#### **JO DAVIESS COUNTY, ILLINOIS**

#### BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION November 30, 2013



#### **TABLE OF CONTENTS**

FINANCIAL SECTION	PAGE
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	25
Government-Wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet - Governmental Funds	29
Reconciliation of Total Governmental Fund Balance to	
Net Position of Governmental Activities	30
Statement of Revenues, Expenditures, and Changes in Fund	
Balances - Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities	32
Statement of Fiduciary Assets and Liabilities - Agency Funds	33
Notes to Basic Financial Statements	34

	PAGE
Required Supplementary Information  Illinois Municipal Retirement Fund and Other Post-Employment Benefits - Schedules of Funding Progress (Unaudited)	
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Unaudited)	
County Highway Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Unaudited)	62
Federal Aid Matching Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Unaudited)	63
Public Health Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Unaudited)	64
Notes to Required Supplementary Information (Unaudited)	65
SUPPLEMENTARY INFORMATION	66
Combining Balance Sheet  Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	
Public Health Fund - Major  Combining Balance Sheet  Combining Statement of Revenues, Expenditures, and Changes	69
in Fund Balances	70
Nonmajor Governmental Funds  Combining Balance Sheet	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	88
Fiduciary Funds (Agency Funds)  Combining Statement of Assets and Liabilities	97
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS	99
AND EQUALIZED ASSESSED VALUATIONS (Unaudited)	102
SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED FOR TORT IMMUNITY PURPOSES (Unaudited)	104

	PAGE
FEDERAL AWARDS SECTION	105
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	106
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	108
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	110
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	113
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	114
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	120



#### INDEPENDENT AUDITORS' REPORT

To the Members of the County Board Jo Daviess County, Illinois Galena, Illinois

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jo Daviess County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the entity'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.

#### Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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.

To the Members of County Board Jo Daviess County, Illinois

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, each major fund, and the aggregate remaining fund information of Jo Daviess County, Illinois as of November 30, 2013, 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 on pages 4 through 24, Illinois Municipal Retirement Fund and Other Post-Employment Benefits information on page 60, and budgetary comparison information on pages 61 through 64 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 or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jo Daviess County, Illinois' basic financial statements. The combining major, nonmajor, and agency fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining major, nonmajor, and agency fund financial statements and the schedule of expenditures of federal awards 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Members of County Board Jo Daviess County, Illinois

The schedule of property tax rates, levies, extensions and equalized assessed valuations and schedule of expenditures from taxes extended for tort immunity purposes have not been

subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Other Reporting Required by Government Auditing Standards

Clifton Larson Allen LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated May, on our consideration of Jo Daviess County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jo Daviess County, Illinois' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Rockford, Illinois May 7, 2014

### Management's Discussion and Analysis **Year Ended November 30, 2013**

It is an honor to present to you the financial picture of Jo Daviess County, Illinois. We offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Jo Daviess County, Illinois for the fiscal year ended November 30, 2013. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which begins on page 25 following this narrative.

Jo Daviess County implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective December 1, 2010. With this implementation, the Contingency Fund was folded into the General Fund and the Catastrophic Public Health Emergency Fund was folded into the Public Health Fund. Additionally, the following funds were reclassified from Special Revenue Funds to Capital Project Funds: Public Health Capital Investment Fund, Tourism Capital Development Fund, County Capital Improvements Fund, County Capital Equipment Fund, Home Health Care Capital Equipment Fund, and GIS Capital Equipment and Investments Fund.

#### **Financial Highlights**

The assets of Jo Daviess County's governmental activities exceeded its liabilities by \$31,914,844 and \$29,859,959 (net position) at the close of fiscal years 2013 and 2012, respectively. Of this amount, \$17,168,540 represented the County's investment in capital assets, net of related debt, \$9,575,058 was held for restricted purposes, and \$5,171,246 was unrestricted. The unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors.

The County's total net position increased by \$2,054,885 and \$3,335,432 in fiscal years 2013 and 2012, respectively.

At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,636,770, an increase of \$664,512 in comparison to the prior year. Approximately 24 percent of this total amount, \$3,505,743, is available for spending at the government's discretion (unassigned fund balance).

The unassigned fund balance in the General Fund was \$3,505,743 or 55 percent of total General Fund expenditures for fiscal year ended 2013.

#### **Overview of the Financial Statements**

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

<u>Government-wide financial statements</u>: The government-wide financial statements are designed to provide readers with a broad overview of Jo Daviess County's finances, in a manner similar to a private-sector business.

#### **Overview of the Financial Statements** (Continued)

The statement of net position presents information on all of Jo Daviess County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

These statements highlight the functions of Jo Daviess County that are principally supported by taxes, intergovernmental revenues and charges for services (governmental activities). The governmental activities of the County include general control and administration, county development, public safety, court services, mental health, public health and education, transportation and all other expenditures. There are no business-type activities accounted for by the County. The government-wide financial statements can be found on pages 26 through 28 of this report.

<u>Fund financial statements</u>: 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. Jo Daviess County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

#### **Overview of the Financial Statements** (Continued)

Jo Daviess County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for General, County Highway, Federal Aid Matching, and Public Health funds which are considered to be major funds. By definition, the general fund is always considered a major fund. In addition, governments may report as major funds whatever other individual governmental funds they believe to be of particular importance to financial statement users (for instance, because of public interest). At a minimum, governmental funds other than the general fund *must* be reported as major funds if they meet *both* of the following criteria:

- Ten percent criterion. An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- Five percent criterion. An individual governmental fund reports at least 5 percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the 10 percent criterion.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for most of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund, County Highway Fund, Federal Aid Matching Fund, and Public Health Fund to demonstrate compliance with this budget on pages 61 through 64.

The basic governmental fund financial statements can be found on pages 29 through 32 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The fiduciary funds of the County are considered agency funds. Total assets of the fiduciary funds were \$1,127,007 and \$1,333,204 for fiscal years ended 2013 and 2012, respectively.

The basic fiduciary fund financial statement can be found on page 33 of this report.

<u>Notes to basic financial statements</u>: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements and the required supplementary information.

#### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's total net position has increased from a year ago. Table 1 reflects total net position of \$31,914,844, which represents an increase of \$2,054,885 from 2012.

Of the County's net position, 54 percent and 53 percent for fiscal years ended 2013 and 2012, respectively, reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following is a summary of the County's statement of net position:

Table 1 - Jo Daviess County, Illinois' Net Position

Table 1 - Jo Daviess County, Illinois' Net Position				
	Governmer	ntal Activities		
	<u>2013</u>	<u>2012</u>		
Current and other assets Capital assets, net Total assets  Current liabilities Noncurrent liabilities	\$22,555,094 17,987,873 40,542,967 7,682,542	\$21,856,616 16,695,129 38,551,745 7,683,263		
Total liabilities	<u>945,581</u> 8,628,123	1,008,523 8,691,786		
Net position: Net invested in capital assets Restricted for:	17,168,540	15,785,463		
General control and administration	1,974,334	1,792,638		
Transportation	3,547,381	2,827,423		
Public health and education	2,416,810	2,237,637		
Mental health	28,356	19,562		
Public safety	429,562	464,930		
Court services	463,820	463,853		
County development	714,795	679,755		
Working cash	-	50,264		
Unrestricted	<u>5,171,246</u>	5,538,434		
Total net position	<u>\$31,914,844</u>	<u>\$29,859,959</u>		

A portion of the County's net position \$9,575,058 (30 percent) is restricted and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,171,246 (16 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

#### **Government-Wide Financial Analysis** (Continued)

At the end of fiscal year 2013, Jo Daviess County is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The statement of changes in net position shown on the following page shows that the County's total net position increased by \$2,054,885 during the current fiscal year.

Table 2 highlights the County's revenues and expenses for the fiscal year ended November 30, 2013 and 2012. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services, operating grants and contributions, and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

Table 2 - Jo Daviess County, Illinois' Changes in Net Position

Table 2 - 30 Daviess County, Illinois Cit	anges in Net Posi	uon
	Governmen	ntal Activities
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 3,402,142	\$ 4,238,906
Operating grants and contributions	1,114,407	1,094,904
Capital grants and contributions	919,187	2,560,727
General revenues:	,	, ,
Local property taxes	5,590,955	5,323,301
Hotel/motel taxes	741,334	737,750
State income tax	1,099,439	1,013,902
Motor fuel tax	598,623	637,259
Sales tax	966,811	966,239
Corporate personal property replacement taxes	214,128	193,154
Other taxes	197,458	181,830
Unrestricted investment earnings	53,625	66,438
Other	<u>391,555</u>	282,358
Total revenues	<u>15,289,664</u>	17,296,768

Table 2 - Jo Daviess County, Illinois' Changes in Net Position (Continued)

Table 2 - 30 Daviess County, minors Changes in Net Position (Continued)				
	Governmer	ntal Activities		
	2013	2012		
General control and administration	\$ 2, <del>356,</del> 757	\$ 2 <del>,360,</del> 155		
Transportation	2,972,850	3,904,983		
Public health and education	1,539,259	1,637,492		
Public safety	3,532,713	3,382,610		
Mental health	336,235	329,272		
County development	1,159,805	1,039,598		
Court services	1,310,293	1,280,229		
Interest	<u>26,867</u>	26,997		
Total expenses	13,234,779	13,961,336		
Increase in net position	2,054,885	3,335,432		
morease in het position	2,004,000	3,333,432		
Net position, beginning	29,859,959	26,524,527		
Net position, ending	<u>\$31,914,844</u>	<u>\$29,859,959</u>		

Table 3 below discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 3 - Jo Daviess County, Illinois' Cost of Services

<u>Programs</u>	Total Cost of Services 2013	Net (Expense) of Services 2013	Total Cost of Services 2012	Net (Expense) of Services 2012
General control and administration Transportation Public health and education Public safety Mental health County development Court services Interest	\$ 2,356,757 2,972,850 1,539,259 3,532,713 336,235 1,159,805 1,310,293 26,867	\$(1,156,077) (1,129,528) (571,144) (3,013,318) (336,235) (747,420) (818,454) (26,867)	\$ 2,360,155 3,904,983 1,637,492 3,382,610 329,272 1,039,598 1,280,229 26,997	\$ (923,840) (144,405) (573,598) (2,857,236) (329,272) (450,252) (761,199) (26,997)
Total	<u>\$13,234,779</u>	<u>\$(7,799,043)</u>	<u>\$13,961,336</u>	<u>\$(6,066,799</u> )

Net cost of services is 59 percent and 43 percent of total cost of services in 2013 and 2012, respectively. This reflects a continued reliance on taxes and other general revenues sources to fund the cost of services.

#### **Government-Wide Financial Analysis** (Continued)

Revenues: Total government-wide revenue decreased \$2,007,104 or 12 percent from the prior year. If property taxes in the amount of \$5,590,955 are factored out of the total all other government-wide revenue decreased \$2,274,758 or 19 percent. Program revenue decreased \$2,458,801 or 31 percent. A significant portion of this decrease is due to less revenue from capital grants and reimbursements for transportation projects. Also, in 2012 the County entered into debt certificates in the amount of \$1,000,000 and the one-time proceeds were received in 2012. The most significant sources of revenue during fiscal year 2013 were property taxes, grants and contributions, state income tax, and charges for services. The most significant sources of revenue during fiscal year 2013 continued to be property taxes at 36.6 percent (up from 30.8 percent in 2012), charges for services at 22.3 percent (down from 24.5 percent in 2012), operating grants and contributions at 7.3 percent (up from 5.9 percent in 2012), and capital grants and contributions at 6.0 percent (down from 14.8 percent in 2012). Other general revenue sources (as a percent of total revenue) include: state income tax 7.2 percent, sales tax 6.3 percent, hotel/motel tax 4.8 percent, motor fuel tax 3.9 percent, other 2.6 percent, corporate personal property replacement tax (CPPRT) 1.4 percent, other taxes 1.3 percent, and unrestricted investment earnings 0.4 percent.

<u>Expenditures</u>: Total government-wide expenditures decreased \$726,557 or 5 percent from the prior year. Programs which experienced an increase in fiscal year 2013 include public safety \$150,103 or 4 percent, and county development \$120,207 or 12 percent. Programs which experienced a decrease include transportation which decreased \$932,133 or 24 percent and public health and education which decreased \$98,233 or 6 percent.

The most significant classification of expenditures supporting County operations are personnel related costs. In fiscal year 2013 government-wide expenditures for personnel costs (salaries, wages, pension contributions, employee benefits and health insurance) totaled approximately \$7,209,807. This is an increase of \$127,994 or 1.8 percent more than the prior year total of \$7,081,813. Salaries and wages totaled \$5,259,230, an increase of \$46,838 or 0.9 percent more than the prior year total of \$5,212,392. Employee benefits (social security, medicare, health insurance, unemployment, and IMRF pension contributions) totaled \$1,950,577. This is an increase of \$80,156 or 4.3 percent over the prior year total of \$1,869,421. A majority of this increase can be contributed to IMRF pension contributions which increased \$50,360 or 7.7 percent and the employer portion of health insurance premiums which increased \$24,552 or 2.9 percent from prior year. Personnel costs for salaries/wages and employee benefits represent 54.5 percent and 50.7 percent of the County's total cost of services for governmental activities in 2013 and 2012, respectively.

#### **Financial Analysis of the Government's Funds**

As noted earlier, Jo Daviess County, Illinois uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Financial Analysis of the Government's Funds (Continued)

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

As of the end of the current fiscal year (November 30, 2013), the County's governmental funds reported combined ending fund balances of \$14,636,770, an increase of \$664,512 in comparison with the prior year. Approximately 24 percent of this total amount, \$3,505,743, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for spending because it has already been restricted, committed, or assigned.

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund contains the operational budgets of a majority of County departments including County Treasurer, County Clerk & Recorder, Sheriff, Coroner, Courts, Probation, Circuit Clerk, State's Attorney, Supervisor of Assessments, Information Technology, Building & Zoning, Animal Control, County Board and County Administrator. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes or projects. The operational budgets of four (4) County departments are found in the Special Revenue Funds; they include the Highway Department (Highway Fund and MFT Fund), the Health Department (Public Health and Home Health Care), the Convention & Visitors Bureau and the GIS Department.

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,505,743 while total fund balance reached \$3,545,433 (this includes the Contingency Fund). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents approximately 54.5 percent of total actual General Fund expenditures (\$6,428,234), while total fund balance represents approximately 55.2 percent of that same amount.

The fund balance of the County's General Fund increased by \$194,659 during the current year (this includes the Contingency Fund); this increase is primarily due to more than anticipated intergovernmental revenues, the timing of payments received from the State of Illinois, the Working Cash Fund was closed and the fund balance of \$50,379 was transferred to the Contingency Fund; in addition, total expenditures were \$294,649 or 4.4 percent less than anticipated, personnel costs were \$159,948 or 3.0 percent less than anticipated.

The County Highway Fund had a fund balance of \$1,193,031 which increased \$89,688 from the prior year. This increase is primarily due to less than anticipated personnel costs, fuel and building expenditures.

#### Financial Analysis of the Government's Funds (Continued)

The Federal Aid Matching Fund had a fund balance of \$856,793 which increased \$140,706 from the prior year. This increase is primarily due to unanticipated reimbursements of \$77,400 from the State and \$44,822 from a vendor and less than anticipated expenditures for capital improvements.

The Public Health Fund had a fund balance of \$1,284,685, which increased \$88,551 from the prior year (this includes the Catastrophic Public Health Emergency Fund). This increase is primarily due to more than anticipated revenue of \$30,550 from environmental health fees and \$33,350 from a federal immunization grant and less than anticipated expenditures for personnel costs, maintenance service, professional services, and interfund transfers.

#### **Budgetary Highlights of the County's Major Funds**

The County's budget is prepared according to Illinois law and is based on accounting for certain transactions on the modified accrual basis of accounting. A budget to actual schedule is provided as required supplementary information for the General Fund and major special revenue funds. Budget columns are provided for both the original and final budget adopted for fiscal year 2013. Significant changes to the budget and actual differences with the final budget are discussed below.

#### **General Fund Budgetary Variances**

Budget to actual revenue: Actual revenues (\$5,850,332) exceeded estimates (\$5,616,620) for the period by \$233,712 (this includes the Contingency Fund). This increase is primarily due to more than anticipated receipts of intergovernmental revenues of \$240,944. The largest revenue variance was state income tax, which due partially to the timing of distributions from the state, exceeded expectations by \$239,699. Also exceeding expectations by \$10,000 or more were CPPRT \$53,924, penalties on tax collections \$21,820, salary reimbursements \$17,229, local use tax \$13,045 and communication tower fees \$10,450. These variances were partially offset by revenue projections which fell short of expectations by more than \$10,000 including: court costs/fines/fees \$63,919, federal control land lease \$57,625, election reimbursement \$16,420, county clerk earnings \$14,250, and interfund transfers from IMRF fund \$20,138, Rabies fund \$19,000 and Social Security fund \$15,960.

#### **General Fund Budgetary Variances**

<u>Budget to actual expenditures</u>: Total expenditures (\$6,428,234) were less than budget (\$6,722,883) for the period by \$294,649. General Fund expenditure categories less than budget include: General control and administration \$111,492, Public health and education \$7,995, Public safety \$40,809, County development \$21,408, Court services \$112,091 and Capital outlay \$854. Personnel costs of \$5,189,917 were less than the budget amount of \$5,349,865 by \$159,948 or 3.0% percent. Variances include part time wages, health insurance, IMRF, social security, and per diem which were \$80,563, \$108,005, \$18,023, \$11,817 and \$4,960 under budget, respectively; overtime and full time wages exceeded budget by \$60,363 and \$5,738, respectively. Personnel costs represented 80.7 percent of total General Fund expenditures.

Jo Daviess County, Illinois

Management's Discussion and Analysis **Year Ended November 30, 2013** 

#### **General Fund Budgetary Variances** (Continued)

The General Fund had a year-end fund balance of \$3,545,433. While this is an increase of \$194,659 from the prior year (this includes the Contingency Fund), it also represents an increase of \$487,534 over the \$292,875 deficit anticipated when the fiscal year 2013 budget was adopted.

#### **Major Special Revenue Fund Variances**

<u>County Highway Fund</u>: The County Highway Fund had a fund balance of \$1,193,031, which is a \$89,688 increase from the prior year. Actual revenues exceeded expectations by \$3,136.Actual expenditures were less than budget by \$308,965. This was primarily due to less than anticipated personnel costs \$63,833, fuel/oil \$22,740, buildings \$98,033, and contingency \$93,200.

<u>Federal Aid Matching Fund</u>: The Federal Aid Matching Fund had a fund balance of \$856,793, which is an increase of \$140,706 from the prior year. This increase is primarily due to unanticipated reimbursements from the State of \$77,400 and from a vendor of \$44,822 and less than anticipated expenditures for capital improvements.

<u>Public Health Fund</u>: The Public Health Fund had a fund balance of \$1,284,685, which is an increase of \$88,551 from the prior year (this includes the Catastrophic Public Health Emergency Fund). Actual revenues exceeded expectations by \$55,763. This increase is primarily due to more than anticipated revenue from environmental health fees \$30,550 and federal immunization grant \$33,350. Actual expenditures were less than budget by \$333,698. This decrease is primarily due to less than anticipated personnel costs \$102,372, maintenance service \$16,770, professional services \$11,936, and offset in part by more than anticipated operating supplies (\$32,443).

#### **Capital Asset and Long-Term Debt Activity**

<u>Capital assets</u>: Jo Daviess County, Illinois' investment in capital assets for its governmental activities amounted to \$17,987,873 and \$16,695,129 (net of accumulated depreciation) as of November 30, 2013 and 2012, respectively. This investment in capital assets includes land, construction-in-progress, buildings and improvements, equipment and machinery, transportation equipment and infrastructure.

#### Capital Asset and Long-Term Debt Activity (Continued)

Major capital asset events during fiscal year 2013 include: completed construction and implementation of the Jo Daviess County Enhanced Public Safety Radio Communication Systems project: completed construction of the Holland Bridge over the Apple River on Scout Camp Road; completed the Elizabeth Scales Mound Road Bridge re-deck project, began construction of the Bethel Road Plum River Bridge; began construction of the Red Gates Road Culvert project; the Highway Department completed a radio/narrowbanding project; began construction of a new salt shed in Hanover; installed a new concrete floor in the maintenance shop of the Hanover Highway facility; purchased a disc mower and a dump truck with stainless steel box; the Health Department purchased a generator and completed a parking lot renovation project which included lights, sidewalk extension, and landscaping; the Sheriff's Department replaced a single phase Uninterrupted Power Supply (UPS) at the Public Safety Building with a three-phase UPS system designed to support existing and future growth of mission critical devices in the server room, dispatch center, and portion of the jail; replaced software for the Live Scan fingerprinting system; updated the shower facility in the jail; acquired a surplus Oshkosh truck for emergency purposes and purchased three new squad vehicles; the CVB purchased a color copier; the Building and Zoning Department purchased a GPS unit to aid in addressing; the IT Department began implementation of the iFiber high speed network transport services project to three County locations including (Courthouse/Public Safety Building, Highway Department, Health Department); implemented a new virtual servers environment at the CVB site to replace two old servers and joined the site to the County's computer network domain; purchased a KACE Network appliance; and purchased equipment and software and began implementation of the Storage Area Network (SAN)/virtual servers project.

Table 4 - Jo Daviess County, Illinois' Capital Assets

Table 4 - 30 Daviess County, Illinois Capital Assets				
	Governmental Activities			
	<u>2013</u>			
Land	\$ 310,419	\$ 267,943		
Construction-in-progress	1,756,604	4,045,255		
Buildings and improvements	2,556,158	2,523,589		
Equipment and machinery	1,935,663	775,918		
Transportation and equipment	1,189,027	1,240,159		
Roads and bridges	10,240,002	7,842,265		
Total	<u>\$17,987,873</u>	<u>\$16,695,129</u>		

Additional information on Jo Daviess County, Illinois' capital assets can be found in Note 4 of this report.

<u>Debt administration</u>: Jo Daviess County operates largely under a "pay-as-you-go" philosophy. As a result, the County carries no significant long-term debt. In fiscal year 2012, the County entered into Debt certificates in the amount of \$1,000,000 for the purchase of public safety radio communications. The outstanding balance at November 30, 2013 was \$819,333. In addition, there are some other post-employment benefit obligations and net pension obligations.

#### Capital Asset and Long-Term Debt Activity (Continued)

Additional information on Jo Daviess County, Illinois' long-term debt can be found in Note 5 of this report.

