

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS
ANNUAL FINANCIAL REPORT**

**AS OF THE YEAR ENDED
MARCH 31, 2017**

**SARAH GIBBENS
CERTIFIED PUBLIC ACCOUNTANT**

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JACKSON COUNTY, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Township Supervisor
and Township Trustees
Makanda Township
Jackson County, Illinois

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Makanda Township, Jackson County, Illinois, as of and for the year ended March 31, 2017, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1: this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America . Those standards require that I 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 judgement, including the assessment of 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, I 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Makanda Township, Jackson County, Illinois, as of March 31, 2017, and the respective changes in financial position – modified cash basis, thereof for the year then ended and in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

I draw attention to Note I 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 principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on page 19 through 23 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Makanda Township, Jackson County, Illinois' basic financial statements. The combining and

individual nonmajor fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related 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 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 my opinion, the combining and individual nonmajor fund financial statements are fairly presented in all material respects in relation to the financial statements of a whole.

The other supplementary information on pages 28 through 29 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

SARAH GIBBENS, CPA

Sarah Gibbens

Johnston City, Illinois

November 6, 2017

BASIC FINANCIAL STATEMENTS

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**STATEMENT OF NET POSITION – MODIFIED CASH BASIS
MARCH 31, 2017**

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 561,838	\$ 561,838
Capital Assts, Net	54,981	54,981
Total Assets	616,819	616,819
LIABILITIES		
Current Liabilities	-	-
NET POSITION		
Net Investment in Capital Assets	54,981	54,981
Restricted for:		
Fire Protection	304,624	304,624
Road and Bridges	96,211	96,211
Other Special Revenue	11,630	11,630
Unrestricted	149,373	149,373
Total Net Position	\$ 616,819	\$ 616,819

The accompanying notes are an integral part of these statements.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2017**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General and Administrative	\$ 67,883	-	\$ -	\$ -	\$ (67,883)	\$ -	\$ (67,883)
Roads and Bridges	162,312	-	-	-	(162,312)	-	(162,312)
Fire Protection	82,366	6,200	-	-	(76,166)	-	(76,166)
General Assistance	1,380	-	-	-	(1,380)	-	(1,380)
Total Governmental Activities	\$ 313,941	\$ 6,200	\$ -	\$ -	\$ (307,741)	\$ -	\$ (307,741)

General Revenues:

Taxes:							
Property Tax					351,358	-	351,358
Personal Property Replacement Taxes					2,540	-	2,540
Interest Income					1,266	-	1,266
Other Receipts and Reimbursements					5,232	-	5,232
Total General Revenues, Special Items, & Transfers					360,396	-	360,396
Change in Net Position					52,655	-	52,655
Net Position - April 1, 2016					566,164	-	566,164
Net Position - March 31, 2017					\$ 618,819	\$ -	\$ 618,819

The accompanying notes are an integral part of these statements

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BALANCE SHEET – MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
MARCH 31, 2017**

	General (Town) Fund	Fire Protection Fund	Road and Bridge Fund	New Bridge Fund	Fire Protection Capital Fund	Other Non-Major Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 104,241	\$ 45,132	\$ 39,798	\$ 56,413	\$ 304,624	\$ 11,630	\$ 561,838
Total Assets	<u>\$ 104,241</u>	<u>\$ 45,132</u>	<u>\$ 39,798</u>	<u>\$ 56,413</u>	<u>\$ 304,624</u>	<u>\$ 11,630</u>	<u>\$ 561,838</u>
LIABILITIES							
Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE							
Restricted	-	45,132	39,798	56,413	304,624	11,630	457,597
Unassigned	104,241	-	-	-	-	-	104,241
Total Fund Balance	<u>104,241</u>	<u>45,132</u>	<u>39,798</u>	<u>56,413</u>	<u>304,624</u>	<u>11,630</u>	<u>561,838</u>
Total Liabilities and Fund Balance	<u>\$ 104,241</u>	<u>\$ 45,132</u>	<u>\$ 39,798</u>	<u>\$ 56,413</u>	<u>\$ 304,624</u>	<u>\$ 11,630</u>	<u>\$ 561,838</u>

