

JO DAVIESS COUNTY, ILLINOIS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
November 30, 2014



CliftonLarsonAllen

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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, 2014, 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, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 22, Illinois Municipal Retirement Fund and Other Post-Employment Benefits information on page 57, and budgetary comparison information on pages 58 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jo Daviess County, Illinois' basic financial statements. The combining major, nonmajor, and agency fund financial statements, and schedule of property tax rates, levies, extensions and equalized assessed valuations and schedule of expenditures from taxes extended for tort immunity purposes, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining major, nonmajor, and agency fund financial statements 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*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2015, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Champaign, Illinois
May 7, 2015

Management's Discussion and Analysis
Year Ended November 30, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which begins on page 23 following this narrative.

Financial Highlights

The assets plus deferred outflows of resources of Jo Daviess County's governmental activities exceeded its liabilities plus deferred inflows of resources by \$34,047,634 and \$31,914,844 (net position) at the close of fiscal years 2014 and 2013, respectively. Of this amount, \$18,405,098 represented the County's net investment in capital assets, \$10,390,772 was held for restricted purposes, and \$5,251,764 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 \$2,132,790 and \$2,054,885 in fiscal years 2014 and 2013, respectively.

At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,805,426, an increase of \$1,168,656 in comparison to the prior year. Approximately 21 percent of this total amount, \$3,271,654, is available for spending at the government's discretion (unassigned fund balance).

The unassigned fund balance in the General Fund was \$3,273,160 or 48 percent of total General Fund expenditures for fiscal year ended 2014.

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.

Government-wide financial statements: 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 plus deferred outflows of resources, and liabilities plus deferred inflows of resources, 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 24 through 26 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 plus deferred outflows of resources, b) total governmental fund liabilities plus deferred inflows of resources, 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 58 through 61.

The basic governmental fund financial statements can be found on pages 27 through 30 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 \$1,302,159 and \$1,127,007 for fiscal years ended 2014 and 2013, respectively.

The basic fiduciary fund financial statement can be found on page 31 of this report.

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

The 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 \$34,047,634, which represents an increase of \$2,132,790 from 2013.

Of the County's net position, 54 percent for fiscal years ended 2014 and 2013, 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

| | Governmental Activities | |
|------------------------------------|--------------------------------|-----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Current and other assets | \$ 23,883,870 | \$ 22,555,094 |
| Capital assets, net | <u>19,134,098</u> | <u>17,987,873</u> |
| Total assets | <u>43,017,968</u> | <u>40,542,967</u> |
| Current liabilities | 2,211,879 | 7,682,542 |
| Noncurrent liabilities | <u>862,260</u> | <u>945,581</u> |
| Total liabilities | <u>3,074,139</u> | <u>8,628,123</u> |
| Deferred inflows of resources | <u>5,896,195</u> | <u>-</u> |
| Net position: | | |
| Net investment in capital assets | 18,405,098 | 17,168,540 |
| Restricted for: | | |
| General control and administration | 1,882,352 | 1,974,334 |
| Transportation | 4,355,156 | 3,547,381 |
| Public health and education | 2,515,705 | 2,416,810 |
| Mental health | 30,726 | 28,356 |
| Public safety | 369,246 | 429,562 |
| Court services | 481,963 | 463,820 |
| County development | 755,624 | 714,795 |
| Unrestricted | <u>5,251,764</u> | <u>5,171,246</u> |
| Total net position | <u>\$ 34,047,634</u> | <u>\$ 31,914,844</u> |

A portion of the County's net position \$10,390,772 (31 percent) are restricted and represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,251,764 (15 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis
Year Ended November 30, 2014

Government-Wide Financial Analysis (Continued)

At the end of fiscal year 2014, 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 \$2,132,790 during the current fiscal year.

Table 2 highlights the County's revenues and expenses for the fiscal year ended November 30, 2014 and 2013. 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

| | Governmental Activities | |
|---|--------------------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 3,324,885 | \$ 3,402,142 |
| Operating grants and contributions | 1,006,115 | 1,114,407 |
| Capital grants and contributions | 981,553 | 919,187 |
| General revenues: | | |
| Local property taxes | 5,737,598 | 5,590,955 |
| Hotel/motel taxes | 800,880 | 741,334 |
| State income tax | 1,104,788 | 1,099,439 |
| Motor fuel tax | 664,875 | 598,623 |
| Sales tax | 1,016,198 | 966,811 |
| Corporate personal property replacement taxes | 220,441 | 214,128 |
| Other taxes | 218,682 | 197,458 |
| Unrestricted investment earnings | 60,373 | 53,625 |
| Other | <u>871,470</u> | <u>391,555</u> |
| Total revenues | <u>16,007,858</u> | <u>15,289,664</u> |

Management's Discussion and Analysis
Year Ended November 30, 2014

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

| | Governmental Activities | |
|------------------------------------|--------------------------------|----------------------------|
| | 2014 | 2013 |
| Expenses: | | |
| General control and administration | \$ 2,486,833 | \$ 2,356,757 |
| Transportation | 3,195,109 | 2,972,850 |
| Public health and education | 1,445,045 | 1,539,259 |
| Public safety | 3,807,827 | 3,532,713 |
| Mental health | 341,975 | 336,235 |
| County development | 1,212,366 | 1,159,805 |
| Court services | 1,359,046 | 1,310,293 |
| Interest | <u>26,867</u> | <u>26,867</u> |
| Total expenses | <u>13,875,068</u> | <u>13,234,779</u> |
| Increase in net position | 2,132,790 | 2,054,885 |
| Net position, beginning | <u>31,914,844</u> | <u>29,859,959</u> |
| Net position, ending | <u>\$34,047,634</u> | <u>\$31,914,844</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

| Programs | Total Cost of Services 2014 | Net (Expense) of Services 2014 | Total Cost of Services 2013 | Net (Expense) of Services 2013 |
|-----------------------------|--|---|--|---|
| | General control and administration | \$ 2,486,833 | \$(1,230,349) | \$ 2,356,757 |
| Transportation | 3,195,109 | (1,314,884) | 2,972,850 | (1,129,528) |
| Public health and education | 1,445,045 | (606,299) | 1,539,259 | (571,144) |
| Public safety | 3,807,827 | (3,412,700) | 3,352,713 | (3,013,318) |
| Mental health | 341,975 | (341,975) | 336,235 | (336,235) |
| County development | 1,212,366 | (746,177) | 1,159,805 | (747,420) |
| Court services | 1,359,046 | (883,264) | 1,310,293 | (818,454) |
| Interest | <u>26,867</u> | <u>(26,867)</u> | <u>26,867</u> | <u>(26,867)</u> |
| Total | <u>\$13,875,068</u> | <u>\$(8,562,515)</u> | <u>\$13,234,779</u> | <u>\$(7,799,043)</u> |

Net cost of services is 62 percent and 59 percent of total cost of services in 2014 and 2013, 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 increased \$718,194 or 5 percent from the prior year. If property taxes in the amount of \$5,737,598 are factored out of the total all other government-wide revenue increased \$571,551 or 6 percent. Program revenue decreased \$123,183 or 2 percent. A significant portion of this decrease is due to less revenue from charges for services and less revenue from operating grants; this was partially offset by increased revenue from capital grants and contributions for transportation projects. The most significant sources of revenue during fiscal year 2014 were property taxes, grants and contributions, state income tax, and charges for services. The most significant sources of revenue during fiscal year 2014 continued to be property taxes at 35.8 percent (down from 36.6 percent in 2013), charges for services at 20.8 percent (down from 22.3 percent in 2013), operating grants and contributions at 6.3 percent (down from 7.3 percent in 2013), and capital grants and contributions at 6.1 percent (up from 6.0 percent in 2013). Other general revenue sources (as a percent of total revenue) include: state income tax 6.9 percent, sales tax 6.3 percent, hotel/motel tax 5.0 percent, motor fuel tax 4.2 percent, other 5.4 percent, transfers in from agency funds 1.3 percent, corporate personal property replacement tax 1.4 percent, other taxes 1.4 percent, and unrestricted investment earnings 0.4 percent.

Expenditures: Total government-wide expenditures increased \$640,289 or 5 percent from the prior year. Programs which experienced an increase in fiscal year 2014 include general control and administration \$130,076 or 6 percent, transportation \$222,259 or 7 percent, and public safety \$455,114 or 14 percent, and county development \$52,561 or 5 percent. Programs which experienced a decrease include public health and education which decreased \$94,214 or 6 percent.

The most significant classification of expenditures supporting County operations are personnel related costs. In fiscal year 2014 government-wide expenditures for personnel costs (salaries, wages, pension contributions, employee benefits and health insurance) totaled approximately \$7,477,883. This is an increase of \$257,791 or 3.6 percent more than the prior year total of \$7,220,092. Salaries and wages totaled \$5,419,938, an increase of \$160,708 or 3.1 percent more than the prior year total of \$5,259,230. Employee benefits (social security, Medicare, health insurance, unemployment, and IMRF pension contributions) totaled \$2,057,945. This is an increase of \$97,082 or 5.0 percent over the prior year total of \$1,960,863. A majority of this increase can be contributed to the employer portion of health insurance premiums which increased \$84,916 or 9.9 percent from prior year. Personnel costs for salaries/wages and employee benefits represent 53.9 percent and 54.5 percent of the County's total cost of services for governmental activities in 2014 and 2013, 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)

Governmental funds: 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, 2014), the County's governmental funds reported combined ending fund balances of \$15,805,426, an increase of \$1,168,656 in comparison with the prior year. Approximately 21 percent of this total amount, \$3,271,654, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new 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 \$3,273,160 while total fund balance reached \$3,343,817 (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 47.9 percent of total actual General Fund expenditures (6,830,936), while total fund balance represents approximately 49.0 percent of that same amount.

The fund balance of the County's General Fund decreased by \$201,616 during the current year (this includes the Contingency Fund). The fund balance of the General Fund decreased \$105,020 and the Contingency Fund decreased \$96,596. The FY2014 General Fund budget (less the Contingency Fund), before the appropriation of fund balance, was a deficit budget in the amount of \$440,068. The General Fund (less the Contingency Fund) exceeded budget expectations by \$335,048. Actual revenue exceeded budget by \$149,763 or 2.7%. Expenditures were less than budget by \$239,446 or 3.4%. Total revenue was down \$50,845 or 0.9% and total expenditures were up \$402,702 or 6.3% from prior year. Transfers in were \$45,592 or 3.5% less and transfers out were \$102,864 or 19.1% less than prior year.

The County Highway Fund had a fund balance of \$1,204,272 which increased \$11,241 from the prior year. This increase is primarily due to less than anticipated expenditures for maintenance supplies and capital and vehicle expenditures.

Financial Analysis of the Government's Funds (Continued)

The Federal Aid Matching Fund had a fund balance of \$998,690 which increased \$141,897 from the prior year. This increase is primarily due to less than anticipated expenditures for capital improvements.

The Public Health Fund had a fund balance of \$1,399,883, which increased \$115,198 from the prior year (this includes the Catastrophic Public Health Emergency Fund). This increase is primarily due to more than anticipated revenue from service charges and intergovernmental revenue and less than anticipated expenditures for personnel costs and professional services.

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 2014. 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 (\$5,799,487) exceeded estimates (\$5,649,744) for the period by \$149,743 (this includes the Contingency Fund). This increase is primarily due to more than anticipated receipts of intergovernmental revenues of \$114,269. General Fund revenue sources which exceeded expectations by more than \$10,000 include: penalties on tax collection \$32,536, county supplemental sales tax (0.25%) \$32,256, local use tax \$24,344, housing of prisoners \$19,760, criminal fines \$15,800, salary reimbursement \$15,744, county sales tax (1%) \$12,052, state income tax \$11,065, and CPPRT \$11,512. These variances were partially offset by revenue projections which fell short of expectations by more than \$10,000 including: court costs/fines/fees \$36,227, county clerk earnings \$30,421, sheriff fees \$14,394 and interfund transfers from IMRF fund \$28,644 and SS fund \$13,665.

Budget to actual expenditures: Total expenditures (\$6,830,936) were less than budget (\$7,070,382) for the period by \$239,446. General Fund expenditure categories less than budget include: General control and administration \$167,872, Public health and education \$23,849, County development \$23,820, Court services \$81,762 and Capital outlay \$5,973. General Fund expenditure category more than budget: Public Safety \$63,830. Personnel costs of \$5,438,062 were less than the budget amount of \$5,466,927 by \$28,865 or 0.5% percent. Variances include part time wages, health insurance, IMRF, social security, and per diem which were \$51,023, \$47,284, \$13,638, \$9,970 and \$7,280 under budget, respectively; overtime and full time wages exceeded budget by \$80,476 and \$22,079, respectively. Personnel costs represented 79.6 percent of total General Fund expenditures.

General Fund Budgetary Variances (Continued)

The General Fund had a year-end fund balance of \$3,343,817. While this is an decrease of \$201,616 from the prior year (this includes the Contingency Fund), it also represents an increase of \$438,303 over the \$639,919 deficit anticipated when the fiscal year 2014 budget was adopted.

Major Special Revenue Fund Variances

County Highway Fund: The County Highway Fund had a fund balance of \$1,204,272, which is a \$11,241 increase from the prior year. Actual revenues exceeded expectations by \$41,978. Actual expenditures were less than budget by \$334,312. This was primarily due to less than anticipated expenditures for: buildings \$237,183, vehicles \$23,079, maintenance supplies \$15,570, maintenance service \$12,241, and contingency \$15,726.

Federal Aid Matching Fund: The Federal Aid Matching Fund had a fund balance of \$998,690, which is an increase of \$141,897 from the prior year. This increase is primarily due to less than anticipated expenditures for capital improvements.

Public Health Fund: The Public Health Fund had a fund balance of \$1,399,883, which is an increase of \$115,198 from the prior year (this includes the Catastrophic Public Health Emergency Fund). Actual revenues exceeded expectations by \$47,078. This increase is primarily due to more than anticipated revenue from environmental health fees \$15,380, immunization/medicaid match \$13,099, and federal immunization grant \$11,849. Actual expenditures were less than budget by \$87,036. This decrease is primarily due to less than anticipated personnel costs \$80,048, professional services \$13,584, and offset in part by more than anticipated operating supplies (\$29,843).

Capital Asset and Long-Term Debt Activity

Capital assets: Jo Daviess County, Illinois' investment in capital assets for its governmental activities amounted to \$19,134,098 and \$17,987,873 (net of accumulated depreciation) as of November 30, 2014 and 2013, 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 2014 include: completed construction of the Bethel Road Plum River Bridge, installed a temporary culvert on Stagecoach Trail over Clear Creek west of Warren, completed major deck repairs on Schapville Road Bridge over Hells Branch, completed construction of the Red Gates Road Culvert project, completed Highway 20 bank slide repairs on Elizabeth Scales Mound Road, completed repairs to the Elizabeth Township Pleasant Hill Road bridge, purchased Building #4 at the Hanover Highway facility, completed construction of a new salt building in Hanover, a contract was awarded for the Elizabeth/Guilford Township Longhollow Road Culvert Project; the GIS/IT Department implemented iFiber network/NIU Internet connectivity between County facilities, continued implementation of the Storage Area Network SAN/Virtual Server project, implemented a new anti-virus software solution; the Health Department installed a generator to assist in vaccine management; the Sheriff installed a Livescan camera for fingerprinting and background checks, installed a new door access control system for the Courthouse and Public Safety Building, acquired government surplus vehicles and equipment to aid in emergency response and purchased four new squad vehicles; the County awarded a contract to Spillman Technologies Inc. and began the process of implementing a new Public Safety software system including records management system (RMS), computer aided dispatch system (CAD) and a jail management system (JMS); the Courthouse Sidewalk, Drainage and Railing Project was completed; the Highway department purchased a new disc mower, a TopCon DS203 survey station, and a new dump truck.