#### **Profile of Jo Daviess County**

Jo Daviess County, incorporated in 1827, is located in the northwest corner of Illinois. The county is bounded by the Mississippi River/Iowa border to the west, and the Wisconsin border to the north. Stephenson County lies to the east, and Carroll County lies to the south. The county has an area of 384,768 acres. The primary industries are agriculture, tourism services and manufacturing. The county has 23 townships and ten incorporated communities ranging in population from 121 (Nora) to 3,429 (Galena). Galena, the largest community, serves as the county seat. The county also has two large recreational communities, Apple Canyon Lake and the Galena Territories, both are located in unincorporated Jo Daviess County. According to the U.S. Census Bureau, the County population in the year 2010 was 22,678, an increase of 389, or 1.7 percent, from the 2000 population of 22,289.

Jo Daviess County operates under the township form of government. The governing body is the County Board. Jo Daviess County is comprised of 17 County Board districts. One County Board member is elected from each district for a four-year term, with half of the Board elected every two years. The County Board's primary function is to establish the various budgets of the county funds and to levy taxes for county purposes. Also, the board adopts all ordinances and rules pertaining to the management and business of the county departments.

The County Administrator, appointed by the County Board, directs the day-to-day operations of County functions and activities, which fall under the jurisdiction of the County Board. He is responsible for coordinating the preparation and implementation of the County's annual operating and capital budgets; administering personnel and purchasing policies and administering all risk management and insurance programs.

Under the Counties Code (55 ILCS 5/et. seq.), the County Board has the authority to appropriate expenditures and levy property taxes. The County of Jo Daviess is a legal subdivision of the State of Illinois. The services and functions of Jo Daviess County Government are limited to those that are specifically authorized by State Law. The annual budget serves as the foundation for Jo Daviess County's financial planning and control.

Services provided by Jo Daviess County Government include law enforcement and prosecution, emergency services, assessment and collection of taxes, recording of legal documents, conducting of elections, construction and maintenance of roads and bridges, public health, court services, and adult corrections. Regulatory functions include zoning, liquor control, rabies control, subdivision regulations, restaurant licensing, and flood control.

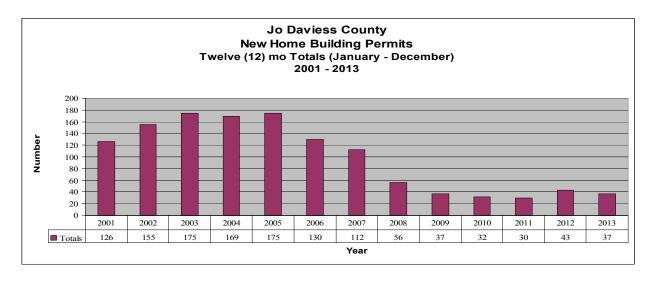
#### **Economic Factors and Outlook**

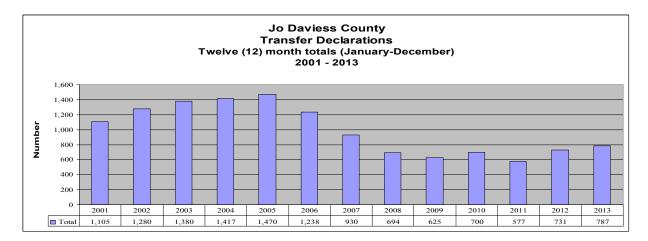
Slow recovery from the great recession, high regional unemployment, revenue shortfalls, and the uncertainty of timely state payments were all concerns in 2013 and continue as we enter 2014. One of the County's major challenges is to provide the community (residents and taxpayers) with a wide variety of services with a limited set of resources. In recent years this has been compounded by the fiscal stress placed upon the County by the slow recovery from the economic recession and by the State of Illinois' budget deficiencies. The economic recession resulted in significant reductions in state income tax revenue, sales tax revenue and other state shared tax revenues. In response, the County implemented several measures to reduce expenses, including a pay freeze in both fiscal year 2010 and 2011 for all non-union employees, union agreements included a pay freeze for at least one year; a hiring freeze policy, a voluntary furlough program and a 3 percent across the board reduction of all General Fund budgets were all implemented in 2010 and continued with the 2014 budget. Jo Daviess County uses a 15 step target based budgeting process which has helped control expenses during this difficult period.

Another concern relates to the reductions in state funding for various public health and safety programs, including grants, direct funding and salary reimbursements. Continued reductions in state funding would mean the County would have to dip further into its reserves, find alternate funding sources to continue the programs or potentially eliminate the programs altogether.

Historically, Jo Daviess County has been known for its pro-business, pro-tourism environment, an abundance of available property with secondary and transient housing being a strong source of continued growth. In 2008 and 2009 Jo Daviess County experienced a rather significant decline in new construction especially in the recreational and second home market. For several years high levels of new construction, home sales and mortgage refinances resulted in increased revenue from building permits and recording fees. However, new construction and real estate sales have slowed considerably in recent years. New home permits in unincorporated Jo Daviess peaked in 2005 at 175 and then declined six years in a row to 30 in 2011. New home permits increased to 43 in 2012 and decreased to 37 in 2013. Transfer declarations also peaked in 2005 at 1,470, declined to a low of 577 in 2011, and then increased to 731 in 2012 and 787 in 2013. Transfer declarations reflect sales of property involving money changing hands and do not include guit claim deeds or the number of parcels involved in a sale.

#### **Economic Factors and Outlook** (Continued)





While the local economy struggles to return to pre-recession levels, the County remains optimistic that commercial and industrial growth will continue to occur in Jo Daviess County. Reasons for this optimism include the construction of the new \$20 million dollar Gavilon Grain facility near Warren, Illinois and the \$100 million dollar Rentech Energy Midwest expansion project. Projects in the planning stage include Prairie Ridge of Galena, a senior living community to be located in the vicinity of Galena, IL adjacent to the Midwest Medical Center, and Sunflower Enterprises a full service vessel repair yard for custumers throughout the inland waterway system of the Mississippi River to be located in the East Dubuque harbor.

#### **Economic Factors and Outlook** (Continued)

The Jo-Carroll Local Redevelopment Authority (LRA) continues to promote and redevelop the Savanna Army Depot. Three regional economic development organizations have recently been very active in promoting and enhancing economic development opportunities in our region; the Tri-County Economic Development Alliance (TCEDA), represents Jo Daviess County, Carroll County and part of Whiteside County, the Upper Mississippi River International Port District represents Carroll and Jo Daviess County, and the Blackhawk Regional Council represents the six county region of Carroll, Jo Daviess, Lee, Ogle, Stephenson, and Whiteside. In addition several communities, including East Dubuque, Stockton, Elizabeth and Scales Mound, are all in various stages of creating or implementing TIF Districts which have the potential to significantly expand both residential and commercial growth.

The local economy has shown some positive trends from the recession. Locally generated sales tax revenues, income taxes, corporate personal property replacement taxes and hotel/motel tax all have recovered from the losses experienced in recent years, but while these revenues are back or close to back to where they were before the recession, expenses have continued to increase. This is a challenge to the County as it continues to "do more with less".

#### **Employment**

Although the recession officially ended in 2009, the recovery thus far has been weak and mixed. Unemployment rose significantly in 2009 to levels not seen since the early 1980's and has remained much higher than pre-recession levels. One of the consequences is a decline in local revenue. As we enter 2014, high unemployment continues to have a negative affect on state and local revenue, especially tax revenue (sales, income, use, corporate) which tend to move with income.

The Illinois Department of Employment Security (IDES) reports that the February 2014 Illinois unemployment rate, not seasonally adjusted, was 9.4 percent (down from 10.5 percent in February 2013), the U.S. unemployment rate was 7.0 percent (down from 8.1 percent in February 2013), and the Jo Daviess County unemployment rate was 9.6 percent (down from 10.4 percent in February 2013). The 2013 annual unemployment rate for Jo Daviess County was 7.6 percent (up from the 2012 annual unemployment rate of 7.4 percent). In February 2013, Northwest Illinois continued to have some of the highest unemployment rates in the State with three of Illinois' 20 highest unemployed counties in Boone 13.3 percent, Ogle 11.7 percent, and Winnebago 11.9 percent.

Although the economy has experienced job growth and a gradual decline in the unemployment rate, now fewer people participate in the labor force as a percentage of the non-institutional working age population (age 16 and older). The Illinois Department of Employment Security (IDES) reports the annual average labor force in Jo Daviess County in 2013 was 12,330 of which 11,397 were employed, 933 were unemployed and an unemployment rate of 7.6 percent. This compares to the 2012 and 2011 average labor forces of 12,523 and 12,838 of which 11,584 and 11,848 were employed, 939 and 990 were unemployed and the unemployment rate was 7.5 and 7.7 percent respectively.

#### **Employment** (Continued)

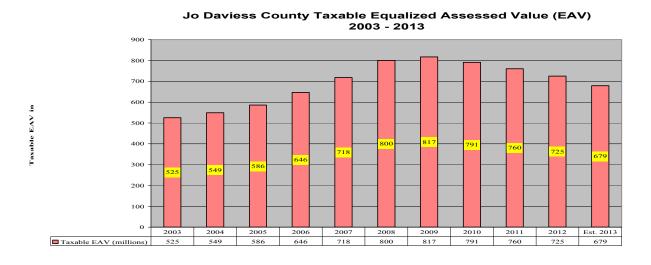
Labor trends – for the first time since 2006 the number of jobs increased in Jo Daviess County. The most current quarterly workforce indicator report from the Illinois Department of Employment Security (IDES) indicates that in the 2<sup>nd</sup> quarter of 2013, 8,069 individuals were employed by 816 Jo Daviess County employers. This compares to 7,973 employed by 821 employers in the 2<sup>nd</sup> quarter of 2012 and 8,959 employed by 782 employers in the 2<sup>nd</sup> quarter of 2006.

#### **Property Tax Levy**

Jo Daviess County is subject to the Illinois Property Tax Extension Limitation Law (PTELL) pursuant to 35 ILCS 200/18-185. This law was adopted by Jo Daviess County as a result of a November 1997 voter referendum. PTELL limits the growth in property tax extension on existing property to an annual increase of 5 percent or the change in the consumer price index (CPI), whichever is less. Special Service Areas are exempt from PTELL and are not included in the County's total aggregate extension. There are provisions in the law which does allow extensions to increase more than the limit; they include increases in proportion to the amount of new property/construction and annexations of territory into a district. A CPI factor of 1.7% was utilized in administering the 2013 Property Tax Extension Limitation Law formula.

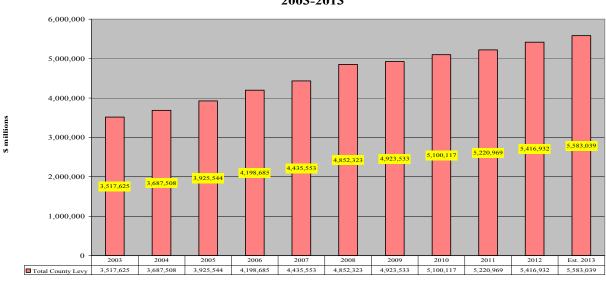
#### Proposed 2013 Jo Daviess County Property Tax Extension (Levy)

The estimated allowable property tax extension increase for 2013 (payable 2014) is \$166,108. To determine this amount, several variables were considered. The County Assessor's Office estimated the 2013 gross assessed valuation of Jo Daviess County to be \$750,000,000; this is a decrease of \$39,772,775 or 5 percent less than the final 2012 gross assessed value of \$789,772,775. This total includes an estimated \$9,000,000 in new property/construction. Of the \$9 million in new property /construction approximately \$3.67 million is in the enterprise zone and the County portion of associated property taxes will be abated for the 2013 tax year.



#### Proposed 2013 Jo Daviess County Property Tax Extension (Levy) (Continued)

The County Clerk's Office estimated the maximum overall maximum aggregate tax levy extension for 2013 to be \$5,583,039. This amount represents an increase of \$166,108 or 3.1 percent more than the 2012 total aggregate levy extension of \$5,416,932. Approximately \$92,088 or 55.4 percent of the proposed 2013 property tax levy increase (payable 2014) is the result of a 1.7 percent inflationary CPI increase on existing property and approximately \$74,016 or 44.6 percent is the result of an estimated \$9 million increase in EAV associated with new property/construction.



Jo Daviess County Total Levy 2003-2013

The following table compares the estimated 2013 property tax extension increase with the actual 2009 thru 2012 property tax extension increases and the associated variables that were used to determine the property tax extension increase.

	Total \$		Increase per		
Year	Increase	CPI	CPI	New Property	Increase per N.P.
2009	\$71,211	0.1%	\$4,852	\$11.0 million	\$66,359
2010	\$176,584	2.7%	\$133,142	\$6.7 million	\$43,442
2011	\$120,852	1.5%	\$76,502	\$6.2 million	\$44,350
2012	\$195,963	3.0%	\$156,629	\$5.2 million	\$39,334
Est.					
2013	\$166,108	1.7%	\$92,088	\$9.0 million	\$74,016

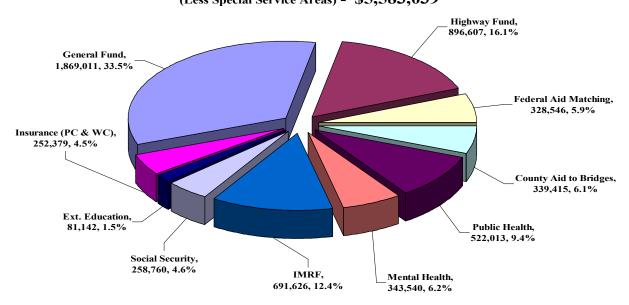
#### Proposed 2013 Jo Daviess County Property Tax Extension (Levy) (Continued)

The Jo Daviess County property tax levy is distributed between ten (10) individual special purpose property tax levies, they include: General Corporate, County Highway, Federal Aid Matching, County Bridge, Public Health, Mental Health, IMRF, Social Security, Extension Education, and Insurance. In addition the County is responsible for three special service area (SSA) levies, SSA #1- Warren Ambulance, SSA #2 & #4- Elizabeth Ambulance and SSA #5-Hanover Ambulance.

The proposed total aggregate property tax extension for Jo Daviess County for 2013 (payable 2014), less special service areas (exempt from PTELL), is estimated to be \$5,583,039. This is an increase of \$166,108 or 3.1 percent more than the actual 2012 property tax extension amount of \$5,416,932.

The proposed 2013 property tax levy (payable 2014) of \$5,583,040 represents 31.2 percent of the County's aggregate FY2014 all fund revenue estimate of \$17,905,905. The proposed General Corporate property tax levy of \$1,869,011 represents 26.9 percent of the General Corporate Fund's FY2014 estimated revenue amount of \$6,954,733.

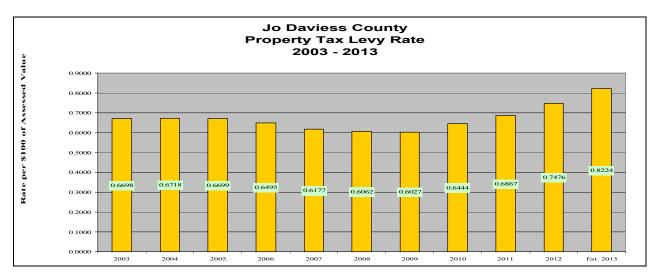
Jo Daviess County
Proposed 2013 Property Tax Levy (Payable FY2014)
(Less Special Service Areas) - \$5,583,039



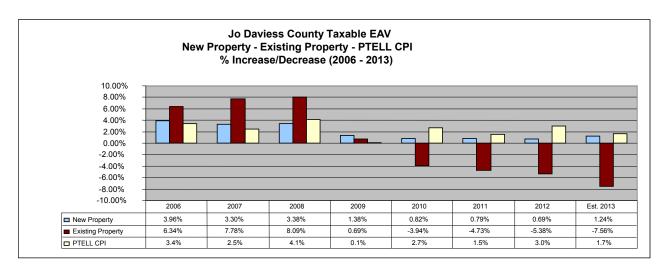
#### **Estimated 2013 Property Tax Extension Rate**

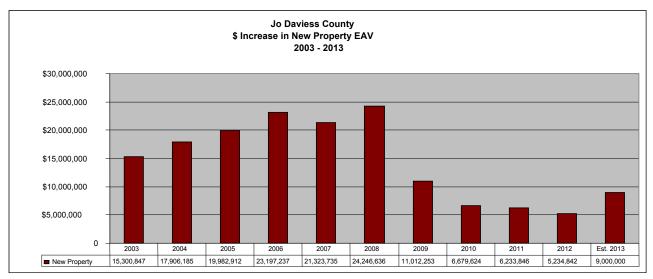
The estimated 2013 JDC property tax extension levy rate for Jo Daviess County is 0.82244/hundred dollars of assessed value. This is an increase of 0.07488 more than the 2012 property tax rate of 0.74756. The primary reason that property tax levy rates have increased in Jo Daviess County in recent years is due in part to the fact that, in general, equalized assessed value of property in Jo Daviess County has decreased during the four year period 2010-2013.

Generally, in a PTELL county, property tax rates decrease when overall equalized assessed value increases at a rate faster than inflation and increase when equalized assessed value decreases. Per sales ratios received from the Illinois Department of Revenue, some JDC township assessment districts have experienced significant decreases in assessed valuation in recent years. This is a reversal of a multi-year trend that in general saw property values and equalized assessed values increase at a rate faster than the rate of inflation (CPI) which in turn limited (lowered) property tax extension levy rates. During the four year period 2006-2009 overall taxable EAV of existing property in Jo Daviess County increased 22.9 percent (2006-6.3 percent, 2007-7.8 percent, 2008-8.1 percent, and 2009-0.7 percent) while the CPI for PTELL purposes increased 10.1 percent (2006-3.4 percent, 2007-2.5 percent, 2008-4.1 percent and 2009-0.1 percent) During the four year period 2010-2013 the overall EAV of existing property decreased 21.6 percent (2010-3.9 percent, 2011-4.7 percent, 2012-5.4 percent, and 2013 an estimated decrease of 7.6 percent while the CPI for PTELL purposes increased 8.9 percent (2010-2.7 percent, 2011-1.5 percent, 2012-3.0 percent, and 2013-1.7 percent).



#### **Estimated 2013 Property Tax Extension Rate** (Continued)





#### **Proposed 2013 Special Service Area Property Tax Extension (Levy)**

Special Service Areas (SSA) are exempt from PTELL and are not included in the County's total aggregate property tax levy. SSA's are, however, subject to a maximum property tax rate; these rates were established by ordinance (after public hearing) by the Jo Daviess County Board. SSA's do fall under the Truth in Taxation Law and are included in the County's calculations for this purpose. The maximum property tax levy rates for individual SSA's in Jo Daviess County are as follows: SSA #1 Warren Ambulance - \$0.100/hundred dollars of assessed value, and SSA #5 Hanover Ambulance - \$0.110/hundred dollars of assessed value.

#### **Estimated 2013 Property Tax Extension Rate** (Continued)

The combined 2013 total property tax levy (payable 2014) for all three SSA's is \$173,808. This represents an increase of \$4,168 or 2.5% over the actual 2012 combined SSA property tax levy amount of \$169,640. SSA #1 has a proposed levy of \$80,000 which is a \$3 decrease from its 2012 actual levy amount of \$80,003, SSA #2 & #4 has a proposed levy of \$64,000 which is an increase of \$2,683 or 4.4% over its 2012 actual levy of \$61,317, and SSA #5 has a proposed levy of \$29,808 which is an increase of \$1,489 or 5.2% over its 2012 actual levy amount of \$28,319.

#### **Risk Management**

Jo Daviess County participates with approximately 50 other Illinois counties in purchasing its property and liability insurance and workers' compensation insurance from Illinois Counties Risk Management Trust. To help minimize the County's risk exposure, the County adopted a Safety Policy Manual in 2008 and hired a part time Safety Coordinator in 2009. The County's Safety Committee works with the Safety Coordinator to implement the County's safety program, reviews reports of injury, and assists in planning quarterly educational programs aimed at reducing and preventing accidents and injuries in the workplace.

The above factors were considered while preparing the fiscal year 2014 financial plan for the County.

#### **Requests for Information**

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the County's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Jo Daviess County Administrator, Jo Daviess County, Illinois, 330 North Bench Street, Galena, Illinois 61036.

**BASIC FINANCIAL STATEMENTS** 

#### JO DAVIESS COUNTY, ILLINOIS STATEMENT OF NET POSITION November 30, 2013

	Governmental <u>Activities</u>	
ASSETS		
Current assets:		
Cash and investments	\$ 14,855,172	
Receivables:	. , ,	
Accounts	143,523	
Interest	669	
Property taxes	5,756,847	
Due from other governments	1,704,830	
Inventories	61,850	
Prepaid expenses	14,112	
Loans receivable	18,091	
Total current assets	22,555,094	
Noncurrent assets: Capital assets, non depreciable: Land	310,419	
Construction-in-progress	1,756,604	
Capital assets, depreciable:	1,730,004	
Buildings and improvements	4,650,162	
Equipment and machinery	4,155,142	
Transportation equipment	2,969,647	
Road and bridges	17,698,911	
Less accumulated depreciation	(13,553,012)	
Total noncurrent assets	17,987,873	
	· · · · · · · · · · · · · · · · · · ·	
TOTAL ASSETS	\$ 40,542,967	

	Governmental <u>Activities</u>		
LIABILITIES			
Current liabilities:			
Accounts payable	\$	954,995	
Accrued liabilities		179,216	
Accrued compensated absences		378,660	
Unearned revenue		319,756	
Unearned property taxes		5,756,847	
Current portion of debt certificates		93,068	
Total current liabilities		7,682,542	
Noncurrent liabilities:			
Long-term portion of debt certificates		726,265	
Net pension obligation		153,831	
Other postemployment benefit obligation		65,485	
Total noncurrent liabilities		945,581	
TOTAL LIABILITIES		8,628,123	
NET POSITION			
Net investment in capital assets Restricted for:		17,168,540	
General control and administration		1,974,334	
Transportation		3,547,381	
Public health and education		2,416,810	
Public safety		429,562	
Mental health		28,356	
County development		714,795	
Court services		463,820	
Unrestricted		5,171,246	
TOTAL NET POSITION	\$	31,914,844	

The accompanying notes are an integral part of the basic financial statements.

