

**BURTON TOWNSHIP, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2018**

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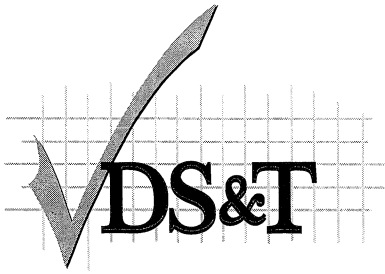
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D A M , S N E L L & T A V E I R N E , L T D .

C E R T I F I E D • P U B L I C • A C C O U N T A N T S

MATTHEW DABROWSKI, CPA  
BARBARA HARPOLD, CPA  
SCOTT LANNERS, CPA

## INDEPENDENT AUDITORS' REPORT

Township Supervisor and Board of Trustees  
Burton Township  
Spring Grove, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Burton Township, Illinois (the Township) as of and for the year ended March 31, 2018, 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 as described in Note A; 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 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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Burton Township, Illinois as of March 31, 2018, 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 A.

## **Basis of Accounting**

We draw attention to Note A 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 as a whole that collectively comprise the Burton Township, Illinois basic financial statements. The budgetary comparisons presented on pages 16 through 22, 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.

*Dam, Snell & Taveirne, Ltd.*

DAM, SNELL & TAVEIRNE, LTD.

Certified Public Accountants

Fox Lake, Illinois

January 6, 2020

BURTON TOWNSHIP  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS (MODIFIED CASH BASIS)  
 MARCH 31, 2018

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 538,213
Prepaid payroll taxes	308
Capital assets, net	67,434
<b>Total assets</b>	<b>\$ 605,955</b>
<b>LIABILITIES</b>	
Current liabilities	
Payroll liabilities	\$ -
<b>Total liabilities</b>	-
<b>NET ASSETS</b>	
Investment in capital assets	67,434
Restricted net assets	
Special revenues	286,572
Unrestricted net assets	251,949
<b>Total net assets</b>	<b>605,955</b>
<b>Total liabilities and net assets</b>	<b>\$ 605,955</b>

The accompanying notes are an integral part of these financial statements.

BURTON TOWNSHIP  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)  
 YEAR ENDED MARCH 31, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
General governmental services	\$ 141,373	\$ -	\$ -	\$ -	\$ (141,373)
Assessor	1,940	-	-	-	(1,940)
Road maintenance	99,413	-	-	-	(99,413)
Home relief	2,355	-	-	-	(2,355)
Cemetery	-	-	-	-	-
<b>Total governmental activities</b>	<u>\$ 245,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(245,081)</u>
<b>General revenues</b>					
Property taxes					276,867
State replacement taxes					1,918
Interest					320
Miscellaneous					4,095
<b>Total general revenues</b>					<u>283,200</u>
Change in net assets					38,119
Net Assets - Beginning of year					<u>567,836</u>
Net Assets - End of year					<u>\$ 605,955</u>

The accompanying notes are an integral part of these financial statements.

BURTON TOWNSHIP  
STATEMENT OF ASSETS AND LIABILITIES (CASH BASIS)  
GOVERNMENTAL FUNDS  
MARCH 31, 2018

ASSETS	Special Revenue Funds						Total Governmental Funds
	General	Road and Bridge	Permanent Road	Road Damage	Equipment and Building	General Assistance	
Cash and investments	\$ 250,349	\$ 35,105	\$ 60,449	\$ 1,155	\$ 95,305	\$ 95,850	\$ 538,213
Prepaid payroll taxes	308	-	-	-	-	-	308
Due from other funds	1,292	-	-	-	-	-	1,292
<b>Total assets</b>	<b>\$ 251,949</b>	<b>\$ 35,105</b>	<b>\$ 60,449</b>	<b>\$ 1,155</b>	<b>\$ 95,305</b>	<b>\$ 95,850</b>	<b>\$ 539,813</b>