Table 4 - Jo Daviess County, Illinois' Capital Assets

| | Governmental Activities | |
|------------------------------|--------------------------------|----------------------------|
| | <u>2014</u> | <u>2013</u> |
| Land | \$ 346,374 | \$ 310,419 |
| Construction-in-progress | 3,274,788 | 1,756,604 |
| Buildings and improvements | 2,739,037 | 2,556,158 |
| Equipment and machinery | 1,731,942 | 1,935,663 |
| Transportation and equipment | 1,181,763 | 1,189,027 |
| Roads and bridges | <u>9,860,194</u> | <u>10,240,002</u> |
| Total | <u>\$19,134,098</u> | <u>\$17,987,873</u> |

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

Debt administration: 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, 2014 was \$729,000. 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

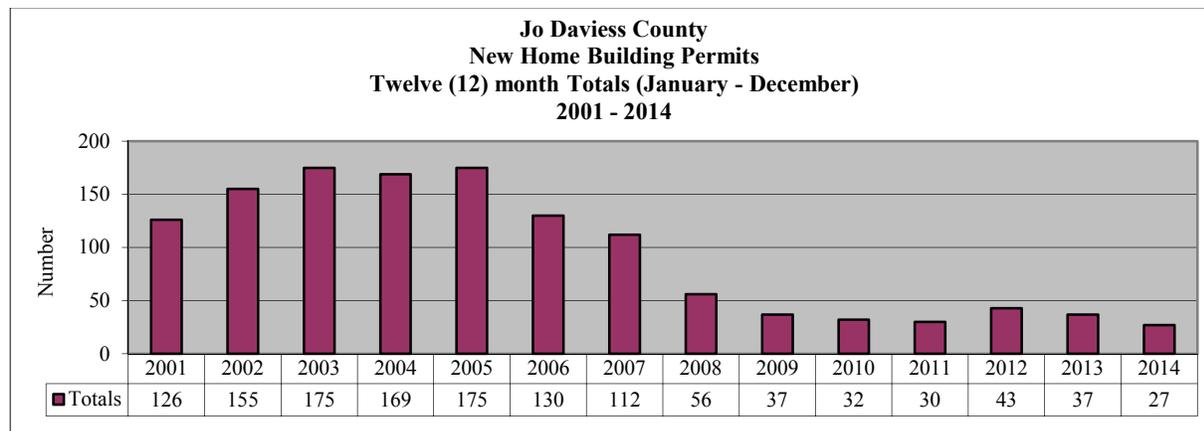
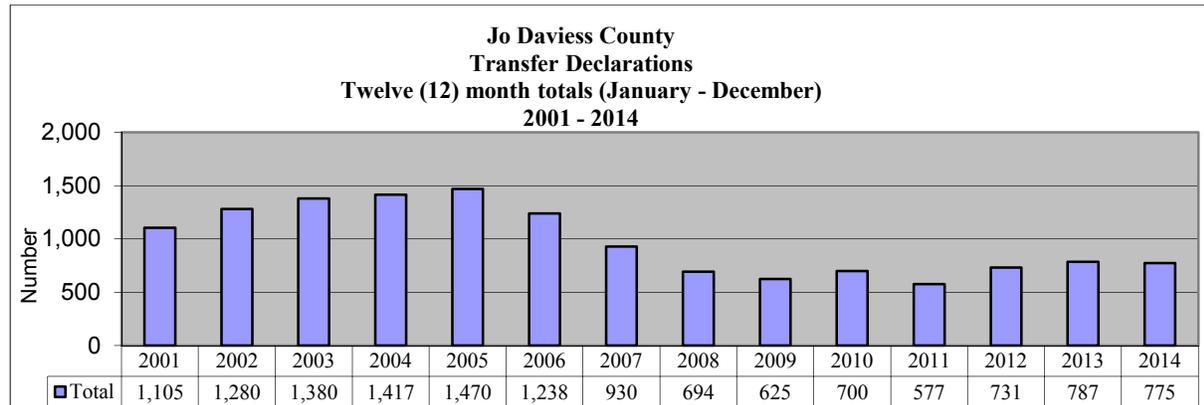
Slow recovery from the great recession, slow economic growth, revenue shortfalls, uncertainty of timely state payments, and uncertainty of the financial status of the State of Illinois were all concerns in 2014 and continue as we enter 2015. One of the County's major challenges is to provide the residents and taxpayers of Jo Daviess County with essential 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 2015 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. The State is currently considering options to reduce local disbursements from the Local Government Distributive Fund. 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 County 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, then decreased to 37 in 2013 and to 27 in 2014. Transfer declarations also peaked in 2005 at 1,470, declined to a low of 577 in 2011, increased to 787 in 2013 and decreased to 775 in 2014. There is optimism as transfer declarations for the four month period of December 2014 to March of 2015 total 231; this is the highest total, for this four month period, since 2007. Transfer declarations reflect sales of property involving money changing hands and do not include quit claim deeds or the number of parcels involved in a sale.

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.

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”.

Economic Factors and Outlook (Continued)

Employment

The recession officially ended in 2009, however 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 slowly decreased. 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). One of the consequences is a decline in 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 March 2015 Illinois unemployment rate, not seasonally adjusted, was 6.3 percent (down from 8.1 percent in March 2014), the U.S. unemployment rate was 5.6 percent (down from 6.7 percent in March 2014), and the Jo Daviess County unemployment rate was 6.1 percent (down from 8.3 in March 2014). The 2014 annual unemployment rate for Jo Daviess County was 6.2 percent (down from the 2013 annual unemployment rate of 7.7 percent). In March 2015, Northwest Illinois continued to have some of the highest unemployment rates in the State with four of Illinois' 25 highest unemployed counties in Boone 7.0 percent, Stephenson 6.9 percent, Ogle 6.8 percent, and Winnebago 6.8 percent.

The Illinois Department of Employment Security (IDES) reports the annual average labor force for Jo Daviess County in 2014 was 11,589 of which 10,870 were employed, 719 were unemployed and an unemployment rate of 6.2% percent. This compares to the 2013 and the 2007 average labor forces of 11,579 and 13,790 of which 10,693 and 13,237 were employed, 886 and 553 were unemployed and the unemployment rates were 7.7 and 4.0 percent respectively.

Labor trends – for the first time since 2006 the number of jobs began to increase in Jo Daviess County in 2013 and continued in 2014. The most current quarterly workforce indicator report from the Illinois Department of Employment Security (IDES) indicates that in the 2nd quarter of 2014, 8,213 individuals were employed by 822 Jo Daviess County employers. This compares to 8,069 employed by 816 employers in the 2nd quarter of 2013, 7,973 employed by 821 employers in the 2nd quarter of 2012, and 8,959 employed by 782 employers in the 2nd quarter of 2006.

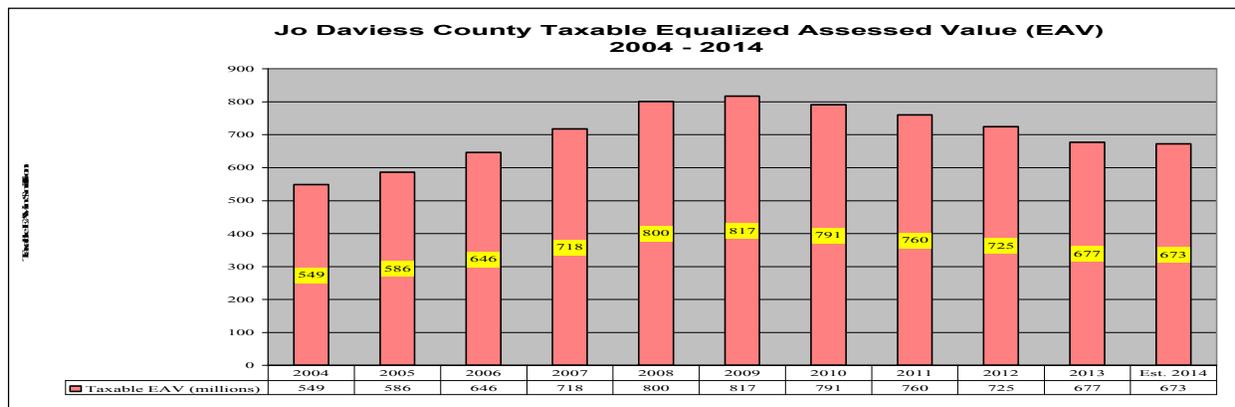
Jo Daviess County, Illinois

Management's Discussion and Analysis
 Year Ended November 30, 2014

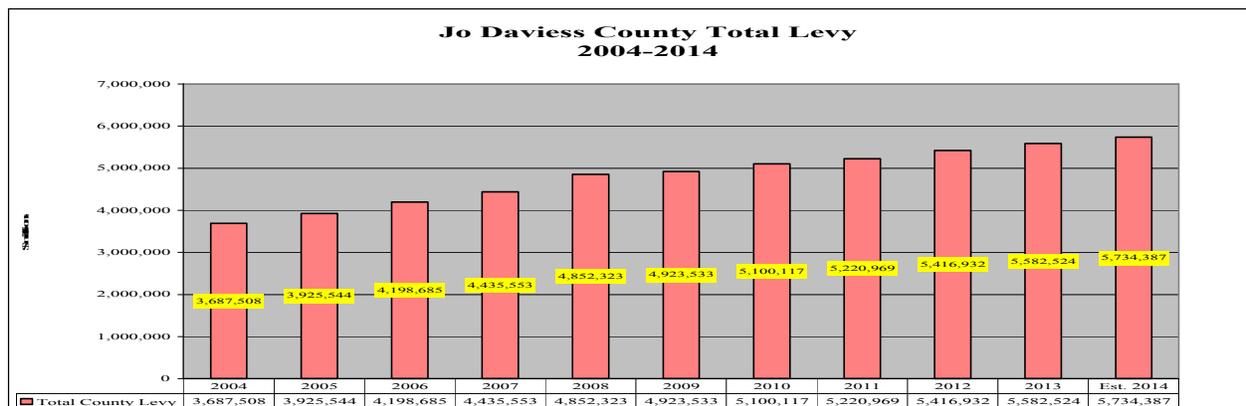
Proposed 2014 Jo Daviess County Property Tax Extension Levy (Payable 2015)

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 1.5% was utilized in administering the 2014 Property Tax Extension Limitation Law formula.

The estimated allowable property tax extension increase for Jo Daviess County for 2014 (payable 2015) is \$151,863. To determine this amount, several variables were considered. The County Assessor's Office estimated the 2014 gross assessed valuation of Jo Daviess County to be \$740,000,000; this compares to a gross assessed value of \$746,609,213 in 2013. This total includes an estimated \$8,000,000 in new property/construction. Using a 9% factor for exemptions the County Clerk's Office estimated the 2014 taxable EAV for Jo Daviess County to be \$673,400,000.



The County Clerk's Office estimated the overall maximum aggregate tax levy extension for 2014 to be \$5,734,387. This amount represents an increase of \$151,863 or 2.7% more than the 2013 levy extension of \$5,582,524. Approximately \$83,737 or 55.2% of the proposed 2014 property tax levy increase (payable 2015) is the result of a 1.5% inflationary CPI increase on existing property and approximately \$68,126 or 44.8% is the result of an estimated \$8 million increase in EAV associated with new property/construction.



Jo Daviess County, Illinois

Management's Discussion and Analysis
Year Ended November 30, 2014

Proposed 2014 Jo Daviess County Property Tax Extension (Levy) (Continued)

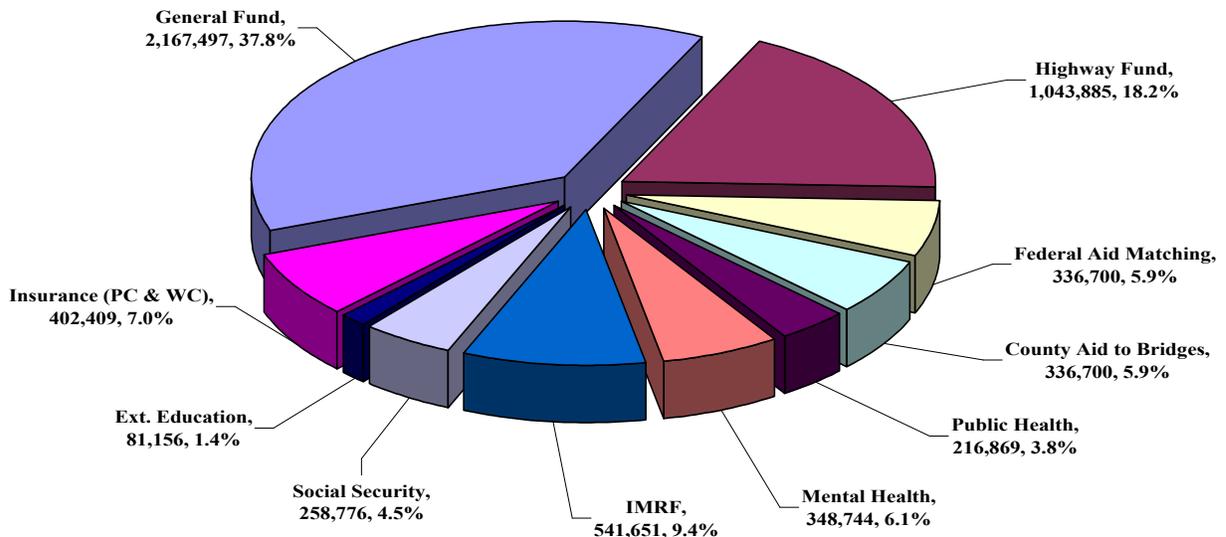
The following table compares the estimated 2014 property tax extension increase with the actual 2008 thru 2013 property tax extension increases and the associated variables that were used to determine the property tax extension increase.

| Year | Total \$ Increase | CPI | Increase per CPI | New Property | Increase per N.P. | Galena TIF District | Increase per TIF |
|-----------|-------------------|------|------------------|----------------|-------------------|---------------------|------------------|
| 2008 | \$416,770 | 4.1% | \$181,858 | \$23.8 million | \$143,937 | \$14.9 million | \$90,975 |
| 2009 | \$71,211 | 0.1% | \$4,852 | \$11.0 million | \$66,359 | \$-0- | \$-0- |
| 2010 | \$176,584 | 2.7% | \$133,142 | \$6.7 million | \$43,442 | \$-0- | \$-0- |
| 2011 | \$120,852 | 1.5% | \$76,502 | \$6.2 million | \$44,350 | \$-0- | \$-0- |
| 2012 | \$195,963 | 3.0% | \$156,629 | \$5.2 million | \$39,334 | \$-0- | \$-0- |
| 2013 | \$165,593 | 1.7% | \$92,088 | \$9.1 million | \$73,505 | \$-0- | \$-0- |
| Est. 2014 | \$151,863 | 1.5% | \$83,737 | \$8.0 million | \$68,126 | \$-0- | \$-0- |

The overall Jo Daviess County property tax levy is distributed between ten (10) individual special purpose property tax levies, they include: General Corporate, County Highway, Public Health, Mental Health, IMRF, Social Security, Extension Education, and Insurance. In addition the County is responsible for three (3) special service area (SSA) levies, SSA #1- Warren Ambulance, SSA #2 & #4- Elizabeth Ambulance and SSA #5- Hanover Ambulance.

The proposed 2014 property tax levy (payable 2015) of \$5,734,387 represents 31.6% of the County's aggregate FY2015 all fund revenue estimate of \$18,127,548. The proposed General Corporate property tax levy of \$2,167,497 represents 29.3% of the General Corporate Fund's FY2015 estimated revenue amount of \$7,396,812.