#### JO DAVIESS COUNTY STATEMENT OF ACTIVITIES Year Ended November 30, 2013

Functions/Programs PRIMARY GOVERNMENT: Governmental activities:	<u>1</u>	Expenses		Charges for <u>Services</u>	Operating Grants and Contributions	Capital Grants and <u>Contributions</u>	an Go	et Revenue Expense) d Changes in Net Position vernmental Activities
General control and administration	\$	2,356,757	\$	1,146,098	\$ 43,582	\$ 11,000	\$	(1,156,077)
Transportation	Ψ	2,972,850	Ψ	303,913	661,650	877,759	Ψ	(1,129,528)
Public health and education		1,539,259		792,871	175,244	-		(571,144)
Public safety		3,532,713		388,967	100,000	30,428		(3,013,318)
Mental health		336,235		-	-	-		(336,235)
County development		1,159,805		282,951	129,434	-		(747,420)
Court services		1,310,293		487,342	4,497	-		(818,454)
Interest	_	26,867	_					(26,867)
Total governmental activities		13,234,779	_	3,402,142	1,114,407	919,187		(7,799,043)
		I revenues:						5 500 055
		perty taxes						5,590,955
		es tax						966,811
		el/motel use ta	X					741,334
		e income tax						1,099,439
		or fuel tax	al ni	operty replaceme	ont toyon			598,623 214,128
		porate persona er taxes	ai pi	operty replacem	ent taxes			214,126 197,458
		er taxes estricted inves	tmo	ent carnings				53,625
	Oth		une	int carriings				391,555
	Our	oi						001,000
	Tota	al general reve	nue	es				9,853,928
	Cha	inge in net pos	itio	n				2,054,885
	NE	POSITION, E	BEG	SINNING OF YEA	AR			29,859,959
	NE	F POSITION, E	END	OF YEAR			\$	31,914,844

#### JO DAVIESS COUNTY, ILLINOIS BALANCE SHEET **GOVERNMENTAL FUNDS** November 30, 2013

ASSETS	General <u>Fund</u>	County Highway <u>Fund</u>	Federal Aid Matching <u>Fund</u>	Public Health <u>Fund</u>	Other Governmental <u>Funds</u>		Total Governmental <u>Funds</u>	
	<b>#</b> 2 227 500	¢ 4 000 000	£ 4 400 044	£ 4 224 250	•	7.547.007	•	44.055.470
Cash and investments	\$ 3,337,588	\$ 1,209,203	\$ 1,426,044	\$ 1,334,350	\$	7,547,987	\$	14,855,172
Accounts receivable	41,113	3,390	297	2,084		96,639		143,523
Interest receivable	3	-	-	108		558		669
Due from other funds	9,382	40.450	-	20.632		136,268		145,650
Due from other governments	734,741	46,453	220 540	- ,		903,004		1,704,830
Property taxes receivable  Loans receivable	1,869,011	896,607	328,546	522,013		2,140,670 18,091		5,756,847 18,091
Prepaid expenses	- 14,112	-	-	-		,		14,112
Inventory	25,578	14,856	_	21,416		-		61,850
inventory	23,370	14,000		21,410				01,000
TOTAL ASSETS	\$ 6,031,528	\$ 2,170,509	\$ 1,754,887	\$ 1,900,603	\$	10,843,217	\$	22,700,744
LIABILITIES								
Accounts payable	\$ 106,254	\$ 51,744	\$ 569,548	\$ 6,052	\$	221,397	\$	954,995
Accrued liabilities	120,962	15,047	-	6,936	•	36,271	•	179,216
Due to other funds	57,000	-	-	25,000		63,650		145,650
Unearned revenue	332,868	14,080	_	55,917		624,401		1,027,266
Unearned property taxes	1,869,011	896,607	328,546	522,013	_	2,140,670		5,756,847
Total liabilities	2,486,095	977,478	898,094	615,918		3,086,389	_	8,063,974
FUND BALANCES								
Nonspendable	39,690	14,856	_	21,416		_		75,962
Restricted:	,	,		,,				,
General control and administration	_	_	_	_		1,834,644		1,834,644
Transportation	_	1,178,175	856,793	_		1,128,916		3,163,884
Public health and education	_	-	-	1,263,269		1,112,532		2,375,801
Public safety	_	_	_	-		417,234		417,234
Mental health	_	_	_	_		28.356		28,356
County development	_	_	_	_		714,795		714,795
Court services	_	_	_	_		463.820		463,820
Committed	_	_	_	_		716,984		716,984
Assigned	_	_	_	_		1,339,547		1,339,547
Unassigned	3,505,743					-		3,505,743
Total fund balances	3,545,433	1,193,031	856,793	1,284,685		7,756,828		14,636,770
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,031,528	\$ 2,170,509	\$ 1,754,887	\$ 1,900,603	\$	10,843,217	\$	22,700,744

# JO DAVIESS COUNTY, ILLINOIS RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES November 30, 2013

Total governmental fund balances	\$ 14,636,770
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 \$13,553,012	17,987,873
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned in the funds	707,510
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:  Debt certificates payable Net pension obligation Other post-employment benefit obligation Accrued compensated absences	(819,333) (153,831) (65,485) (378,660)
Total net position - governmental activities	<u>\$ 31,914,844</u>

#### JO DAVIESS COUNTY, ILLINOIS STATEMENT OF REVENUES, EXPENDITURES, AND **CHANGES IN FUND BALANCES** GOVERNMENTAL FUNDS Year Ended November 30, 2013

REVENUES	General <u>Fund</u>	County Highway <u>Fund</u>	Federal Aid Matching <u>Fund</u>	Public Health <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>	
Property taxes	\$ 1,820,819	\$ 837,892	\$ 320,246	\$ 522,433	\$ 2,089,565	\$ 5,590,955	
Intergovernmental	2,734,854	181,197	77,400	144,089	2,963,441	6,100,981	
Charges for services	958,750	-		91,505	893,194	1,943,449	
Interest	18,414	2,254	2,947	3,172	26,838	53,625	
Licenses and permits Other	276,916 40,579	- 95,768	44,822	24	1,140 210,362	278,056 391,555	
Otilei	40,373	93,700	44,022		210,302	391,333	
Total revenues	5,850,332	1,117,111	445,415	761,223	6,184,540	14,358,621	
EXPENDITURES							
Current:							
General control and administration	1,667,809	-	-	-	555,001	2,222,810	
Transportation	-	978,623	-	-	1,238,422	2,217,045	
Public health and education Public safety	185,774 3,123,530	-	-	631,655	694,693 167,459	1,512,122 3,290,989	
Mental health	3,123,530	_	-	-	334,216	334,216	
County development	190.814	_	_	_	941,751	1,132,565	
Court services	1,248,580	-	-	-	25,068	1,273,648	
Capital outlay	11,727	259,225	304,709	9,197	1,008,656	1,593,514	
Debt service:							
Principal	-	-	-	-	90,333	90,333	
Interest					26,867	26,867	
Total expenditures	6,428,234	1,237,848	304,709	640,852	5,082,466	13,694,109	
Excess (deficiency) of revenues over expenditures	(577,902)	(120,737)	140,706	120,371	1,102,074	664,512	
OTHER FINANCING SOURCES (USES)							
Operating transfers in	1,311,095	257,046	-	77,540	845,247	2,490,928	
Operating transfers out	(538,534)	(46,621)		(109,360)	(1,796,413)	(2,490,928)	
Total other financing sources (uses)	772,561	210,425		(31,820)	(951,166)		
Excess of revenues and other financing sources							
over expenditures and other financing uses	194,659	89,688	140,706	88,551	150,908	664,512	
FUND BALANCES, BEGINNING OF YEAR	3,350,774	1,103,343	716,087	1,196,134	7,605,920	13,972,258	
FUND BALANCES, END OF YEAR	\$ 3,545,433	\$ 1,193,031	\$ 856,793	\$ 1,284,685	\$ 7,756,828	\$ 14,636,770	

#### **JO DAVIESS COUNTY, ILLINOIS**

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

#### Year Ended November 30, 2013

Net change in fund balances - total governmental funds	\$	66	64,512
Amounts reported for governmental activities in the statement of net activities are different because:			
Governmental funds report capital outlays as expenditures.  However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differed from depreciation expense in the current year.			
Capital outlay		1,30	9,804
Depreciation expense:	705)		
Transportation (570 Public health and education (20	,705) ,688) ,103) ,533)		
	,933) ,996)	(88)	32,958)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) as to increase (decrease) net position:			
Contributed capital		87	7,759
Loss on disposal of capital assets		(1	1,861)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements:  Charges for services (48	,417)		
	,166		
	,424)		
	,318)		
Sales tax 6	,460		
Use tax2	<u>,817</u>	5	3,284
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Change in compensated absences		(1	5,839)
Change in net pension obligation			9,516)
Change in other postemployment benefits obligation			0,633)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the			
statement of net position:		_	0000
Repayment of principal of long-term debt	_	g	90,333
Change in net position of governmental activities	<u>\$</u>	2,05	4,885

# JO DAVIESS COUNTY, ILLINOIS STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	Agency <u>Funds</u>
ASSETS	
Cash and investments	\$ 1,058,361
Due from other governments	68,646
TOTAL ASSETS	\$ 1,127,007
LIABILITIES	
Accounts payable	\$ 30,153
Due to individuals and private entities	668,047
Due to other governments	428,807
TOTAL LIABILITIES	\$ 1,127,007

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County provides many functions and services to citizens, including law enforcement, health and social services, transportation, planning and zoning and general administrative services.

#### **Financial Reporting Entity**

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Jo Daviess County, Illinois is a municipal corporation governed by a County Board, which is elected by the public and has the exclusive responsibilities and accountability for the decisions it makes. The County has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the County is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these basic financial statements.

# **Joint Ventures**

The County has an intergovernmental agreement with Carroll County, Illinois regarding an entity known as the Jo-Carroll Depot Local Redevelopment Authority (LRA). This LRA replaced an entity previously known as the Savanna Army Depot Local Redevelopment Authority. The former entity was charged with the authority to prepare a plan for the re-use of the Savanna Army Depot facilities in accordance with the Base Closure Community Redevelopment Assistance Act. The current LRA is charged with the authority to implement the re-use plan for the Savanna Army Depot and to modify the plan as may become necessary. Both Counties are jointly and severally liable for all liabilities, debts and obligations of any kind incurred by the LRA if the Authority is dissolved. The agreement provides for the LRA to consent to an audit of its funds by either County as either County may direct.

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate financial statements are available through the Jo-Carroll Depot Local Redevelopment Authority offices in Savanna, Illinois.

# **Basic Financial Statements - Government-Wide Statements**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the overall financial activity of the County. The financial activities of the County consist of governmental activities, which are primarily supported by taxes, intergovernmental revenues and charges for services.

The statement of activities demonstrates the degree to which the direct expense of a given function (i.e., general control and administration, public safety, etc.) is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees) and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County does not allocate indirect costs, except depreciation.

#### **Basic Financial Statements – Fund Financial Statements**

Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The County has the following fund types:

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements – Fund Financial Statements** (Continued)

#### **Governmental Fund types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The County has three governmental fund types: General Fund, Special Revenue Funds, and Capital Projects Funds.

**General Fund** - This is the County's primary operating fund and it is always a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the County and accounted for in the General Fund include general control and administration, public health and education, public safety, county development, and court services.

The Contingency Fund was combined into the General Fund in fiscal year 2011 with the implementation of GASB Statement No. 54. This fund was established to provide funds for expenses incurred by County departments and offices that were unanticipated at the beginning of the budget year or to provide inter-fund loans for any County fund experiencing temporary cash flow problems. Expenditures and inter-fund loans from this fund may be made only upon approval of the County Board. Monies expended or loaned from this fund must be replaced during the fiscal year expended or loaned or during the subsequent fiscal year from the fund for which the unanticipated expenditure was made. Initial funding of \$50,000 for the Contingency Fund was derived from the elimination of the Indemnity Fund in 2004.

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific projects. The major special revenue funds are:

<u>County Highway Fund:</u> This is used to operate the County Highway Department including, but not limited to, salaries, supplies and purchase of machinery and equipment. Property and sales taxes, sale of material, reimbursement from townships and interest income support this fund.

<u>Federal Aid Matching Fund:</u> This fund is used for the County match for projects funded with federal funds such as reimbursement to the state of Illinois for construction projects. Property tax and interest support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 605 ILCS 5/5-603.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements – Fund Financial Statements** (Continued)

# **Governmental Fund types** (continued)

<u>Public Health Fund:</u> This fund is used for public health expenditures and is supported by the public health property tax levy and funds from Illinois Department of Public Health, Illinois Department of Human Services, and various state or federal grant sources. The County has elected to report the Public Health Fund as major for public interest purposes.

The Catastrophic Public Health Emergency Fund was combined into the Public Health Fund in fiscal year 2011 with the implementation of GASB Statement No. 54. This fund accounts for any Public Health epidemic or Public Health Emergency. A catastrophic public health event could be the result of a communicable disease epidemic (Pandemic Flu or Tuberculosis, Mumps, Pertusis, Avian Flu, West Nile or other communicable diseases). This fund would also cover natural disasters such as flooding, tornados or terrorist initiated chemical, radiological or biological (small pox, anthrax) threats.

The other special revenue funds of the County are considered nonmajor funds.

**Capital Projects Funds** - These funds are used to account for the County's purchase or construction of capital facilities or capital equipment. None of the County's capital projects funds in fiscal year 2013 are major funds.

#### **Fiduciary Fund types**

Fiduciary fund types are used to account for net position and changes in net position. The fiduciary funds of the County are all considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of the operations.

#### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

# **Measurement Focus and Basis of Accounting (Continued)**

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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for services, and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The County's property tax is levied each year on all taxable real property located in the County on or before November 30. Property taxes attach as an enforceable lien on property as of the preceding January 1, at which time they are recognized. These taxes are due in two installments in June and September of the following year. Since the 2013 tax levy is budgeted for the fiscal year 2014, the revenue from this tax levy is unearned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

#### Cash and Investments

Cash and investments primarily consist of deposit accounts with financial institutions.

Investments are reported at fair value. A portion of the County's investments are in the Illinois Funds Money Market Fund, which is an external investment pool which is not SEC registered. Fair value is based on quoted market prices. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is the same as the value of the shares.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Accounts Receivable**

Accounts receivable results primarily from hotel/motel taxes and other miscellaneous receivables including phone surcharges, franchise fees, and refunds, and are accounted for in the governmental funds. All are net of an allowance for uncollectibles.

#### **Inventories**

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Inventories consist of deed stamps, immunizations and fuel.

#### **Due From Other Governments**

Due from other governments represent state shared revenues from the state of Illinois, and grants and reimbursements from other governments.

#### **Capital Assets**

Capital assets which include land, construction-in-progress, buildings, building improvements, transportation equipment, equipment, including software and machinery, and roads and bridges are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets, which have an initial, individual cost of more than \$20,000 for land, buildings and infrastructure assets, and \$5,000 for other capital assets, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All reported capital assets except land and construction-in-progress are depreciated.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated lives for each capital asset type are as follows:

Buildings and improvements	10 - 50 years
Transportation equipment	4 - 30 years
Equipment and machinery	3 - 30 years
Roads and bridges	40 years

The County's collection of works of art, books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to County policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

# **Compensated Absences**

County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Governmental funds report the amount of accumulated unpaid vacation and sick leave, when due, as a result of employee retirements and resignations. The amount of liability not considered due is not reported in the fund financial statements; however, the entire compensated absence liability is reported in the government-wide financial statements. The liability for compensatory time off is expected to be liquidated with current available resources and is included with accrued payroll liabilities in the fund financial statements.

For nonunion employees, full-time employees accrue vacation time according to their years of continuous service with the County with the hours given to the employee on their anniversary date. Employees may carry over up to one-half of their accrued vacation from the previous year for six months past their anniversary date for the following year.

For employees covered under the Collective Bargaining Agreement for Police Officers, vacation allowances are earned annually based on the number of months employed with the County and the prior year's earned hours are available for use starting December 1 the following year. These employees also earn sick leave hours with a maximum of 1,040 hours allowed. For sick leave hours in excess of 520 sick hours, the employee can cash in two unused sick days for one day's pay basis. The cash in occurs during the time period of November 1 to November 15 each year.

For employees covered under the Collective Bargaining Agreement for the Highway Department, vacation accrues for full time employees on a pay period basis based on the years of service with the County. These employees are allowed to carry one-half of their accrued vacation time from the previous year for up to 12 months past their anniversary date. Employees with more than two years seniority are also permitted to cash out up to one-half of their annual vacation accrual once per year if the employee has not yet utilized their vacation time.

The change in accrued compensated absences for the year was as follows:

Beginning Balance	<u>Additions</u>	<u>Payments</u>	Ending Balance	Amount Due Within <u>One Year</u>		
\$ 362,821	<u>\$ 378,660</u>	\$ 362,821	\$ 378,660	<u>\$ 378,660</u>		

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of November 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as unearned revenue in governmental financial statements and as unearned revenue in the government-wide statements. In government fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

Unearned revenue includes grant awards received but unearned by either the passage of a specified time or the fulfillment of expenditure provisions and fee revenue collected before it has been earned.

#### **Interfund Transactions**

Transactions from County funds that would be treated as revenues and expenditures if they involve organizations external to County government are accounted for as revenues and expenditures in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended, are separately reported in the respective funds' operating statements.

Activity between funds that represents lending/borrowing arrangements at the end of the fiscal year is referred to as "due to/from other funds."

#### **Fund Balance**

Fund balance is categorized based on the nature and extent of the constraints placed on a government's fund balance. The following classifications describe the relative strength of the spending constraints:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fund Balance (Continued)

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

**Assigned** – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by a County official or body to which the County Board delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds.

**Unassigned** – This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The County would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

#### **Net Position**

Beginning with fiscal year 2013, the County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources*, *Deferred Inflows of Resources*, *and Net Position*. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of November 30, 2013, there were no unspent bond proceeds. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The County first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

# NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

# **Use of Accounting Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses/expenditures during the period. Actual results could differ from these estimates.

#### NOTE 2 - CASH AND INVESTMENTS

As of November 30, 2013, the County's cash and investments were as follows:

Cash and deposits with financial institutions, statement of net position	\$ 12,786,047
Investments, statement of net position	2,069,125
Cash and deposits with financial institutions, fiduciary funds	 1,058,361

**Total** \$ 15,913,533

#### **Authorized Investments**

The County's investment policy authorizes the County to invest in bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, in bonds, notes, debentures, or other similar obligations of the United States of America or its agencies, in interest bearing savings accounts, interest bearing certificates of deposit, interest bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy as it relates to interest rate risk. The County's investment maturity dates range from 12 to 48 months.

# NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Investment Type	<u>Fair Value</u>
Certificate of Deposit, various banks	\$ 1,809,555
Repurchase agreement, First Community Bank	234,191
Illinois Funds Money Market Mutual fund	210
Money Market, Citizens State Bank	<u>25,169</u>
Total	<u>\$ 2,069,125</u>

#### **Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County holds no debt securities as of November 30, 2013 that are subject to credit risk.

#### Concentration of Credit Risk

The County's investment policy is to apply the prudent-person rule. The policy also requires the County's investments to be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), limiting investments in securities that have higher credit risks, investing in securities with varying maturities and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. The County investments in any one issuer that represent 5 percent or more of total County investments are as follows: East Dubuque Savings Bank-40.43%; First Community Bank-26.93%; Galena State Bank- 24.16%; and Citizens State Bank-7.25%. Money market mutual funds and mutual funds are excluded from this consideration given the County doesn't "hold" the underlying investments.

# NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

#### **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County's investment policy gives discretion to the Jo Daviess County Treasurer to determine whether or not collateral will be required of financial institutions receiving funds from the County. At all times, the Treasurer is required to collateralize deposits in excess of 35 percent of the capital and surplus of a financial institution. When collateral is required, 100 percent of the deposit will be required. Acceptable collateral includes United States Government Direct Securities, obligations of federal agencies, obligations of the state of Illinois, obligations of Jo Daviess County, obligations of municipalities located within Jo Daviess County and acceptable collateral as identified in the Illinois Compiled Statutes. As of November 30, 2013, the County's deposits and investments were entirely covered by federal depository insurance or collateralized.

#### NOTE 3 - LOANS RECEIVABLE

The County periodically makes loans to parties, out of the Economic Development Fund, for the purpose of job creation and/or retention.

On July 17, 2006, the County executed a loan participation agreement with the Elizabeth State Bank for a \$35,000 loan the bank made to Elizabeth Nursing Home. The proceeds of the loan were to be used to expand the Elizabeth Nursing Home in Elizabeth, Illinois. Terms of the loan required 120 monthly payments of \$256 including interest at prime less 2.0 percent, or 1.25 percent as of November 30, 2013. The loan matures July 17, 2016. As of November 30, 2013, the County's loan receivable balance was \$18,091.

The remaining loan receivable is included in committed fund balance of the Economic Development Investment Fund.

# NOTE 4 - CAPITAL ASSETS

	Balance November 30, 2012	Additions	Retirements	Balance November 30, 2013
Governmental activities: Capital assets not being	<u> </u>	<u></u>		<u>==</u>
depreciated: Land	\$ 267,943	\$ 42,476	\$ -	\$ 310,419
Construction-in-progress	4,045,255	1,324,342	3,612,993	1,756,604
Total capital assets not being depreciated	4,313,198	1,366,818	3,612,993	2,067,023
Capital assets being depreciated:				
Buildings and improvements	4,506,919	143,243	-	4,650,162
Equipment and machinery	3,025,455	1,322,341	192,654	4,155,142
Transportation equipment	2,902,982	232,948	166,283	2,969,647
Roads and bridges	<u>14,963,705</u>	2,735,206		<u>17,698,911</u>
Total capital assets being				
depreciated	25,399,061	4,433,738	358,937	29,473,862
Less accumulated depreciation				
for:				
Buildings and improvements	1,983,330	110,674	_	2,094,004
Equipment and machinery	2,249,537	150,735	180,793	2,219,479
Transportation equipment	1,662,823	284,080	166,283	1,780,620
Roads and bridges	7,121,440	<u>337,469</u>		<u>7,458,909</u>
Total accumulated depreciation	13,017,130	882,958	347,076	13,553,012
·				
Total capital assets being depreciated, net	12,381,931	3,550,780	11,861	15,920,850
Governmental activities capital				
assets, net	<u>\$ 16,695,129</u>	<u>\$4,917,598</u>	<u>\$ 3,624,854</u>	<u>\$17,987,873</u>

#### NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions as follows:

General control and administration	\$	67,705
	φ	,
Transportation		570,688
Public health and education		20,103
Public safety		177,533
County development		19,933
Court services		26,996
Total depreciation expense - governmental activities	\$	882,958

#### NOTE 5 - LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended November 30, 2013 were as follows:

	No	Balance vember 30, 2012		<u>Issued</u>	<u>F</u>	<u>Retired</u>	No	Balance evember 30, 2013	-	e Within ne Year
Governmental activities:										
Debt certificates Net pension	\$	909,666	\$	-		90,333	\$	819,333	\$	93,068
obligation Other post- employment		134,315		19,516		-		153,831		-
obligations		54,852		10,633				65,485		
Total governmental activities	<u>\$</u>	1,098,833	<u>\$</u>	30,149	<u>\$</u>	90,333	<u>\$</u>	1,038,649	<u>\$</u>	93,068

As of November 30, 2013, the County has a net pension obligation accrued in the amount of \$153,831 (see Note 7).