The accompanying notes are an integral part of these statements

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**RECONCILIATION OF THE BALANCE SHEET – MODIFIED CASH BASIS
TO THE STATEMENT OF NET POSITION – MODIFIED CASH BASIS
MARCH 31, 2017**

Total Fund Balances - Governmental Funds	\$	561,838
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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, net of accumulated depreciation of \$765,128

<u>54,981</u>

Net Position of Governmental Activities

\$	<u><u>616,819</u></u>
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The accompanying notes are an integral part of these statements

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2017**

	General (Town) Fund	Fire Protection Fund	Road and Bridge Fund	New Bridge Fund	Fire Protection Capital Fund	Other Non-Major Funds	Total Governmental Funds
Revenues Received							
Property Taxes	\$ 117,204	\$ 89,667	\$ 103,966	\$ 40,521	\$ -	\$ -	351,358
Replacement Taxes	1,052	-	1,488	-	-	-	2,540
Fire Calls	-	6,200	-	-	-	-	6,200
Interest	46	33	34	24	1,122	7	1,266
Charges for Services	-	-	-	-	-	-	-
Miscellaneous	-	50	5,182	-	-	-	5,232
Total Revenues Received	<u>118,302</u>	<u>95,950</u>	<u>110,670</u>	<u>40,545</u>	<u>1,122</u>	<u>7</u>	<u>366,596</u>
Expenditures Disbursed							
General Government	67,883	-	-	-	-	-	67,883
Roads and Bridges	-	-	147,145	15,166	-	-	162,311
Public Safety	-	96,288	-	-	-	-	96,288
General Assistance	-	-	-	-	-	1,380	1,380
Total Expenditures Disbursed	<u>67,883</u>	<u>96,288</u>	<u>147,145</u>	<u>15,166</u>	<u>-</u>	<u>1,380</u>	<u>327,862</u>
Excess Revenues Over (Under) Expenditures	50,419	(338)	(36,475)	25,379	1,122	(1,373)	38,734
Other Financing Sources (Uses)							
Transfers From (To) Other Funds	(50,000)	(20,000)	30,000	-	40,000	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	419	(20,338)	(6,475)	25,379	41,122	(1,373)	38,734
Fund Balance, April 1, 2016	<u>103,822</u>	<u>65,470</u>	<u>46,273</u>	<u>31,034</u>	<u>263,502</u>	<u>13,003</u>	<u>523,104</u>
Fund Balance, March 31, 2017	<u>\$ 104,241</u>	<u>\$ 45,132</u>	<u>\$ 39,798</u>	<u>\$ 56,413</u>	<u>\$ 304,624</u>	<u>\$ 11,630</u>	<u>\$ 561,838</u>

The accompanying notes are an integral part of these statements

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – MODIFIED CASH BASIS TO THE STATEMENT OF
ACTIVITIES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2017**

Net Change in Fund Balance - Total Governmental Funds \$ 38,733

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

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

Capital Asset Purchases Capitalized	17,543	
Depreciation Expense	(3,621)	
	<hr/>	<hr/>
		13,922

Change in net Position of Governmental Activities \$ 52,655

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Makanda Township are in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB), except as noted in Note 1 C. The following is a summary of the significant accounting policies of the Township.

A. Reporting Entity

Makanda Township operates under a Township Supervisor – Board of Trustees form of government, providing the following services: fire protection, highway and bridge construction and maintenance, general assistance to eligible recipients, and general administrative services. The Township, for financial purposes, includes all of the funds relevant to the operations of Makanda Township. The Township is considered to be a primary government pursuant to GASB statement No. 14 since it is legally separate and fiscally independent. The Township has no component units which are legally separate entities and for which the Township is financially accountable or whose relationship is such that exclusion would cause the Township's statements to be misleading or incomplete.