**Jo Daviess County
 Proposed 2014 Property Tax Levy (Payable FY2015)
 (Less Special Service Areas) - \$5,734,387**

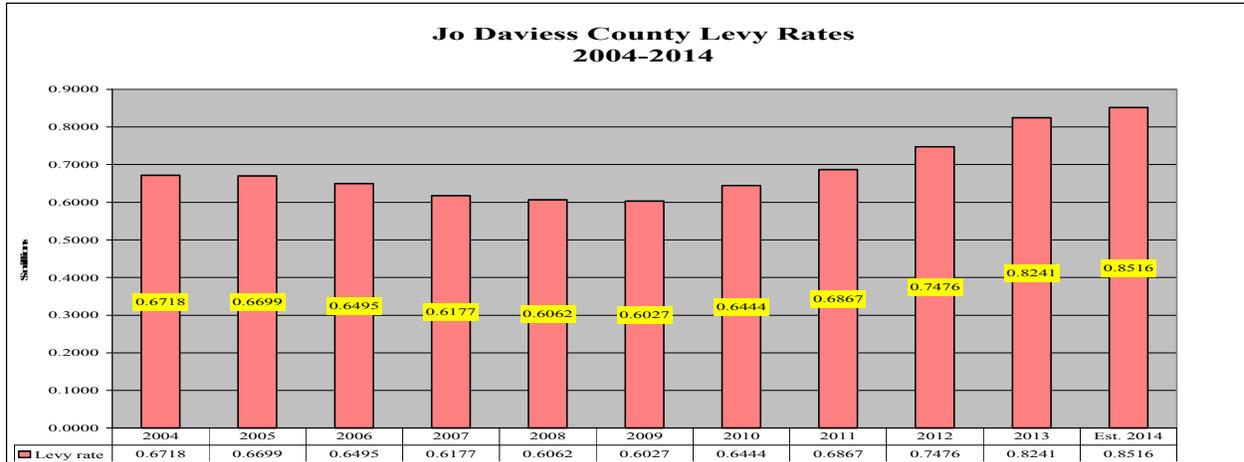


Jo Daviess County, Illinois

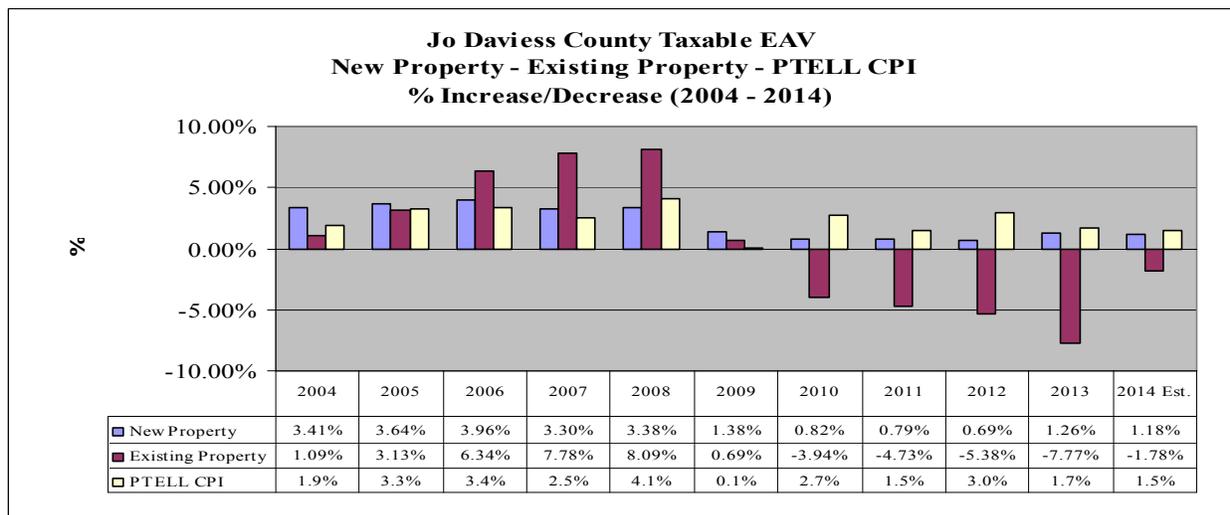
Management's Discussion and Analysis
Year Ended November 30, 2014

Estimated 2014 Property Tax Extension Rate

The estimated 2014 JDC property tax rate is 0.8516/hundred dollars of assessed value. This is an increase of 0.0275/hundred dollars of assessed value or 3.3% more than the 2013 rate of 0.8241. In general property tax levy rates for taxing districts in Jo Daviess County have increased in recent years. This is primarily due to the fact that equalized assessed value of property in most Jo Daviess County taxing districts have decreased over the last five year period 2010 to 2014.



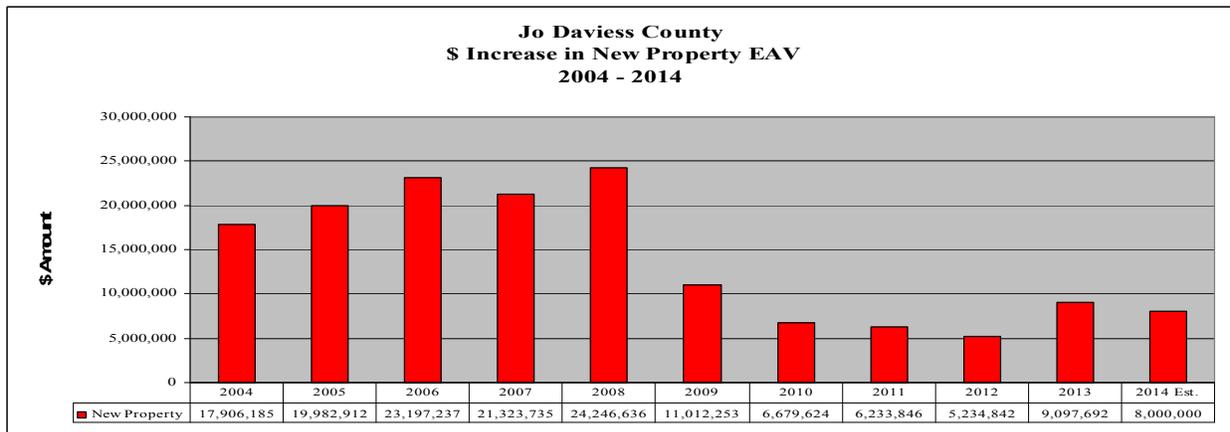
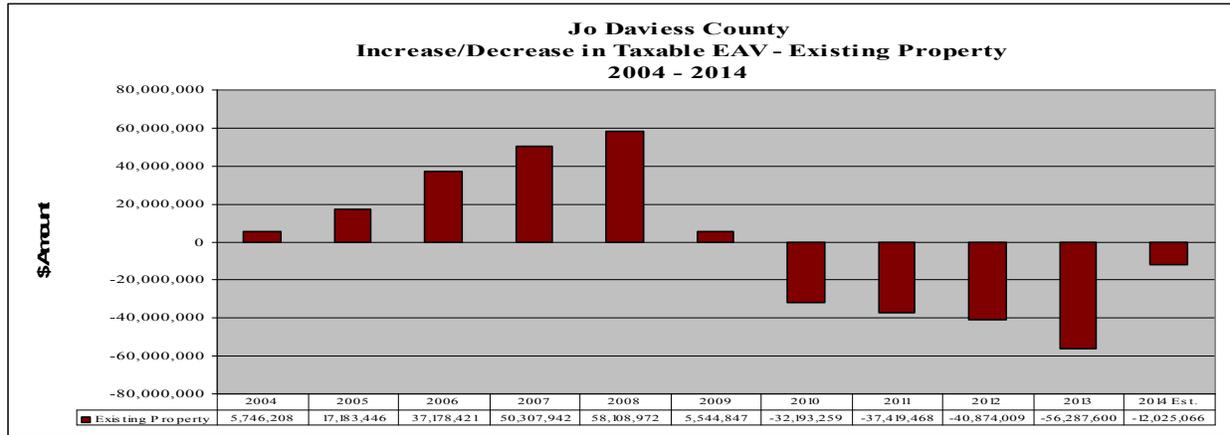
Generally, in a PTELL county property tax rates decrease when overall equalized assessed value increases at a rate faster than inflation and increase when equalized assessed value decreases. Per sales ratios received from the Illinois Department of Revenue, some JDC township assessment districts have 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 six year period 2004 to 2009 taxable EAV of existing property increased 27.1% while PTELL CPI increased 15.3%. During the five year period 2010 to 2014 taxable EAV of existing property decreased 23.6% while PTELL CPI increased 10.4%. See chart below.



Jo Daviess County, Illinois

Management's Discussion and Analysis
 Year Ended November 30, 2014

Estimated 2014 Property Tax Extension Rate (Continued)



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 2015 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, 2014**

| | <u>Governmental Activities</u> |
|----------------------------------|---|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 15,797,411 |
| Receivables: | |
| Accounts | 208,230 |
| Interest | 3,424 |
| Property taxes | 5,896,195 |
| Due from other governments | 1,553,602 |
| Inventories | 83,436 |
| Prepaid expenses | 26,342 |
| Loans receivable | 315,230 |
| Total current assets | <u>23,883,870</u> |
| | |
| Noncurrent assets: | |
| Capital assets, non depreciable: | |
| Land | 346,374 |
| Construction-in-progress | 3,274,788 |
| Capital assets, depreciable: | |
| Buildings and improvements | 4,949,967 |
| Equipment and machinery | 4,175,047 |
| Transportation equipment | 3,080,238 |
| Road and bridges | 17,698,911 |
| Less accumulated depreciation | <u>(14,391,227)</u> |
| Total noncurrent assets | <u>19,134,098</u> |
| | |
| TOTAL ASSETS | <u>\$ 43,017,968</u> |

| | Governmental Activities |
|---|------------------------------------|
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 1,224,469 |
| Accrued liabilities | 318,207 |
| Unearned revenue | 183,873 |
| Accrued compensated absences | 389,419 |
| Current portion of debt certificates | 95,911 |
| Total current liabilities | <u>2,211,879</u> |
| Noncurrent liabilities: | |
| Long-term portion of debt certificates | 633,089 |
| Net pension obligation | 153,831 |
| Other postemployment benefit obligation | 75,340 |
| Total noncurrent liabilities | <u>862,260</u> |
| TOTAL LIABILITIES | <u>3,074,139</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Subsequent year's property taxes | <u>5,896,195</u> |
| NET POSITION | |
| Net investment in capital assets | 18,405,098 |
| Restricted for: | |
| General control and administration | 1,882,352 |
| Transportation | 4,355,156 |
| Public health and education | 2,515,705 |
| Public safety | 369,246 |
| Mental health | 30,726 |
| County development | 755,624 |
| Court services | 481,963 |
| Unrestricted | <u>5,251,764</u> |
| TOTAL NET POSITION | <u>\$ 34,047,634</u> |

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

**JO DAVIESS COUNTY
STATEMENT OF ACTIVITIES
Year Ended November 30, 2014**

| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net Revenue (Expense) and Changes in Net Position Governmental Activities |
|---|-------------------|---------------------------------|---|---|--|
| PRIMARY GOVERNMENT: | | | | | |
| Governmental activities: | | | | | |
| General control and administration | \$ 2,486,833 | \$ 1,141,630 | \$ 102,061 | \$ 12,793 | \$ (1,230,349) |
| Transportation | 3,195,109 | 283,349 | 628,116 | 968,760 | (1,314,884) |
| Public health and education | 1,445,045 | 699,991 | 138,755 | - | (606,299) |
| Public safety | 3,807,827 | 394,996 | 131 | - | (3,412,700) |
| Mental health | 341,975 | - | - | - | (341,975) |
| County development | 1,212,366 | 333,379 | 132,810 | - | (746,177) |
| Court services | 1,359,046 | 471,540 | 4,242 | - | (883,264) |
| Interest | 26,867 | - | - | - | (26,867) |
| Total governmental activities | 13,875,068 | 3,324,885 | 1,006,115 | 981,553 | (8,562,515) |
| General revenues: | | | | | |
| Property taxes | | | | | 5,737,598 |
| Sales tax | | | | | 1,016,198 |
| Hotel/motel use tax | | | | | 800,880 |
| State income tax | | | | | 1,104,788 |
| Motor fuel tax | | | | | 664,875 |
| Corporate personal property replacement taxes | | | | | 220,441 |
| Other taxes | | | | | 218,682 |
| Unrestricted investment earnings | | | | | 60,373 |
| Other | | | | | 871,470 |
| Total general revenues | | | | | <u>10,695,305</u> |
| Change in net position | | | | | 2,132,790 |
| NET POSITION, BEGINNING OF YEAR | | | | | <u>31,914,844</u> |
| NET POSITION, END OF YEAR | | | | | <u>\$ 34,047,634</u> |

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

**JO DAVIESS COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2014**

| | General Fund | County Highway Fund | Federal Aid Matching Fund | Public Health Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------------|------------------------------------|--|-----------------------------------|---|---|
| ASSETS | | | | | | |
| Cash and investments | \$ 3,162,855 | \$ 1,191,450 | \$ 1,715,244 | \$ 1,390,666 | \$ 8,337,196 | \$ 15,797,411 |
| Accounts receivable | 41,524 | 8,333 | - | 43 | 158,330 | 208,230 |
| Interest receivable | 2,473 | - | - | 218 | 733 | 3,424 |
| Due from other funds | 23,139 | - | - | 18,783 | 81,269 | 123,191 |
| Due from other governments | 722,763 | 78,741 | - | 28,072 | 724,026 | 1,553,602 |
| Property taxes receivable | 2,167,497 | 1,043,885 | 336,700 | 216,869 | 2,131,244 | 5,896,195 |
| Loans receivable | - | - | - | - | 315,230 | 315,230 |
| Prepaid expenses | 25,958 | 100 | - | 150 | 134 | 26,342 |
| Inventory | 44,699 | 19,079 | - | 19,658 | - | 83,436 |
| TOTAL ASSETS | \$ 6,190,908 | \$ 2,341,588 | \$ 2,051,944 | \$ 1,674,459 | \$ 11,748,162 | \$ 24,007,061 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 130,600 | \$ 58,677 | \$ 716,554 | \$ 8,454 | \$ 310,184 | \$ 1,224,469 |
| Accrued liabilities | 239,757 | 10,255 | - | 6,083 | 62,112 | 318,207 |
| Unearned revenue | 117,456 | - | - | 18,170 | 48,247 | 183,873 |
| Due to other funds | 2,000 | - | - | 25,000 | 96,191 | 123,191 |
| Total liabilities | 489,813 | 68,932 | 716,554 | 57,707 | 516,734 | 1,849,740 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Miscellaneous grants, taxes, and other charges | 189,781 | 24,499 | - | - | 241,420 | 455,700 |
| Subsequent year's property taxes | 2,167,497 | 1,043,885 | 336,700 | 216,869 | 2,131,244 | 5,896,195 |
| Total deferred inflows of resources | 2,357,278 | 1,068,384 | 336,700 | 216,869 | 2,372,664 | 6,351,895 |
| FUND BALANCES | | | | | | |
| Nonspendable | 70,657 | 19,179 | - | 19,808 | - | 109,644 |
| Restricted: | | | | | | |
| General control and administration | - | - | - | - | 1,882,352 | 1,882,352 |
| Transportation | - | 1,185,093 | 998,690 | - | 1,906,337 | 4,090,120 |
| Public health and education | - | - | - | 1,380,075 | 1,102,469 | 2,482,544 |
| Public safety | - | - | - | - | 362,537 | 362,537 |
| Mental health | - | - | - | - | 30,726 | 30,726 |
| County development | - | - | - | - | 755,624 | 755,624 |
| Court services | - | - | - | - | 481,963 | 481,963 |
| Committed | - | - | - | - | 804,751 | 804,751 |
| Assigned | - | - | - | - | 1,533,511 | 1,533,511 |
| Unassigned | 3,273,160 | - | - | - | (1,506) | 3,271,654 |
| Total fund balances | 3,343,817 | 1,204,272 | 998,690 | 1,399,883 | 8,858,764 | 15,805,426 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 6,190,908 | \$ 2,341,588 | \$ 2,051,944 | \$ 1,674,459 | \$ 11,748,162 | \$ 24,007,061 |

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

JO DAVIESS COUNTY, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
November 30, 2014

| | |
|---|--------------------------|
| Total governmental fund balances | \$ 15,805,426 |
| 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 \$14,391,227 | 19,134,098 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds | 455,700 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| Debt certificates payable | (729,000) |
| Net pension obligation | (153,831) |
| Other post-employment benefit obligation | (75,340) |
| Accrued compensated absences | (389,419) |
| Total net position - governmental activities | \$ 34,047,634 |

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

JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended November 30, 2014

| | General Fund | County Highway Fund | Federal Aid Matching Fund | Public Health Fund | Other Governmental Funds | Total Governmental Funds |
|--|-------------------------|------------------------------------|--|-----------------------------------|---|---|
| REVENUES | | | | | | |
| Property taxes | \$ 1,867,937 | \$ 896,118 | \$ 328,364 | \$ 521,720 | \$ 2,123,459 | \$ 5,737,598 |
| Intergovernmental | 2,657,129 | 296,524 | 96,825 | 128,816 | 3,312,361 | 6,491,655 |
| Charges for services | 946,745 | - | - | 92,267 | 822,471 | 1,861,483 |
| Interest | 23,526 | 2,419 | 3,784 | 3,348 | 27,296 | 60,373 |
| Licenses and permits | 266,619 | - | - | - | 1,710 | 268,329 |
| Other | 37,531 | 95,099 | - | 2,412 | 736,428 | 871,470 |
| | <u>5,799,487</u> | <u>1,290,160</u> | <u>428,973</u> | <u>748,563</u> | <u>7,023,725</u> | <u>15,290,908</u> |
| Total revenues | | | | | | |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General control and administration | 1,782,334 | - | - | - | 609,968 | 2,392,302 |
| Transportation | - | 1,191,797 | - | - | 1,330,499 | 2,522,296 |
| Public health and education | 163,873 | - | - | 590,032 | 664,801 | 1,418,706 |
| Public safety | 3,302,815 | - | - | - | 184,699 | 3,487,514 |
| Mental health | - | - | - | - | 340,222 | 340,222 |
| County development | 198,088 | - | - | - | 991,132 | 1,189,220 |
| Court services | 1,285,876 | - | - | - | 41,910 | 1,327,786 |
| Capital outlay | 97,950 | 306,466 | 287,076 | 4,332 | 631,182 | 1,327,006 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 90,333 | 90,333 |
| Interest | - | - | - | - | 26,867 | 26,867 |
| | <u>6,830,936</u> | <u>1,498,263</u> | <u>287,076</u> | <u>594,364</u> | <u>4,911,613</u> | <u>14,122,252</u> |
| Total expenditures | | | | | | |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>(1,031,449)</u> | <u>(208,103)</u> | <u>141,897</u> | <u>154,199</u> | <u>2,112,112</u> | <u>1,168,656</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,265,503 | 257,045 | - | 56,983 | 691,445 | 2,270,976 |
| Transfers out | (435,670) | (37,701) | - | (95,984) | (1,701,621) | (2,270,976) |
| | <u>829,833</u> | <u>219,344</u> | <u>-</u> | <u>(39,001)</u> | <u>(1,010,176)</u> | <u>-</u> |
| Total other financing sources (uses) | | | | | | |
| Net change in fund balance | (201,616) | 11,241 | 141,897 | 115,198 | 1,101,936 | 1,168,656 |
| FUND BALANCES, BEGINNING OF YEAR | <u>3,545,433</u> | <u>1,193,031</u> | <u>856,793</u> | <u>1,284,685</u> | <u>7,756,828</u> | <u>14,636,770</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 3,343,817</u> | <u>\$ 1,204,272</u> | <u>\$ 998,690</u> | <u>\$ 1,399,883</u> | <u>\$ 8,858,764</u> | <u>\$ 15,805,426</u> |