As of November 30, 2013, the County has other post-employment benefits accrued in the amount of \$65,485 (see Note 8).

In fiscal year 2012, the County entered into debt certificates with a bank in the amount of \$1,000,000 for the purchase of public safety radio communications equipment and the construction of improvements to the public safety radio communications system. The agreement calls for semi-annual principal and interest payments of \$58,600 payable on May 30 and November 30, commencing on May 30, 2012 and ending November 30, 2021. Interest is to be paid on any unpaid principal installments at a rate of 2.99% per annum.

# NOTE 5 - LONG-TERM DEBT (CONTINUED)

A schedule of annual principal and interest payments for the debt certificates is as follows:

Year ending November 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014 2015 2016 2017 2018 2019 - 2021	\$ 93,068 95,911 98,787 101,858 104,969 324,740	\$ 24,132 21,289 18,413 15,342 12,231 17,078	\$ 117,200 117,200 117,200 117,200 117,200 341,818	
Total	<u>\$ 819,333</u>	\$ 108,485	\$ 927,818	

The following schedule illustrates the legal debt margin of the County as of November 30, 2013:

Legal debt margin	\$	20,013,348
Total debt: Debt certificates	_	819,333
Statutory debt limitation (2.875% of assessed valuation)	\$	20,832,681
Assessed valuation - 2012	<u>\$</u>	724,614,974

#### NOTE 6 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section (IRC) 457. The plan, available to all eligible County employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan has been amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under this requirement, the County does not own the amount deferred by employees and, therefore, the asset and liability are not reflected in the financial statements.

#### NOTE 7 - PENSION AND RETIREMENT SYSTEMS

#### **Illinois Municipal Retirement Fund**

#### Regular Employees Plan

#### **Plan Description**

The County'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 County'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. That report may be obtained on-line at <a href="https://www.imrf.org.">www.imrf.org.</a>

#### **Funding Policy**

As set by statute, plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2012 was 11.61 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 11.78 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

# **Annual Pension Cost**

For calendar year ending December 31, 2012, the employer's actual contributions for pension cost for the regular employees were \$357,637. Its required contribution for calendar year 2012 was \$362,874.

#### **Three-Year Trend Information**

Calendar Year <u>Ending</u>	ual Pension ost (APC)	Percentage of APC Contributed	Net Pension Obligation		
December 31, 2012	\$ 362,874	99%	\$	86,466	
December 31, 2011	356,832	92%		81,229	
December 31, 2010	371,932	86%		53,181	

#### NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

**Illinois Municipal Retirement Fund (Continued)** 

#### Regular Employees Plan (continued)

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40 percent to 10.00 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3.00 percent annually. The actuarial value of IMRF 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 20.00 percent corridor between the actuarial and market value of assets. The County's regular plan's unfunded actuarial accrued liability at December 31, 2010 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, 2012, the most recent actuarial valuation date, the regular plan was 80.71 percent funded. The actuarial accrued liability for benefits was \$9,245,003 and the actuarial value of assets was \$7,461,646, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,783,357. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$3,080,422 and the ratio of the UAAL to the covered payroll was 58 percent.

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

### **Sheriff's Law Enforcement Personnel (SLEP) Plan**

#### **Plan Description**

The County's defined benefit pension plan for Sheriffs Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases and death benefits to plan members and beneficiaries. The plan is affiliated with 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. That report may be obtained online at www.imrf.org.

#### NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Sheriff's Law Enforcement Personnel (SLEP) Plan (Continued)

#### **Funding Policy**

As set by statute, SLEP plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires the County to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2012 was 17.49 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 18.35 percent. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### **Annual Pension Cost**

For calendar year ending December 31, 2012, the employer's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$290,392. Its required contribution for calendar year 2012 was \$304,671.

# **Three-Year Trend Information**

Calendar Year Annual Pension  Ending Cost (APC)			Percentage of APC Contributed	Net Pension Obligation		
December 31, 2012	\$	304,671	95%	\$	67,365	
December 31, 2011		275,640	95%		53,086	
December 31, 2010		289,727	87%		38,426	

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.40 percent to 10.00 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.00 percent annually. The actuarial value of your employer Sheriff's Law Enforcement Personnel 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 20.00 percent corridor between the actuarial and market value of assets. The employer Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30-year basis.

# NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Sheriff's Law Enforcement Personnel (SLEP) Plan (Continued)

#### **Funded Status and Funding Progress**

As of December 31, 2012, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 77.34 percent funded. The actuarial accrued liability for benefits was \$8,038,293 and the actuarial value of assets was \$6,216,939, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,821,354. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,660,330 and the ratio of the UAAL to the covered payroll was 110 percent.

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

# **Net Pension Obligation**

The components of the change in the net pension obligation for Illinois Municipal Retirement for the current fiscal year is as follows:

	<u>IMRF</u>	SLEP
Annual required contribution Contributions Increase in net pension obligation Net pension obligation, beginning of year	\$ 362,874 <u>357,637</u> 5,237 81,229	\$ 304,671 <u>290,392</u> 14,279 53,086
Net pension obligation, end of year	\$ 86,466	\$ 67,365

#### NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

# **Plan Description**

Post retirement healthcare benefits are available to vested employees retiring under the Illinois Retirement System (IMRF) or the Sheriff's Law Enforcement Personnel (SLEP) retirement system. All eligible IMRF and SLEP employees and their spouses are eligible to continue medical, prescription drug and dental coverage with the County plans upon retirement for their lifetimes with the retiree paying 100 percent of the required premium. IMRF benefits fall into two tiers. Tier I, employees hired before January 1, 2011, to be eligible for retiree benefits, IMRF employees must be a minimum of age 55 with eight or more years of service; SLEP employees must be a minimum of age 50 and 20 years of service. All employees hired after January 1, 2011 will fall under a "Tier 2" retirement schedule. To be eligible for Tier 2 retiree benefits, IMRF employees must be a minimum of age 62 with 10 or more years of service; SLEP employees must be a minimum of age 50 with 10 or more years of SLEP service to be eligible for SLEP retiree benefits.

# NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

# Plan Description (Continued)

Retirees pay the entire amount of their premiums for this coverage; however, the premiums are blended rates based on the cost of healthcare benefits for younger active employees along with retirees. Thus, the premiums paid by retirees are lower than the true cost of their healthcare benefits, resulting in the retirees receiving an "implicit rate subsidy." GASB Statement No. 45 considers other post-employment benefits to be part of the compensation that is paid to employees for their services and the cost of these benefits should be recognized while the employees are providing their services, rather than after they've retired. The plan does not issue a stand-alone financial report. The County is required to have an actuarial study conducted to assist in determining these benefits and the related liability every two years. The last study was performed in fiscal year 2013.

#### Membership

At December 31, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits Terminated employees entitled to benefits but not yet receiving them Active employees	5 0 109
Total	114
Participating employers	1

#### **Funding Policy**

Retirees pay the full amount of the premiums, as determined by the group health insurance company. The monthly retiree contribution rates for 2013 were \$554.26 for single coverage, \$1,357.93 for family coverage, and \$439.40 for single-Medicare Primary coverage. The County's contribution is in the form of higher premiums paid for active employees that subsidize the cost of the retirees' health insurance. The plan is financed on a pay-as-you-go basis.

#### **Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the County's annual OPEB obligation:

#### NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

# **Annual OPEB Cost and Net OPEB Obligation** (Continued)

Annual required contribution	\$	30,131
Interest on net OPEB obligation		2,194
Adjustment to annual required contribution		(3,261)
Annual OPEB cost (expense)		29,064
Contributions and payments made		18,431
Increase in net OPEB obligation		10,633
Net OPEB obligation, beginning of year		54,852
Net OPEB obligation, end of year	<u>\$</u>	65,485

# **Three-Year Trend Information**

Fiscal Year Ending	Annu <u>Cost</u>	al OPEB	Percentage of Annual OPEB Cost Contributed	 OPEB gation
November 30, 2013	\$	29,064	63.42%	\$ 65,485
November 30, 2012		28,874	59.09%	54,852
November 30, 2011		28,067	44.44%	43,039

# **Funded Status and Funding Progress**

As of December 1, 2012, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$247,746 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$247,746. The covered payroll (annual payroll of active employees covered by the plan) was \$5,259,231 and the ratio of the UAAL to the covered payroll was 4.71 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents the three-year trend information.

# NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

# **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 1, 2012 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate and health care cost trend rate of 7.71 percent initially, grading down to 5 percent in 6 years. The UAAL is being amortized as a level dollar amount on a closed basis. The amortization of UAAL is done over a period of 30 years.

#### NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE

Interfund balances at November 30, 2013, consisted of the following:

	Due	<b>Due From</b>			
Major funds: General Fund	\$ 5	7,000	\$	9,382	
Special revenue funds: Public Health Fund	2	5,000		_	
Nonmajor Governmental Funds	6	3,650		136,268	
Total	<u>\$ 14</u>	<u>5,650</u>	\$	145,650	

Interfund balances result from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers during the year ended November 30, 2013, were as follows:

	<u>Transfers In</u>	<b>Transfers Out</b>
Major funds: General Fund	\$ 1,311,095	\$ 538,534
Special revenue funds: County Highway Fund Public Health Fund	257,046 77,540	46,621 109,360
Nonmajor Governmental Funds	845,247	1,796,413
Total operating transfers	<u>\$ 2,490,928</u>	<u>\$ 2,490,928</u>

#### NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### **NOTE 10 - RISK MANAGEMENT**

The County 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. In order to protect against such risks of loss, the County purchases commercial insurance coverage through Illinois Counties Risk Management Trust Insurance Program. The deductible in effect through these policies as of November 30, 2013 was \$5,000. During the year ended November 30, 2013, there were no significant reductions in coverage. Settled claims have not exceeded the excess commercial coverage in any of the past three years.

#### NOTE 11 - REGIONAL SUPERINTENDENT OF SCHOOLS TRUST FUND

During August 1979, Jo Daviess and Carroll County combined their Superintendent of Schools into one office. A trust fund was established which pays the expenses of the Superintendent of Schools. Effective August 7, 1995, the Regional Superintendent's office was expanded to include Stephenson County. The office was moved to Stockton, Illinois. Jo Daviess, Stephenson and Carroll Counties reimburse this trust fund on the basis of assessed valuation. This trust is not administered by Jo Daviess County and is not included in the basic financial statements. The County made \$56,064 in payments to the trust during the year ended November 30, 2013. The financial information is available by contacting Aaron Mercier at Regional Superintendent of Schools Trust Fund, 500 N. Rush Street, Stockton, Illinois 61085.

#### NOTE 12 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the November 30, 2014 financial statements include:

GASB Statement No. 65, *Items Previously Reported* as *Assets and Liabilities*, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

# NOTE 12 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS (CONTINUED)

GASB Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No.* 10 *and No.* 62, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, issued April 2013. The objective of this statement is to enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive financial guarantees. This statement will also enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees.

New accounting standards effective for the November 30, 2015 financial statements include:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, issued June 2012. The primary objective of this statement is to improve accounting and financial reporting by state and local governmental for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68, issued November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The effects of these statements on future financial statements has not been determined.

#### NOTE 13 - COMMITMENTS

The County has financial commitments relating to various highway and bridge projects that are estimated to be approximately \$1,100,00.

#### NOTE 14 - MINIMUM YEAR-END FUND BALANCE POLICIES

The County has adopted minimum year-end fund balance policies for fiscal year 2013 as follows:

Fund Name	<u>Amount</u>	Policy
General Fund	\$ .,,	Estimated three months of operating expenses
Highway Fund Public Health Fund	535,000 475,000	Estimated four months of operating revenue Estimated six months of operating expenses
Home Health Care Fund	165,000	Estimated three months of operating expenses
Tourism Promotion Fund	367,000	Estimated three to four months of operating expenses
GIS Automation Fund	45,000	Estimated three months of operating expenses
Social Security Tax Fund Illinois Municipal	178,000	50%-60% of the total eligible expenses for the period
Retirement Fund	338,000	60% of the total eligible expenses for the period
Insurance Fund	435,000	110% of the previous year's budgeted expenses

The minimum year-end fund balances are included in the restricted fund balance category in the fund financial statements for all Special Revenue funds. The minimum year-end fund balance for the General Fund is included in the unassigned category in accordance with GASB 54.

This information is an integral part of the accompanying basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

# JO DAVIESS COUNTY, ILLINOIS ILLINOIS MUNICIPAL RETIREMENT FUND AND OTHER POST-EMPLOYMENT BENEFITS SCHEDULES OF FUNDING PROGRESS

## November 30, 2013

(Unaudited)

Actuarial Valuation <u>Date</u>	F	air Value of Net Assets (1)		Actuarial Accrued Liability (AAL)- Entry Age	·	Jnfunded (Over- funded) AAL (UAAL) (2-1)	_	Funded Ratio (1/2)	Covered Payroll (3)	a: C	UAAL s a % of covered Payroll 2-1) / 3)
Illinois Munici	pal	Retirement	: Fu	<u>nd</u>							
12/31/2012 12/31/2011 12/31/2010	\$	7,461,646 6,990,447 6,855,498	\$	9,245,003 8,980,601 8,943,592	\$	1,783,357 1,990,154 2,088,094		80.71% 77.84% 76.65%	\$ 3,080,422 3,116,435 3,323,787		57.89% 63.86% 62.82%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$7,736,195. On a market basis, the funded ratio would be 83.68%.

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

#### **Sheriff's Law Enforcement Personnel Plan**

12/31/2012	\$ 6,216,939	\$ 8,038,293	\$ 1,821,354	77.34% \$	6	1,660,330	109.70%
12/31/2011	5,403,619	7,036,371	1,632,752	76.80%		1,610,988	101.35%
12/31/2010	5,534,750	7,255,276	1,720,526	76.29%		1,700,278	101.19%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$6,390,430. On a market basis, the funded ratio would be 79.50%.

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

# **Other Post-Employment Benefits**

12/1/2012	\$ -	\$ 247,746	\$ 247,746	0.00% \$ 5,259,231 4.71%
12/1/2010	\$ -	\$ 254,497	\$ 254,497	0.00% \$ 5,188,438 4.91%
12/1/2008	\$ -	\$ 216,885	\$ 216,885	0.00% \$ 5,252,495 4.13%

# JO DAVIESS COUNTY, ILLINOIS GENERAL FUND

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

# Year Ended November 30, 2013

	Budget Original Final						Actual over
					<u>Actual</u>	(under)	
REVENUES	•			<u></u>			
Property taxes	\$	1,821,096	\$	1,821,096	\$ 1,820,819	\$	(277)
Intergovernmental		2,493,910		2,493,910	2,734,854		240,944
Charges for services		967,325		967,325	958,750		(8,575)
Interest		14,671		14,671	18,414		3,743
Licenses and permits		268,605		268,605	276,916		8,311
Other	_	51,013	_	51,013	 40,579	_	(10,434)
Total revenues	\$	5,616,620	\$	5,616,620	 5,850,332	\$	233,712
EXPENDITURES							
Current:							
General control and administration	\$	1,779,301	\$	1,779,301	1,667,809	\$	(111,492)
Public health and education		193,769		193,769	185,774		(7,995)
Public safety		3,164,339		3,164,339	3,123,530		(40,809)
County development		212,222		212,222	190,814		(21,408)
Court services		1,360,671		1,360,671	1,248,580		(112,091)
Capital outlay		12,581		12,581	 11,727		(854)
Total expenditures	\$	6,722,883	\$	6,722,883	 6,428,234	\$	(294,649)
Deficiency of revenues over expenditures					 (577,902)		
OTHER FINANCING SOURCES (USES)							
Operating transfers in	\$	1,319,502	\$	1,319,502	1,311,095	\$	(8,407)
Operating transfers out	Ψ	(506,114)	*	(506,114)	(538,534)	*	(32,420)
	\$	813,388	\$	813,388	 772,561	\$	(40,827)
Excess of revenues and other financing sources	;						
over expenditures and other financing uses					194,659		
FUND BALANCE, BEGINNING OF YEAR					 3,350,774		
FUND BALANCE, END OF YEAR					\$ 3,545,433		

# JO DAVIESS COUNTY, ILLINOIS COUNTY HIGHWAY FUND

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

# Year Ended November 30, 2013

	_	Bud Original	dge	t <u>Final</u>		<u>Actual</u>		Actual over (under)
REVENUES								
Property taxes	\$	837,975	\$	837,975	\$	837,892	\$	(83)
Intergovernmental		193,000		193,000		181,197		(11,803)
Interest		4,000		4,000		2,254		(1,746)
Other		79,000	_	79,000	_	95,768	_	16,768
Total revenues	\$	1,113,975	\$	1,113,975	_	1,117,111	\$	3,136
EXPENDITURES								
Current:								
Transportation	\$	1,183,813	\$	1,181,813		978,623	\$	(203,190)
Capital outlay	_	365,000	_	365,000	_	259,225	_	(105,775)
Total expenditures	<u>\$</u>	1,548,813	\$	1,546,813	_	1,237,848	\$	(308,965)
Deficiency of revenues over expenditures					_	(120,737)		
OTHER FINANCING SOURCES (USES)								
Operating transfers in	\$	257,000	\$	257,000		257,046	\$	46
Operating transfers out	_	(44,668)	_	(46,668)		(46,621)		47
Total other financing sources (uses)	\$	212,332	\$	210,332		210,425	\$	93
Excess of revenues and other financing sources								
over expenditures and other financing uses						89,688		
FUND BALANCE, BEGINNING OF YEAR						1,103,343		
FUND BALANCE, END OF YEAR					\$	1,193,031		

# JO DAVIESS COUNTY, ILLINOIS FEDERAL AID MATCHING FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCEBUDGET AND ACTUAL

# Year Ended November 30, 2013

	Budget							Actual over	
	Original			Final		Actual		(under)	
REVENUES	_								
Property taxes	\$	320,297	\$	320,297	\$	320,246	\$	(51)	
Intergovernmental		-		-		77,400		77,400	
Interest		5,000		5,000		2,947		(2,053)	
Other						44,822	_	44,822	
Total revenues	\$	325,297	\$	325,297		445,415	\$	120,118	
EXPENDITURES Capital outlay	\$	810,000	\$	810,000		304,709	\$	(505,291)	
Excess of revenues over expenditures						140,706			
FUND BALANCE, BEGINNING OF YEAR						716,087			
FUND BALANCE, END OF YEAR					\$	856,793			

# JO DAVIESS COUNTY, ILLINOIS PUBLIC HEALTH FUND

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

# Year Ended November 30, 2013

	Budget							Actual over	
	<u>9</u>	<u>Original</u>		<u>Final</u>		<u>Actual</u>		<u>(under)</u>	
REVENUES									
Property taxes	\$	522,509	\$	522,509	\$	522,433	\$	(76)	
Intergovernmental		122,101		122,101		144,089		21,988	
Charges for services		57,650		57,650		91,505		33,855	
Interest Other		3,200		3,200	_	3,172 24		(28) 24	
Total revenues	\$	705,460	\$	705,460		761,223	\$	55,763	
EXPENDITURES									
Current:			_				_		
Public health and education	\$	963,550	\$	963,550		631,655	\$	(331,895)	
Capital outlay		11,000		11,000	_	9,197	_	(1,803)	
Total expenditures	\$	974,550	\$	974,550	_	640,852	\$	(333,698)	
Excess of revenues over expenditures						120,371			
OTHER FINANCING SOURCES (USES)									
Operating transfers in	\$	97,500	\$	97,500		77,540	\$	(19,960)	
Operating transfers out	*	(173,350)	*	(173,350)		(109,360)	•	63,990	
								<del></del>	
Total other financing sources (uses)	\$	(75,850)	\$	(75,850)	_	(31,820)	\$	44,030	
Excess of revenues and other financing sources									
over expenditures and other financing uses						88,551			
and and and and and another						55,551			
FUND BALANCE, BEGINNING OF YEAR					_	1,196,134			
FUND BALANCE, END OF YEAR					\$	1,284,685			

# JO DAVIESS COUNTY, ILLINOIS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION November 30, 2013

(Unaudited)

#### NOTE 1 - BASIS OF ACCOUNTING

The budgetary comparison schedules are presented for the General Fund and the major special revenue funds; County Highway Fund, Federal Aid Matching Fund, and Public Health Fund.

# **Budgetary information**

Budgets are prepared using the same accounting basis and practices as are used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

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

- The Finance Committee of the County Board requests and receives from the County Officers proposed operating budgets for the fiscal year commencing the following December 1. The Finance Committee reviews and investigates budget requests and prepares a tentative operating budget including both proposed expenditures and the means of financing them.
- 2. Prior to December 1, the budget is legally adopted by the County Board. The combined annual and appropriations ordinance and the annual tax levy ordinance budget were adopted on November 20, 2012. There were several line item transfers and line item overage requests approved throughout the year to reflect various budget changes. No amendments for supplemental appropriations were made in fiscal year 2013.
- 3. After the adoption of the budget, no further appropriations can be made except for 1) transfers from one appropriation to another in the same fund, providing the total amount appropriated for the fund has not changed and 2) appropriations in excess of those authorized by the budget in order to meet an immediate emergency. Both of these exceptions must be approved by a two-thirds majority of the Board. Unused appropriations lapse at the end of the fiscal year.
- 4. Formal budgetary integration is used as a management control device during the year for the General, special revenue, and capital project funds.
- 5. Budgets are not prepared for permanent and agency funds.

# NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

The following funds had an excess of expenditures over budget for the 2013 fiscal year:

	<u>Budg</u>	<u>et</u>	<u>Actı</u>	<u>ual</u>	Amount Over <u>Budget</u>		
Special District One Fund	\$	80,000	\$	80,026	\$	26	
Special District Five Fund	\$	28,317	\$	28,339	\$	22	

**SUPPLEMENTARY INFORMATION** 

# JO DAVIESS COUNTY, ILLINOIS COMBINING BALANCE SHEET GENERAL FUND November 30, 2013

ASSETS	General <u>Account</u>			ntingency Account		Total General <u>Fund</u>	
Cash and investments	\$	3,030,817	\$	306,771	\$	3,337,588	
Accounts receivable	φ		φ	300,771	φ	41,113	
Interest receivable		41,113 3		-		41,113	
Due from other funds		9,382		-		9,382	
Due from other governmental agencies		734,741		_		734,741	
Property tax receivable		1,869,011		_		1,869,011	
Prepaid expenses		14,112		_		14,112	
Inventory		25,578				25,578	
TOTAL ASSETS	\$	5,724,757	\$	306,771	\$	6,031,528	
LIABILITIES							
Accounts payable	\$	102,428	\$	3,826	\$	106,254	
Accrued liabilities		120,962		-		120,962	
Due to other funds		57,000		-		57,000	
Unearned revenue		332,868		-		332,868	
Unearned property taxes		1,869,011				1,869,011	
Total liabilities		2,482,269		3,826		2,486,095	
FUND BALANCES							
		39,690				39,690	
Nonspendable		•		202.045		•	
Unassigned		3,202,798		302,945		3,505,743	
Total fund balances		3,242,488		302,945		3,545,433	
TOTAL LIABILITIES AND							
FUND BALANCES	\$	5,724,757	\$	306,771	\$	6,031,528	

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GENERAL FUND

# Year ended November 30, 2013

REVENUES		General Account	Contingend	y	Total General <u>Fund</u>
	\$	1,820,819	\$ -		\$ 1.820.819
Property taxes	φ	2,734,854	φ -	,	, , , - ,
Intergovernmental			-		2,734,854
Charges for services		958,750	-	^	958,750
Interest		18,121	29	3	18,414
Licenses and permits Other		276,916 40,579	-		276,916 40,579
Other	_	40,579			40,579
Total revenues	_	5,850,039	29	3	5,850,332
EXPENDITURES					
Current:					
General control and administration		1,655,709	12,10	0	1,667,809
Public health and education		185,774	-		185,774
Public safety		3,123,530	-		3,123,530
County development		190,814	-		190,814
Court services		1,248,580	-		1,248,580
Capital outlay	_	7,318	4,40	9	11,727
Total expenditures	_	6,411,725	16,50	9	6,428,234
Deficiency of revenues					
over expenditures	_	(561,686)	(16,21	<u>6</u> )	(577,902)
OTHER FINANCING SOURCES (USES)					
Operating transfers in		1,260,716	50,37	9	1,311,095
Operating transfers out		(421,334)	(117,20	0)	(538,534)
Operating transfers in (out) from other General Fund accounts		(206,954)	206,95	4	-
	_	632,428	140,13	3	772,561
Excess of revenues and other					
financing sources over expenditures and other financing uses		70,742	123,91	7	194,659
FUND BALANCES, BEGINNING OF YEAR	_	3,171,746	179,02	<u>8</u> _	3,350,774
FUND BALANCES, END OF YEAR	<u>\$</u>	3,242,488	\$ 302,94	<u>5</u> ;	\$ 3,545,433

## JO DAVIESS COUNTY, ILLINOIS COMBINING BALANCE SHEET PUBLIC HEALTH FUND November 30, 2013

		Public Health <u>Account</u>	Pu E	atastrophic ablic Health mergency <u>Account</u>		Total Public Health <u>Fund</u>
ASSETS						
Cash and investments	\$	1,125,800	\$	208,550	\$	1,334,350
Accounts receivable		2,084		-		2,084
Interest receivable		-		108		108
Due from other governmental agencies		20,632		-		20,632
Due from (to) other Public Health Fund accounts		(25,000)		25,000		-
Property taxes receivable Inventory		522,013 21,416		-		522,013 21,416
inventory	_	21,410	_	<u>-</u>	_	21,410
TOTAL ASSETS	\$	1,666,945	\$	233,658	\$	1,900,603
LIABILITIES						
Accounts payable	\$	6,052	\$	_	\$	6,052
Accrued liabilities	Ψ	6,936	Ψ	_	Ψ	6,936
Due to other funds		25,000		_		25,000
Unearned revenue		55,917		_		55,917
Unearned property taxes		522,013				522,013
Total liabilities		615,918		_		615,918
Total habilities		010,010				010,010
FUND BALANCES						
Nonspendable		21,416		-		21,416
Restricted:						
Public health and education		1,029,611		233,658		1,263,269
Total fund balances		1,051,027		233,658		1,284,685
TOTAL LIABILITIES AND						
FUND BALANCES	\$	1,666,945	\$	233,658	\$	1,900,603

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES PUBLIC HEALTH FUND

Year ended November 30, 2013

REVENUES		Public Health <u>Account</u>	Catastrophic Public Health Emergency <u>Account</u>		Total Public Health <u>Fund</u>
	\$	E22 422	φ	\$	E00 400
Property taxes Intergovernmental	Ф	522,433 144,089	\$ -	Ф	522,433 144,089
Charges for services		91,505	-		91,505
Interest		2,386	- 786		3,172
Other		2,300	-		24
Total revenues		760,437	786		761,223
EXPENDITURES Current:					
Public health and education		631,655	-		631,655
Capital outlay		9,197	-		9,197
Total expenditures		640,852			640,852
Excess of revenues					
over expenditures		119,585	786		120,371
OTHER FINANCING SOURCES (USES)					
Operating transfers in		52,540	25,000		77,540
Operating transfers out		(109,360)			(109,360)
		(56,820)	25,000		(31,820)
Excess of revenues and other financing sources over expenditures					
and other financing uses		62,765	25,786		88,551
FUND BALANCES,		000 000	00= 0==		4 400 40 :
BEGINNING OF YEAR	-	988,262	207,872		1,196,134
FUND BALANCES,					
END OF YEAR	\$	1,051,027	\$ 233,658	\$	1,284,685

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific projects. The County has the following nonmajor special revenue funds:

<u>County Highway Capital Investment Fund:</u> This fund was established to accumulate funds for the cost of major capital expenditures, including new road construction, major road rehabilitation projects, bridges, drainage structures and similar projects. Revenues are normally derived from fund transfers from the Highway Fund and other sources. Expenditures from this fund are included in the annual budget and payments from this fund are authorized by the County Board.

<u>County Aid to Bridge Fund:</u> This covers joint funding for County and township bridge projects, culvert replacements and project design. Property tax, interest income and reimbursement from State of Illinois and townships support this fund.

<u>County Motor Fuel Tax Fund:</u> This fund is used for the maintenance of County roads using state approved materials and contractors. Disbursements from this fund include: the County Engineer's salary, IMRF, FICA, and health insurance reimbursements; construction of, maintenance and materials for road maintenance. Monthly allotments from state of Illinois, interest income and reimbursements from the townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 505/8 & 605 ILCS 5/5-701.

<u>State's Attorney Drug Forfeiture Fund:</u> The purpose of this fund is to provide financial support for the State's Attorney Office for expenses incurred as a result of prosecution of drug offenses. Eligible expenses include, but are not limited to: salaries for cash management, training, supplies, and purchase of equipment for case research. Revenue for this fund is derived from the receipt of 12.5% of the fines and forfeitures received by the Illinois State Police as a result of the prosecution of drug offenses. The State's Attorney authorizes expenditures from the fund. This fund was established under the authority of 725 ILCS 175/1 et al.

<u>Home Health Care Fund:</u> This fund is used for Home Health Care expenditures. The fund is supported by the fees received from Medicare, Medicaid, private insurance and private payers. The Public Health Administrator may issue disbursements from this fund under the authority of County Board of Health and the County Home Health Care Advisory Committee. This fund was established under the authority of the Board of Health.

<u>HHC Memorial Fund:</u> This fund is the money received as donations from patients or family members to be used either for designated memorials chosen by the patient and or family or for discretionary purchases for the Home Health Care program.

<u>Public Health Emergency Preparedness Fund:</u> This fund is to cover expenditures related to planning and dealing with public health emergencies. This would include upgrading and maintaining 24/7 response for emergency situations, communicable disease surveillance, health alert network, public health mutual aide, siren alerts, internet capability and risk communication devices and public health responses to national and global health concerns. This fund is established to track federal and state grant money related to public health emergency preparedness.

### Special Revenue Funds (Continued)

<u>Dog Fund:</u> This fund is used to cover the costs associated with livestock kills. Revenue for this fund comes from one third of registration fees from the Rabies Fund and interest income. Disbursements include livestock kills and truck purchase. The County Engineer authorizes expenditures from this fund. This fund was established under the authority of Illinois Compiled Statutes 510 ILCS 5/7 and 510 ILCS 5/19.

<u>Rabies Control Fund:</u> The revenue from this fund is disbursed by transferring one third into the Dog Fund and two thirds into the General Fund. This fund derives its revenue from fees for registration, penalties, city contracts, private pick-ups and interest income. Expenditures fall under the guidelines of the General Fund. This fund was established under the authority of Illinois Compiled Statutes 510 ILCS 5/7.

<u>Mental Health Fund:</u> This fund was established to provide funds for community mental health facilities and services. Monies in this fund are allocated annually by the 708 Mental Health Board, subject to approval of the County Board through the annual budget approval process. The revenues of this fund are derived from the Mental Health Tax Levy (405 ILCS 20/.1 et seq.) which is a part of the County's Tax Levy Ordinance.

<u>Special Service District No. One Fund:</u> The purpose of this fund is to provide financial support for the Warren Area Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of Special Service Area No. One which includes Apple River and Warren Townships and parts of Nora and Thompson Townships. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 200/27-5 et seq.

<u>Special Service District No. Two and Four Fund:</u> The purpose of this fund is to provide financial support for the Elizabeth Community Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of the combined Special Service Area No. Two and Four as approved by the County Board on May 16, 2005. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of Illinois Compiled Statutes 35 ILCS 200/27-5 et seq.

<u>Special Service District No. Five Fund:</u> The purpose of this fund is to provide financial support for the Hanover Ambulance Service. The revenue for this fund is derived from a tax levied on property within the boundaries of Special Service Area No. Five which includes Hanover Township and parts of Rice and Elizabeth Townships. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the approved annual Budget, Appropriations & Tax Levy. This fund was established under the authority of 35 ILCS 200/27-5 et seq.

## Special Revenue Funds (Continued)

<u>Rentech Energy Escrow Fund:</u> The purpose of this fund is to pay the expenditures incurred by Jo Daviess County that are directly associated with the permitting and necessary professional services/County services for the construction of the Rentech Energy Project including direct expenditures related to the County's due diligence and over of the Project. The revenue for this fund is derived from deposits made by Rentech Energy Midwest. This fund was established by action of the Jo Daviess County Board on September 12, 2006.

<u>911 Fund:</u> This fund is used to enhance the emergency telephone system of Jo Daviess County. Disbursements are those necessary to continue the implementation of the enhanced 911 system. Revenue for this fund comes from the telephone surcharge and earned interest. The Emergency Telephone System Board authorizes all expenditures. This fund was established under the authority of Illinois Compiled Statutes 50 ILCS 750/1.

<u>Sheriff's Forfeiture Fund:</u> The purpose of this fund is to pay expenses related to the enforcement of laws regulating controlled substances and cannabis and for educational/prevention purposes. Revenue is derived from forfeitures related to arrests and/or seizures made for violations of the Cannabis Control Act and the Controlled Substance Act. Management control of this fund is with the Sheriff and County Treasurer and both must approve expenditures made from this fund. This fund was established under the authority of Illinois Compiled Statutes 720 ILCS 550/1 et seq. and 725 ILCS 150/1 et seq.

<u>Economic Development Investment Fund:</u> The purpose of this fund is to provide a pool of resources that can be used by the County Board to promote economic development throughout the County. This fund was formerly named the Economic Development Revolving Loan Fund. The fund may be used for the following purposes and other similar expenditures deemed by the County Board as promoting the economic development of the County:

- Economic development loans as outlined in the County Board's "Guidelines and Procedures for the Jo Daviess County Economic Development Investment Fund."
- Operational expenditures associated with the Jo Daviess County Economic Development and Planning Department (ED&PD). Eligible expenses include, but are not limited to: personnel costs, supplies and equipment, and contractual services. It is anticipated that interest on fund balance will be sufficient to support operational costs of the ED&PD. Operational funding is to be at the discretion of the County Board on an annual basis.
- Direct investments in projects, approved by the County Board, that directly promote and enhance the economic development of the County.
- Matching fund loans to be used for the purpose of acquiring State and federal economic development grant monies, such as for infrastructure improvements related to the location of a new business or expansion of an existing business in the County. Maximum loan amount is \$100,000.

The revenues of this fund were originally derived from transfers from the former Riverboat Assistance Fund. Revenues from loan repayments, grants, the General Fund, fund balance interest and enterprise zone fees, support this Fund. The County Board authorizes expenditures from this Fund.

## Special Revenue Funds (Continued)

<u>LTCB Matching Grant Fund:</u> This fund controls the funds received from the state Local Tourism & Convention Bureau (LTCB) grant program. Disbursements include reimbursement to the Convention & Visitors Bureau's tourism promotion fund and administrative projects eligible for the state program. State hotel/motel taxes support this fund. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board.

<u>GIS Automation Fund:</u> This fund defrays the cost of equipment, material and necessary expenses incurred by the County in implementing and maintaining the Geographic Information System. Disbursements from this fund are for implementing and maintaining the County's Geographic Information System. A portion of the fee charged for every instrument submitted for recording supports this fund. The Geographic Information System/Information Technology Coordinator authorizes all expenditures from the fund. This fund was established under the authority of Public Act 9170791.

<u>Municipal Retirement Fund:</u> This fund was established to provide funds for the cost of the County's participation in the Illinois Municipal Retirement Fund (IMRF). The County is authorized to levy the amount necessary to meet its cost (40 ILCS 5/7-101 et seq). There is no rate limit on this levy and the levy is in addition to other taxes levied for County purposes.

<u>Social Security Tax Fund:</u> This fund was established to provide funds for the cost of the County's participation in the Federal Social Security Insurance Program. The County is authorized to levy the amount necessary to meet its costs (40 ILCS 5/21-110). There is no rate limit on this levy and the levy is in addition to other taxes levied for County purposes. The County is also authorized to levy an additional tax for the payment of the costs of participation in the Federal Medicare Program (40 ILCS 5/21-110.1).

<u>Probation Services Fund:</u> This fund is used for programming and the costs of operating the Probation Department, except for the payment of salaries. The juvenile and adult offender's fees support this fund. The Chief Circuit Judge and Chief Managing Officer of Probation authorize expenditures from the fund. This fund was established under the authority of 730 ILCS 110/15.1.

<u>Extension Education Fund:</u> This fund was established to provide matching funds for the local costs of Cooperative Extension supplementing appropriations by the Illinois General Assembly and the U.S. Congress to the University of Illinois. Monies in this fund are allocated annually to the Cooperative Extension Board through the annual budget approval process. The revenues of this fund are derived from the Extension Education Tax Levy (505 ILCS 45/1-11) which is a part of the County's Tax Levy Ordinance.

<u>Insurance Fund:</u> This fund was established to provide funds for the cost of the County's insurance premiums for liability insurance, tort judgments, settlements, or reserves (745 ILCS 10/9-107); and for the costs incurred pursuant to the Workers' Compensation Act (820 ILCS 305/1 et seq.); the Workers' Occupational Diseases Act (820 ILCS 310/1 et seq.) and the Unemployment Insurance Act (820 ILCS 405/100 et seq.). There is no rate limit on these levies and the levies are in addition to other taxes levied for County purposes.

## Special Revenue Funds (Continued)

<u>Circuit Clerk Automation Fund:</u> This fund is used for the purchase of computer software and hardware needed to run the County Court System. Fees collected on civil, criminal, quasi-criminal and traffic cases support the fund. The Clerk of the Circuit Court and Chief Judge of the Circuit Court approve expenditures from the fund. This fund was established under the authority of Illinois Complied Statutes 705 ILCS 105/27.3a.

<u>Recorder Automation Fund:</u> This fund defrays the cost of converting the Recorder's document storage to computers or micrographics. A portion of the fee charged for every instrument submitted for recording supports this fund. The County Clerk authorizes all expenditures from the fund. This fund was established under the authority of 55 ILCS 5/3-5018.

<u>County Clerk Automation Fund:</u> This fund defrays the cost of converting and maintaining the County Clerk's document storage system for vital records. A portion of the fee charged for certified copies of each birth, death and marriage license issued support this fund. The County Clerk authorizes all expenditures from the fund. This fund was established under the authority of 55 ILCS 5/4-4001.

<u>Court Document Storage Fund:</u> This fund is used for the payment of costs related to the storage of court records. Fees collected on civil, criminal, quasi-criminal and traffic cases support the fund. The Clerk of the Circuit Court approves expenditures, which include payment of costs relative to the storage of court records. This fund was established under the authority of Illinois Compiled Statutes 705 ILCS 105/27.3c.

<u>County Treasurer Automation Fund:</u> This fund is used for costs of hardware, software, research and development and personnel. Revenue for this fund comes from tax sale fees. The County Treasurer and Chief Deputy authorize expenditures from this fund with final approval from the County Board. This fund was established under the authority of 35 ILCS 200/21-245.

<u>Election Equipment Fund:</u> This fund is for punch-card equipment buy-out. It is partially funded by a grant from the federal government as a result of the Help America Vote Act of 2002 (H.R.3295). The Act established a program to provide funds to states to replace punch-card and lever voting machines.

<u>Maintenance and Child Support Fund:</u> The revenue collected is to be used by the Circuit Clerk, who has the management control of this fund, to maintain child support and maintenance orders and to record all payments. The fees collected from the payor of child support and maintenance support the fund. This fund was established under the authority of 705 ILCS 105/27.1(u)(3); 705 ILCS 105/27.1a(bb)(4); 705 ILCS 105/27.2(bb)(4); and 705 ILCS 105/27.2a(bb)(4).

<u>Probation EMHD Program Fund:</u> The rental of Electronic Monitoring Equipment is handled through this account. Disbursement from this fund relates to the cost of operating the Electronic Monitoring program. Fees from offenders placed on Electronic Monitoring support this fund. The Chief Managing Officer of Probation authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-6-3 (10)(V).

## Special Revenue Funds (Continued)

<u>Sheriff DUI Fund:</u> The purpose of this fund is to pay for law enforcement equipment that will assist in the prevention of alcohol related criminal violence. Revenue is derived from fines and forfeitures received through the Circuit Clerk. Management control of this fund is with the Sheriff and County Treasurer and both individuals must approve expenditures made from this fund. This fund was established under the authority of 625 ILCS 5/11-501 (j) et seq.

<u>State's Attorney Felony/Misdemeanor Diversion Program Fund:</u> This fund will consist of money (\$750 for felonies and \$300 for misdemeanors) deposited by defendants as bond for offenses that are charged but may be dismissed, if certain conditions are met. The court will be ordering a defendant to comply with certain conditions in order to complete the program. These conditions are similar to those that are ordered after a defendant has been found guilty of an offense. If these conditions are met, the charge will be dismissed and the money deposited will be disbursed to the State's Attorney's Office, Circuit Clerk's Office, and the arresting agency. The State's Attorney is authorized by statute to initiate this program.

<u>Sheriff Vehicle Fund:</u> The purpose of this fund is to pay for the acquisition or maintenance of law enforcement vehicles for the Jo Daviess County Sheriff's Office. Revenue is derived from fees paid by persons who, after a court appearance, receive a disposition of court supervision for a violation of any provision of the Illinois Vehicle Code. Management control of this fund is with the Sheriff and County Treasurer; both must approve expenditures made from this fund. This fund was established under the authority of 625 ILCS 5/16-104 (c) et seq. effective January 1, 2006.

<u>Circuit Clerk Operation and Administrative Fund:</u> The purpose of the fund is to deposit and disburse funds collected from defendants who receive a disposition of court supervision after a court appearance on an offense under the Illinois Vehicle Code. The assessment fee will be \$4.50 per defendant. Management control of this fund is with the Circuit Clerk. Authority to collect this fee is found in SB 1089.

<u>Tourism Promotion Fund:</u> This is used to promote tourism in the County and to operate the Galena/Jo Daviess County Convention and Visitors Bureau. Disbursements from this fund include staff salaries and benefits; CVB Board of Directors expenses; promotion expenses; local promotion grants; phone and information centers; county administrative fee; and transfer to tourism capital development fund. The County hotel/motel tax, established pursuant to 55 ILCS 5/5-1030, partnership dues, state grants, and the triathlon fees support this fund. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board.

<u>Sale in Error Fund:</u> This fund is used to pay the refund of interest and costs to a tax sale certificate holder that has received a sale in error declaration. Revenue from this fund will come from fees generated at the tax sale. The County Treasurer and the Chief Deputy authorize expenditures from this fund with the final claim approval from the County Board. This fund was established under the authority of 35 ILCS 200/21-310.

## Special Revenue Funds (Continued)

<u>JDC Emergency Services Communications Fund:</u> This fund was established by the Sheriff to receive public and private funding support for major improvements and/or replacements of the county-wide radio system utilized by all emergency services of Jo Daviess County to include all fire departments, ambulance services and law enforcement agencies. The sources of revenue include but are not limited to grant funding, direct state and/or federal assistance, private donations and local/county funds. Primary expenses shall be only those that will provide major improvements or replacements of existing communications infrastructure for the radio system. There is no statutory reference for this fund outside the statutory authority established for the Office of the Sheriff.

<u>Public Health Emergency Response Grant Fund:</u> This fund is to cover expenditures related to planning, administration and dealing with Pandemic Flu (H1N1) issues including emergency response. This would cover salaries, including overtime, travel to outlying clinics, and extra costs associated with those clinics. This fund is established to track federal and state grant money related to Pandemic Flu situations (H1N1).

<u>Sobriety Court Fund:</u> The purpose of this fund is to provide financial support for the operation and administration of the Jo Daviess County Sobriety Court. Revenue for this fund is derived from fees collected from defendants on a judgment of guilty or grant of supervision for violations of the Illinois Vehicle Code or under Section 5-9-1 of the Unified Code of Corrections for a felony; for a Class A, Class B, or Class C misdemeanor; for a petty offense; and for a business offense. The Clerk of Court collects the fees and remits the fees to the Sobriety Court Fund, less 5%, retained as fee income to the Clerk of Court to be used to defray the costs of collection and disbursement of the sobriety court fees. The Director of the Jo Daviess County Probation Department administers expenditures from this fund. This Fund was established under the authority of 55 ILCS 5/5-1101 et al.

<u>County Jail Medical Costs Fund:</u> The purpose of this fund is to pay expenditures related to necessary medical services for all prisoners in the Jo Daviess County jail. Revenue is derived from a \$10.00 fee for each conviction or order of supervision for a criminal violation, other than a petty offense or business offense, committed in the County. This Fund was established under the authority of 730 ILCS 125/17 et seq.

<u>Coroner's Equipment and Operations Fund:</u> This fund is to be used solely for the purchase of electronic and forensic identification equipment or other related supplies and the operating expenses of the coroner's office. Revenue is derived from Coroner's fees collected for; transcript of sworn testimony, autopsy reports, verdict of a coroner's jury, toxicology report, print of or an electronic file containing a picture obtained by the coroner, miscellaneous reports including artist's drawings but not including police reports and a coroner's or medical examiner's permit to cremate a dead human body. This Fund was established under authority 55 ILCS 5/4-7001, effective July, 2010.