B. Basis of Presentation

The basic financial statements include statements presented at both the government wide and fund financial level. Both levels of statements categorize the primary activities as either governmental or business type. Governmental activities, which are normally supported by taxes and intergovernmental revenues and other nonexchange revenues, are reported separately from business type activities, which are supported by fees and user charges. All of Makanda Township's primary activities are categorized as governmental activities.

Government-Wide Financial Statements

The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services. All of Makanda Township's services are categorized as governmental activities.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Concluded)

Makanda Township's government wide financial statements include a Statement of Net Position – Modified Cash Basis and a Statement of Activities – Modified Cash Basis. These statements present summaries of governmental and business type activities for Makanda Township, accompanied by a total column. All of the Township's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position – Modified Cash Basis. The Statement of Activities – Modified Cash Basis 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 for services and 2) grants and contributions that are restricted to meeting operational or capital requirement of a particular function. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities such as transfers. Interfund activities between governmental funds appear as other resources and other uses on the governmental fund Statement of Revenue Received, Expenditures Disbursed and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government wide financial statements.

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government wide financial statements.

Fund Financial Statements

Fund financial statements of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The Township has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Find Financial Statements (Continued)

A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of an individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures of an individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor governmental funds. The Township has presented all major funds that meet the above criteria.

The Township reports the following major governmental funds:

General (Town) Fund – This is the Township’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Protection Fund – This fund accounts for the operating costs of the Township’s fire department.

Road and Bridge Fund – This fund accounts for the Township’s road construction and repair projects.

Fire Protection Capital Fund – This fund accounts for capital acquisition for the Township’s fire department.

The various funds are summarized by type in the financial statements. The following fund types are used by the Township:

Governmental Funds

Governmental funds are those through which most governmental functions of the Township are typically reported. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities are reported as fund balance.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Concluded)

Fund Financial Statements (Concluded)

General (Town) Fund – this fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects that are legally restricted to expenditures for specific purposes.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues received and expenditures or expenses disbursed are recognized in the accounts and how they are reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Township maintains its records on the modified cash basis of accounting. Accordingly, revenue is recognized and recorded when cash is received and expenditures are recognized and recorded when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund. This differs from the accounting principles generally accepted in the United States of America of recording revenues and expenditures of governmental funds when they become measurable and available and when the related liability is incurred.

D. Budgetary Data

The budget for all Governmental Fund Types is prepared on the modified 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 budget, which was not amended, was passed on June 20, 2016. For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets

in the government wide financial statements, fixed assets are accounted for as capital assets. All capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Vehicles	5-10 years
Machinery and Equipment	5-10 years

In the fund financial statements, fixed assets used in governmental operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

GASB No. 34 requires the Township to report and depreciate new infrastructure. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

F. Accumulated Unpaid Vacation and Sick Pay

The Township does not accumulate unpaid vacation and sick pay benefits. The Township considers these as expenditures in the year paid.

G. Net Position

Equity in the government wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net position is reported as restricted when there are legal limitations imposed on its use by legislation or external restrictions by grantors, laws or regulations of other governments. Unrestricted net position consists of all net assets that do not meet the definition of either of the two components.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Encumbrances

The Township does not maintain information concerning encumbrances; therefore, no amounts for encumbrances are reported in the financial statements.

J. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from these estimates.

NOTE 2: PROPERTY TAX

The Township's Property Tax Levy is due on the second Tuesday in December. The county (Jackson County, Illinois) extends, bills and collects the Township's property taxes. The property taxes are payable in two installments. Property taxes are not recognized as revenues until they are received from the County.

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The property taxes attach as an enforceable lien on property as of January 1. Property taxes are due in September and November, and are collected mostly in September, October, and November. The levy was passed by the board on December 13, 2016.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 3: CASH AND CASH EQUIVALENTS

Illinois Compiled Statutes authorize the Township to invest in interest bearing savings accounts, certificates of deposit and time deposits, shares or other forms of securities legally insurable by savings and loan associations, bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America, and short-term discount obligations of the Federal National Mortgage Association.