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

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, 2014

| | | |
|--|-------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ 1,168,656 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital outlay | | 1,197,179 |
| Depreciation expense: | | |
| General control and administration | \$ (66,779) | |
| Transportation | (594,857) | |
| Public health and education | (23,077) | |
| Public safety | (281,014) | |
| County development | (19,947) | |
| Court services | (27,017) | (1,012,691) |
| | | |
| 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 | | 968,760 |
| Loss on disposal of capital assets | | (7,023) |
| 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 | (147,950) | |
| Operating grants and contributions | (9,346) | |
| Capital grants and contributions | (100,000) | |
| Sales tax | 5,503 | |
| Use tax | (17) | (251,810) |
| | | |
| 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 | | (10,759) |
| Change in other postemployment benefits obligation | | (9,855) |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position: | | |
| Repayment of principal of long-term debt | | 90,333 |
| | | |
| Change in net position of governmental activities | | <u>\$ 2,132,790</u> |

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

JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

| | <u>Agency Funds</u> |
|---|--------------------------------|
| ASSETS | |
| Cash and investments | \$ 1,221,792 |
| Due from other governments | <u>80,367</u> |
| TOTAL ASSETS | <u>\$ 1,302,159</u> |
| LIABILITIES | |
| Accounts payable | \$ 31,295 |
| Due to individuals and private entities | 1,078,072 |
| Due to other governments | <u>192,792</u> |
| TOTAL LIABILITIES | <u>\$ 1,302,159</u> |

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

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The County has the following fund types:

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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 deferred outflows of resources and liabilities, deferred inflows of resources, and 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:

County Highway Fund: 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.

Federal Aid Matching Fund: 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Governmental Fund types (continued)

Public Health Fund: 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 2014 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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 2014 tax levy is budgeted for the fiscal year 2015, the revenue from this tax levy is a deferred inflow of resources.

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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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 cost 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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:

| <u>Beginning Balance</u> | <u>Additions</u> | <u>Payments</u> | <u>Ending Balance</u> | Amount Due Within One Year |
|--------------------------|-------------------|-------------------|-----------------------|---|
| <u>\$ 378,660</u> | <u>\$ 389,419</u> | <u>\$ 378,660</u> | <u>\$ 389,419</u> | <u>\$ 389,419</u> |

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue includes grant awards received but unearned because the fulfillment of expenditure provisions has not yet occurred.

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."

Deferred Outflows of Resources

The County reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its statements of net position or combining fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

Deferred Inflows of Resources

The County's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund balance that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. Property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year, as it is not legally available as of fiscal year end. Various other receivables are recorded in the current year, but the revenue will be recorded in each subsequent year, as it is not available in the governmental funds as of fiscal year end.

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:

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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.

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 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

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. 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, 2014, 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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, deferred inflows and outflows, 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 - DEPOSITS

The County's deposits are made up of the following at November 30, 2014:

| | |
|--|-----------------------------|
| Checking/savings accounts, various banks | \$ 15,009,184 |
| Certificate of Deposit, various banks | 1,812,882 |
| Repurchase agreement, First Community Bank | 171,698 |
| Illinois Funds Money Market Mutual fund | 219 |
| Money Market, Citizens State Bank | <u>25,220</u> |
| Total | <u>\$ 17,019,203</u> |

These deposits are shown as follows in the financial statements:

| | |
|---|-----------------------------|
| Cash and investments, governmental activities (pg 26) | \$ 15,797,411 |
| Cash and investments, fiduciary funds (pg 33) | <u>1,221,792</u> |
| Total | <u>\$ 17,019,203</u> |

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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 2 - DEPOSITS (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, 2014, the County's deposits and investments were fully insured 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, 2014. The loan matures July 17, 2016. As of November 30, 2014, the County's loan receivable balance was \$15,230. The remaining loan receivable is included in committed fund balance of the Economic Development Investment Fund.

In fiscal year 14, the County entered into a new Operator Agreement with The Workshop (Jo Daviess County Transit System) regarding a Public Transportation Program in the rural and small urban areas of Jo Daviess County, Illinois, for which grant funding flows through the County to The Workshop. In relation to this revised Operator Agreement, \$300,000 was advanced to The Workshop on December 3, 2013 to provide the operator a reasonable amount of working cash. The County replenishes the advance account based on the quarterly requisition form. The Workshop will retain this advance as long as the agreement is in place.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 4 - CAPITAL ASSETS

| | Balance November 30, <u>2013</u> | <u>Additions</u> | <u>Retirements</u> | Balance November 30, <u>2014</u> |
|--|---|----------------------------|---------------------------|---|
| Governmental activities: Capital assets not being depreciated: | | | | |
| Land | \$ 310,419 | \$ 39,955 | \$ - | \$ 346,374 |
| Construction-in-progress | <u>1,756,604</u> | <u>1,569,726</u> | <u>51,542</u> | <u>3,274,788</u> |
| Total capital assets not being depreciated | <u>2,067,023</u> | <u>1,605,681</u> | <u>51,542</u> | <u>3,621,162</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 4,650,162 | 299,805 | - | 4,949,967 |
| Equipment and machinery | 4,155,142 | 39,620 | 19,715 | 4,175,047 |
| Transportation equipment | 2,969,647 | 272,375 | 161,784 | 3,080,238 |
| Roads and bridges | <u>17,698,911</u> | <u>-</u> | <u>-</u> | <u>17,698,911</u> |
| Total capital assets being depreciated | <u>29,473,862</u> | <u>611,800</u> | <u>181,499</u> | <u>29,904,163</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 2,094,004 | 116,926 | - | 2,210,930 |
| Equipment and machinery | 2,219,479 | 243,341 | 19,715 | 2,443,105 |
| Transportation equipment | 1,780,620 | 272,616 | 154,761 | 1,898,475 |
| Roads and bridges | <u>7,458,909</u> | <u>379,808</u> | <u>-</u> | <u>7,838,717</u> |
| Total accumulated depreciation | <u>13,553,012</u> | <u>1,012,691</u> | <u>174,476</u> | <u>14,391,227</u> |
| Total capital assets being depreciated, net | <u>15,920,850</u> | <u>(400,891)</u> | <u>7,023</u> | <u>15,512,936</u> |
| Governmental activities capital assets, net | <u>\$ 17,987,873</u> | <u>\$ 1,204,790</u> | <u>\$ 58,565</u> | <u>\$ 19,134,098</u> |

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions as follows:

| | |
|---|----------------------------|
| General control and administration | \$ 66,779 |
| Transportation | 594,857 |
| Public health and education | 23,077 |
| Public safety | 281,014 |
| County development | 19,947 |
| Court services | <u>21,017</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,012,691</u> |

NOTE 5 - LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended November 30, 2014 were as follows:

| | Balance November 30, <u>2013</u> | <u>Issued</u> | <u>Retired</u> | Balance November 30, <u>2014</u> | <u>Due Within One Year</u> |
|--------------------------------------|---|------------------------|-------------------------|---|---------------------------------------|
| Governmental activities: | | | | | |
| Debt certificates | \$ 819,333 | \$ - | 90,333 | \$ 729,000 | \$ 95,911 |
| Net pension obligation | 153,831 | - | - | 153,831 | - |
| Other post-employment obligations | <u>65,485</u> | <u>9,855</u> | <u>-</u> | <u>75,340</u> | <u>-</u> |
| Total governmental activities | <u>\$ 1,038,649</u> | <u>\$ 9,855</u> | <u>\$ 90,333</u> | <u>\$ 958,171</u> | <u>\$ 95,911</u> |

As of November 30, 2014, the County has a net pension obligation accrued in the amount of \$153,831 (see Note 7).

As of November 30, 2014, the County has other post-employment benefits accrued in the amount of \$75,340 (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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

| <u>Year ending November 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|-------------------|------------------|--------------------|
| 2015 | \$ 95,911 | \$ 21,289 | \$ 117,200 |
| 2016 | 98,787 | 18,413 | 117,200 |
| 2017 | 101,858 | 15,342 | 117,200 |
| 2018 | 104,969 | 12,231 | 117,200 |
| 2019 | 108,176 | 9,024 | 117,200 |
| 2020 - 2021 | <u>219,299</u> | <u>8,054</u> | <u>227,353</u> |
| Total | <u>\$ 729,000</u> | <u>\$ 84,353</u> | <u>\$ 813,353</u> |

The following schedule illustrates the legal debt margin of the County as of November 30, 2014:

| | |
|--|-----------------------|
| Assessed valuation - 2013 | <u>\$ 677,425,066</u> |
| Statutory debt limitation (2.875% of assessed valuation) | \$ 19,475,971 |
| Total debt: | |
| Debt certificates | <u>729,000</u> |
| Legal debt margin | <u>\$ 18,746,971</u> |

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.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014**

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 www.imrf.org.

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 2013 was 12.12 percent of annual covered payroll. 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, 2013, the employer's actual contributions for pension cost for the regular employees were \$381,197. Its required contribution for calendar year 2013 was \$381,197.

Three-Year Trend Information

| <u>Calendar Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--|---|---|--|
| December 31, 2013 | \$ 381,197 | 100% | \$ 86,466 |
| December 31, 2012 | 362,874 | 99% | 86,466 |
| December 31, 2011 | 356,832 | 82% | 81,229 |

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Illinois Municipal Retirement Fund (Continued)

Regular Employees Plan (continued)

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50 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, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 85.64 percent funded. The actuarial accrued liability for benefits was \$9,204,066 and the actuarial value of assets was \$7,882,616, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,321,450. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$3,145,188 and the ratio of the UAAL to the covered payroll was 42 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 on-line at www.imrf.org.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014**

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 2013 was 19.06 percent of annual covered payroll. 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, 2013, the employer's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$319,491. Its required contribution for calendar year 2013 was \$319,491.

Three-Year Trend Information

| <u>Calendar Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--|---|---|--|
| December 31, 2013 | \$ 319,491 | 100% | \$ 67,365 |
| December 31, 2012 | 304,671 | 95% | 67,365 |
| December 31, 2011 | 275,640 | 95% | 53,086 |

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50 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, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014**

NOTE 7 - PENSION AND RETIREMENT SYSTEMS (CONTINUED)

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

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 81.75 percent funded. The actuarial accrued liability for benefits was \$8,889,061 and the actuarial value of assets was \$7,267,146, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,621,915. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,676,238 and the ratio of the UAAL to the covered payroll was 97 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 are as follows:

| | <u>IMRF</u> | <u>SLEP</u> |
|--|-------------------------|-------------------------|
| Annual required contribution | \$ 381,197 | \$ 319,491 |
| Contributions | <u>381,197</u> | <u>319,491</u> |
| Increase in net pension obligation | - | - |
| Net pension obligation, beginning of year | <u>86,466</u> | <u>67,365</u> |
| Net pension obligation, end of year | <u>\$ 86,466</u> | <u>\$ 67,365</u> |

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 1, 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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 | 5 |
| Terminated employees entitled to benefits but not yet receiving them | -0- |
| Active employees | 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 2014 were \$628.15 for single coverage, \$1,538.99 for family coverage, and \$501.67 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:

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

| | | |
|--|-----------|----------------------|
| Annual required contribution | \$ | 29,064 |
| Interest on net OPEB obligation | | 2,619 |
| Adjustment to annual required contribution | | <u>(1,828)</u> |
| Annual OPEB cost (expense) | | 29,855 |
| Contributions and payments made | | <u>20,000</u> |
| Increase in net OPEB obligation | | 9,855 |
| Net OPEB obligation, beginning of year | | <u>65,485</u> |
| | | |
| Net OPEB obligation, end of year | \$ | <u>75,340</u> |

Three-Year Trend Information

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual OPEB</u> <u>Cost</u> | <u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u> | <u>Net OPEB</u> <u>Obligation</u> |
|---|---|--|--|
| November 30, 2014 | \$ 29,855 | 67.00% | \$ 75,340 |
| November 30, 2013 | 29,064 | 63.42% | 65,485 |
| November 30, 2012 | 28,874 | 59.09% | 54,852 |

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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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, 2014, consisted of the following:

| | <u>Due To</u> | <u>Due From</u> |
|-----------------------------|-------------------|-------------------|
| Major funds: | | |
| General Fund | \$ 2,000 | \$ 23,139 |
| Special revenue funds: | | |
| Public Health Fund | 25,000 | 18,783 |
| Nonmajor Governmental Funds | <u>96,191</u> | <u>81,269</u> |
| Total | <u>\$ 123,191</u> | <u>\$ 123,191</u> |

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, 2014, were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------------|---------------------|----------------------|
| Major funds: | | |
| General Fund | \$ 1,265,503 | \$ 435,670 |
| Special revenue funds: | | |
| County Highway Fund | 257,045 | 37,701 |
| Public Health Fund | 56,983 | 95,984 |
| Nonmajor Governmental Funds | <u>691,445</u> | <u>1,706,621</u> |
| Total operating transfers | <u>\$ 2,270,976</u> | <u>\$ 2,270,976</u> |

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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, 2014 was \$5,000. During the year ended November 30, 2014, 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 \$52,405 in payments to the trust during the year ended November 30, 2014. 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, 2015 financial statements include:

GASB issued Statement No. 68, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 27, issued June 2012. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The impact on the County will be reviewed.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

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

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. The impact on the County will be reviewed.

GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, issued November 2013 addresses 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 impact on the County will be reviewed.

New accounting standards effective for the November 30, 2016 financial statements include:

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015. The objective of this statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The impact on the County will be reviewed.

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

NOTE 13 - COMMITMENTS

The County has financial commitments relating to various highway, bridge, and software projects that are estimated to be approximately \$1,690,000.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2014

NOTE 14 - MINIMUM YEAR-END FUND BALANCE POLICIES

The County has adopted minimum year-end fund balance policies for fiscal year 2014 as follows:

| <u>Fund Name</u> | <u>Amount</u> | <u>Policy</u> |
|------------------------------------|---------------|---|
| General Fund | \$ 1,875,000 | Estimated three months of operating expenses |
| Highway Fund | 590,000 | Estimated four months of operating revenue |
| Public Health Fund | 395,000 | Estimated six months of operating expenses |
| Home Health Care Fund | 160,000 | Estimated three months of operating expenses |
| Tourism Promotion Fund | 373,000 | Estimated three to four months of operating expenses |
| GIS Automation Fund | 52,000 | Estimated three months of operating expenses |
| Social Security Tax Fund | 181,000 | 50%-60% of the total eligible expenses for the period |
| Illinois Municipal Retirement Fund | 352,000 | 60% of the total eligible expenses for the period |
| Insurance Fund | 446,000 | 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.

NOTE 15 - OTHER REQUIRED DISCLOSURES

The Election Equipment Fund has a deficit fund balance at year-end of (\$1,506). The County intends to eliminate this with future grant reimbursements.

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, 2014
(Unaudited)

| Actuarial Valuation Date | Fair Value of Net Assets (1) | Actuarial Accrued Liability (AAL)- Entry Age (2) | Unfunded (Over- funded) AAL (UAAL) (2-1) | Funded Ratio (1/2) | Covered Payroll (3) | UAAL as a % of Covered Payroll ((2-1) / 3) |
|--------------------------------|---------------------------------------|---|---|--------------------------|---------------------------|--|
|--------------------------------|---------------------------------------|---|---|--------------------------|---------------------------|--|

Illinois Municipal Retirement Fund

| | | | | | | |
|------------|--------------|--------------|--------------|--------|--------------|--------|
| 12/31/2013 | \$ 7,882,616 | \$ 9,204,066 | \$ 1,321,450 | 85.64% | \$ 3,145,188 | 42.01% |
| 12/31/2012 | 7,461,646 | 9,245,003 | 1,783,357 | 80.71% | 3,080,422 | 57.89% |
| 12/31/2011 | 6,990,447 | 8,980,601 | 1,990,154 | 77.84% | 3,116,435 | 63.86% |

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$9,404,933.
On a market basis, the funded ratio would be 102.18%.