LIABILITIES AND FUND BALANCE

<b>Liabilities</b>							
Payroll liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	703	589	-	-	-	1,292
<b>Total liabilities</b>	<b>-</b>	<b>703</b>	<b>589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292</b>
<b>Fund Balance</b>							
Restricted							
Special revenues	-	34,402	59,860	1,155	95,305	95,850	286,572
Unassigned	251,949	-	-	-	-	-	251,949
<b>Total fund balance</b>	<b>251,949</b>	<b>34,402</b>	<b>59,860</b>	<b>1,155</b>	<b>95,305</b>	<b>95,850</b>	<b>538,521</b>
<b>Total liabilities and fund balance</b>	<b>\$ 251,949</b>	<b>\$ 35,105</b>	<b>\$ 60,449</b>	<b>\$ 1,155</b>	<b>\$ 95,305</b>	<b>\$ 95,850</b>	<b>\$ 539,813</b>

The accompanying notes are an integral part of these financial statements.

BURTON TOWNSHIP  
 RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
 OF ASSETS AND LIABILITIES (CASH BASIS) TO THE  
 STATEMENT OF NET ASSETS  
 MARCH 31, 2018

Total fund balance - governmental funds \$ 538,521

Amounts reported for governmental activities in the Statement of  
 Net Assets are different due to:

The cost of capital assets (land, buildings, equipment and infrastructure)  
 purchased or constructed is reported as an expenditure in the  
 governmental funds. The Statement of Net Assets includes those  
 capital assets among the assets of the Township as a whole.

Capital outlay:

General fund	\$ -	
Road and bridge fund	260,276	
Permanent road fund	-	
Road damage fund	-	
Equipment and building fund	-	
General assistance fund	-	
	-	260,276

Accumulated depreciation:

General fund	-	
Road and bridge fund	192,842	
Permanent road fund	-	
Road damage fund	-	
Equipment and building fund	-	
General assistance fund	-	
	-	(192,842)

Net assets of the governmental activities \$ 605,955

The accompanying notes are an integral part of these financial statements.



BURTON TOWNSHIP  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (CASH BASIS) - GOVERNMENTAL FUNDS  
YEAR ENDED MARCH 31, 2018

	Special Revenue Funds						Total Governmental Funds
	General	Road and Bridge	Permanent Road	Road Damage	Equipment and Building	General Assistance	
<b>CASH RECEIPTS</b>							
Property taxes	\$ 135,533	\$ 48,701	\$ 65,576	\$ 13,299	\$ 13,758	\$ -	\$ 276,867
State replacement tax	816	1,102	-	-	-	-	1,918
Interest	291	29	-	-	-	-	320
Fines	1,190	-	-	-	-	-	1,190
Miscellaneous	508	432	-	-	-	1,965	2,905
<b>Total cash receipts</b>	<b>138,338</b>	<b>50,264</b>	<b>65,576</b>	<b>13,299</b>	<b>13,758</b>	<b>1,965</b>	<b>283,200</b>
<b>DISBURSEMENTS</b>							
<b>Current</b>							
General governmental services	106,635	6,734	26,624	-	-	1,380	141,373
Assessor	1,940	-	-	-	-	-	1,940
Road maintenance	-	27,296	38,307	12,129	9,633	-	87,365
Home relief	-	-	-	-	-	2,355	2,355
Cemetery	-	-	-	-	-	-	-
Capital acquisitions	-	-	3,843	-	-	-	3,843
<b>Total disbursements</b>	<b>108,575</b>	<b>34,030</b>	<b>68,774</b>	<b>12,129</b>	<b>9,633</b>	<b>3,735</b>	<b>236,876</b>
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>29,763</b>	<b>16,234</b>	<b>(3,198)</b>	<b>1,170</b>	<b>4,125</b>	<b>(1,770)</b>	<b>46,324</b>
<b>OTHER SOURCES (USES)</b>							
Proceeds from sale of equipment	-	-	-	-	-	-	-
Interfund transfer	-	-	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)</b>	<b>29,763</b>	<b>16,234</b>	<b>(3,198)</b>	<b>1,170</b>	<b>4,125</b>	<b>(1,770)</b>	<b>46,324</b>
<b>FUND BALANCE</b>							
Beginning of year	222,186	18,168	63,058	(15)	91,180	97,620	492,197
<b>End of year</b>	<b>\$ 251,949</b>	<b>\$ 34,402</b>	<b>\$ 59,860</b>	<b>\$ 1,155</b>	<b>\$ 95,305</b>	<b>\$ 95,850</b>	<b>\$ 538,521</b>

The accompanying notes are an integral part of these financial statements.