Deposits

At March 31, 2017, the carrying amount of the Township's deposits was \$561,838. The bank balances of these deposits were \$562,939.

Custodial Credit Risk Deposits – Custodial credit risk is the risk that in the event of a bank failure, the township's deposits may not be returned. The Township does not have a deposit policy for custodial credit risk. At March 31, 2017, the Township's cash deposits were insured by the Federal Deposit Insurance Corporation.

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets				
Vehicles & Equipment	707,585	17,543	-	725,128
Building	40,000	-	-	40,000
Total Capital Assets	<u>747,585</u>	<u>17,543</u>	<u>-</u>	<u>765,128</u>
Less				
Accumulated Depreciation:				
Vehicles & Equipment	694,526	2,621	-	697,147
Building	12,000	1,000	-	13,000
Total Accumulated Depreciation	<u>706,526</u>	<u>3,621</u>	<u>-</u>	<u>710,147</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,059</u>			<u>\$ 54,981</u>

Depreciation was charged to functions as follows:

Governmental Activities:		
Fire Protection:		<u>\$ 3,621</u>
Total Governmental Activities Depreciation Expense		<u>\$ 3,621</u>

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2017

NOTE 5: OTHER REQUIRED FUND DISCLOSURES

As part of the March 31, 2013 financial statements, accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

A. As of March 31, 2017, there were no funds with deficit balances.

B. As of March 31, 2017, there were no funds with expenditures that exceeded their appropriations.

NOTE 6: RISK MANAGEMENT

The Township is exposed to various risks of loss including, but not limited to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To limit exposure to these risks, the Township has purchased commercial insurance coverage. The Township's policy is to record any related expenditures in the year in which the claim is paid. During the past three fiscal years, there have been no settlements which have exceeded insurance coverage. The Township is not aware of any liabilities owed as of March 31, 2017.

