief/food pantry	<u>85,746</u>	<u>136,287</u>	<u>50,541</u>	<u>79,856</u>
Capital Outlay				
Furniture, fixtures and equipment	31,000	9,095	(21,905)	36,805
Buildings	-	-	-	1,272
Parking lot repairs	150,000	-	(150,000)	9,951
Technology improvements	20,000	-	(20,000)	34,612
Park improvements	200,000	235,711	35,711	205,979
Freedom Park	-	9,030	9,030	-
Vehicles	50,000	50,411	411	-
Miscellaneous	-	153	153	-
Total capital outlay	<u>451,000</u>	<u>304,400</u>	<u>(146,600)</u>	<u>288,619</u>
Total Expenditures	<u>\$ 2,550,678</u>	<u>\$ 2,632,875</u>	<u>\$ 82,197</u>	<u>\$ 2,161,373</u>

TOWNSHIP OF ORLAND, ILLINOIS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014			
	Original and Final Budget	Actual	Variance Over(Under) Final Budget	2013 Actual
Revenues				
Property taxes	\$ 912,507	\$ 627,627	\$ (284,880)	\$ 653,986
Replacement taxes	17,000	23,821	6,821	17,027
Investment income	8,000	768	(7,232)	1,075
Miscellaneous revenue	32,000	57,564	25,564	68,174
Total revenues	<u>969,507</u>	<u>709,780</u>	<u>(259,727)</u>	<u>740,262</u>
Expenditures				
Road and Bridge				
Salaries-road and bridge	58,000	92,401	34,401	72,709
Salaries-other personnel	100,000	59,707	(40,293)	57,083
Overtime	5,000	-	(5,000)	-
Employee's medical/life insurance	40,000	26,592	(13,408)	19,386
Maintenance-building	7,000	2,207	(4,793)	7,557
Maintenance-vehicles	7,000	12,939	5,939	8,370
Maintenance-equipment	5,000	6,586	1,586	3,619
Maintenance-road	386,490	212,045	(174,445)	392,765
Maintenance-grounds/weeds	20,000	21,207	1,207	10,397
Snow removal	25,000	50,370	25,370	8,100
FICA/Medicare	15,000	8,979	(6,021)	11,311
IMRF	14,000	16,433	2,433	13,903
Workman's comp insurance	20,000	9,292	(10,708)	11,105
Liability insurance	20,000	13,510	(6,490)	14,429
Vehicle insurance	-	2,313	2,313	-
Telephone	5,000	4,905	(95)	4,379
Utilities-electric/heat/water	6,800	8,375	1,575	6,649
Rent-equipment	3,000	604	(2,396)	1,734
Travel	900	562	(338)	646
Janitor	4,500	3,450	(1,050)	4,350
Licenses	200	-	(200)	-
Training	500	348	(152)	-
Postage	500	39	(461)	43
Garbage/refuse service	5,000	5,084	84	3,989
Printing and legal notices	1,000	189	(811)	540
Engineering service	10,000	9,764	(236)	13,733
Attorney/legal service	8,000	6,535	(1,465)	7,618
Other professional services	5,000	-	(5,000)	303
Street and traffic lights	20,000	13,805	(6,195)	12,349
Engineering escrow	2,000	-	(2,000)	1,803
Dues and subscriptions	700	647	(53)	640
Security alarm system	5,000	2,936	(2,064)	3,287
Other program/activities	6,500	6,661	161	6,470
Office supplies	1,500	2,991	1,491	1,349
Gasoline and oil	18,000	21,264	3,264	18,445
Building maintenance supplies	2,000	-	(2,000)	966
Operating supplies	4,500	4,160	(340)	3,522
Equipment maintenance supplies	3,000	2,475	(525)	1,253
Road maintenance supplies	20,000	7,975	(12,025)	8,171
Snow removal maintenance supplies	45,000	73,605	28,605	36,131
Small tools	1,000	30	(970)	372
Vehicle maintenance supplies	2,000	892	(1,108)	1,077
Furniture and fixtures	500	-	(500)	-
Bank fees	800	20	(780)	-
Personal property replacement tax	5,200	4,618	(582)	1,144
Miscellaneous	8,300	-	(8,300)	28,026
Total road and bridge	<u>918,890</u>	<u>716,515</u>	<u>(202,375)</u>	<u>799,723</u>
Capital Outlay				
Furniture, Fixtures and Equipment	83,500	84,806	1,306	2,184
Total capital outlay	<u>83,500</u>	<u>84,806</u>	<u>1,306</u>	<u>2,184</u>
Total expenditures	<u>1,002,390</u>	<u>801,321</u>	<u>(201,069)</u>	<u>801,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (32,883)</u>	<u>(91,541)</u>	<u>\$ 143,717</u>	<u>(61,645)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	45,668
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,668</u>
Change in fund balance	<u>\$ (32,883)</u>	<u>(91,541)</u>	<u>\$ (32,883)</u>	<u>(15,977)</u>
Fund Balance at Beginning of Year		<u>639,715</u>		<u>655,692</u>
Fund Balance at End of Year		<u>\$ 548,174</u>		<u>\$ 639,715</u>

TOWNSHIP OF ORLAND, ILLINOIS
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
YEARS ENDED MARCH 31, 2014 AND 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over(Under) Final Budget	
Revenues				
Property taxes	\$ 230,000	\$ 199,313	\$ (30,687)	\$ 231,922
Investment income	100	254	154	152
Miscellaneous revenue	3,000	79	(2,921)	4,334
Total revenues	<u>233,100</u>	<u>199,646</u>	<u>(33,454)</u>	<u>236,408</u>
Expenditures				
Supervisor				
Salaries-administrative	25,000	-	(25,000)	22,161
FICA/Medicare	-	-	-	2,136
Bank service charges	-	25	25	32
Liability insurance	2,200	-	(2,200)	-
Travel	500	-	(500)	352
Training	500	-	(500)	261
Postage	50	-	(50)	-
Audit	3,750	-	(3,750)	-
Attorney/legal service	1,500	-	(1,500)	1,200
Accounting services	-	-	-	3,750
Monthly accounting services	1,500	-	(1,500)	1,593
Operating supplies	100	2,609	2,509	-
Catastrophic insurance	4,250	3,425	(825)	4,250
G/A service-other medical care	1,500	167	(1,333)	1,474
G/A service-mortgage assistance	50,000	6,641	(43,359)	54,913
G/A service-fuel/heat/cooling	12,500	3,645	(8,855)	10,021
G/A service-util/elect/water	35,000	4,661	(30,339)	36,028
G/A service-shelter	15,000	1,499	(13,501)	12,552
G/A service-food	5,000	2,181	(2,819)	5,189
G/A service-personal incidentals	2,500	762	(1,738)	2,480
G/A service-household incidentals	3,500	745	(2,755)	3,513
G/A service-rent assistance	75,000	29,682	(45,318)	98,008
Fuel	3,000	1,100	(1,900)	4,120
Total supervisor	<u>242,350</u>	<u>57,142</u>	<u>(185,208)</u>	<u>264,033</u>
Total expenditures	<u>242,350</u>	<u>57,142</u>	<u>(185,208)</u>	<u>264,033</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,250)	142,504	151,754	(27,625)
Other Financing Sources				
Transfers in	-	-	-	61,544
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,544</u>
Change in fund balance	<u>\$ (9,250)</u>	<u>142,504</u>	<u>\$ 151,754</u>	<u>33,919</u>
Fund Balance at Beginning of Year		<u>160,055</u>		<u>126,136</u>
Fund Balance at End of Year		<u>\$ 302,559</u>		<u>\$ 160,055</u>