BURTON TOWNSHIP  
 RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
 OF RECEIPTS AND DISBURSEMENTS (CASH BASIS)  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED MARCH 31, 2018

Net change in fund balances - total governmental funds \$ 46,324

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which outlays for assets capitalized exceeds depreciation expense in the current period.

Capital outlay:

General fund	\$ -	
Road and bridge fund	3,843	
Permanent road fund	-	
Road damage fund	-	
Equipment and building fund	-	
General assistance fund	-	
		3,843

Depreciation expense:

General fund	-	
Road and bridge fund	12,048	
Permanent road fund	-	
Road damage fund	-	
Equipment and building fund	-	
General assistance fund	-	
		(12,048)

Change in net assets of governmental activities \$ 38,119

The accompanying notes are an integral part of these financial statements.

BURTON TOWNSHIP  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2018

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Township's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Principles Used to Determine Scope of Entity

The Township is a primary government as defined by Governmental Accounting Standards Board Statement 14. The Township's Road District is governed by the same Board as the Township. For financial reporting purposes the Township's Road District is reported as if it were part of the Township's operations because its purpose is to construct and maintain roads within the Township.

2. Basis of Presentation

*Government-Wide Statements* -The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the Township. All of the Township's operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The Township has no operating activities that would be considered "business activities".

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

*Fund Financial Statements*- The accounts of the Township in the governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues collected, and expenditures paid. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and managerial requirements. The emphasis in fund financial statements is on the major funds. Non-major funds are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses for the determination of major funds. The Township elects to treat the General Assistance Fund as a major fund. The following fund types are used by the Township:

General Fund – The general fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is a major fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specified purposes. The Township maintains five special revenue funds. The Road and Bridge, Permanent Road, Equipment and Building and Road Damage funds, all major funds, account for expenditures relating to road projects, which are funded mainly by property and other taxes. The General Assistance Fund, a major fund, accounts for revenue and expenditures related to general assistance in the community.

BURTON TOWNSHIP  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2018

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are presented using the modified cash basis of accounting. The Township maintains its accounting records for all funds on the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. The cash basis of accounting is modified by reflecting accumulated depreciation and depreciation expense related to capital assets on the government wide financial statements.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

4. Assets and Liabilities

*Cash and Cash Equivalents* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments, with original maturities of three months or less from the date of acquisition.

*Investments* - Investments are reported at cost, which approximates fair value. Gains or losses on the sale of investments are recognized upon realization.

*Inventories* - It is the Township's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

*Capital Assets* - Capital assets, include land, land improvements, buildings, machinery and equipment, and construction in progress are reported in the government – wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Under GASB 34, the Township elected to begin capitalizing assets on April 1, 2011.

Management has not recorded any amount for general infrastructure assets of the Township.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is provided using the straight line method over the following estimated useful lives; land improvements – 10 years, buildings – 20 to 50 years, machinery and equipment – 5 to 10 years.

*Compensated Absences* - Under the cash basis of accounting, the Township does not accrue accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. Vacations and the associated employee-related costs are recorded when paid.

*Eliminations and Reclassifications* - In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

BURTON TOWNSHIP  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2018

5. Net Asset/Fund Balance Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, beginning with fiscal year 2012, the Township implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in a nonspendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (i.e. Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the Township takes the same highest level of action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. The Board of Trustees has retained the authority to assign fund balances.

6. Budgets and Budgetary Accounting

The budget for all funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts.

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

- a. The Township Supervisor submits to the Township’s Board of Trustees a proposed operating budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.