NOTE 7: EVALUATION OF SUBSEQUENT EVENTS

Makanda Township has evaluated subsequent events through November 6, 2017, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
GENERAL (TOWN) FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	Budgeted Amounts		Actual Amounts	Over/ Under
	Original	Final		
Revenue Received				
Property Taxes	\$ 118,000	\$ 118,000	\$ 117,204	\$ (796)
Replacement Taxes	1,100	1,100	1,052	(48)
Interest	75	75	46	(29)
Miscellaneous	-	-	-	-
Total Revenue Received	119,175	119,175	118,302	(873)
Expenditures Disbursed				
General Government				
Salaries and Wages	54,340	54,340	54,047	293
Payroll Taxes	4,270	4,270	4,101	169
Retirement Benefits	1,200	1,200	1,200	-
Insurance	22,000	22,000	7,846	14,154
Office Expense	1,500	1,500	689	811
Legal and Professional	18,330	18,330	-	18,330
Travel and Training	300	300	-	300
Contingencies	7,597	7,597	-	7,597
	109,537	109,537	67,883	41,654
Total Expenditures Disbursed	109,537	109,537	67,883	41,654
Excess Revenues Over (Under) Expenditures	9,638	9,638	-	40,781
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	(50,000)	(50,000)	(50,000)	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (40,362)	\$ (40,362)	\$ 419	\$ 40,781
Fund Balance, April 1, 2016			103,822	
Fund Balance, March 31, 2017			\$ 104,241	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
FIRE PROTECTION FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	Budgeted Amounts		Actual Amounts	Over/ Under
	Original	Final		
Revenue Received				
Property Taxes	\$ 85,000	\$ 85,000	\$ 89,667	\$ 4,667
Fire Calls	6,200	6,200	6,200	-
Interest	20	20	33	13
Miscellaneous	10,000	10,000	50	(9,950)
Total Revenue Received	<u>101,220</u>	<u>101,220</u>	<u>95,950</u>	<u>(5,270)</u>
Expenditures Disbursed				
Insurance	16,000	16,000	18,283	(2,283)
Office Supplies	2,950	2,950	8,700	(5,750)
Utilities	11,000	11,000	11,303	(303)
Legal and Professional	1,400	1,400		1,400
Equipment Repairs and Maintenance	24,300	24,300	19,543	4,757
Building Repairs and Maintenance	-	-	1,458	(1,458)
Capital Outlay	66,319	66,319	17,542	48,777
Travel and Training	3,500	3,500		3,500
Dues	-	-	475	(475)
Fuel	7,000	7,000	518	6,482
Miscellaneous	10,193	10,193	18,466	(8,273)
Total Expenditures Disbursed	<u>142,662</u>	<u>142,662</u>	<u>96,288</u>	<u>46,374</u>
Excess Revenues Over (Under) Expenditures	(41,442)	(41,442)	-	41,104
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	-	-	(20,000)	20,000
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (41,442)</u>	<u>\$ (41,442)</u>	<u>\$ (20,338)</u>	<u>\$ 21,104</u>
Fund Balance, April 1, 2016			<u>65,470</u>	
Fund Balance, March 31, 2017			<u>\$ 45,132</u>	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	Budgeted Amounts		Actual Amounts	Over/ Under
	Original	Final		
Revenue Received				
Property Taxes	\$ 104,038	\$ 104,038	\$ 103,966	\$ (72)
Replacement Taxes	1,582	1,582	1,488	(94)
Interest	35	35	34	(1)
Charges for Services	-	-	-	-
Miscellaneous	-	-	5,182	5,182
Total Revenue Received	<u>105,655</u>	<u>105,655</u>	<u>110,670</u>	<u>5,015</u>
Expenditures Disbursed				
Salaries and Wages		-	-	-
Payroll Taxes		-	-	-
Legal and Professional	10,000	10,000	17,345	(7,345)
Road Maintenance	170,000	170,000	129,800	40,200
Miscellaneous		-	-	-
Total Expenditures Disbursed	<u>180,000</u>	<u>180,000</u>	<u>147,145</u>	<u>32,855</u>
Excess Revenues Over (Under) Expenditures	(74,345)	(74,345)	(36,475)	37,870
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (44,345)</u>	<u>\$ (44,345)</u>	<u>\$ (6,475)</u>	<u>\$ 37,870</u>
Fund Balance, April 1, 2016			<u>46,273</u>	
Fund Balance, March 31, 2017			<u>\$ 39,798</u>	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
NEW BRIDGE FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	Budgeted Amounts		Actual Amounts	Over/ Under
	Original	Final		
Revenue Received				
Property Taxes	\$ 38,603	\$ 38,603	\$ 40,521	\$ 1,918
Interest	17	17	24	7
Total Revenue Received	<u>38,620</u>	<u>38,620</u>	<u>40,545</u>	<u>1,925</u>
Expenditures Disbursed				
Bridge Maintenance	68,000	68,000	15,166	52,834
Miscellaneous	1,654	1,654	-	1,654
Total Expenditures Disbursed	<u>69,654</u>	<u>69,654</u>	<u>15,166</u>	<u>54,488</u>
Excess Revenues Over (Under) Expenditures	(31,034)	(31,034)	-	56,413
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (31,034)</u>	<u>\$ (31,034)</u>	\$ 25,379	<u>\$ 56,413</u>
Fund Balance, April 1, 2016			<u>31,034</u>	
Fund Balance, March 31, 2017			<u>\$ 56,413</u>	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
FIRE PROTECTION CAPITAL FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	Budgeted Amounts		Actual Amounts	Over/ Under
	Original	Final		
Revenue Received				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Interest	1,400	1,400	1,122	(278)
Total Revenue Received	1,400	1,400	1,122	(278)
Expenditures Disbursed				
Capital Outlay	-	-	-	-
Total Expenditures Disbursed	-	-	-	-
Excess Revenues Over (Under) Expenditures	1,400	1,400	1,122	(278)
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	40,000	40,000	40,000	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 41,400	\$ 41,400	\$ 41,122	\$ (278)
Fund Balance, April 1, 2016			263,502	
Fund Balance, March 31, 2017			\$ 304,624	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2017**