## Special Revenue Funds (Continued)

<u>County Transit Fund:</u> This fund was established to account for the receipt and distribution of certain federal and state public transportation grants. Jo Daviess County is the grantee, and through agreement, The Workshop is the Operator and responsible for managing and operating the Jo Daviess County Transit System. Revenue for this fund includes local match from Jo Daviess County for the Medical Program and Public Transportation Program. The Jo Daviess County Transit System was developed under Section 5311 of Section 313 of the Surface Transportation Act of 1978, including participation in Section 5311 Non-Metro Operating Assistance Program and the Downstate Operating Assistance Program (DOAP) authorized under Article II of the Downstate Public Transportation Act (30 ILCS 740/1-1 et seq.)

<u>Jo Daviess County Natural Hazard Mitigation Fund:</u> This fund was established to account for the receipt and distribution of federal (FEMA) and state (IEMA) natural hazard mitigation grants. Grants may include natural hazard mitigation planning grants and grants for natural hazard mitigation projects in Jo Daviess County. Regulations governing mitigation planning and requirements for local mitigation plans are published under 44 CFR §201.6.

<u>State's Attorney Records Automation Fund:</u> The purpose of this fund is to discharge the expenditures of the State's Attorney's Office for establishing and maintaining the automated record keeping systems. Revenue for this fund is derived from fees collected from defendants on judgment of guilty or a grant of supervision for a violation of any provision of the Illinois Vehicle Code or any felony, misdemeanor, or petty offense. The Clerk of the Court collects the fee and remits the fees monthly to the county treasurer, to be deposited by him or her into a special fund designated as the State's Attorney Records Automation Fund. Expenditures from this fund may be made by the State's Attorney for hardware, software, research, and development costs and personnel related thereto. This fund was established under the authority of 55 ILCS 5/4-2002.

**Capital Project Funds** - These funds are used to account for the County's purchase or construction of capital facilities or capital equipment. The County has the following nonmajor capital projects funds:

<u>Public Health Capital Investment Fund:</u> This fund is used for major equipment purchases, building improvement and maintenance and any unforeseen expenses for the operation of the Public Health Department services. This fund was established under the authority of the Jo Daviess County Board of Health.

<u>Tourism Capital Development Fund:</u> Disbursements from this fund include capital improvements to buildings used for tourism promotion and administration. This fund's revenue is supplied by the County hotel/motel tax. The County Board approves disbursements from this fund. This fund was established pursuant to action by the County Board.

<u>County Capital Investment Fund:</u> This fund was established to accumulate funds for the cost of: major capital expenditures, including new construction, remodeling and maintenance; and major, one time program expenditures. This fund was originally established by the transfer of monies from the former Riverboat Assistance Fund and subsequently funded by the transfer of funds from the General Fund. Expenditures from this fund are included in the annual budget and payments from the fund authorized by the County Board.

<u>County Capital Equipment Replacement Fund:</u> This fund was established to accumulate funds for the cost of replacing or planning for the future purchase of major capital equipment items. County departments and offices include in their annual budgets and transfer to the Capital Equipment Replacement Fund amounts to cover the cost of the future purchase of replacement or new equipment items. Expenditures from this fund are included in the annual budget and payments from the fund are authorized by the County Board.

<u>Home Health Care Capital Equipment Fund:</u> This fund was established to accumulate funds for the cost of purchasing and planning for the future replacement of capital equipment items needed to establish and maintain a Telehealth program. Equipment includes but is not limited to computers, printers, and Telehealth monitoring equipment. The Home Health Care Equipment Fund amounts to cover the costs of the future purchase and replacement of new equipment items. Expenditures from this fund are included in the annual budget and payments from the fund are authorized by the Board of Health and County Board.

<u>GIS Capital Equipment & Investments Fund:</u> This fund was established to accumulate funds for the cost of capital equipment replacement (computers, monitors, servers, etc.) and capital investment projects (orthophotography updates, GIS web development, etc.) within the GIS program. Revenues are normally derived from fund transfers from the GIS Automation Fund and other sources. Expenditures from this fund are included in the annual budget and payments from the fund authorized by the County Board.

**Permanent Fund** - These funds are used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

<u>Working Cash Fund:</u> This fund accounts for funds raised through property tax levies and interest income. Funds are available for loans to other funds. The principal portion of the funds may not be expended.

							Special F	Revenue						
	Hig Ca Inve	unty hway pital stment und	County Aid to Bridge <u>Fund</u>	Fu	ity Motor el Tax F <u>und</u>	Fo	State's ttorney Drug orfeiture <u>Fund</u>	Home Health Care <u>Fund</u>	ļ	HHC Memorial <u>Fund</u>	En	Public Health nergency paredness <u>Fund</u>		Dog <u>Fund</u>
ASSETS Cash and investments	\$	341	591.702	c	478.590	e.	1 117	\$ 1.055.867	ď	3.655	\$	19,612	ď	9.061
	Ф		308	Ф	478,590	Ф	1,117	. ,,	Ф	3,000	Ф	19,612	Ф	9,061
Accounts receivable Interest receivable		-	308		-		-	6,010		-		-		-
Due from other funds			-		-		_	_		-		-		_
Due from other governments			255,899		30,183		_	71,564		_		_		_
Property taxes receivable		_	339,415		-		_	71,504		_		_		_
Loans receivable			-						_				_	
TOTAL ASSETS	\$	341	\$ 1,187,324	\$	508,773	\$	1,117	\$ 1,133,441	\$	3,655	\$	19,612	\$	9,061
LIABILITIES														
Accounts payable	\$	-	\$ 59,989	\$	298	\$	-	\$ 16,553	\$	-	\$	-	\$	-
Accrued liabilities		-	-		1,797		-	8,030		-		-		-
Due to other funds		-	-		-		-	-		-		-		-
Unearned revenue		-	255,899		-		-	19,593		-		-		-
Unearned property taxes			339,415			_			_		_	<del>-</del>	_	
Total liabilities			655,303		2,095			44,176	_					
FUND BALANCES														
Restricted:														
General control and administration		-	-		-		-	-		-		-		-
Transportation		341	532,021		506,678		-	-		-		-		-
Public health and education		-	-		-		-	1,089,265		3,655		19,612		-
Public safety		-	-		-		-	-		-		-		9,061
Mental health		-	-		-		-	-		-		-		-
County development		-	-		-			-		-		-		-
Court services		-	-		-		1,117	-		-		-		-
Committed		-	-		-		-	-		-		-		-
Assigned									_			<del>-</del>	_	
Total fund balances		341	532,021		506,678		1,117	1,089,265	_	3,655		19,612		9,061
TOTAL LIABILITIES AND									_					
FUND BALANCES	<u>\$</u>	341	\$ 1,187,324	\$	508,773	\$	1,117	\$ 1,133,441	\$	3,655	\$	19,612	\$	9,061

Special Revenue Special Special Special Service Service Service Rentech Rabies Mental District District No. District Energy Sheriff's Control Health No. One Two and Four No. Five Escrow 911 Forfeiture **Fund Fund Fund** Fund **Fund Fund Fund Fund** ASSETS Cash and investments 5,355 \$ 29,037 \$ \$ \$ \$ 544 \$ 244,232 \$ 4,620 35 Accounts receivable 319 18 28 15,603 Interest receivable Due from other funds Due from other governments 39,068 Property taxes receivable 343,540 80,000 64,000 29,808 Loans receivable TOTAL ASSETS 5,355 \$ 372,896 \$ 80,018 \$ 64,028 \$ 29,843 \$ 544 \$ 298,903 \$ 4,620 LIABILITIES Accounts payable \$ \$ 18 28 \$ 35 12,614 \$ 1,010 \$ \$ \$ \$ Accrued liabilities Due to other funds 1,000 12,328 Unearned revenue Unearned property taxes 343,540 80,000 64,000 29,808 Total liabilities 344,540 80,018 64,028 29,843 24,942 1,010 **FUND BALANCES** Restricted: General control and administration 544 Transportation Public health and education Public safety 5,355 273,961 3,610 Mental health 28.356 County development Court services Committed Assigned Total fund balances 5,355 28,356 544 273,961 3,610 **TOTAL LIABILITIES AND FUND BALANCES** 5,355 \$ 372,896 \$ 80,018 \$ 64,028 \$ 29,843 \$ 544 \$ 298,903 \$

### Special Revenue

ASSETS	De	conomic velopment vestment <u>Fund</u>		LTCB Matching Grant <u>Fund</u>	Au	GIS stomation Fund		IL Municipal Retirement <u>Fund</u>	Social Security <u>Fund</u>		robation Services <u>Fund</u>	Ed	tension lucation Fund	lr	nsurance <u>Fund</u>
	•	000 055	•	4	•	53.989	•	202.070	\$ 236.796	•	77.675	•	1	•	662 442
Cash and investments	\$	698,855	\$	1	\$	,	\$	,		\$	77,675	Ъ	•	\$	663,142
Accounts receivable		- 127		-		272		466	240		29		74		374
Interest receivable  Due from other funds		127		-		-		-	-		29		-		-
Due from other governments		123,839		54,268		7,942		-	-		1,264		-		_
Property taxes receivable		123,039		54,200		7,942		691,626	258,760		1,204		81,142		252,379
Loans receivable		18,091		_		-		091,020	256,760		-		01,142		202,019
Loans receivable	_	10,031	_				_			_				_	
TOTAL ASSETS	\$	840,912	\$	54,269	\$	62,203	\$	1,084,970	\$ 495,796	\$	78,968	\$	81,217	\$	915,895
LIABILITIES															
Accounts payable	\$	89	\$		\$	363	\$		\$ -	\$	3,054	\$	74	\$	
Accrued liabilities	φ	09	φ	-	φ	2,546	φ	11,012	5,808	φ	3,054	φ	- 1-4	φ	-
Due to other funds		_		54,268		2,540		6,030	2,348		_		_		_
Unearned revenue		123,839		54,200		_		-	2,040		_		_		_
Unearned property taxes		-		_		_		691,626	258,760		_		81,142		252,379
	_		_	-			_			_			<u> </u>		
Total liabilities	_	123,928	_	54,268	_	2,909	_	708,668	266,916	_	3,054		81,216	_	252,379
FUND BALANCES															
Restricted:															
General control and administration		-		-		59,294		376,302	228,880		-		-		663,516
Transportation		-		-		-		· -	, -		-		-		, -
Public health and education		-		-		-		_	-		-		-		-
Public safety		-		-		-		_	-		-		-		-
Mental health		-		-		-		_	-		-		-		-
County development		-		1		-		_	-		-		1		-
Court services		-		-		-		_	-		75,914		-		-
Committed		716,984		-		-		_	-		-		-		-
Assigned		-				-	_	-		_		_	-	_	
Total fund balances		716,984	_	1		59,294	_	376,302	228,880		75,914		1		663,516
TOTAL LIABILITIES AND															
FUND BALANCES	\$	840,912	\$	54,269	\$	62,203	\$	1,084,970	\$ 495,796	\$	78,968	\$	81,217	\$	915,895

### Special Revenue

		Circuit Clerk Itomation Fund		ecorder tomation <u>Fund</u>		unty Clerk Itomation <u>Fund</u>		Court Document Storage <u>Fund</u>	Tı	County reasurer tomation <u>Fund</u>	Eq	lection uipment <u>Fund</u>	а	aintenance and Child Support <u>Fund</u>		Probation EMHD Program <u>Fund</u>
ASSETS	•	400 574	•	440 407	•	00 707	•	400.000	•	44 745	•	004	•	04.007	•	0.070
Cash and investments	\$	122,571	\$	146,137	\$	32,787	\$	133,962	\$	11,715	\$	621	\$	84,087	\$	3,879
Accounts receivable Interest receivable		-		-		-		-		-		-		-		-
Due from other funds		-		-		-		-		-		-		-		-
Due from other governments		2,821		3,322		336		2,448		-		-		796		_
Property taxes receivable		2,021		3,322		-		2,440		-				790		-
Loans receivable		_		_		_		_		_		_		_		_
LOUIS TOCHVADIO							_		_							
TOTAL ASSETS	\$	125,392	\$	149,459	\$	33,123	\$	136,410	\$	11,715	\$	621	\$	84,883	\$	3,879
LIABILITIES																
Accounts payable	\$	-	\$	2,262	\$	700	\$	637	\$	-	\$	-	\$	-	\$	-
Accrued liabilities		-		-		-		-		-		-		-		-
Due to other funds		-		-		-		-		-		-		-		-
Unearned revenue		-		-		-		-		-		-		-		-
Unearned property taxes	_		_				_		_						_	
Total liabilities	_			2,262		700	_	637			_					
FUND BALANCES																
Restricted:																
General control and administration		-		147,197		32,423		-		11,715		621		-		-
Transportation		-		-		-		-		-		-		-		-
Public health and education		-		-		-		-		-		-		-		-
Public safety		-		-		-		-		-		-		-		-
Mental health		-		-		-		-		-		-		-		-
County development		-		-		-		-		-		-		-		-
Court services		125,392		-		-		135,773		-		-		84,883		3,879
Committed		-		-		-		-		-		-		-		-
Assigned					_				_		_					
Total fund balances	_	125,392	_	147,197		32,423		135,773		11,715		621		84,883		3,879
TOTAL LIABILITIES AND																
FUND BALANCES	\$	125,392	\$	149,459	\$	33,123	\$	136,410	\$	11,715	\$	621	\$	84,883	\$	3,879

Special Revenue State's Attorney JDC Felony/ Circuit Clerk Emergency Misdemeanor Sheriff Operation and Tourism Sale Services Sheriff DUI Diversion Vehicle Administrative Promotion in Error Communication **Fund Fund Fund Fund Fund Fund Fund** ASSETS 67,233 \$ Cash and investments 32,148 \$ \$ 22,486 \$ 614,511 \$ 82,373 \$ 313,558 Accounts receivable 75 72,817 Interest receivable Due from other funds 54,268 Due from other governments 691 4,452 401 100,210 Property taxes receivable Loans receivable TOTAL ASSETS 71,760 \$ 32,839 22,887 \$ 741,596 \$ 82,373 \$ 413,768 LIABILITIES Accounts payable \$ 1,630 \$ 4,902 \$ 55 \$ 19,725 \$ 81,989 \$ Accrued liabilities 7,078 Due to other funds 100,000 Unearned revenue Unearned property taxes 4,902 55 Total liabilities 1,630 26,803 181,989 **FUND BALANCES** Restricted: General control and administration 82,373 231,779 Transportation Public health and education Public safety 31,209 66,858 Mental health County development 714,793 22,832 Court services Committed Assigned Total fund balances 31,209 66,858 22,832 714,793 82,373 231,779 **TOTAL LIABILITIES AND** 

32,839

**FUND BALANCES** 

(continued)

71,760 \$

22,887 \$

741,596 \$

								Special Reve	nue					
	Eme Res	c Health ergency sponse erant und		Sobriety Court <u>Fund</u>		ounty Jail Medical Costs <u>Fund</u>	Е	Coroner's Equipment I Operations Fund		County Transit <u>Fund</u>		JDC Natural Hazard Mitigation <u>Fund</u>	ı	State's Attorney Records utomation <u>Fund</u>
ASSETS	•		•	44.004	•	0.700	•	40.004	•	0.500	•	0	•	0.440
Cash and investments Accounts receivable	\$	-	\$	11,361	\$	9,783	\$	19,601	\$	2,500	\$	3	\$	2,116
Interest receivable		-		-		-		_		-		-		-
Due from other funds		-		-		-		-		-		-		-
Due from other governments		-		413		207		-		200,118		2,622		140
Property taxes receivable		-		-		-		-		-		-		-
Loans receivable					-			<del>-</del>	_		_			
TOTAL ASSETS	\$		\$	11,774	\$	9,990	\$	19,601	\$	202,618	\$	2,625	\$	2,256
LIABILITIES														
Accounts payable	\$	-	\$	-	\$	-	\$	2,414	\$	-	\$	2,622	\$	-
Accrued liabilities		-		-		-		-		-		-		-
Due to other funds		-		-		-		-		-		-		-
Unearned revenue Unearned property taxes		-		-		-		-		112,742		-		-
offeatiled property taxes			_						_		-			
Total liabilities					_	-		2,414	_	112,742	_	2,622		
FUND BALANCES														
Restricted:														
General control and administration		-		-		-		-		-		-		-
Transportation		-		-		-		-		89,876		-		-
Public health and education		-		-		-				-		-		-
Public safety		-		-		9,990		17,187		-		3		-
Mental health		-		-		-		-		-		-		-
County development Court services		-		- 11.774		-		-		-		-		2.256
Committed		-		- 11,774		-		-		-		-		2,250
Assigned		_		_		-		_		_		-		_
, toolighou			_		-		_		_		_			
Total fund balances			_	11,774		9,990		17,187		89,876	_	3		2,256
TOTAL LIABILITIES AND														
FUND BALANCES	<u>\$</u>		\$	11,774	\$	9,990	\$	19,601	\$	202,618	\$	2,625	\$	2,256

## Capital Projects

		olic Health Capital vestment <u>Fund</u>	De	Tourism Capital evelopment <u>Fund</u>		County Capital Investment <u>Fund</u>		County Capital Equipment Replacement <u>Fund</u>		Home Health Care Capital Equipment <u>Fund</u>	Е	GIS Capital quipment & nvestments Fund	_	ermanent Fund orking Cash Fund		Total Other Governmental <u>Funds</u>
ASSETS	•	000 700	•	004.004	•	004.040	•	007.000	•	20.050	•	00.055	•		•	7.547.007
Cash and investments	\$	306,730	\$	291,024	\$	231,816	\$	327,998	\$	39,958	\$	69,955	\$	4	\$	7,547,987
Accounts receivable		253		-		-		-		-		- 149		-		96,639 558
Interest receivable  Due from other funds		25,000		-		-		57,000		-		149		-		136,268
Due from other governments		25,000		-		-		57,000		-		-		-		903,004
Property taxes receivable		-		-		_		-		-		_		-		2,140,670
Loans receivable				<u> </u>				<u> </u>		<u> </u>						18,091
					_		_		_		_		_		_	
TOTAL ASSETS	\$	331,983	\$	291,024	\$	231,816	\$	384,998	\$	39,958	\$	70,104	\$	4	\$	10,843,217
LIABILITIES																
Accounts payable	\$	4,878	\$	-	\$	-	\$	5,458	\$	-	\$	-	\$	-	\$	221,397
Accrued liabilities		-		-		-		-		-		-		-		36,271
Due to other funds		-		-		-		-		-		-		4		63,650
Unearned revenue		-		-		-		-		-		-		-		624,401
Unearned property taxes					_		_		_				_		_	2,140,670
Total liabilities		4,878			_		_	5,458	_		_		_	4		3,086,389
FUND BALANCES																
Restricted:																
General control and administration		-		-		_		-		-		-		-		1,834,644
Transportation		-		-		-		-		-		-		-		1,128,916
Public health and education		-		-		-		-		-		-		-		1,112,532
Public safety		-		-		-		-		-		-		-		417,234
Mental health		-		-		-		-		-		-		-		28,356
County development		-		-		-		-		-		-		-		714,795
Court services		-		-		-		-		-		-		-		463,820
Committed		-		-		-		-		-		-		-		716,984
Assigned		327,105		291,024	_	231,816	_	379,540	_	39,958		70,104			_	1,339,547
Total fund balances		327,105		291,024		231,816	_	379,540	_	39,958		70,104	_			7,756,828
TOTAL LIABILITIES AND																
FUND BALANCES	\$	331,983	\$	291,024	\$	231,816	\$	384,998	\$	39,958	\$	70,104	\$	4	\$	10,843,217

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

## AND CHANGES IN FUND BALANCES

Year Ended November 30, 2013

								Special	Reve	enue						
REVENUES	Hig Ca Inve	unty hway pital stment und		ounty Aid o Bridge <u>Fund</u>		ounty Motor Fuel Tax <u>Fund</u>		State's Attorney Drug Forfeiture <u>Fund</u>	н	Home ealth Care <u>Fund</u>		HHC Memorial <u>Fund</u>		Public Health mergency paredness <u>Fund</u>		Dog Fund
Property taxes	\$	_	\$	332,287	\$	_	\$	_	\$	_	\$	_	\$	_	\$	_
Intergovernmental	•	_	*	203,893	*	618,546	•	_	•	587,878	•	_	Ψ	21,805	Ψ	_
Charges for services		_		,		-		169		38,712		_				_
Interest		_		404		2,683		1		4,713		7		100		10
Licenses and permits		_		-		-		- '		-		- '		-		-
Other		-		151,713		13,396		-		109		-		_		_
Total revenues		_		688,297		634,625	_	170		631,412		7	-	21,905		10
EXPENDITURES				,			_									
Current:																
General control and administration		_		_		_		_		_		_		_		_
Transportation		_		166,841		593,916		_		_		_		_		_
Public health and education		_		-		-		_		524,956		_		_		_
Public safety		_		_		_		_		-		_		_		46
Mental health		_		_		_		_		_		_		_		-
County development		_		_		_		_		-		_		_		_
Court services		_		_		_		_		-		_		_		_
Capital outlay		_		300,974		_		_		1,855		_		_		_
Debt Service:				,-						,						
Principal		-		_		-		-		-		-		_		_
Interest		-		-												
Total expenditures		-		467,815		593,916	_	-		526,811		-		-		46
Excess (deficiency) of revenues																
over expenditures				220,482	_	40,709	_	170		104,601		7		21,905		(36)
OTHER FINANCING SOURCES (USES)																
Operating transfers in		-		-		-		-		-		-		49		-
Operating transfers out	-	-		(150,000)		(100,000)	_			(31,979)				(40,000)		
		-		(150,000)		(100,000)	_			(31,979)				(39,951)		
Excess (deficiency) of revenues and other																
financing sources over expenditures																
and other financing uses		-		70,482		(59,291)		170		72,622		7		(18,046)		(36)
FUND BALANCES (DEFICIT),		044		104 500		FOF 000		0.17		4.040.040		0.010		07.050		0.00=
BEGINNING OF YEAR		341		461,539	_	565,969	_	947		1,016,643		3,648		37,658		9,097
FUND BALANCES,	•	244	e	E22 024	•	F00 070	•	4 4 4 7	æ	1 000 005	æ	2.655	•	10.010	œ.	0.001
END OF YEAR	\$	341	\$	532,021	\$	506,678	\$	1,117	\$	1,089,265	\$	3,655	\$	19,612	ф	9,061