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

| | | | | | | |
|------------|--------------|--------------|--------------|--------|--------------|---------|
| 12/31/2013 | \$ 7,267,146 | \$ 8,889,061 | \$ 1,621,915 | 81.75% | \$ 1,676,238 | 96.76% |
| 12/31/2012 | 6,216,939 | 8,038,293 | 1,821,354 | 77.34% | 1,660,330 | 109.70% |
| 12/31/2011 | 5,403,619 | 7,036,371 | 1,632,752 | 76.80% | 1,610,988 | 101.35% |

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$8,276,924.
On a market basis, the funded ratio would be 93.11%.

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, 2014
(Unaudited)

| | <u>Budget</u> | | <u>Actual</u> | <u>Actual</u> |
|--|-------------------------|-------------------------|----------------------|-------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>over</u> |
| | | | | <u>(under)</u> |
| REVENUES | | | | |
| Property taxes | \$ 1,869,011 | \$ 1,869,011 | \$ 1,867,937 | \$ (1,074) |
| Intergovernmental | 2,542,860 | 2,542,860 | 2,657,129 | 114,269 |
| Charges for services | 906,200 | 906,200 | 946,745 | 40,545 |
| Interest | 15,013 | 15,013 | 23,526 | 8,513 |
| Licenses and permits | 261,635 | 261,635 | 266,619 | 4,984 |
| Other | <u>55,025</u> | <u>55,025</u> | <u>37,531</u> | <u>(17,494)</u> |
| Total revenues | <u>\$ 5,649,744</u> | <u>\$ 5,649,744</u> | <u>5,799,487</u> | <u>\$ 149,743</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General control and administration | \$ 2,037,800 | \$ 1,950,206 | 1,782,334 | \$ (167,872) |
| Public health and education | 187,722 | 187,722 | 163,873 | (23,849) |
| Public safety | 3,242,836 | 3,238,985 | 3,302,815 | 63,830 |
| County development | 221,908 | 221,908 | 198,088 | (23,820) |
| Court services | 1,367,638 | 1,367,638 | 1,285,876 | (81,762) |
| Capital outlay | <u>12,478</u> | <u>103,923</u> | <u>97,950</u> | <u>(5,973)</u> |
| Total expenditures | <u>\$ 7,070,382</u> | <u>\$ 7,070,382</u> | <u>6,830,936</u> | <u>\$ (239,446)</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | | | <u>(1,031,449)</u> | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 1,305,139 | \$ 1,305,139 | 1,265,503 | \$ (39,636) |
| Transfers out | <u>(524,420)</u> | <u>(524,420)</u> | <u>(435,670)</u> | <u>88,750</u> |
| | <u>\$ 780,719</u> | <u>\$ 780,719</u> | <u>829,833</u> | <u>\$ 49,114</u> |
| Net change in fund balance | | | (201,616) | |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>3,545,433</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 3,343,817</u> | |

JO DAVIESS COUNTY, ILLINOIS
COUNTY HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended November 30, 2014
(Unaudited)

| | <u>Budget</u> | | <u>Actual</u> | <u>Actual over (under)</u> |
|--|---------------------|---------------------|---------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property taxes | \$ 896,607 | \$ 896,607 | 896,118 | \$ (489) |
| Intergovernmental | 269,075 | 269,075 | 296,524 | 27,449 |
| Interest | 1,500 | 1,500 | 2,419 | 919 |
| Other | <u>81,000</u> | <u>81,000</u> | <u>95,099</u> | <u>14,099</u> |
| Total revenues | <u>\$ 1,248,182</u> | <u>\$ 1,248,182</u> | <u>\$ 1,290,160</u> | <u>\$ 41,978</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation | \$ 1,212,575 | \$ 1,262,575 | 1,191,797 | \$ (70,778) |
| Capital outlay | <u>570,000</u> | <u>570,000</u> | <u>306,466</u> | <u>(263,534)</u> |
| Total expenditures | <u>\$ 1,782,575</u> | <u>\$ 1,832,575</u> | <u>\$ 1,498,263</u> | <u>\$ (334,312)</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | | | <u>(208,103)</u> | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 257,000 | \$ 257,000 | 257,045 | \$ 45 |
| Transfers out | <u>(37,707)</u> | <u>(37,707)</u> | <u>(37,701)</u> | <u>6</u> |
| Total other financing sources (uses) | <u>\$ 219,293</u> | <u>\$ 219,293</u> | <u>\$ 219,344</u> | <u>\$ 51</u> |
| Net change in fund balance | | | 11,241 | |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>1,193,031</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,204,272</u> | |

JO DAVIESS COUNTY, ILLINOIS
FEDERAL AID MATCHING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended November 30, 2014
(Unaudited)

| | <u>Budget</u> | | <u>Actual</u> | Actual over (under) |
|--|-------------------|-------------------|-------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property taxes | \$ 328,546 | \$ 328,546 | \$ 328,364 | \$ (182) |
| Intergovernmental | 150,000 | 150,000 | 96,825 | (53,175) |
| Interest | <u>2,500</u> | <u>2,500</u> | <u>3,784</u> | <u>1,284</u> |
| Total revenues | <u>\$ 481,046</u> | <u>\$ 481,046</u> | <u>428,973</u> | <u>\$ (52,073)</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>\$ 983,000</u> | <u>\$ 983,000</u> | <u>287,076</u> | <u>\$ (695,924)</u> |
| Net change in fund balance | | | <u>141,897</u> | |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>856,793</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 998,690</u> | |

**JO DAVIESS COUNTY, ILLINOIS
PUBLIC HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
Year Ended November 30, 2014
(Unaudited)**

| | <u>Budget</u> | | <u>Actual</u> | <u>Actual over (under)</u> |
|--|---------------------|---------------------|---------------------|------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property taxes | \$ 522,509 | \$ 522,509 | \$ 521,720 | \$ (789) |
| Intergovernmental | 99,601 | 99,601 | 128,816 | 29,215 |
| Charges for services | 76,500 | 76,500 | 92,267 | 15,767 |
| Interest | 2,775 | 2,775 | 3,348 | 573 |
| Other | 100 | 100 | 2,412 | 2,312 |
| | <u>701,485</u> | <u>701,485</u> | <u>748,563</u> | <u>47,078</u> |
| Total revenues | <u>\$ 701,485</u> | <u>\$ 701,485</u> | <u>748,563</u> | <u>\$ 47,078</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public health and education | \$ 671,400 | \$ 671,400 | 590,032 | \$ (81,368) |
| Capital outlay | 10,000 | 10,000 | 4,332 | (5,668) |
| | <u>681,400</u> | <u>681,400</u> | <u>594,364</u> | <u>(87,036)</u> |
| Total expenditures | <u>\$ 681,400</u> | <u>\$ 681,400</u> | <u>594,364</u> | <u>\$ (87,036)</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | | | <u>154,199</u> | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 56,783 | \$ 56,783 | 56,983 | \$ 200 |
| Transfers out | (303,600) | (303,600) | (95,984) | 207,616 |
| | <u>(246,817)</u> | <u>(246,817)</u> | <u>(39,001)</u> | <u>207,816</u> |
| Total other financing sources (uses) | <u>\$ (246,817)</u> | <u>\$ (246,817)</u> | <u>(39,001)</u> | <u>\$ 207,816</u> |
| Net change in fund balance | | | 115,198 | |
| FUND BALANCE, BEGINNING OF YEAR | | | <u>1,284,685</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 1,399,883</u> | |

JO DAVIESS COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
November 30, 2014
(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:

1. 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 19, 2013. 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 2014.
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

None of the funds had an excess of expenditures over budget for the 2014 fiscal year end.

SUPPLEMENTARY INFORMATION

**JO DAVIESS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
GENERAL FUND
November 30, 2014**

| | <u>General Account</u> | <u>Contingency Account</u> | <u>Total General Fund</u> |
|--|-----------------------------------|---------------------------------------|--|
| ASSETS | | | |
| Cash and investments | \$ 2,926,435 | \$ 236,420 | \$ 3,162,855 |
| Accounts receivable | 36,524 | 5,000 | 41,524 |
| Interest receivable | 2,473 | - | 2,473 |
| Due from other funds | 23,139 | - | 23,139 |
| Due from other governmental agencies | 712,099 | 10,664 | 722,763 |
| Property tax receivable | 2,167,497 | - | 2,167,497 |
| Prepaid expenses | 25,958 | - | 25,958 |
| Inventory | 44,699 | - | 44,699 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | <u>\$ 5,938,824</u> | <u>\$ 252,084</u> | <u>\$ 6,190,908</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 84,865 | \$ 45,735 | \$ 130,600 |
| Accrued liabilities | 239,757 | - | 239,757 |
| Unearned revenue | 117,456 | - | 117,456 |
| Due to other funds | 2,000 | - | 2,000 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>444,078</u> | <u>45,735</u> | <u>489,813</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Miscellaneous grants, taxes, and other charges | 189,781 | - | 189,781 |
| Subsequent year's property taxes | 2,167,497 | - | 2,167,497 |
| | <hr/> | <hr/> | <hr/> |
| Total deferred inflows of resources | <u>2,357,278</u> | <u>-</u> | <u>2,357,278</u> |
| FUND BALANCES | | | |
| Nonspendable | 70,657 | - | 70,657 |
| Unassigned | 3,066,811 | 206,349 | 3,273,160 |
| | <hr/> | <hr/> | <hr/> |
| Total fund balances | <u>3,137,468</u> | <u>206,349</u> | <u>3,343,817</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| | <u>\$ 5,938,824</u> | <u>\$ 252,084</u> | <u>\$ 6,190,908</u> |

**JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year ended November 30, 2014**

| | <u>General Account</u> | <u>Contingency Account</u> | <u>Total General Fund</u> |
|--|----------------------------|--------------------------------|-----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 1,867,937 | \$ - | \$ 1,867,937 |
| Intergovernmental | 2,657,129 | - | 2,657,129 |
| Charges for services | 946,745 | - | 946,745 |
| Interest | 22,932 | 594 | 23,526 |
| Licenses and permits | 266,619 | - | 266,619 |
| Other | <u>20,767</u> | <u>16,764</u> | <u>37,531</u> |
| Total revenues | <u>5,782,129</u> | <u>17,358</u> | <u>5,799,487</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General control and administration | 1,755,721 | 26,613 | 1,782,334 |
| Public health and education | 163,873 | - | 163,873 |
| Public safety | 3,302,815 | - | 3,302,815 |
| County development | 198,088 | - | 198,088 |
| Court services | 1,285,876 | - | 1,285,876 |
| Capital outlay | <u>10,609</u> | <u>87,341</u> | <u>97,950</u> |
| Total expenditures | <u>6,716,982</u> | <u>113,954</u> | <u>6,830,936</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>(934,853)</u> | <u>(96,596)</u> | <u>(1,031,449)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,265,503 | - | 1,265,503 |
| Transfers out | <u>(435,670)</u> | <u>-</u> | <u>(435,670)</u> |
| | <u>829,833</u> | <u>-</u> | <u>829,833</u> |
| Net change in fund balance | (105,020) | (96,596) | (201,616) |
| FUND BALANCES, BEGINNING OF YEAR | <u>3,242,488</u> | <u>302,945</u> | <u>3,545,433</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 3,137,468</u> | <u>\$ 206,349</u> | <u>\$ 3,343,817</u> |

**JO DAVIESS COUNTY, ILLINOIS
COMBINING BALANCE SHEET
PUBLIC HEALTH FUND
November 30, 2014**

| | Public Health Account | Catastrophic Public Health Emergency Account | Total Public Health Fund |
|--|--------------------------------------|---|---|
| ASSETS | | | |
| Cash and investments | \$ 1,156,527 | \$ 234,139 | \$ 1,390,666 |
| Accounts receivable | 43 | - | 43 |
| Interest receivable | - | 218 | 218 |
| Due from other governmental agencies | 28,072 | - | 28,072 |
| Due to other funds | 18,783 | - | 18,783 |
| Due from (to) other Public Health Fund accounts | (25,000) | 25,000 | - |
| Property taxes receivable | 216,869 | - | 216,869 |
| Prepaid expenses | 150 | - | 150 |
| Inventory | 19,658 | - | 19,658 |
| | <u>1,415,102</u> | <u>259,357</u> | <u>1,674,459</u> |
| TOTAL ASSETS | \$ 1,415,102 | \$ 259,357 | \$ 1,674,459 |
| LIABILITIES | | | |
| Accounts payable | \$ 8,454 | \$ - | \$ 8,454 |
| Accrued liabilities | 6,083 | - | 6,083 |
| Unearned revenue | 18,170 | - | 18,170 |
| Due to other funds | 25,000 | - | 25,000 |
| | <u>57,707</u> | <u>-</u> | <u>57,707</u> |
| Total liabilities | <u>57,707</u> | <u>-</u> | <u>57,707</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Subsequent year's property taxes | 216,869 | - | 216,869 |
| FUND BALANCES | | | |
| Nonspendable | 19,658 | - | 19,658 |
| Restricted: | | | |
| Public health and education | <u>1,120,868</u> | <u>259,357</u> | <u>1,380,225</u> |
| Total fund balances | <u>1,140,526</u> | <u>259,357</u> | <u>1,399,883</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 1,415,102 | \$ 259,357 | \$ 1,674,459 |

**JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PUBLIC HEALTH FUND
Year ended November 30, 2014**

| | Public Health Account | Catastrophic Public Health Emergency Account | Total Public Health Fund |
|---|--------------------------------------|---|---|
| REVENUES | | | |
| Property taxes | \$ 521,720 | \$ - | \$ 521,720 |
| Intergovernmental | 128,816 | - | 128,816 |
| Charges for services | 92,267 | - | 92,267 |
| Interest | 2,649 | 699 | 3,348 |
| Other | 2,412 | - | 2,412 |
| | <u>747,864</u> | <u>699</u> | <u>748,563</u> |
| Total revenues | | | |
| EXPENDITURES | | | |
| Current: | | | |
| Public health and education | 590,032 | - | 590,032 |
| Capital outlay | 4,332 | - | 4,332 |
| | <u>594,364</u> | <u>-</u> | <u>594,364</u> |
| Total expenditures | | | |
| Excess (deficiency) revenues over expenditures before other financing sources (uses) | <u>153,500</u> | <u>699</u> | <u>154,199</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 31,983 | 25,000 | 56,983 |
| Transfers out | (95,984) | - | (95,984) |
| | <u>(64,001)</u> | <u>25,000</u> | <u>(39,001)</u> |
| Net change in fund balance | 89,499 | 25,699 | 115,198 |
| FUND BALANCES, BEGINNING OF YEAR | <u>1,051,027</u> | <u>233,658</u> | <u>1,284,685</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 1,140,526</u> | <u>\$ 259,357</u> | <u>\$ 1,399,883</u> |

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

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:

County Highway Capital Investment Fund: 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.

County Aid to Bridge Fund: 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.

County Motor Fuel Tax Fund: 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.

State's Attorney Drug Forfeiture Fund: 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.

Home Health Care Fund: 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.

HHC Memorial Fund: 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.

Public Health Emergency Preparedness Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

Dog Fund: 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.

Rabies Control Fund: 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.

Mental Health Fund: 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.

Special Service District No. One Fund: 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.

Special Service District No. Two and Four Fund: 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.

Special Service District No. Five Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

Rentech Energy Escrow Fund: 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.

911 Fund: 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.

Sheriff's Forfeiture Fund: 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.

Economic Development Investment Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

LTCB Matching Grant Fund: 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.

GIS Automation Fund: 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.

Municipal Retirement Fund: 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.

Social Security Tax Fund: 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).

Probation Services Fund: 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.

Extension Education Fund: 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.

Insurance Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

Circuit Clerk Automation Fund: 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 Compiled Statutes 705 ILCS 105/27.3a.

Recorder Automation Fund: 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.

County Clerk Automation Fund: 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.

Court Document Storage Fund: 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.

County Treasurer Automation Fund: 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.

Election Equipment Fund: 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.

Maintenance and Child Support Fund: 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).

Probation EMHD Program Fund: 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).

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

Sheriff DUI Fund: 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.

Sheriff Vehicle Fund: 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.

Circuit Clerk Operation and Administrative Fund: 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.

Tourism Promotion Fund: 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.

Sale in Error Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

JDC Emergency Services Communications Fund: 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.

Sobriety Court Fund: 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.

County Jail Medical Costs Fund: 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.

Coroner's Equipment and Operations Fund: 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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014**

Special Revenue Funds (Continued)

County Transit Fund: 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.)

Jo Daviess County Natural Hazard Mitigation Fund: 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.

State's Attorney Records Automation Fund: 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.

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
November 30, 2014

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:

Public Health Capital Investment Fund: 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.

Tourism Capital Development Fund: 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.