BURTON TOWNSHIP  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 MARCH 31, 2018

- c. The budget is legally enacted through passage of an ordinance. The ordinance was passed on June 13, 2017. Neither the Township budget nor the Road budget was amended.
- d. The Township's 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's Board of Trustees. There were no revisions to the budget.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- f. Budgets for all funds are adopted on the cash basis. Budgetary comparisons presented in this report are on this non-GAAP budgetary basis.

7. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE B – DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. The Illinois Funds is an external investment pool regulated by state statutes, and values participant's shares on a fair value basis.

*Deposits*

*Custodial Credit Risk:* For an investment, custodial credit is risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments, if any, are registered in the Township's name. Township policy requires that bank deposits in excess of FDIC limits are collateralized with securities held by the financial institution's agents in the Township's name.

The carrying amount of deposit accounts at March 31, 2018 was \$538,213 and the bank balance was \$538,213. The deposits are categorized in accordance with risk factors established by governmental reporting standards.

Amount insured by FDIC	\$	250,000
Amount collateralized with securities held by the pledging financial institution's agent in the Township's name		-
Uncollateralized balance		288,213
Total bank balance	\$	<u><u>538,213</u></u>

BURTON TOWNSHIP  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 MARCH 31, 2018

NOTE C - PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township and is extended by the county clerk on or before the last Tuesday in December of the year of levy. The lien date is January 1 of the year of the levy. Taxes are due to the County in two equal installments on June 1 and September 1 of the year following the levy year. Distributions are made to the Township by the County shortly after collection by the County. The 2016 levy was adopted by the Township on December 13, 2016 and the 2017 levy was adopted on December 12, 2017. The 2016 levy is included in the current year's cash receipts and was allocated as follows:

Fund	2016 Levy
Town	\$ 135,533
General assistance	-
Road and bridge	48,701
Permanent road	65,576
Equipment and building	13,758
Road damage	13,299
	\$ 276,867

NOTE D - CAPITAL ASSETS

A summary of changes in the Township's capital assets is as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Building and improvements	\$ 10,600	\$ -	\$ -	\$ 10,600
Machinery and equipment	245,833	3,843	-	249,676
Totals	256,433	3,843	-	260,276
Accumulated depreciation	180,794	12,048	-	192,842
Net totals	\$ 75,639	\$ (8,205)	\$ -	\$ 67,434

Depreciation expense was charged to governmental activities as follows:

Road maintenance	\$ 12,048
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NOTE E – FUND BALANCES

As of March 31, 2018, restricted fund balances are composed of the following:

Activity	Amount
Road and bridge maintenance	\$ 34,402
Permanent road maintenance	59,860
Road damage	1,155
Equipment and building	95,305
General assistance	95,850
Total restricted fund balances	\$ 286,572

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned balances are available, the Township considers amounts to have been spent first from committed funds, next from assigned

BURTON TOWNSHIP  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 MARCH 31, 2018

funds, and lastly from unassigned funds, unless the Board of Trustees has provided for otherwise in its commitment or assignment actions.

**NOTE F – INTERFUND BALANCES**

Interfund receivables and payables at March 31, 2018 were as follows:

	Receivable	Payable
General Fund	\$ 1,292	\$ -
Permanent Road Fund	-	589
Road and Bridge Fund		703

The interfund transaction is to reimburse the general fund for expenditures paid on behalf of the permanent hard road and road and bridge funds.

**NOTE G - 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 Town participates in the Township Officials of Illinois Risk Management Association (TOIRMA). TOIRMA is an organization of townships and road districts in Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages, property, casualty and workers compensation claim administration/litigation management services, unemployment claim administration, risk management/loss control consulting and training programs and a risk information system and financial reporting service for its members.

The Association is governed by a Board of Trustees which, at a minimum, shall be comprised of five individuals who are elected or appointed officials of member townships and/or road districts. The Chairman of the Board of Trustees is elected by majority vote of the Board.

The government's payments to TOIRMA are included in the financial statements as expenditures in the appropriate funds.