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

## AND CHANGES IN FUND BALANCES

Year Ended November 30, 2013

								Special	Rev	renue						
REVENUES		Rabies Control <u>Fund</u>		Mental Health <u>Fund</u>		Special Service District No. One <u>Fund</u>		Special Service District No. wo and Four <u>Fund</u>		Special Service District No. Five Fund		Rentech Energy Escrow <u>Fund</u>		911 <u>Fund</u>		heriff's orfeiture <u>Fund</u>
Property taxes	\$	_	\$	343,818	\$	79,995	\$	61,348	\$	28,328	\$	_	\$	_	\$	_
Intergovernmental	•	-		-	•	-	•	-	•		•	-	•	-	•	-
Charges for services		96,175		-		-		-		_		-		308,878		3,754
Interest		33		192		31		24		11		1		1,175		16
Licenses and permits		-		-		-		-		-		-		· -		-
Other				-	_		_			_		-		240		
Total revenues		96,208		344,010		80,026		61,372		28,339		1		310,293		3,770
EXPENDITURES																
Current:																
General control and administration		-		-		-		-		-		-		-		-
Transportation		-		-		-		-		-		-		-		-
Public health and education		-		-		80,026		61,372		28,339		-		-		-
Public safety		-		-		-		-		-		-		98,075		7,111
Mental health		-		334,216		-		-		-		-		-		-
County development		-		-		-		-		-		-		-		-
Court services		-		-		-		-		-		-		-		-
Capital outlay		-		-		-		-		-		-		-		-
Debt Service:																
Principal Interest		-		-		-		-		_		-		-		_
Total expenditures			_	334,216	_	80,026	_	61,372	_	28,339	_			98,075		7,111
rotal experiolitires			_	334,210	_	00,020	_	01,372	_	20,339	_		_	90,075		7,111
Excess (deficiency) of revenues																
over expenditures		96,208		9,794	_		_		_			1	_	212,218		(3,341)
OTHER FINANCING SOURCES (USES)																
Operating transfers in																
Operating transfers out		(91,000)		(1,000)		-		-		-		-		(235,222)		_
operating transfers out		(91,000)		(1,000)	_		_		_		_			(235,222)		
Excess (deficiency) of revenues and other		(31,000)	_	(1,000)	_		-		_		_		_	(200,222)		
financing sources over expenditures																
and other financing uses		5,208		8,794		_		_		_		1		(23,004)		(3,341)
and other infahening daes		3,200		0,754										(20,004)		(0,0+1)
FUND BALANCES (DEFICIT),																
BEGINNING OF YEAR		147		19,562					_			543	_	296,965		6,951
FUND BALANCES,	•	= 0	•	00.0==	•		•		•		•		•	070.00	•	0.045
END OF YEAR	\$	5,355	\$	28,356	\$		\$		\$		<b>5</b>	544	\$	273,961	\$	3,610

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

## AND CHANGES IN FUND BALANCES

Year Ended November 30, 2013

### Special Revenue

	Dev	conomic velopment vestment <u>Fund</u>	LTCB Matching Grant <u>Fund</u>	,	GIS Automation <u>Fund</u>		IL Municipal Retirement <u>Fund</u>		Social Security <u>Fund</u>		Probation Services <u>Fund</u>	Ed	tension lucation <u>Fund</u>	ı	Insurance <u>Fund</u>
REVENUES															
Property taxes	\$	-	\$ -	\$	-	\$	501,908	\$	258,969	\$	-	\$	80,208	\$	402,704
Intergovernmental		-	129,434	1	-		41,900		22,140		-		-		-
Charges for services		-	-		153,272		-		-		30,073		-		-
Interest		4,524	-		163		2,066		1,341		224		31		1,194
Licenses and permits		-	-		-		-		-		-		-		-
Other															6,479
Total revenues		4,524	129,434	1	153,435		545,874		282,450		30,297		80,239		410,377
EXPENDITURES															
Current:															
General control and administration		-	-		164,937		3,484		2,125		-		-		334,020
Transportation		-	-		-		-		-		-		-		-
Public health and education		-	-		-		-		-		-		-		-
Public safety		-	-		-		-		-		-		-		-
Mental health		-	-		-		-		-		-		-		-
County development		5,597	-		-		-		-		-		80,239		-
Court services		-	-		-		-		-		20,500		-		-
Capital outlay		-	-		376		-		-		8,370		-		-
Debt Service:															
Principal		-	-		-		-		-		-		-		-
Interest					_				_						
Total expenditures		5,597			165,313	_	3,484		2,125		28,870	-	80,239		334,020
Excess (deficiency) of revenues															
over expenditures		(1,073)	129,434	1	(11,878)		542,390		280,325		1,427				76,357
OTHER FINANCING SOURCES (USES)															
Operating transfers in		_	_		24,260		25,954		12,256		_		_		15,373
Operating transfers out		-	(129,434	1)	(4,000)		(539,861)		(277,040)		(6,770)		-		-
		_	(129,434		20,260		(513,907)		(264,784)		(6,770)		_		15,373
Excess (deficiency) of revenues and other						_	(3-2)-2-7		, , , , , , , , , , , , , , , , , , , ,		(-)				
financing sources over expenditures															
and other financing uses		(1,073)	-		8,382		28,483		15,541		(5,343)		-		91,730
FUND BALANCES (DEFICIT),															
BEGINNING OF YEAR		718,057	1	1	50,912		347,819		213,339		81,257		1		571,786
		· · · · · ·			· · · · · · · · · · · · · · · · · · ·						•				
FUND BALANCES,															
END OF YEAR	\$	716,984	\$ 1	1 \$	59,294	\$	376,302	\$	228,880	\$	75,914	\$	1	\$	663,516
	<u>-</u>		<del></del>	- <u>~</u>	,	<u>-</u>	,	<u>-</u>		<u> </u>	,			<u> </u>	,

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

### AND CHANGES IN FUND BALANCES Year Ended November 30, 2013

Special Revenue

						Opeciai i	to veriue			
	CI Autor	cuit erk mation und	Recorder Automation <u>Fund</u>	County Clerk Automation <u>Fund</u>		Court Document Storage <u>Fund</u>	County Treasurer Automation <u>Fund</u>	Election Equipment <u>Fund</u>	Maintenance and Child Support <u>Fund</u>	Probation EMHD Program <u>Fund</u>
REVENUES										
Property taxes	\$	-	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -
Intergovernmental		-	<u>-</u>	<u>-</u>		<u>-</u>	-	11,00	6,190	-
Charges for services		33,035	60,598	4,244		27,656	2,030		-	-
Interest		236	295	119	)	67	24		2 170	-
Licenses and permits		-	-	-		-	-	-	-	-
Other		<del>-</del>	<del></del>			<del></del>			<del> </del>	
Total revenues		33,271	60,893	4,363	<u> </u>	27,723	2,054	11,00	2 6,360	
EXPENDITURES  Current:										
General control and administration		-	27,906	_		-	-	-	-	-
Transportation		-	-	_		-	_	-	_	_
Public health and education		-	-	_		-	-	-	-	-
Public safety		-	-	-		-	-	-	-	-
Mental health		-	-	-		-	-	-	-	-
County development		-	-	-		-	-	-	-	-
Court services		-	-	-		-	-	-	-	-
Capital outlay		29,007	9,412	3,969	)	20,799	1,734	11,00	-	-
Debt Service:										
Principal		-	-	-		-	-	-	-	-
Interest					_					
Total expenditures		29,007	37,318	3,969	<u> </u>	20,799	1,734	11,00	<u> </u>	-
Excess (deficiency) of revenues										
over expenditures		4,264	23,575	394	-	6,924	320		6,360	
OTHER FINANCING SOURCES (USES)										
Operating transfers in		-	-	-		-	-	-	-	-
Operating transfers out		(8,020)	(12,000)		_		(5,777		(10,000)	
		(8,020)	(12,000)		_	<u> </u>	(5,777	)	(10,000)	
Excess (deficiency) of revenues and other										
financing sources over expenditures										
and other financing uses		(3,756)	11,575	394		6,924	(5,457	)	2 (3,640)	-
FUND BALANCES (DEFICIT),										
BEGINNING OF YEAR		129,148	135,622	32,029	<u> </u>	128,849	17,172	61	9 88,523	3,879
FUND BALANCES,										
END OF YEAR	\$	125,392	\$ 147,197	\$ 32,423	\$	135,773	\$ 11,715	\$ 62	1 \$ 84,883	\$ 3,879

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

### AND CHANGES IN FUND BALANCES Year Ended November 30, 2013

Special Revenue

				Special Revenue	1		
	Sheriff DUI <u>Fund</u>	State's Attorney Felony/ Misdemeanor Diversion <u>Fund</u>	Sheriff Vehicle <u>Fund</u>	Circuit Clerk Operation and Administrative <u>Fund</u>	Tourism Promotion <u>Fund</u>	Sale in Error <u>Fund</u>	JDC Emergency Services Communication Fund
REVENUES		•	•	•		•	•
Property taxes	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Intergovernmental	- 0.040	-	4.045	-	750,684	-	13,230
Charges for services	8,918	-	4,245	4,232	104,076	-	-
Interest Licenses and permits	-	18	138	11	1,443	143	545 1,140
Other	1,500	-	17,475	-	2,042	12,180	3,228
Total revenues	10,418	18	21,858	4,243	858,245	12,180	
	10,418	18	21,858	4,243	858,245	12,323	18,143
EXPENDITURES Current:							
General control and administration	-	-	-	-	-	-	17,651
Transportation	-	-	-	-	-	-	-
Public health and education	-	-	-	-	-	-	-
Public safety	3,808	-	38,176	-	-	-	-
Mental health	-	-	-	-	-	-	-
County development	-	-	-	-	855,915	-	-
Court services	-	-	-	2,931	-	-	12
Capital outlay Debt Service:	-	-	64,290	-	15,185	-	251,982
Principal	_	_	_	_	_	_	90,333
Interest	-	_	-	-	- -	-	26,867
Total expenditures	3,808		102,466	2,931	871,100	-	386,845
Excess (deficiency) of revenues							
over expenditures	6,610	18	(80,608)	1,312	(12,855)	12,323	(368,702)
over experientares	0,010		(00,000)	1,012	(12,000)	12,020	(000,702)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	50,463	-	129,434	-	247,734
Operating transfers out		(11,338)			(81,539)	-	
		(11,338)	50,463		47,895		247,734
Excess (deficiency) of revenues and other							
financing sources over expenditures							
and other financing uses	6,610	(11,320)	(30,145)	1,312	35,040	12,323	(120,968)
FUND BALANCES (DEFICIT),							
BEGINNING OF YEAR	24,599	11,320	97,003	21,520	679,753	70,050	352,747
FUND BALANCES,							
END OF YEAR	\$ 31,209	\$ -	\$ 66,858	\$ 22,832	\$ 714,793	\$ 82,373	\$ 231,779

## ${\bf COMBINING\ STATEMENT\ OF\ REVENUES,\ EXPENDITURES,}$

## AND CHANGES IN FUND BALANCES

Year Ended November 30, 2013

	Special Revenue													
	Public Health Emergency Response Grant <u>Fund</u>		\$	Sobriety Court <u>Fund</u>	C	County Jail Medical Costs <u>Fund</u>	Coroner's Equipment and Operations <u>Fund</u>			County Transit <u>Fund</u>		JDC Natural Hazard Mitigation <u>Fund</u>		tate's torney ecords omation Fund
REVENUES Property taxes	\$		\$		\$	_	\$		\$		\$	_	\$	
Intergovernmental	φ	-	Ф	4,328	Φ	-	Φ	-	Φ	528,791	φ	23,622	Φ	-
Charges for services		-		4,320		3,000		8,535		520,791		23,022		1,592
Interest		-		- 4		3,000		8,555		-		1		1,592
Licenses and permits		-		- 4		-		-		-		_ '		_ '
Other		_		_		_		_		_		_		_
Total revenues				4,332		3,004		8,543	_	528,791		23,623		1,593
EXPENDITURES	-			.,002		0,001		0,0.0	_	020,.0.		20,020		1,000
Current:														
General control and administration		_		_		_		_		_		_		_
Transportation		_		_		_		_		477,665		_		_
Public health and education		_		_		_		_		-		_		_
Public safety		-		_		-		3,218		_		17,025		_
Mental health		-		-		-		· -		-		-		-
County development		-		-		-		-		-		-		-
Court services		-		1,625		-		-		-		-		-
Capital outlay		-		-		-		-		-		-		-
Debt Service:														
Principal		-		-		-		-		-		-		-
Interest									_					-
Total expenditures				1,625	_	-		3,218		477,665		17,025		
Excess (deficiency) of revenues														
over expenditures				2,707		3,004		5,325		51,126		6,598		1,593
OTHER FINANCING SOURCES (USES)														
Operating transfers in		-		-		-		-		38,750		-		-
Operating transfers out		(49)	_						_					
		(49)						-	_	38,750				
Excess (deficiency) of revenues and other														
financing sources over expenditures														
and other financing uses		(49)		2,707		3,004		5,325		89,876		6,598		1,593
FUND BALANCES (DEFICIT),														
BEGINNING OF YEAR		49		9,067		6,986		11,862				(6,595)		663
FUND BALANCES,														
END OF YEAR	\$		\$	11,774	\$	9,990	\$	17,187	\$	89,876	\$	3	\$	2,256

## COMBINING STATEMENT OF REVENUES, EXPENDITURES,

## AND CHANGES IN FUND BALANCES

Year Ended November 30, 2013

 -:4-1	Dec	iects

REVENUES		olic Health Capital vestment <u>Fund</u>	Tourism Capital Developmer <u>Fund</u>	pital Capital Equipment Care Capital opment Investment Replacement Equipment		apital ment	GIS Capital Equipment & Investments Fund		Permanent Fund Working Cash Fund		Total Other ernmental Funds			
Property taxes	\$		\$ -	9	<b>t</b>	\$		\$		\$ -	\$	_	\$	2.089.565
Intergovernmental	Ψ	_	Ψ -	,	Ψ -	Ψ	_	Ψ	_	Ψ -	Ψ	·	Ψ	2,963,441
Charges for services		_	_		_		_		_	_		_		893.194
Interest		1,354	59	11	29		1,826		79	666	2	120		26,838
Licenses and permits		1,554	-	, ,	-		1,020		-	-	,	-		1,140
Other		2,000	_		_		_		_	_		_		210,362
Total revenues		3,354	59	21	29	_	1,826		79	666		120		6,184,540
EXPENDITURES		0,00+		<u></u>	25	_	1,020		13			120		0,104,040
Current:														
General control and administration		4,878	_		_		_		_	_		_		555,001
Transportation		-,070	_		_		_		_	_		_		1.238.422
Public health and education		_	_		_		_		_	_		_		694,693
Public safety		_	_		_		_		_			_		167,459
Mental health		_	_		_		_		_			_		334,216
County development		_	_		_		_		_			_		941,751
Court services		_	_		_		_		_			_		25,068
Capital outlay		84,630	_		9,925		192,647		_	2,501	1	_		1,008,656
Debt Service:		04,000			5,525		132,047			2,50				1,000,000
Principal		_	_		_		_		_	_		_		90,333
Interest		_	_		_		_		_	_		_		26,867
Total expenditures		89,508			9,925		192,647		-	2,501	1 -	_		5,082,466
rotal oxpolitation		00,000	-		0,020	_	102,011							0,002,100
Excess (deficiency) of revenues														
over expenditures		(86,154)	59	1	(9,896)		(190,821)		79	(1,835	5)	120		1,102,074
over experience		(00,101)			(0,000)	_	(100,021)			(1,000	_	120		1,102,011
OTHER FINANCING SOURCES (USES)														
Operating transfers in		32,000			25,000		243,974							845,247
Operating transfers out		52,000	_		25,000		243,974		-	(11,000	))	(50,384)		(1,796,413)
operating transfers out		32,000			25,000	_	243,974			(11,000		(50,384)		(951,166)
Excess (deficiency) of revenues and other		32,000			20,000	_	240,514	-		(11,000		(50,504)		(331,100)
financing sources over expenditures														
and other financing uses		(54,154)	59	1	15,104		53,153		79	(12,835	5)	(50,264)		150,908
and other linancing uses		(34,134)	3.	, ,	15,104		33,133		13	(12,000	)	(30,204)		150,500
FUND BALANCES (DEFICIT),														
BEGINNING OF YEAR		381,259	290,43	33	216,712		326,387		39,879	82,939	9	50,264		7,605,920
					-, -=		,	-						
FUND BALANCES,														
END OF YEAR	\$	327,105	\$ 291,02	24 9	\$ 231,816	\$	379,540	\$	39,958	\$ 70,104	1 \$	-	\$	7,756,828
	<u>~</u>	3,.30		<u></u>		<u> </u>	0.0,010	<u>-</u>	- 5,000	3,10	<u>.</u> ≚		-	. ,,0

## JO DAVIESS COUNTY, ILLINOIS FIDUCIARY FUNDS November 30, 2013

## **Fiduciary Fund types**

Fiduciary fund types are used to account for net position and changes in net position. The fiduciary funds of the County are all considered agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of the results of the operations. The County has the following agency funds:

<u>Condemnation Fund:</u> This fund accounts for monies received from the state for "Eminent Domain."

<u>Township Motor Fuel Tax Fund:</u> This fund covers maintenance of township roads using state approved materials and contractors. Disbursements are used for road construction and maintenance, materials, equipment rental and reimbursement to County for engineering. Monthly allotments from the state of Illinois, interest income and reimbursement from townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of 35 ILCS 505/8 & 605 ILCS 5/6-701.

Lost and Unknown Heirs Fund: This fund accounts for unclaimed funds due to death.

<u>Township Bridge Fund:</u> This fund covers 80 percent of the cost of bridge projects for townships. Expenditures from this fund include construction of bridges and reimbursement to County. Authorizations from the state of Illinois, interest income, reimbursement from the County and Townships support this fund. The County Engineer authorizes expenditures from the fund. This fund was established under the authority of 605 ILCS 5/6-901.

County Collector's Fund: This fund accounts for funds received from payment of property taxes.

<u>Work Release Fund:</u> This fund accounts for monies of work release inmates. Disbursements from this fund relate to inmates' financial obligations. Fees from work release inmates support this fund. The judge authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-7-1.

<u>Circuit Clerk Fund:</u> The revenue collected is to be deposited in the General Fund under the Circuit Clerk line item. Fees collected on civil, criminal, quasi-criminal and traffic cases support this fund. This fund was established under the authority of 705 ILCS 105/27.1 through 705 ILCS 105/27.2a.

<u>Marriage Fund:</u> Fees collected from payment for marriage ceremonies support this fund. This fund was established under the authority of 705 ILCS 105/27.1(b) Rule 40.

<u>County Clerk's Tax Redemption Fund:</u> This fund accounts for funds received from redemption of property taxes.

<u>Inheritance Tax Fund:</u> This fund accounts for funds received from individual estates to be sent to the state of Illinois.

## JO DAVIESS COUNTY, ILLINOIS FIDUCIARY FUNDS November 30, 2013

## Fiduciary Fund types (Continued)

<u>Probation Restitution Fund:</u> This fund accounts for funds collected from offenders and disbursed to victims. Disbursements from this fund are reimbursement for out-of-pocket expenses, losses, damages and injuries suffered by victims. Restitution from offenders supports this fund. The Chief Managing Officer of Probation authorizes expenditures from the fund. This fund was established under the authority of 730 ILCS 5/5-5-6.

<u>Insurance Clearing Fund:</u> This fund is for pre-tax benefit of payment for insurance premium, medical and dental expenses and dependent care. Disbursements from this fund are claims payments for enrollees. Payroll deductions from enrollee's paychecks support this fund. Medical Associates Health Plans authorizes all expenditures from the fund.

<u>Treasurer's Fee Account Fund:</u> Clearing account for funds.

<u>Inmate Commissary Fund:</u> The purpose of this fund is to handle inmate financial transactions. Revenues are derived from commissary purchases, inmate telephone service contract and administrative fees for medical care. Expenditures include: refunds to persons being released from jail, commissary items and any items that would directly benefit the inmates (televisions, cable service, recreational games, etc.). The Sheriff and Jail Administrator (Chief Deputy) have management control over this fund and approve all expenditures. This fund was established under the authority of 730 JLCS 5/3-15-2.

<u>Sheriff's Kids First Fund:</u> The purpose of this fund is to support programs for children (i.e. Shopwith-a-Cop program) offered by the Sheriff's Department. The primary source of revenue is grant funding and private and public donations. Primary expenses include the purchasing of essential items for children (i.e. clothing, footwear, school supplies, etc.). There is no statutory reference for this fund outside the statutory authority established for the Office of the Sheriff.