County Capital Investment Fund: 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.

County Capital Equipment Replacement Fund: 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.

Home Health Care Capital Equipment Fund: 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.

GIS Capital Equipment & Investments Fund: 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.

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

| | Special Revenue | | | | | | | |
|--|--|---------------------------------|----------------------------------|---|-----------------------------|-------------------------|---|-----------------|
| | County Highway Capital Investment Fund | County Aid to Bridge Fund | County Motor Fuel Tax Fund | State's Attorney Drug Forfeiture Fund | Home Health Care Fund | HHC Memorial Fund | Public Health Emergency Preparedness Fund | Dog Fund |
| ASSETS | | | | | | | | |
| Cash and investments | \$ 341 | 515,304 | \$ 574,036 | \$ 2,245 | \$ 1,066,326 | \$ 3,663 | \$ 19,651 | \$ 1,584 |
| Accounts receivable | - | 21,615 | 4,332 | - | 7,379 | - | - | - |
| Interest receivable | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | - | 274,158 | 33,915 | - | 42,652 | - | 9,939 | - |
| Property taxes receivable | - | 336,700 | - | - | - | - | - | - |
| Loans receivable | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | 101 | - | - | - |
| TOTAL ASSETS | \$ 341 | \$ 1,147,777 | \$ 612,283 | \$ 2,245 | \$ 1,116,458 | \$ 3,663 | \$ 29,590 | \$ 1,584 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ 40,695 | \$ 20,258 | \$ - | \$ 10,357 | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | 1,835 | - | 4,749 | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | 18,783 | - |
| Total liabilities | - | 40,695 | 22,093 | - | 15,106 | - | 18,783 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | 104,093 | - | - | 13,353 | - | - | - |
| Subsequent year's property taxes | - | 336,700 | - | - | - | - | - | - |
| Total deferred inflows of resources | - | 440,793 | - | - | 13,353 | - | - | - |
| FUND BALANCES | | | | | | | | |
| Restricted: | | | | | | | | |
| General control and administration | - | - | - | - | - | - | - | - |
| Transportation | 341 | 666,289 | 590,190 | - | - | - | - | - |
| Public health and education | - | - | - | - | 1,087,999 | 3,663 | 10,807 | - |
| Public safety | - | - | - | - | - | - | - | 1,584 |
| Mental health | - | - | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | - | - | - | 2,245 | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances | 341 | 666,289 | 590,190 | 2,245 | 1,087,999 | 3,663 | 10,807 | 1,584 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 341 | \$ 1,147,777 | \$ 612,283 | \$ 2,245 | \$ 1,116,458 | \$ 3,663 | \$ 29,590 | \$ 1,584 |

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

| | Special Revenue | | | | | | | |
|--|---------------------------|--------------------------|---|--|--|-------------------------------------|-------------------|---------------------------------|
| | Rabies Control Fund | Mental Health Fund | Special Service District No. One Fund | Special Service District No. Two and Four Fund | Special Service District No. Five Fund | Rentech Energy Escrow Fund | 911 Fund | Sheriff's Forfeiture Fund |
| ASSETS | | | | | | | | |
| Cash and investments | \$ 5,931 | \$ 31,726 | \$ - | \$ - | \$ - | \$ 545 | \$ 181,720 | \$ 4,673 |
| Accounts receivable | 782 | - | - | - | - | - | 14,182 | 2,664 |
| Interest receivable | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | 30,638 | 100 |
| Property taxes receivable | - | 348,744 | 73,000 | 59,000 | 29,808 | - | - | - |
| Loans receivable | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 6,713 | \$ 380,470 | \$ 73,000 | \$ 59,000 | \$ 29,808 | \$ 545 | \$ 226,540 | \$ 7,437 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,472 | \$ 3,000 |
| Accrued liabilities | - | - | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Due to other funds | 5,900 | 1,000 | - | - | - | - | - | - |
| Total liabilities | 5,900 | 1,000 | - | - | - | - | 4,472 | 3,000 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | - | - | - | 6,709 | - |
| Subsequent year's property taxes | - | 348,744 | 73,000 | 59,000 | 29,808 | - | - | - |
| Total deferred inflows of resources | - | 348,744 | 73,000 | 59,000 | 29,808 | - | 6,709 | - |
| FUND BALANCES | | | | | | | | |
| Restricted: | | | | | | | | |
| General control and administration | - | - | - | - | - | 545 | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - | - | - |
| Public safety | 813 | - | - | - | - | - | 215,359 | 4,437 |
| Mental health | - | 30,726 | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances | 813 | 30,726 | - | - | - | 545 | 215,359 | 4,437 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 6,713 | \$ 380,470 | \$ 73,000 | \$ 59,000 | \$ 29,808 | \$ 545 | \$ 226,540 | \$ 7,437 |

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

Special Revenue

| | Economic Development Investment Fund | LTCB Matching Grant Fund | GIS Automation Fund | IL Municipal Retirement Fund | Social Security Fund | Probation Services Fund | Extension Education Fund | Insurance Fund |
|--|---|---|------------------------------------|---|-------------------------------------|--|---|---------------------------|
| ASSETS | | | | | | | | |
| Cash and investments | \$ 789,436 | \$ 56,836 | \$ 23,463 | \$ 451,513 | \$ 251,189 | \$ 81,912 | \$ 1 | \$ 624,063 |
| Accounts receivable | - | - | 142 | - | - | - | - | - |
| Interest receivable | 85 | - | - | - | - | 28 | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | 31,404 | - | 7,895 | - | - | 1,408 | - | - |
| Property taxes receivable | - | - | - | 541,651 | 258,776 | - | 81,156 | 402,409 |
| Loans receivable | 15,230 | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | 33 | - | - | - | - | - |
| TOTAL ASSETS | \$ 836,155 | \$ 56,836 | \$ 31,533 | \$ 993,164 | \$ 509,965 | \$ 83,348 | \$ 81,157 | \$ 1,026,472 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 295 | \$ - | \$ - | \$ 2,370 | \$ - | \$ 16,751 |
| Accrued liabilities | - | - | 2,047 | 31,895 | 14,462 | - | - | - |
| Unearned revenue | 31,404 | - | - | - | - | - | - | - |
| Due to other funds | - | 54,269 | - | 6,030 | 2,348 | - | - | - |
| Total liabilities | 31,404 | 54,269 | 2,342 | 37,925 | 16,810 | 2,370 | - | 16,751 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | - | - | - | - | - |
| Subsequent year's property taxes | - | - | - | 541,651 | 258,776 | - | 81,156 | 402,409 |
| Total deferred inflows of resources | - | - | - | 541,651 | 258,776 | - | 81,156 | 402,409 |
| FUND BALANCES | | | | | | | | |
| Restricted: | | | | | | | | |
| General control and administration | - | - | 29,191 | 413,588 | 234,379 | - | - | 607,312 |
| Transportation | - | - | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Mental health | - | - | - | - | - | - | - | - |
| County development | - | 2,567 | - | - | - | - | 1 | - |
| Court services | - | - | - | - | - | 80,978 | - | - |
| Committed | 804,751 | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| Total fund balances | 804,751 | 2,567 | 29,191 | 413,588 | 234,379 | 80,978 | 1 | 607,312 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 836,155 | \$ 56,836 | \$ 31,533 | \$ 993,164 | \$ 509,965 | \$ 83,348 | \$ 81,157 | \$ 1,026,472 |

(continued)

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

| | Special Revenue | | | | | | | |
|--|--|--------------------------------|------------------------------------|--------------------------------------|---|-------------------------------|---|--------------------------------------|
| | Circuit Clerk Automation Fund | Recorder Automation Fund | County Clerk Automation Fund | Court Document Storage Fund | County Treasurer Automation Fund | Election Equipment Fund | Maintenance and Child Support Fund | Probation EMHD Program Fund |
| ASSETS | | | | | | | | |
| Cash and investments | \$ 123,881 | \$ 118,693 | \$ 33,510 | \$ 150,012 | \$ 10,634 | \$ 13,416 | \$ 78,411 | \$ 3,879 |
| Accounts receivable | - | - | - | - | - | - | - | - |
| Interest receivable | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - |
| Due from other governments | 1,840 | 3,241 | 256 | 1,566 | - | - | 874 | - |
| Property taxes receivable | - | - | - | - | - | - | - | - |
| Loans receivable | - | - | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 125,721 | \$ 121,934 | \$ 33,766 | \$ 151,578 | \$ 10,634 | \$ 13,416 | \$ 79,285 | \$ 3,879 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 516 | \$ 3,298 | \$ - | \$ 5,786 | \$ - | \$ 14,922 | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - |
| Total liabilities | <u>516</u> | <u>3,298</u> | <u>-</u> | <u>5,786</u> | <u>-</u> | <u>14,922</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | - | - | - | - | - |
| Subsequent year's property taxes | - | - | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | | | |
| Restricted: | | | | | | | | |
| General control and administration | - | 118,636 | 33,766 | - | 10,634 | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Mental health | - | - | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | 125,205 | - | - | 145,792 | - | - | 79,285 | 3,879 |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | (1,506) | - | - |
| Total fund balances | <u>125,205</u> | <u>118,636</u> | <u>33,766</u> | <u>145,792</u> | <u>10,634</u> | <u>(1,506)</u> | <u>79,285</u> | <u>3,879</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 125,721 | \$ 121,934 | \$ 33,766 | \$ 151,578 | \$ 10,634 | \$ 13,416 | \$ 79,285 | \$ 3,879 |

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

| | Special Revenue | | | | | |
|--|---------------------|----------------------------|--|------------------------------|--------------------------|---|
| | Sheriff DUI Fund | Sheriff Vehicle Fund | Circuit Clerk Operation and Administrative Fund | Tourism Promotion Fund | Sale in Error Fund | JDC Emergency Services Communication Fund |
| ASSETS | | | | | | |
| Cash and investments | \$ 40,883 | \$ 68,431 | \$ 24,880 | \$ 697,107 | \$ 92,333 | \$ 342,094 |
| Accounts receivable | - | 4,838 | - | 81,324 | - | 70 |
| Interest receivable | - | - | - | 212 | - | - |
| Due from other funds | - | - | - | 54,269 | - | - |
| Due from other governments | 426 | 201 | 209 | 2,811 | - | 70 |
| Property taxes receivable | - | - | - | - | - | - |
| Loans receivable | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 41,309 | \$ 73,470 | \$ 25,089 | \$ 835,723 | \$ 92,333 | \$ 342,234 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 51 | \$ 4,831 | \$ - | \$ 53,010 | \$ - | \$ 266 |
| Accrued liabilities | - | - | - | 7,124 | - | - |
| Unearned revenue | - | - | - | 16,843 | - | - |
| Due to other funds | - | - | - | 5,690 | - | - |
| Total liabilities | <u>51</u> | <u>4,831</u> | <u>-</u> | <u>82,667</u> | <u>-</u> | <u>266</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | - | - | - |
| Subsequent year's property taxes | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| General control and administration | - | - | - | - | 92,333 | 341,968 |
| Transportation | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - |
| Public safety | 41,258 | 68,639 | - | - | - | - |
| Mental health | - | - | - | - | - | - |
| County development | - | - | - | 753,056 | - | - |
| Court services | - | - | 25,089 | - | - | - |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | <u>41,258</u> | <u>68,639</u> | <u>25,089</u> | <u>753,056</u> | <u>92,333</u> | <u>341,968</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 41,309 | \$ 73,470 | \$ 25,089 | \$ 835,723 | \$ 92,333 | \$ 342,234 |

(continued)
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JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

| | Special Revenue | | | | | |
|--|---------------------------|---|--|---------------------------|---|--|
| | Sobriety Court Fund | County Jail Medical Costs Fund | Coroner's Equipment and Operations Fund | County Transit Fund | JDC Natural Hazard Mitigation Fund | State's Attorney Records Automation Fund |
| ASSETS | | | | | | |
| Cash and investments | \$ 15,433 | \$ 7,147 | \$ 25,228 | \$ 287,162 | \$ 3 | \$ 3,731 |
| Accounts receivable | - | - | 575 | 20,427 | - | - |
| Interest receivable | - | - | - | 132 | - | - |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | 234 | 284 | - | 279,813 | - | 92 |
| Property taxes receivable | - | - | - | - | - | - |
| Loans receivable | - | - | - | 300,000 | - | - |
| Prepaid expenses | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 15,667 | \$ 7,431 | \$ 25,803 | \$ 887,534 | \$ 3 | \$ 3,823 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 2,790 | \$ - | \$ 118,581 | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - | - |
| Due to other funds | - | - | - | 2,171 | - | - |
| Total liabilities | - | 2,790 | - | 120,752 | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | 117,265 | - | - |
| Subsequent year's property taxes | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | 117,265 | - | - |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| General control and administration | - | - | - | - | - | - |
| Transportation | - | - | - | 649,517 | - | - |
| Public health and education | - | - | - | - | - | - |
| Public safety | - | 4,641 | 25,803 | - | 3 | - |
| Mental health | - | - | - | - | - | - |
| County development | - | - | - | - | - | - |
| Court services | 15,667 | - | - | - | - | 3,823 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | 15,667 | 4,641 | 25,803 | 649,517 | 3 | 3,823 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 15,667 | \$ 7,431 | \$ 25,803 | \$ 887,534 | \$ 3 | \$ 3,823 |

(continued)
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JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
November 30, 2014

Capital Projects

| | Public Health Capital Investment <u>Fund</u> | Tourism Capital Development <u>Fund</u> | County Capital Investment <u>Fund</u> | County Capital Equipment Replacement <u>Fund</u> | Home Health Care Capital Equipment <u>Fund</u> | GIS Capital Equipment & Investments <u>Fund</u> | Total Other Governmental <u>Funds</u> |
|--|---|--|--|---|---|--|--|
| ASSETS | | | | | | | |
| Cash and investments | \$ 323,923 | \$ 291,447 | \$ 220,180 | \$ 543,952 | \$ 49,045 | \$ 85,623 | \$ 8,337,196 |
| Accounts receivable | - | - | - | - | - | - | 158,330 |
| Interest receivable | 127 | - | - | - | - | 149 | 733 |
| Due from other funds | 25,000 | - | - | 2,000 | - | - | 81,269 |
| Due from other governments | - | - | - | - | - | - | 724,026 |
| Property taxes receivable | - | - | - | - | - | - | 2,131,244 |
| Loans receivable | - | - | - | - | - | - | 315,230 |
| Prepaid expenses | - | - | - | - | - | - | 134 |
| TOTAL ASSETS | \$ 349,050 | \$ 291,447 | \$ 220,180 | \$ 545,952 | \$ 49,045 | \$ 85,772 | \$ 11,748,162 |
| LIABILITIES | | | | | | | |
| Accounts payable | - | - | 7,935 | - | - | - | 310,184 |
| Accrued liabilities | - | - | - | - | - | - | 62,112 |
| Unearned revenue | - | - | - | - | - | - | 48,247 |
| Due to other funds | - | - | - | - | - | - | 96,191 |
| Total liabilities | - | - | 7,935 | - | - | - | 516,734 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Miscellaneous grants, taxes, and other charges | - | - | - | - | - | - | 241,420 |
| Subsequent year's property taxes | - | - | - | - | - | - | 2,131,244 |
| Total deferred inflows of resources | - | - | - | - | - | - | 2,372,664 |
| FUND BALANCES | | | | | | | |
| Restricted: | | | | | | | |
| General control and administration | - | - | - | - | - | - | 1,882,352 |
| Transportation | - | - | - | - | - | - | 1,906,337 |
| Public health and education | - | - | - | - | - | - | 1,102,469 |
| Public safety | - | - | - | - | - | - | 362,537 |
| Mental health | - | - | - | - | - | - | 30,726 |
| County development | - | - | - | - | - | - | 755,624 |
| Court services | - | - | - | - | - | - | 481,963 |
| Committed | - | - | - | - | - | - | 804,751 |
| Assigned | 349,050 | 291,447 | 212,245 | 545,952 | 49,045 | 85,772 | 1,533,511 |
| Unassigned | - | - | - | - | - | - | (1,506) |
| Total fund balances | 349,050 | 291,447 | 212,245 | 545,952 | 49,045 | 85,772 | 8,858,764 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 349,050 | \$ 291,447 | \$ 220,180 | \$ 545,952 | \$ 49,045 | \$ 85,772 | \$ 11,748,162 |