NOTE 1: APPROPRIATIONS AND APPROPRIATION ACCOUNTING

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

1. During the first quarter of each fiscal year, the Township proposes an operating budget and appropriation ordinance to commence on the first day of the current fiscal year.
2. The proposed budget and appropriation ordinance is made available to the public for inspection.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget and appropriation ordinance are legally enacted through the passage of an ordinance.
5. The supervisor is authorized, with board approval, to transfer budgeted amounts between line items within any fund; however, any revisions that alter the total expenditures of any fund must be approved in the same manner as the initial budget and appropriation.
6. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.

OTHER SUPPLEMENTARY INFORMATION

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**COMBINING BALANCE SHEET – MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2017**

	<u>General Assistance Fund</u>	<u>Total</u>
ASSETS		
Current Assets	\$ 11,630	\$ 11,630
Cash and Cash Equivalents	<u>\$ 11,630</u>	<u>\$ 11,630</u>
LIABILITIES		
Current Liabilities	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
Unreserved	<u>11,630</u>	<u>11,630</u>
Total Liabilities and Fund Balance	<u>\$ 11,630</u>	<u>\$ 11,630</u>

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2017**

	General Assistance Fund	Total
	<u> </u>	<u> </u>
Revenues Received		
Property Taxes	\$ -	\$ -
Interest	7	7
Total Revenues Received	<u>7</u>	<u>7</u>
Expenditures Disbursed		
Insurance	1,380	1,380
Total Expenditures Disbursed	<u>1,380</u>	<u>1,380</u>
Excess Revenues Over (Under) Expenditures	(1,373)	(1,373)
Fund Balance, April 1, 2016	<u>13,003</u>	<u>13,003</u>
Fund Balance, March 31, 2017	<u>\$ 11,630</u>	<u>\$ 11,630</u>

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over/ Under</u>
	<u>Original</u>	<u>Final</u>		
Revenue Received				
Interest	10	10	7	(3)
Total Revenue Received	<u>10</u>	<u>10</u>	<u>7</u>	<u>(3)</u>
Expenditures Disbursed				
Insurance	1,380	1,380	1,380	-
General Assistance	11,000	11,000	-	11,000
Miscellaneous	619	619	-	619
Total Expenditures Disbursed	<u>12,999</u>	<u>12,999</u>	<u>1,380</u>	<u>11,619</u>
Excess Revenues Over (Under) Expenditures	(12,989)	(12,989)	-	11,616
Other Financing Sources (Uses)				
Transfers from (To) Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (12,989)</u>	<u>\$ (12,989)</u>	<u>\$ (1,373)</u>	<u>\$ 11,616</u>
Fund Balance, April 1, 2016			<u>13,003</u>	
Fund Balance, March 31, 2017			<u>\$ 11,630</u>	

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN
UNAUDITED
MARCH 31, 2017**

Assessed Valuation - 2015 Tax Year	<u>\$ 71,954,113</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	\$ 2,068,681
Outstanding Debts	<u>-</u>
Legal Debt Margin	<u>\$ 2,068,681</u>

**MAKANDA TOWNSHIP
JACKSON COUNTY, ILLINOIS**

**STATEMENT OF ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS**

**UNAUDITED
TAX YEAR 2015**

	<u>LEVY YEAR</u>
	<u>2015</u>
Assessed Valuations	\$ 71,954,113
Actual Tax Rates	
Town Fund	0.16339
Fire Protection Fund	0.12500
Road and Bridge Fund	0.16122
New Bridge	0.05698
	0.50659
Extensions	
Town Fund	\$ 117,566
Fire Protection Fund	89,943
Road and Bridge Fund	114,983
New Bridge	40,647
	\$ 363,138
Collections	
Town Fund	\$ 116,815
Fire Protection Fund	89,369
Road and Bridge Fund	103,586
New Bridge	40,387
	\$ 350,157
Percentage Collected	96.43%