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	 demnation <u>Fund</u>	M	ownship otor Fuel ax Fund	Lost and Unknown Heirs Fund	<u>!                                    </u>	Township Bridge Fur		County Collector's <u>Fund</u>	w	ork Release <u>Fund</u>	Circuit erk Fund	arriage F <u>und</u>
ASSETS												
Cash and investments	\$ -	\$	396,886	\$ 81	۱ :	\$ 20,52	8 \$	\$ 313,329	\$	821	\$ 150,186	\$ 3,154
Due from other governments	 		68,646			-		-	_		 	 
TOTAL ASSETS	\$ 	\$	465,532	\$ 81		\$ 20,52	8 9	\$ 313,329	\$	821	\$ 150,186	\$ 3,154
LIABILITIES												
Accounts payable	\$ -	\$	30,153	\$ -	;	\$ -	,	\$ -	\$	-	\$ -	\$ -
Due to individuals and private entities	-		435,379	81		20,52	8	-		821	34,708	3,154
Due to other governments	 					-		313,329	_		 115,478	 
TOTAL LIABILITIES	\$ 	\$	465,532	\$ 81		\$ 20,52	<u>8</u>	\$ 313,329	\$	821	\$ 150,186	\$ 3,154

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	CI	County erk's Tax demption <u>Fund</u>	eritance <u>k Fund</u>	Re	obation stitution <u>Fund</u>	nsurance aring Fund	Fe	reasurer's ee Account <u>Fund</u>	Co	Inmate mmissary <u>Fund</u>	Sheriff's (ids First <u>Fund</u>	<u>Total</u>
ASSETS												
Cash and investments  Due from other governments	\$	63,425	\$ 1	\$	6,170	\$ 68,274	\$		\$	34,239	\$ 1,255 	\$ 1,058,361 68,646
TOTAL ASSETS	\$	63,425	\$ 1	\$	6,170	\$ 68,274	\$	12	\$	34,239	\$ 1,255	\$ 1,127,007
LIABILITIES												
Accounts payable	\$	-	\$ -	\$	-	\$ -	\$	-	\$	-	\$ -	\$ 30,153
Due to individuals and private entities Due to other governments		63,425	 1		6,170	 68,274		12 		34,239	 1,255 	 668,047 428,807
TOTAL LIABILITIES	\$	63,425	\$ 1	\$	6,170	\$ 68,274	\$	12	\$	34,239	\$ 1,255	\$ 1,127,007

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	Balance November 30, <u>2012</u>			Additions	Balance November 30, <u>2013</u>			
Condemnation Fund								
Assets, cash and investments	\$	5,571	\$	29	\$	5,600	\$	-
Liabilities, due to individuals and private entities	\$	5,571	\$	29	\$	5,600	\$	
Township Motor Fuel Tax Fund Assets:								
Cash and investments  Due from other governments	\$	606,985 78,653	\$	1,112,041 875,340	\$	1,322,140 885,347	\$	396,886 68,646
- ac g	\$	685,638	\$	1,987,381	\$	2,207,487	\$	465,532
Liabilities: Accounts payable	\$	64,851	\$	1,287,807	\$	1,322,505	\$	30,153
Due to individuals and private entities		620,787		699,574		884,982		435,379
	\$	685,638	\$	1,987,381	\$	2,207,487	\$	465,532
Lost and Unknown Heirs Fund Assets, cash and investments	\$	81	\$	-	\$	<u>-</u>	\$	81
Liabilities, due to individuals and private entities	\$	81	\$	-	\$	-	\$	81
Township Bridge Fund Assets, cash and investments	\$	20,456	\$	151,786	\$	151,714	\$	20,528
Liabilities, due to individuals and private entities	\$	20,456	\$	151,786	\$	151,714	\$	20,528
County Collector's Fund Assets, cash and investments	<u>\$</u>	245,010	<u>\$</u>	102,869,108	<u>\$</u>	102,800,789	\$	313,329
Liabilities, due to other governments	\$	245,010		102,869,108	_	102,800,789	\$	313,329

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	Balance November 30, <u>2012</u>			<u>Additions</u>		<u>Deletions</u>	Balance November 30, <u>2013</u>			
Work Release Fund Assets, cash and investments	<b>c</b>	021	æ	14 402	œ	14 402	<b>C</b>	021		
Assets, cash and investments	\$	821	\$	14,402	\$	14,402	<u>\$</u>	821		
Liabilities, due to individuals and private entities	\$	821	\$	14,402	\$	14,402	\$	821		
Circuit Clerk Fund										
Assets, cash and investments	\$	182,846	\$	1,020,898	\$	1,053,558	\$	150,186		
Liabilities due to individuale and										
Liabilities, due to individuals and private entities	\$	67,201	\$	1,010,129	\$	1,042,622	\$	34,708		
Due to other governments		115,645	_	10,769	_	10,936		115,478		
	\$	182,846	\$	1,020,898	\$	1,053,558	\$	150,186		
Marriage Fund										
Assets, cash and investments	\$	4,891	\$	401	\$	2,138	\$	3,154		
				_						
Liabilities, due to individuals and private entities	\$	4,891	\$	401	æ	2,138	\$	3,154		
private entitles	Ψ	4,091	φ	401	\$	2,136	φ	3,134		
County Clerk's Tax Redemption Fund										
Assets, cash and investments	\$	81,742	\$	770,017	\$	788,334	\$	63,425		
Liabilities, due to individuals and										
private entities	\$	81,742	\$	770,017	\$	788,334	\$	63,425		
Inheritance Tax Fund	_									
Assets, cash and investments	\$	1	\$		\$	<del>-</del>	\$	1		
Liabilities, due to individuals and										
private entities	\$	1	\$		\$		\$	1		
Probation Restitution Fund Assets, cash and investments	\$	5,020	\$	4,300	\$	3,150	\$	6,170		
Acces, cash and investments	Ψ	3,020	Ψ	4,500	Ψ	3,130	Ψ	0,170		
Liabilities, due to individuals and										
private entities	\$	5,020	\$	4,300	\$	3,150	\$	6,170		

# JO DAVIESS COUNTY, ILLINOIS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2013

	Balance November 30, <u>2012</u>			<u>Additions</u>		<u>Deletions</u>	Balance November 30, <u>2013</u>			
Insurance Clearing Fund Assets, cash and investments	\$	62,041	\$	1,193,577	\$	1,187,344	\$	68,274		
Liabilities, due to individuals and private entities	\$	62,041	\$	1,193,577	\$	1,187,344	\$	68,274		
Treasurer's Fee Account Fund Assets, cash and investments	<u>\$</u>	12	\$	521,078	<u>\$</u>	521,078	\$	12		
Liabilities, due to individuals and private entities	\$	12	<u>\$</u>	521,078	<u>\$</u>	521,078	\$	12		
Inmate Commissary Fund Assets, cash and investments	\$	37,819	\$	38,926	\$	42,506	\$	34,239		
Liabilities, due to individuals and private entities	\$	37,819	\$	38,926	\$	42,506	\$	34,239		
Sheriff's Kids First Fund Assets, cash and investments	<u>\$</u>	1,255	\$	800	\$	800	\$	1,255		
Liabilities, due to individuals and private entities	\$	1,255	\$	800	\$	800	<u>\$</u>	1,255		
Totals - All Agency Funds Assets:										
Cash and investments Due from other governments Total assets	\$ 	1,254,551 78,653 1,333,204	\$ 	107,697,363 875,340 108,572,703	\$ 	107,893,553 885,347	\$	1,058,361 68,646 1,127,007		
	<u> </u>	1,333,204	<u>ə</u>	100,572,703	Φ	108,778,900	\$	1,127,007		
Liabilities: Accounts payable Due to individuals and private	\$	64,851	\$	1,287,807	\$	1,322,505	\$	30,153		
entities  Due to other governments		907,698 360,655		4,405,019 102,879,877		4,644,670 102,811,725		668,047 428,807		
Total liabilities	\$	1,333,204	\$	108,572,703	\$	108,778,900	\$	1,127,007		

## JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS AND EQUALIZED ASSESSED VALUATIONS

## Year Ended November 30, 2013

(Unaudited)

Tax Year		<u>2012</u>		<u>2011</u>		<u>2010</u>		
Equalized assessed valuations	\$	724,614,974	\$	760,254,141	\$	791,439,763		
Tax rates (maximum allowable is disclosed in parenthese	es):							
General (as needed)		0.25108		0.22788		0.21144		
Highway (.200)		0.11554		0.10489		0.10083		
Bridges (.050)		0.04582		0.04010		0.03854		
Federal aid matching (.050)		0.04416		0.04010		0.03854		
Illinois municipal retirement (as needed)		0.06921		0.06322		0.05346		
Social security (as needed)		0.03571		0.03405		0.03195		
Extension education (.050)		0.01106		0.01056		0.01014		
County health (.150)		0.07204		0.06868		0.06602		
Insurance (as needed)		0.05553		0.05294		0.05089		
Mental health (.150)		0.04741		0.04432		0.04260		
County wide totals		0.74756		0.68674		0.64441		
Tax rates (maximum allowable is disclosed in parenthese	es):							
Special service district number one (.100)		0.08965		0.07919		0.05829		
Special service district number two and four (.100)		0.10000		0.10000		0.10000		
Special service district number five (.110)		0.10764		0.10638		0.10599		
Special service district totals	=	0.29729		0.28557		0.26428		
Tax levies:								
General	\$	1,821,096	\$	1,734,242	\$	1,675,929		
Highway	·	837,975	·	798,009		798,980		
Bridges		339,776		305,021		305,377		
Federal aid matching		320,297		305,021		305,377		
Illinois municipal retirement		502,000		481,000		423,600		
Social security		259,000		259,000		253,124		
Extension education		80,252		80,252		80,307		
County health		522,509		522,509		523,095		
Insurance		402,764		402,764		403,200		
Mental health		343,896		337,153		337,483		
County wide totals	\$	5,429,565	\$	5,224,971	\$	5,106,472		
Tax levies:								
Special service district number one	\$	80,000	\$	80,000	\$	70,000		
Special service district number two and four	,	64,000	•	64,000	•	64,956		
Special service district number five		28,317		28,317		28,317		
Special service district totals	\$	172,317	\$	172,317	\$	163,273		
				-				

## JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS AND EQUALIZED ASSESSED VALUATIONS Year Ended November 30, 2013

(Unaudited)

Tax Year	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax extensions:			
General Highway Bridges Federal aid matching Illinois municipal retirement Social security Extension education County health Insurance Mental health	\$ 1,819,363 837,220 332,019 319,990 501,506 258,760 80,142 522,013 402,379 343,540	\$ 1,732,467 797,431 304,862 304,862 480,633 258,867 80,283 522,142 402,478 336,944	\$ 1,673,420 798,009 305,021 305,021 423,104 252,865 80,252 522,508 402,764 337,153
County wide totals	\$ 5,416,932	\$ 5,220,969	\$ 5,100,117
Tax extensions:			
Special service district number one Special service district number two and four Special service district number five	\$ 80,003 61,317 28,319	\$ 80,004 63,184 28,318	\$ 70,010 63,920 28,318
Special service district totals	\$ 169,639	\$ 171,506	\$ 162,248

## JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED FOR TORT IMMUNITY PURPOSES

## Year Ended November 30, 2013

(Unaudited)

Property, liability and workers' compensation insurance	\$ 329,105
County's share of insurance costs paid by the Regional Superintendent's Trust Fund	 4,915
Total	\$ 334,020

JO DAVIESS COUNTY, ILLINOIS FEDERAL AWARDS SECTION





# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Jo Daviess County Board Jo Daviess County, Illinois Galena, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jo Daviess County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise Jo Daviess County, Illinois financial statements, and have issued our report thereon dated May 7, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Jo Daviess County, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jo Daviess County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Jo Daviess County, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2013-001, 2013-002, and 2013-003 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jo Daviess County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Jo Daviess County, Illinois' Response to Findings

Clifton Larson Allen LLP

Jo Daviess County, Illinois' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Jo Daviess County, Illinois' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Rockford, Illinois May 7, 2014



# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Jo Daviess County Board Jo Daviess County, Illinois Galena, Illinois

### Report on Compliance for Each Major Federal Program

We have audited Jo Daviess County, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jo Daviess County, Illinois' major federal programs for the year ended November 30, 2013. Jo Daviess County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jo Daviess County, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jo Daviess County, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jo Daviess County, Illinois' compliance.

### Opinion on Each Major Federal Program

In our opinion, Jo Daviess County complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2013.

### **Report on Internal Control Over Compliance**

Management of Jo Daviess County, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jo Daviess County, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jo Daviess County, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-003, that we consider to be significant deficiencies.

Jo Daviess County, Illinois' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Jo Daviess County, Illinois' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

ton Larson Allen LLP

CliftonLarsonAllen LLP

Rockford, Illinois May 7, 2014

### JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended November 30, 2013

Federal Grantor/ Pass-Through Grantor/	CFDA	Pass-through Grant	
Program Title	Number	Number	Expenditures
Department of Health and Human Services	<u>ITUIIIDOI</u>	<u>itambor</u>	Exponditures
Passed through:			
Illinois Department of Public Health			
Immunizations Grant – Non-Cash	93.268	None	\$ 47,375
Bioterrorism Grant	93.074	37180042A	21,805
Medical Assistance Program	93.778	None	18,645
Cancer Grant	93.283	23282013	1,644
Vector Control Grant	93.283	35380057A	987
Illinois Department of Healthcare and			90,456
Family Services			
Child Support Enforcement	93.563	None	4,086
National Association of County and City Health Officials			
Medical Reserve Corps Grant	93.008	5MRCSG101005	4,000
Total Department of Health and Human			
Services			97,555
U.S. Department of Justice	40.000	0040 45 504000	4.0=0
State Criminal Alien Assistance Program	16.606	2013-AP-BX0362	4,652
<b>Department of Transportation</b> Passed through:			
Illinois Department of Transportation			
Formula Grants for Other Than			44 =00
Urbanized Areas	20.509	IL-18-X029	41,566
Alcohol Impaired Driving		IL-18-X030	152,082
Alcohol Impaired Driving Countermeasures Incentive	20.601	OP13080	3,757
Highway Planning and Construction	20.205	ER-0072(101103)	31,049
Highway Planning and Construction	20.205	ER-0072(104)	172,791
Highway Planning and Construction	20.205	ER-0085(054055)	77,400
			478,645
Environmental Protection Agency Passed through:			
Illinois Department of Public Health			
Potable Water Grant	66.432	35322042A	938

### JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended November 30, 2013

Federal Grantor/		Pass-through		
Pass-Through Grantor/	CFDA	Grant		
Program Title	<u>Number</u>	<u>Number</u>	<b>Exper</b>	<u>iditures</u>
Department of Homeland Security				
Passed through:				
Illinois Emergency Management Agency				
Emergency Management Performance				
Grants	97.042	12EMAJODAV	\$	11,319
Emergency Management Performance				
Grants	97.042	13EMAJODAV		3,476
Interoperable Emergency				
Communications Grant	97.055			13,230
Hazard Mitigation Grant	97.039	FEMA-1935-DR-IL		23,622
				<u>51,647</u>
U.S. Department of the Interior				
Payments in Lieu of Real Estate Taxes	15.226	None		17,276
U.S. Election Assistance Commission				
Passed through:				
Illinois State Board of Elections				
Help America Vote Act	90.401	None		<u> 11,000</u>
TOTAL FEDERAL AWARDS			\$	662,700
			<u>*</u>	<u> </u>

### JO DAVIESS COUNTY, ILLINOIS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended November 30, 2013

	CFDA <u>Number</u>	bursements penditures	Thro	ssed- ugh to <u>cipients</u>	Cluster Total, If <u>Applicable</u>
SUMMARY OF FEDERAL AWARDS BY FEDERAL CFDA NUMBER AND CLUSTER					
	93.268	\$ 47,375	\$	-	
	93.074	21,805		-	
	93.788	18,645		-	
	93.283	2,631		-	
	93.563	4,086		-	
	93.008	4,000		-	
	16.606	4,652		-	
	20.509	193,648		-	
	20.601	3,757		-	
	20.205	281,240		-	
	66.432	938		-	
	97.042	14,795		-	
	97.055	13,230		-	
	97.039	23,622		-	
	15.226	17,276		-	
	90.401	 11,000			
		\$ 662,700	\$		

## JO DAVIESS COUNTY, ILLINOIS NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended November 30, 2013

### NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jo Daviess County, Illinois and is presented on the modified accrual basis of accounting. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue from federal awards is recognized when the County has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

### NOTE 3 - NON-CASH ASSISTANCE

As reported on the schedule of expenditures of federal awards, Jo Daviess County, Illinois received non-cash awards in the form of immunizations totaling \$47,375.

### NOTE 4 - INSURANCE IN EFFECT, LOANS, AND LOAN GUARANTEES

The County did not receive any federal awards in the form of non-cash assistance for insurance in effect during the year, loans, or loan guarantees.

### SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements Type of auditors' report issued		Unmodified			
<ul> <li>Internal control over financial reporting:</li> <li>Material weaknesses identified?</li> <li>Significant deficiencies identified that not considered to be material weaknes</li> <li>Noncompliance material to financial state</li> </ul>	esses?	yes yes yes	nononeno		
<ul> <li>Federal Awards</li> <li>Internal control over major programs:</li> <li>Material weakness identified?</li> <li>Significant deficiencies identified that not considered to be material weaknes</li> <li>Type of auditors' report issued on complication.</li> </ul>	esses?	yes X_yes grams:	nonone Unmodified		
Any audit findings disclosed that are requin accordance with section 510(a) of Circ	-	d <u>X</u> yes	no		
Identification of major programs:		Name of Fede	eral		
CFDA Number(s)		Program or Clu			
20.205	Highway Planning and Construction				
20.509	Formula Grants for Other Than Urbanized Areas				
Dollar threshold used to distinguish between and Type B programs:	een Type A	\$300,000			
Auditee qualified as low-risk auditee?		yes	X no		

### **SECTION II - FINANCIAL STATEMENT FINDINGS**

### FINDING NO. 2013-001 - PREPARATION OF THE FINANCIAL STATEMENTS AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

*Criteria or Specific Requirement:* The financial statements and schedule of expenditures of federal awards are the responsibility of management.

Condition: The County engages CliftonLarsonAllen LLP to assist in preparing its financial statements, accompanying disclosures, and schedule of expenditures of federal awards. However, as independent auditors, CliftonLarsonAllen LLP cannot be considered part of the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

*Context:* The County Board and management share the ultimate responsibility for the County's internal control system.

Effect: It is possible that a misstatement of the County's financial statements or schedule of expenditures of federal awards could occur and not be prevented or detected by the County's internal control.

Cause: The County's personnel do not have the necessary resources to prepare the County's financial statements, related disclosures, and schedule of expenditures of federal awards.

Recommendation: The County should consider obtaining additional training to be able to assist in the development of the necessary financial reporting package or use experienced personnel. If it is not economically feasible to hire extra personnel, management's and the County Board's close supervision and review of accounting information is the best means of preventing and detecting errors and irregularities. In addition, there are review procedures that can be implemented to assist in mitigating these risks.

Views of Responsible Officials and Planned Corrective Action:

The County prepares monthly and year-end financial statements, balance sheets and a trial balance all of which are provided to the independent auditors. The County currently does not have the resources to hire a trained on staff accountant to prepare certain year-end government-wide financial statements, related disclosures, and the schedule of expenditures of federal awards. The County Administrator, independent of the financial statement auditors, is responsible for reviewing and approving the year-end county-wide financial statements, related disclosures and the schedule of expenditures of federal awards. The County Administrator will review the requirements to comply with this finding by November 30, 2014 and look for possible options to provide staff with resources and training opportunities or outsource various accounting functions, to assist in the preparation of county-wide year end financial statements, related disclosures and the schedule of expenditures of federal awards.

### **SECTION II - FINANCIAL STATEMENT FINDINGS** (CONTINUED)

### FINDING NO. 2013-002 - SEGREGATION OF DUTIES - CIRCUIT CLERK'S OFFICE

Criteria or Specific Requirement: Internal control is the process, affected by management and other personnel, designed to provide reasonable assurance that transactions are properly recorded and accounted for and that transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements. Segregation of accounting duties is an aspect of an internal control environment.

Condition: There is an inadequate control over the functions of processing and recording the financial transactions of the Circuit Clerk's office due to an inadequate segregation of duties stemming from limited personnel.

Context: During the process of obtaining an understanding of internal control in planning the audit, assessing control risk and assessing fraud risks, a lack of segregation of duties was noted in the Circuit Clerk's office.

Effect: A lack of segregation of duties and lack of appropriate review functions are deficiencies in internal control that could lead to errors or irregularities in the processing and recording of financial transactions.

Cause: The Circuit Clerk's office has limited personnel over accounting transactions.

Recommendation: Accounting and financial reporting duties of personnel should be reviewed for opportunities to better segregate duties. If it is not economically feasible to hire extra personnel, management's and the County Board's close supervision and review of accounting information is the best means of preventing and detecting errors and irregularities. In addition, there are review procedures that can be implemented to assist in mitigating these risks.

Views of Responsible Officials and Planned Corrective Action:

The Circuit Clerk, Sharon Wand, to the extent possible, will monitor monthly financial results in the Jo Daviess County, Illinois Circuit Clerk's office, throughout the fiscal year ending November 30, 2014.

### **SECTION II - FINANCIAL STATEMENT FINDINGS** (CONTINUED)

#### FINDING NO. 2013-003 - PROPER CONTROLS OVER PAYROLL TIMESHEETS

Criteria or Specific Requirement: Internal control is the process, affected by management and other personnel, designed to provide reasonable assurance that transactions are properly recorded and accounted for and that transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements. Specifically, the Highway Department internal controls over payroll expense should include appropriate review and approval of time sheets.

Condition: During the course of the audit, we noted employee time sheets, which allocate time and equipment rental charges to the federal program, were not being properly reviewed and approved by the Highway Department for the entire year under audit.

*Context:* Of the time sheets selected for testing prior to March 2013, none had appropriate documentation of review and approval. Of the time sheets selected for testing subsequent to March 2013, six of six selected had appropriate documentation of review and approval.

*Effect:* Failure to properly review and approve time sheets could result in time being incorrectly charged to the program.

Cause: The exception was found in the fiscal year 2012 audit process which occurred in February 2013 and was corrected immediately going forward.

Recommendation: It was noted that subsequent to March 2013, employee time sheets are being submitted daily and are reviewed and approved by both the Assistant County Engineer and the County Engineer. We recommend the Highway Department continue to monitor controls to ensure all controls are being performed as designed.

Views of Responsible Officials and Planned Corrective Action:

During the course of the FY2012 audit, it was noted that employee time sheets were not being sufficiently reviewed and approved by the Highway Department. Corrective action was taken in May of 2013. Time sheets are now submitted daily and reviewed and signed by either the Office Manager and/or Assistant County Engineer and also reviewed and signed by the County Engineer.

### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### FINDING NO. 2013-001 - PREPARATION OF THE FINANCIAL STATEMENTS AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

See Section II – Financial Statement Findings

Federal Agency/Program: Department of Transportation – 20.205 – Highway Planning and

Construction; Pass-through Illinois Department of Transportation.

Department of Transportation – 20.509 – Formula Grants for Other Than Urbanized Areas; Pass-through Illinois Department

of Transportation.

All other programs

**Questioned Costs: None** 

### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

### FINDING NO. 2013-003 - PROPER CONTROLS OVER PAYROLL TIMESHEETS

See Section II – Financial Statement Findings

Federal Agency/Program: Department of Transportation – 20.205 – Highway Planning

and Construction; Pass-through Illinois Department of

Transportation

Questioned Costs: None

### JO DAVIESS COUNTY, ILLINOIS SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS Year Ended November 30, 2013

### YEAR ENDED NOVEMBER 30, 2012

### FINDING NO. 2012-1 - FINANCIAL STATEMENT AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PREPARATION

Condition: The County engages CliftonLarsonAllen LLP to assist in preparing its financial statements, accompanying disclosures, and schedule of expenditures of federal awards. However, as independent auditors, CliftonLarsonAllen LLP cannot be considered part of the County's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

Condition still exists and has been reported as Finding 2013-001.

### FINDING NO. 2012-2 - SEGREGATION OF DUTIES - CIRCUIT CLERK'S OFFICE

Condition: There is an inadequate control over the functions of processing and recording the financial transactions of the Circuit Clerk's office due to an inadequate segregation of duties stemming from limited personnel.

Condition still exists and has been reported as Finding 2013-002.

### FINDING NO. 2012-3 - UNRECORDED ACCOUNTS PAYABLE

Condition: During the audit process we noted unrecorded payables related to the Highway Department projects in process. Adjusting entries of approximately \$600,000 were recorded to accrue additional payables on highway projects.

The Highway Department now records payables related to projects in process. Finding was not repeated in the current year.

### FINDING NO. 2012-4 - PROPER CONTROLS OVER PAYROLL TIMESHEETS

Condition: During the course of the audit, we noted employee time sheets, which allocate time charged to the federal program, were not being properly reviewed and approved by the Highway Department. Of the time sheets selected for testing, none had appropriate documentation of review and approval.

Condition still exists and has been reported as Finding 2013-003. It was noted that subsequent to March 2013, all employee time sheets are submitted daily and reviewed and approved by both the Assistant County Engineer and the County Engineer.