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014

| | Special Revenue | | | | | | | |
|--|--|---------------------------------|----------------------------------|---|-----------------------------|-------------------------|---|-----------------|
| | County Highway Capital Investment Fund | County Aid to Bridge Fund | County Motor Fuel Tax Fund | State's Attorney Drug Forfeiture Fund | Home Health Care Fund | HHC Memorial Fund | Public Health Emergency Preparedness Fund | Dog Fund |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ 338,518 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 286,236 | 697,516 | - | 467,631 | - | 9,939 | - |
| Charges for services | - | - | - | 1,127 | 52,005 | - | - | - |
| Interest | - | 297 | 2,905 | 1 | 4,297 | 8 | 39 | 1 |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other | - | - | 14,436 | - | 50 | - | - | 32 |
| Total revenues | <u>-</u> | <u>625,051</u> | <u>714,857</u> | <u>1,128</u> | <u>523,983</u> | <u>8</u> | <u>9,978</u> | <u>33</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General control and administration | - | - | - | - | - | - | - | - |
| Transportation | - | 45,530 | 531,345 | - | - | - | - | - |
| Public health and education | - | - | - | - | 485,171 | - | - | - |
| Public safety | - | - | - | - | - | - | - | 10 |
| Mental health | - | - | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | - | - | - | - | - | - | - | - |
| Capital outlay | - | 295,253 | - | - | 959 | - | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>340,783</u> | <u>531,345</u> | <u>-</u> | <u>486,130</u> | <u>-</u> | <u>-</u> | <u>10</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>-</u> | <u>284,268</u> | <u>183,512</u> | <u>1,128</u> | <u>37,853</u> | <u>8</u> | <u>9,978</u> | <u>23</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | (150,000) | (100,000) | - | (39,119) | - | (18,783) | (7,500) |
| | <u>-</u> | <u>(150,000)</u> | <u>(100,000)</u> | <u>-</u> | <u>(39,119)</u> | <u>-</u> | <u>(18,783)</u> | <u>(7,500)</u> |
| Net change in fund balance | - | 134,268 | 83,512 | 1,128 | (1,266) | 8 | (8,805) | (7,477) |
| FUND BALANCES, BEGINNING OF YEAR | <u>341</u> | <u>532,021</u> | <u>506,678</u> | <u>1,117</u> | <u>1,089,265</u> | <u>3,655</u> | <u>19,612</u> | <u>9,061</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 341</u> | <u>\$ 666,289</u> | <u>\$ 590,190</u> | <u>\$ 2,245</u> | <u>\$ 1,087,999</u> | <u>\$ 3,663</u> | <u>\$ 10,807</u> | <u>\$ 1,584</u> |

(continued)

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014

| | Special Revenue | | | | | | | |
|--|---------------------------|--------------------------|---|--|--|-------------------------------------|-------------------|---------------------------------|
| | Rabies Control Fund | Mental Health Fund | Special Service District No. One Fund | Special Service District No. Two and Four Fund | Special Service District No. Five Fund | Rentech Energy Escrow Fund | 911 Fund | Sheriff's Forfeiture Fund |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ 343,389 | \$ 72,900 | \$ 58,140 | \$ 27,264 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | 94,328 | - | - | - | - | - | 303,500 | 979 |
| Interest | 30 | 203 | 24 | 19 | 9 | 1 | 1,107 | 10 |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | 11,749 |
| Total revenues | <u>94,358</u> | <u>343,592</u> | <u>72,924</u> | <u>58,159</u> | <u>27,273</u> | <u>1</u> | <u>304,607</u> | <u>12,738</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General control and administration | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Public health and education | - | - | 72,924 | 58,159 | 27,273 | - | - | - |
| Public safety | - | - | - | - | - | - | 74,752 | 11,911 |
| Mental health | - | 340,222 | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | 98,358 | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>340,222</u> | <u>72,924</u> | <u>58,159</u> | <u>27,273</u> | <u>-</u> | <u>173,110</u> | <u>11,911</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>94,358</u> | <u>3,370</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>131,497</u> | <u>827</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | <u>(98,900)</u> | <u>(1,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(190,099)</u> | <u>-</u> |
| | <u>(98,900)</u> | <u>(1,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(190,099)</u> | <u>-</u> |
| Net change in fund balance | (4,542) | 2,370 | - | - | - | 1 | (58,602) | 827 |
| FUND BALANCES, BEGINNING OF YEAR | <u>5,355</u> | <u>28,356</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>544</u> | <u>273,961</u> | <u>3,610</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 813</u> | <u>\$ 30,726</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 545</u> | <u>\$ 215,359</u> | <u>\$ 4,437</u> |

(continued)

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014**

| | <u>Special Revenue</u> | | | | | | | |
|--|---|---|------------------------------------|---|-------------------------------------|--|---|---------------------------|
| | Economic Development Investment Fund | LTCB Matching Grant Fund | GIS Automation Fund | IL Municipal Retirement Fund | Social Security Fund | Probation Services Fund | Extension Education Fund | Insurance Fund |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 691,252 | \$ 258,628 | \$ - | \$ 81,106 | \$ 252,262 |
| Intergovernmental | 92,434 | 132,810 | - | 43,800 | 22,600 | - | - | - |
| Charges for services | - | - | 128,474 | - | - | 32,579 | - | - |
| Interest | 4,103 | - | 119 | 2,587 | 1,535 | 203 | 26 | 1,333 |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | 12,270 |
| Total revenues | <u>96,537</u> | <u>132,810</u> | <u>128,593</u> | <u>737,639</u> | <u>282,763</u> | <u>32,782</u> | <u>81,132</u> | <u>265,865</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General control and administration | - | - | 170,498 | 26,115 | 2,111 | - | - | 337,329 |
| Transportation | - | - | - | 14,455 | - | - | - | - |
| Public health and education | - | - | - | 21,274 | - | - | - | - |
| Public safety | - | - | - | 72,368 | - | - | - | - |
| Mental health | - | - | - | - | - | - | - | - |
| County development | 8,770 | - | - | 9,632 | - | - | 81,132 | - |
| Court services | - | - | - | 23,602 | - | 16,603 | - | - |
| Capital outlay | - | - | 47 | - | - | 5,773 | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>8,770</u> | <u>-</u> | <u>170,545</u> | <u>167,446</u> | <u>2,111</u> | <u>22,376</u> | <u>81,132</u> | <u>337,329</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>87,767</u> | <u>132,810</u> | <u>(41,952)</u> | <u>570,193</u> | <u>280,652</u> | <u>10,406</u> | <u>-</u> | <u>(71,464)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | 23,630 | 20,504 | 9,682 | - | - | 15,260 |
| Transfers out | - | (130,244) | (11,781) | (553,411) | (284,835) | (5,342) | - | - |
| | <u>-</u> | <u>(130,244)</u> | <u>11,849</u> | <u>(532,907)</u> | <u>(275,153)</u> | <u>(5,342)</u> | <u>-</u> | <u>15,260</u> |
| Net change in fund balance | 87,767 | 2,566 | (30,103) | 37,286 | 5,499 | 5,064 | - | (56,204) |
| FUND BALANCES, BEGINNING OF YEAR | <u>716,984</u> | <u>1</u> | <u>59,294</u> | <u>376,302</u> | <u>228,880</u> | <u>75,914</u> | <u>1</u> | <u>663,516</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 804,751</u> | <u>\$ 2,567</u> | <u>\$ 29,191</u> | <u>\$ 413,588</u> | <u>\$ 234,379</u> | <u>\$ 80,978</u> | <u>\$ 1</u> | <u>\$ 607,312</u> |

(continued)

JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014

| | Special Revenue | | | | | | | |
|--|--|--------------------------------|------------------------------------|--------------------------------------|---|-------------------------------|---|--------------------------------------|
| | Circuit Clerk Automation Fund | Recorder Automation Fund | County Clerk Automation Fund | Court Document Storage Fund | County Treasurer Automation Fund | Election Equipment Fund | Maintenance and Child Support Fund | Probation EMHD Program Fund |
| REVENUES | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | 12,793 | 4,242 | - |
| Charges for services | 27,936 | 42,848 | 5,234 | 23,625 | 1,640 | - | - | - |
| Interest | 176 | 190 | 109 | 64 | 23 | 2 | 160 | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | <u>28,112</u> | <u>43,038</u> | <u>5,343</u> | <u>23,689</u> | <u>1,663</u> | <u>12,795</u> | <u>4,402</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General control and administration | - | 70,081 | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - |
| Mental health | - | - | - | - | - | - | - | - |
| County development | - | - | - | - | - | - | - | - |
| Court services | - | - | - | - | - | - | - | - |
| Capital outlay | 22,957 | 1,518 | 4,000 | 13,670 | 2,744 | 14,922 | - | - |
| Debt service: | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | <u>22,957</u> | <u>71,599</u> | <u>4,000</u> | <u>13,670</u> | <u>2,744</u> | <u>14,922</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>5,155</u> | <u>(28,561)</u> | <u>1,343</u> | <u>10,019</u> | <u>(1,081)</u> | <u>(2,127)</u> | <u>4,402</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | (5,342) | - | - | - | - | - | (10,000) | - |
| | <u>(5,342)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(10,000)</u> | <u>-</u> |
| Net change in fund balance | (187) | (28,561) | 1,343 | 10,019 | (1,081) | (2,127) | (5,598) | - |
| FUND BALANCES, BEGINNING OF YEAR | <u>125,392</u> | <u>147,197</u> | <u>32,423</u> | <u>135,773</u> | <u>11,715</u> | <u>621</u> | <u>84,883</u> | <u>3,879</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 125,205</u> | <u>\$ 118,636</u> | <u>\$ 33,766</u> | <u>\$ 145,792</u> | <u>\$ 10,634</u> | <u>\$ (1,506)</u> | <u>\$ 79,285</u> | <u>\$ 3,879</u> |

(continued)

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014**

| | <u>Special Revenue</u> | | | | | |
|--|-----------------------------|-------------------------------------|--|---------------------------------------|-----------------------------------|--|
| | <u>Sheriff DUI Fund</u> | <u>Sheriff Vehicle Fund</u> | <u>Circuit Clerk Operation and Administrative Fund</u> | <u>Tourism Promotion Fund</u> | <u>Sale in Error Fund</u> | <u>JDC Emergency Services Communication Fund</u> |
| REVENUES | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 800,881 | - | 100,000 |
| Charges for services | 10,058 | 3,806 | 3,950 | 76,120 | - | - |
| Interest | - | 127 | 12 | 1,487 | 120 | 798 |
| Licenses and permits | - | - | - | - | - | 1,710 |
| Other | 2,334 | 12,054 | - | 527 | 9,840 | 2,140 |
| Total revenues | <u>12,392</u> | <u>15,987</u> | <u>3,962</u> | <u>879,015</u> | <u>9,960</u> | <u>104,648</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General control and administration | - | - | - | - | - | 3,834 |
| Transportation | - | - | - | - | - | - |
| Public health and education | - | - | - | - | - | - |
| Public safety | 2,343 | 13,870 | - | - | - | - |
| Mental health | - | - | - | - | - | - |
| County development | - | - | - | 891,598 | - | - |
| Court services | - | - | 1,705 | - | - | - |
| Capital outlay | - | 84,336 | - | - | - | 3,959 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | 90,333 |
| Interest | - | - | - | - | - | 26,867 |
| Total expenditures | <u>2,343</u> | <u>98,206</u> | <u>1,705</u> | <u>891,598</u> | <u>-</u> | <u>124,993</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>10,049</u> | <u>(82,219)</u> | <u>2,257</u> | <u>(12,583)</u> | <u>9,960</u> | <u>(20,345)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | 84,000 | - | 130,244 | - | 130,534 |
| Transfers out | - | - | - | (79,398) | - | - |
| | <u>-</u> | <u>84,000</u> | <u>-</u> | <u>50,846</u> | <u>-</u> | <u>130,534</u> |
| Net change in fund balance | 10,049 | 1,781 | 2,257 | 38,263 | 9,960 | 110,189 |
| FUND BALANCES, BEGINNING OF YEAR | <u>31,209</u> | <u>66,858</u> | <u>22,832</u> | <u>714,793</u> | <u>82,373</u> | <u>231,779</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 41,258</u> | <u>\$ 68,639</u> | <u>\$ 25,089</u> | <u>\$ 753,056</u> | <u>\$ 92,333</u> | <u>\$ 341,968</u> |

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**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014**

| | <u>Special Revenue</u> | | | | | |
|--|------------------------------------|---|--|------------------------------------|---|---|
| | <u>Sobriety Court Fund</u> | <u>County Jail Medical Costs Fund</u> | <u>Coroner's Equipment and Operations Fund</u> | <u>County Transit Fund</u> | <u>JDC Natural Hazard Mitigation Fund</u> | <u>State's Attorney Records Automation Fund</u> |
| REVENUES | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 3,886 | - | - | 637,593 | - | - |
| Charges for services | - | 3,351 | 9,345 | - | - | 1,566 |
| Interest | 7 | 5 | 11 | 1,088 | - | 1 |
| Licenses and permits | - | - | - | - | - | - |
| Other | - | - | - | 670,996 | - | - |
| Total revenues | <u>3,893</u> | <u>3,356</u> | <u>9,356</u> | <u>1,309,677</u> | <u>-</u> | <u>1,567</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General control and administration | - | - | - | - | - | - |
| Transportation | - | - | - | 739,169 | - | - |
| Public health and education | - | - | - | - | - | - |
| Public safety | - | 8,705 | 740 | - | - | - |
| Mental health | - | - | - | - | - | - |
| County development | - | - | - | - | - | - |
| Court services | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>8,705</u> | <u>740</u> | <u>739,169</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>3,893</u> | <u>(5,349)</u> | <u>8,616</u> | <u>570,508</u> | <u>-</u> | <u>1,567</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | (10,867) | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(10,867)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 3,893 | (5,349) | 8,616 | 559,641 | - | 1,567 |
| FUND BALANCES, BEGINNING OF YEAR | <u>11,774</u> | <u>9,990</u> | <u>17,187</u> | <u>89,876</u> | <u>3</u> | <u>2,256</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 15,667</u> | <u>\$ 4,641</u> | <u>\$ 25,803</u> | <u>\$ 649,517</u> | <u>\$ 3</u> | <u>\$ 3,823</u> |

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JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended November 30, 2014

| | Capital Projects | | | | | | |
|--|--|---|---|--|--|---|---|
| | Public Health Capital Investment Fund | Tourism Capital Development Fund | County Capital Investment Fund | County Capital Equipment Replacement Fund | Home Health Care Capital Equipment Fund | GIS Capital Equipment & Investments Fund | Total Other Governmental Funds |
| REVENUES | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,123,459 |
| Intergovernmental | - | - | - | - | - | - | 3,312,361 |
| Charges for services | - | - | - | - | - | - | 822,471 |
| Interest | 945 | 423 | 30 | 1,906 | 87 | 668 | 27,296 |
| Licenses and permits | - | - | - | - | - | - | 1,710 |
| Other | - | - | - | - | - | - | 736,428 |
| Total revenues | <u>945</u> | <u>423</u> | <u>30</u> | <u>1,906</u> | <u>87</u> | <u>668</u> | <u>7,023,725</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General control and administration | - | - | - | - | - | - | 609,968 |
| Transportation | - | - | - | - | - | - | 1,330,499 |
| Public health and education | - | - | - | - | - | - | 664,801 |
| Public safety | - | - | - | - | - | - | 184,699 |
| Mental health | - | - | - | - | - | - | 340,222 |
| County development | - | - | - | - | - | - | 991,132 |
| Court services | - | - | - | - | - | - | 41,910 |
| Capital outlay | - | - | 19,601 | 63,085 | - | - | 631,182 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | - | 90,333 |
| Interest | - | - | - | - | - | - | 26,867 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>19,601</u> | <u>63,085</u> | <u>-</u> | <u>-</u> | <u>4,911,613</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | <u>945</u> | <u>423</u> | <u>(19,571)</u> | <u>(61,179)</u> | <u>87</u> | <u>668</u> | <u>2,112,112</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 25,000 | - | - | 227,591 | 9,000 | 16,000 | 691,445 |
| Transfers out | (4,000) | - | - | - | - | (1,000) | (1,701,621) |
| | <u>21,000</u> | <u>-</u> | <u>-</u> | <u>227,591</u> | <u>9,000</u> | <u>15,000</u> | <u>(1,010,176)</u> |
| Net change in fund balance | 21,945 | 423 | (19,571) | 166,412 | 9,087 | 15,668 | 1,101,936 |
| FUND BALANCES, BEGINNING OF YEAR | <u>327,105</u> | <u>291,024</u> | <u>231,816</u> | <u>379,540</u> | <u>39,958</u> | <u>70,104</u> | <u>7,756,828</u> |
| FUND BALANCES (DEFICIT), END OF YEAR | <u>\$ 349,050</u> | <u>\$ 291,447</u> | <u>\$ 212,245</u> | <u>\$ 545,952</u> | <u>\$ 49,045</u> | <u>\$ 85,772</u> | <u>\$ 8,858,764</u> |

JO DAVIESS COUNTY, ILLINOIS
FIDUCIARY FUNDS
November 30, 2014

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:

Township Motor Fuel Tax Fund: 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.

Township Bridge Fund: 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.

Work Release Fund: 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.