The relationship between the Township and TOIRMA is governed by a contract and by-laws that have been adopted by resolution at 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 outline by TOIRMA. Members have a contractual obligation to fund any deficit of TOIRMA attributable to a membership during which they were a member.

TOIRMA is responsible for administering the self-insurance program and purchasing excess insurance according to 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 March 31, 2018, there were no significant reductions in insurance coverage. The Township has not paid any settlements in excess of insurance coverage in the past three fiscal years.



BURTON TOWNSHIP  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
MARCH 31, 2018

**NOTE J – OPERATING LEASES**

The Township has entered into an operating lease for a garage for the Road District. The monthly lease payments are \$1,200 and the Township is currently operating under a month-to-month lease. Under these lease, the Township made total payments of \$14,400 for the year ended March 31, 2018.

**NOTE K – MOTOR FUEL TAX ALLOTMENTS**

During the current year the Township Highway Department accumulated motor fuel tax funds from the State of Illinois Department of Transportation. In accordance with state statutes, this money is deposited with the County and recorded by the County in a Trust and Agency Fund. At the end of the fiscal year, the Township had a balance of \$13,813 of available funds. The Township can use these funds to finance repairs and maintenance of Township roads. The Township had \$61,569 funds disbursed for the year ended March 31, 2018.

**NOTE L – SUBSEQUENT EVENTS**

The Township's management has performed an analysis of the activities and transactions subsequent to March 31, 2018 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended March 31, 2018. The Township has evaluated subsequent events through January 6, 2020, the date on which the financial statements were available to be issued.

BURTON TOWNSHIP  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ 135,670	\$ 135,533	\$ (137)
State replacement tax	1,000	816	(184)
Interest	400	291	(109)
Miscellaneous	4,000	1,698	(2,302)
Total cash receipts	<u>141,070</u>	<u>138,338</u>	<u>\$ (2,732)</u>
<b>DISBURSEMENTS</b>			
General governmental services	146,976	106,635	\$ (40,341)
Assessor	17,800	1,940	(15,860)
Cemetery	2,500	-	(2,500)
Capital acquisitions	11,000	-	(11,000)
Total disbursements	<u>178,276</u>	<u>108,575</u>	<u>\$ (69,701)</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	(37,206)	29,763	
<b>OTHER SOURCES (USES)</b>			
Proceeds from sale of assets	-	-	
Interfund transfer	-	-	
EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)	(37,206)	29,763	
FUND BALANCE - Beginning of year	<u>222,186</u>	<u>222,186</u>	
FUND BALANCE - End of year	<u>\$ 184,980</u>	<u>\$ 251,949</u>	

BURTON TOWNSHIP  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - ROAD AND BRIDGE FUND  
 YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ 48,750	\$ 48,701	\$ (49)
State replacement tax	1,260	1,102	(158)
Court fines	-	-	-
Interest	50	29	(21)
Culvert permits	-	-	-
Miscellaneous	-	432	432
Total cash receipts	<u>50,060</u>	<u>50,264</u>	<u>\$ 204</u>
<b>DISBURSEMENTS</b>			
General governmental services	12,991	6,734	\$ (6,257)
Maintenance	46,371	27,296	(19,075)
Capital acquisitions	10,000	-	(10,000)
Total disbursements	<u>69,362</u>	<u>34,030</u>	<u>\$ (35,332)</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,302)	16,234	
<b>OTHER SOURCES (USES)</b>			
Proceeds from sale of assets	-	-	
Interfund transfer	-	-	
EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)	(19,302)	16,234	
FUND BALANCE - Beginning of year	<u>18,168</u>	<u>18,168</u>	
FUND BALANCE - End of year	<u>\$ (1,134)</u>	<u>\$ 34,402</u>	