Circuit Clerk Fund: 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.

Marriage Fund: 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.

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

Inheritance Tax Fund: 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, 2014

Fiduciary Fund types (Continued)

Probation Restitution Fund: 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.

Insurance Clearing Fund: 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.

Treasurer's Fee Account Fund: Clearing account for funds.

Inmate Commissary Fund: 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.

Sheriff's Kids First Fund: The purpose of this fund is to support programs for children (i.e. Shop-with-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, 2014

| | <u>Township Motor Fuel Tax Fund</u> | <u>Lost and Unknown Heirs Fund</u> | <u>Township Bridge Fund</u> | <u>County Collector's Fund</u> | <u>Work Release Fund</u> | <u>Circuit Clerk Fund</u> | <u>Marriage Fund</u> | <u>County Clerk's Tax Redemption Fund</u> |
|---|---|--|---------------------------------|--|------------------------------|-------------------------------|--------------------------|---|
| ASSETS | | | | | | | | |
| Cash and investments | \$ 645,203 | \$ 81 | \$ 172,389 | \$ 84,817 | \$ 821 | \$ 151,251 | \$ 3,576 | \$ 71,954 |
| Due from other governments | <u>80,367</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 725,570</u> | <u>\$ 81</u> | <u>\$ 172,389</u> | <u>\$ 84,817</u> | <u>\$ 821</u> | <u>\$ 151,251</u> | <u>\$ 3,576</u> | <u>\$ 71,954</u> |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 31,295 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to individuals and private entities | 694,275 | 81 | 172,389 | - | 821 | 43,276 | 3,576 | 71,954 |
| Due to other governments | <u>-</u> | <u>-</u> | <u>-</u> | <u>84,817</u> | <u>-</u> | <u>107,975</u> | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>\$ 725,570</u> | <u>\$ 81</u> | <u>\$ 172,389</u> | <u>\$ 84,817</u> | <u>\$ 821</u> | <u>\$ 151,251</u> | <u>\$ 3,576</u> | <u>\$ 71,954</u> |

(continued)

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

| | <u>Inheritance Tax Fund</u> | <u>Probation Restitution Fund</u> | <u>Insurance Clearing Fund</u> | <u>Treasurer's Fee Account Fund</u> | <u>Inmate Commissary Fund</u> | <u>Sheriff's Kids First Fund</u> | <u>Total</u> |
|---|---------------------------------|---|------------------------------------|---|---------------------------------------|--|---------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 1 | \$ 3,621 | \$ 56,287 | \$ 12 | \$ 30,774 | \$ 1,005 | \$ 1,221,792 |
| Due from other governments | - | - | - | - | - | - | 80,367 |
| TOTAL ASSETS | <u>\$ 1</u> | <u>\$ 3,621</u> | <u>\$ 56,287</u> | <u>\$ 12</u> | <u>\$ 30,774</u> | <u>\$ 1,005</u> | <u>\$ 1,302,159</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | - | - | - | - | - | - | 31,295 |
| Due to individuals and private entities | 1 | 3,621 | 56,287 | 12 | 30,774 | 1,005 | 1,078,072 |
| Due to other governments | - | - | - | - | - | - | 192,792 |
| TOTAL LIABILITIES | <u>\$ 1</u> | <u>\$ 3,621</u> | <u>\$ 56,287</u> | <u>\$ 12</u> | <u>\$ 30,774</u> | <u>\$ 1,005</u> | <u>\$ 1,302,159</u> |

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

| | Balance November 30, <u>2013</u> | <u>Additions</u> | <u>Deletions</u> | Balance November 30, <u>2014</u> |
|--|---|-------------------------|-------------------------|---|
| Township Motor Fuel Tax Fund | | | | |
| Assets: | | | | |
| Cash and investments | \$ 396,886 | \$ 1,275,929 | \$ 1,027,612 | \$ 645,203 |
| Due from other governments | 68,646 | 1,224,276 | 1,212,555 | 80,367 |
| | <u>\$ 465,532</u> | <u>\$ 2,500,205</u> | <u>\$ 2,240,167</u> | <u>\$ 725,570</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 30,153 | \$ 1,032,944 | \$ 1,031,802 | \$ 31,295 |
| Due to individuals and private entities | 435,379 | 1,467,261 | 1,208,365 | 694,275 |
| | <u>\$ 465,532</u> | <u>\$ 2,500,205</u> | <u>\$ 2,240,167</u> | <u>\$ 725,570</u> |
| | | | | |
| Lost and Unknown Heirs Fund | | | | |
| Assets, cash and investments | <u>\$ 81</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 81</u> |
| Liabilities, due to individuals and private entities | <u>\$ 81</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 81</u> |
| | | | | |
| Township Bridge Fund | | | | |
| Assets, cash and investments | <u>\$ 20,528</u> | <u>\$ 151,861</u> | <u>\$ -</u> | <u>\$ 172,389</u> |
| Liabilities, due to individuals and private entities | \$ 20,528 | \$ 55 | \$ - | \$ 20,583 |
| Due to other funds | - | 151,806 | - | 151,806 |
| | <u>\$ 20,528</u> | <u>\$ 151,861</u> | <u>\$ -</u> | <u>\$ 172,389</u> |
| | | | | |
| County Collector's Fund | | | | |
| Assets, cash and investments | <u>\$ 313,329</u> | <u>\$ 50,078,206</u> | <u>\$ 50,306,718</u> | <u>\$ 84,817</u> |
| Liabilities, due to other governments | <u>\$ 313,329</u> | <u>50,078,206</u> | <u>50,306,718</u> | <u>\$ 84,817</u> |

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

| | Balance November 30, <u>2013</u> | <u>Additions</u> | <u>Deletions</u> | Balance November 30, <u>2014</u> |
|--|---|-------------------------|-------------------------|---|
| Work Release Fund | | | | |
| Assets, cash and investments | \$ 821 | \$ 46,229 | \$ 46,229 | \$ 821 |
| Liabilities, due to individuals and private entities | \$ 821 | \$ 46,229 | \$ 46,229 | \$ 821 |
| Circuit Clerk Fund | | | | |
| Assets, cash and investments | \$ 150,186 | \$ 956,786 | \$ 955,721 | \$ 151,251 |
| Liabilities, due to individuals and private entities | \$ 34,708 | \$ 945,265 | \$ 936,697 | \$ 43,276 |
| Due to other governments | 115,478 | 11,521 | 19,024 | 107,975 |
| | <u>\$ 150,186</u> | <u>\$ 956,786</u> | <u>\$ 955,721</u> | <u>\$ 151,251</u> |
| Marriage Fund | | | | |
| Assets, cash and investments | \$ 3,154 | \$ 422 | \$ - | \$ 3,576 |
| Liabilities, due to individuals and private entities | \$ 3,154 | \$ 422 | \$ - | \$ 3,576 |
| County Clerk's Tax Redemption Fund | | | | |
| Assets, cash and investments | \$ 63,425 | \$ 677,764 | \$ 669,235 | \$ 71,954 |
| Liabilities, due to individuals and private entities | \$ 63,425 | \$ 677,764 | \$ 669,235 | \$ 71,954 |
| Inheritance Tax Fund | | | | |
| Assets, cash and investments | \$ 1 | \$ - | \$ - | \$ 1 |
| Liabilities, due to individuals and private entities | \$ 1 | \$ - | \$ - | \$ 1 |
| Probation Restitution Fund | | | | |
| Assets, cash and investments | \$ 6,170 | \$ 2,714 | \$ 5,263 | \$ 3,621 |
| Liabilities, due to individuals and private entities | \$ 6,170 | \$ 2,714 | \$ 5,263 | \$ 3,621 |

JO DAVIESS COUNTY, ILLINOIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
November 30, 2014

| | <u>Balance</u> <u>November 30,</u> <u>2013</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>November 30,</u> <u>2014</u> |
|--|--|----------------------|----------------------|--|
| Insurance Clearing Fund | | | | |
| Assets, cash and investments | \$ 68,274 | \$ 1,285,931 | \$ 1,297,918 | \$ 56,287 |
| Liabilities, due to individuals and private entities | \$ 68,274 | \$ 1,285,931 | \$ 1,297,918 | \$ 56,287 |
| Treasurer's Fee Account Fund | | | | |
| Assets, cash and investments | \$ 12 | \$ 26,474 | \$ 26,474 | \$ 12 |
| Liabilities, due to individuals and private entities | \$ 12 | \$ 26,474 | \$ 26,474 | \$ 12 |
| Inmate Commissary Fund | | | | |
| Assets, cash and investments | \$ 34,239 | \$ 54,564 | \$ 58,029 | \$ 30,774 |
| Liabilities, due to individuals and private entities | \$ 34,239 | \$ 54,564 | \$ 58,029 | \$ 30,774 |
| Sheriff's Kids First Fund | | | | |
| Assets, cash and investments | \$ 1,255 | \$ - | \$ 250 | \$ 1,005 |
| Liabilities, due to individuals and private entities | \$ 1,255 | \$ - | \$ 250 | \$ 1,005 |
| Totals - All Agency Funds | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,058,361 | \$ 54,556,880 | \$ 54,393,449 | \$ 1,221,792 |
| Due from other governments | 68,646 | 1,224,276 | 1,212,555 | 80,367 |
| Total assets | <u>\$ 1,127,007</u> | <u>\$ 55,781,156</u> | <u>\$ 55,606,004</u> | <u>\$ 1,302,159</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 30,153 | \$ 1,032,944 | \$ 1,031,802 | \$ 31,295 |
| Due to individuals and private entities | 668,047 | 4,506,679 | 4,248,460 | 926,266 |
| Due to other funds | - | 151,806 | - | 151,806 |
| Due to other governments | 428,807 | 50,089,727 | 50,325,742 | 192,792 |
| Total liabilities | <u>\$ 1,127,007</u> | <u>\$ 55,781,156</u> | <u>\$ 55,606,004</u> | <u>\$ 1,302,159</u> |

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS
Year Ended November 30, 2014
(Unaudited)

| Tax Year | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|-------------------------------|----------------|----------------|----------------|
| Equalized assessed valuations | \$ 677,425,066 | \$ 724,614,974 | \$ 760,254,141 |

Tax rates (maximum allowable is disclosed in parentheses):

| | | | |
|---|----------------|----------------|----------------|
| General (as needed) | 0.27590 | 0.25108 | 0.22788 |
| Highway (.200) | 0.13236 | 0.11554 | 0.10489 |
| Bridges (.050) | 0.05000 | 0.04582 | 0.04010 |
| Federal aid matching (.050) | 0.04850 | 0.04416 | 0.04010 |
| Illinois municipal retirement (as needed) | 0.10210 | 0.06921 | 0.06322 |
| Social security (as needed) | 0.03820 | 0.03571 | 0.03405 |
| Extension education (.050) | 0.01198 | 0.01106 | 0.01056 |
| County health (.150) | 0.07706 | 0.07204 | 0.06868 |
| Insurance (as needed) | 0.03726 | 0.05553 | 0.05294 |
| Mental health (.150) | <u>0.05072</u> | <u>0.04741</u> | <u>0.04432</u> |
| County wide totals | <u>0.82408</u> | <u>0.74756</u> | <u>0.68674</u> |

Tax rates (maximum allowable is disclosed in parentheses):

| | | | |
|---|----------------|----------------|----------------|
| Special service district number one (.100) | 0.10000 | 0.08965 | 0.07919 |
| Special service district number two and four (.100) | 0.10000 | 0.10000 | 0.10000 |
| Special service district number five (.110) | <u>0.11000</u> | <u>0.10764</u> | <u>0.10638</u> |
| Special service district totals | <u>0.31000</u> | <u>0.29729</u> | <u>0.28557</u> |

Tax levies:

| | | | |
|-------------------------------|---------------------|---------------------|---------------------|
| General | \$ 1,869,011 | \$ 1,821,096 | \$ 1,734,242 |
| Highway | 896,607 | 837,975 | 798,009 |
| Bridges | 339,415 | 339,776 | 305,021 |
| Federal aid matching | 328,546 | 320,297 | 305,021 |
| Illinois municipal retirement | 691,626 | 502,000 | 481,000 |
| Social security | 258,760 | 259,000 | 259,000 |
| Extension education | 81,142 | 80,252 | 80,252 |
| County health | 522,013 | 522,509 | 522,509 |
| Insurance | 252,379 | 402,764 | 402,764 |
| Mental health | <u>343,540</u> | <u>343,896</u> | <u>337,153</u> |
| County wide totals | <u>\$ 5,583,039</u> | <u>\$ 5,429,565</u> | <u>\$ 5,224,971</u> |

Tax levies:

| | | | |
|--|-------------------|-------------------|-------------------|
| Special service district number one | \$ 80,000 | \$ 80,000 | \$ 80,000 |
| Special service district number two and four | 64,000 | 64,000 | 64,000 |
| Special service district number five | <u>29,808</u> | <u>28,317</u> | <u>28,317</u> |
| Special service district totals | <u>\$ 173,808</u> | <u>\$ 172,317</u> | <u>\$ 172,317</u> |

(continued)

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS
Year Ended November 30, 2014
(Unaudited)

| Tax Year | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|---------------------|
| Tax extensions: | | | |
| General | \$ 1,869,016 | \$ 1,819,363 | \$ 1,732,467 |
| Highway | 896,640 | 837,220 | 797,431 |
| Bridges | 338,712 | 332,019 | 304,862 |
| Federal aid matching | 328,551 | 319,990 | 304,862 |
| Illinois municipal retirement | 691,651 | 501,506 | 480,633 |
| Social security | 258,776 | 258,760 | 258,867 |
| Extension education | 81,155 | 80,142 | 80,283 |
| County health | 522,024 | 522,013 | 522,142 |
| Insurance | 252,409 | 402,379 | 402,478 |
| Mental health | <u>343,590</u> | <u>343,540</u> | <u>336,944</u> |
| County wide totals | <u>\$ 5,582,524</u> | <u>\$ 5,416,932</u> | <u>\$ 5,220,969</u> |
| Tax extensions: | | | |
| Special service district number one | \$ 72,977 | \$ 80,003 | \$ 80,004 |
| Special service district number two and four | 58,243 | 61,317 | 63,184 |
| Special service district number five | <u>27,312</u> | <u>28,319</u> | <u>28,318</u> |
| Special service district totals | <u>\$ 158,532</u> | <u>\$ 169,639</u> | <u>\$ 171,506</u> |

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED
FOR TORT IMMUNITY PURPOSES
Year Ended November 30, 2014
(Unaudited)

| | |
|--|-------------------|
| Property, liability and workers' compensation insurance | \$ 332,492 |
| County's share of insurance costs paid by the Regional Superintendent's Trust Fund | <u>4,837</u> |
| Total | <u>\$ 337,329</u> |

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, 2014, 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, 2015.

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.

Internal Control Over Financial Reporting (Continued)

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 2014-001 and 2014-002 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

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

Champaign, IL
May 7, 2015

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2014

FINDING NO. 2014-001 - PREPARATION OF THE FINANCIAL STATEMENTS

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition: The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and ensure related footnote disclosures are complete and presented in accordance with GAAP.

Context: Management has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff capacity to prepare the annual financial statements including footnote disclosures.

Cause: The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

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, 2015 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.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended November 30, 2014**

FINDING NO. 2014-002 - SEGREGATION OF DUTIES - CIRCUIT CLERK'S OFFICE

Criteria or Specific Requirement: An effective system of internal control is based on a good segregation of duties. In order to have a system of segregation of duties, there must be a number of personnel available to whom responsibilities can be assigned to provide the appropriate checks and balances of any system.

Condition: Due to the limited number of personnel performing functions in the Jo Daviess County, Illinois Circuit Clerk's Office, there is a lack of segregation of duties over accounting transactions in this office.

Context: The lack of segregation duties, due to the limited number of personnel involved in accounting transactions in the Jo Daviess County, Illinois Circuit Clerk's Office, was observed during our audit fieldwork as part of our review of the system of internal control.

Cause: There are a limited number of personnel involved in accounting transactions within the Jo Daviess County, Illinois Circuit Clerk's Office.

Effect: As a result of the lack of segregation of duties in the Jo Daviess County, Illinois Circuit Clerk's office, due to the limited number of personnel involved in accounting transactions, there is a higher risk that errors or misappropriation could occur and not be detected within a timely period.

Recommendation: When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities.

Views of Responsible Officials and Planned Corrective Action: To the extent possible, monitoring monthly financial results will continue in the Jo Daviess County, Illinois Circuit Clerk's Office. The office did formalize its financial transaction procedures during FY14 in a written policy.

JO DAVIESS COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended November 30, 2014

YEAR ENDED NOVEMBER 30, 2013

**FINDING NO. 2013-001 - 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 2014-001.

FINDING NO. 2013-002 - 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 2014-002.

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

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.

Condition was not repeated in the current year.