BURTON TOWNSHIP  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - PERMANENT ROAD FUND  
YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ 65,642	\$ 65,576	\$ (66)
Interest	-	-	-
Miscellaneous	-	-	-
Total cash receipts	<u>65,642</u>	<u>65,576</u>	<u>\$ (66)</u>
<b>DISBURSEMENTS</b>			
General governmental services	41,800	26,624	\$ (15,176)
Maintenance	67,500	38,307	(29,193)
Capital acquisitions	19,000	3,843	(15,157)
Total disbursements	<u>128,300</u>	<u>68,774</u>	<u>\$ (59,526)</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	(62,658)	(3,198)	
<b>OTHER SOURCES (USES)</b>			
Interfund transfer	-	-	
EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)	(62,658)	(3,198)	
FUND BALANCE - Beginning of year	<u>63,058</u>	<u>63,058</u>	
FUND BALANCE - End of year	<u>\$ 400</u>	<u>\$ 59,860</u>	

BURTON TOWNSHIP  
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - ROAD DAMAGE FUND  
YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ 13,312	\$ 13,299	\$ (13)
Interest	-	-	-
Total cash receipts	<u>13,312</u>	<u>13,299</u>	<u>\$ (13)</u>
<b>DISBURSEMENTS</b>			
Capital acquisitions	-	-	\$ -
Maintenance	13,312	12,129	(1,183)
Total disbursements	<u>13,312</u>	<u>12,129</u>	<u>\$ (1,183)</u>
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</b>			
	-	1,170	
<b>OTHER SOURCES (USES)</b>			
Proceeds from sale of capital asset	-	-	
Interfund transfer	-	-	
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)</b>			
	-	1,170	
FUND BALANCE - Beginning of year	<u>(15)</u>	<u>(15)</u>	
FUND BALANCE - End of year	<u>\$ (15)</u>	<u>\$ 1,155</u>	

BURTON TOWNSHIP  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - EQUIPMENT AND BUILDING FUND  
 YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ 13,771	\$ 13,758	\$ (13)
Interest	-	-	-
Total cash receipts	<u>13,771</u>	<u>13,758</u>	<u>\$ (13)</u>
<b>DISBURSEMENTS</b>			
Road maintenance	<u>41,000</u>	<u>9,633</u>	<u>\$ (31,367)</u>
Total disbursements	<u>41,000</u>	<u>9,633</u>	<u>\$ (31,367)</u>
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(27,229)	4,125	
<b>OTHER SOURCES (USES)</b>			
Proceeds from the sale of capital asset	-	-	
Interfund transfer	-	-	
<b>EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)</b>	(27,229)	4,125	
<b>FUND BALANCE - Beginning of year</b>	<u>91,180</u>	<u>91,180</u>	
<b>FUND BALANCE - End of year</b>	<u>\$ 63,951</u>	<u>\$ 95,305</u>	

BURTON TOWNSHIP  
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL ASSISTANCE FUND  
 YEAR ENDED MARCH 31, 2018

	Original and Final Budget	Actual	Over (Under) Budget
<b>CASH RECEIPTS</b>			
Property taxes	\$ -	\$ -	\$ -
Miscellaneous	1,000	1,965	965
Total cash receipts	<u>1,000</u>	<u>1,965</u>	<u>\$ 965</u>
<b>DISBURSEMENTS</b>			
General governmental services	11,841	1,380	\$ (10,461)
Home relief	60,726	2,355	(58,371)
Total disbursements	<u>72,567</u>	<u>3,735</u>	<u>\$ (68,832)</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	(71,567)	(1,770)	
<b>OTHER SOURCES (USES)</b>			
Interfund transfer	<u>-</u>	<u>-</u>	
EXCESS (DEFICIENCY) OF CASH RECEIPTS AND OTHER SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER (USES)	(71,567)	(1,770)	
FUND BALANCE - Beginning of year	<u>97,620</u>	<u>97,620</u>	
FUND BALANCE - End of year	<u>\$ 26,053</u>	<u>\$ 95,850</u>	

BURTON TOWNSHIP  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
MARCH 31, 2018

Note 1 - Budgetary Basis of Accounting

Budgets are adopted on the cash basis of accounting which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Note 2 - Over Expenditure of Budget

None of the funds had total expenditures which exceeded the total budget.