

JO DAVIESS COUNTY, ILLINOIS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED NOVEMBER 30, 2015



CliftonLarsonAllen

**JO DAVIESS COUNTY, ILLINOIS
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INDEPENDENT AUDITORS' REPORT

Jo Daviess 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, 2015, 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.

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, 2015, 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.

Emphasis-of-Matter

During fiscal year ended November 30, 2015, Jo Daviess County, Illinois, adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. As a result of the implementation of these standards, Jo Daviess County, Illinois, reported a restatement of beginning net position for the change in accounting principle (see Note 12). Our auditors' opinion was not modified with respect to the restatement.

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 21, schedule of employer contributions, and schedule of changes in net pension liability and related ratios on pages 55 through 56, and budgetary comparison information on pages 57 through 60, 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 schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Jo Daviess County Board
Jo Daviess County, Illinois

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

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 April 28, 2016, on our consideration of Jo Daviess County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jo Daviess County, Illinois' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Champaign, Illinois
April 28, 2016

Management's Discussion and Analysis
Year Ended November 30, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements, which begins on page 22 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 \$34,955,042 and \$33,377,967, as restated, (net position) at the close of fiscal years 2015 and 2014, respectively. Of fiscal year 2015 amount, \$18,922,294 represented the County's net investment in capital assets, \$10,617,155 was held for restricted purposes, and \$5,415,592 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 \$1,577,075 and \$1,463,123, as restated, in fiscal years 2015 and 2014, respectively.

At the close of the current fiscal year, in the fund statements, the County's governmental funds reported combined ending fund balances of \$16,512,889, an increase of \$707,463 in comparison to the prior year. Approximately 23 percent of this total amount, \$3,716,507, is available for spending at the government's discretion (unassigned fund balance).

The unassigned fund balance in the General Fund was \$3,715,880 or 55 percent of total General Fund expenditures for fiscal year ended 2015.

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, 3) notes to basic financial statements, and 4) required supplementary information. 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 22 through 24 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, County Transit, 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, County Transit Fund, and Public Health Fund to demonstrate compliance with this budget on pages 57 through 60.

The basic governmental fund financial statements can be found on pages 25 through 28 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 \$1,229,664 and \$1,302,159 for fiscal years ended 2015 and 2014, respectively.

The basic fiduciary fund financial statement can be found on page 29 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.

Management's Discussion and Analysis
Year Ended November 30, 2015

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 \$34,955,042, which represents an increase of \$1,577,075 from 2014. Please note that the 2014 figures were restated related to the implementation of GASB 68/71 in fiscal year 2015 (see Note 12).

Of the County's net position, 54 percent for fiscal years ended 2015 and 2014, 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	
	2015	2014 (restated)
Current and Other Assets	\$ 24,280,417	\$ 23,883,870
Capital Assets, Net	19,544,702	19,134,098
Total Assets	<u>43,825,119</u>	<u>43,017,968</u>
Deferred Outflows of Resources	1,652,750	633,651
Current Liabilities	1,592,308	2,211,879
Noncurrent Liabilities	2,692,268	2,165,578
Total Liabilities	<u>4,284,576</u>	<u>4,377,457</u>
Deferred Inflows of Resources	6,238,251	5,896,195
Net Position:		
Net Investment in Capital Assets	18,922,294	18,405,098
Restricted for:		
General Control and Administration	2,123,381	1,882,352
Transportation	4,406,856	4,355,156
Public Health and Education	2,271,591	2,515,705
Mental Health	34,242	30,726
Public Safety	419,403	369,246
Court Services	479,043	481,963
County Development	882,639	755,624
Unrestricted	<u>5,415,593</u>	<u>4,582,097</u>
Total Net Position	<u>\$ 34,955,042</u>	<u>\$ 33,377,967</u>

A portion of the County's net position \$10,617,155 (30 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, \$5,415,592 (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, 2015

Government-Wide Financial Analysis (Continued)

At the end of fiscal year 2015, 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 \$1,577,075 during the current fiscal year.

Table 2 highlights the County's revenues and expenses for the fiscal years ended November 30, 2015 and 2014. 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	
	2015	2014 (restated)
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,085,340	\$ 3,324,885
Operating Grants and Contributions	1,081,130	1,006,115
Capital Grants and Contributions	943,921	981,553
General Revenues:		
Local Property Taxes	5,886,729	5,737,598
Hotel/Motel Taxes	840,257	800,880
State Income Tax	1,227,787	1,104,788
Motor Fuel Tax	516,809	664,875
Sales Tax	1,028,714	1,016,198
Corporate Personal Property Replacement Taxes	235,066	220,441
Other Taxes	256,227	218,682
Unrestricted Investment Earnings	56,348	60,373
Other Taxes	421,676	871,470
Total Revenues	<u>\$ 15,580,004</u>	<u>\$ 16,007,858</u>

Management's Discussion and Analysis
Year Ended November 30, 2015

Government-Wide Financial Analysis (Continued)

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

	Governmental Activities	
	2015	2014 (restated)
Expenses:		
General Control and Administration	\$ 2,388,581	\$ 2,628,468
Transportation	3,561,988	3,259,464
Public Health and Education	1,341,196	1,509,936
Public Safety	3,911,277	4,066,519
Mental Health	345,453	341,975
County Development	1,171,121	1,236,943
Court Services	1,272,705	1,474,563
Interest	10,608	26,867
Total Expenses	<u>14,002,929</u>	<u>14,544,735</u>
INCREASE IN NET POSITION	1,577,075	1,463,123
Net Position - Beginning of Year	<u>33,377,967</u>	<u>31,914,844</u>
NET POSITION - END OF YEAR	<u>\$ 34,955,042</u>	<u>\$ 33,377,967</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	Net	Total Cost	Net
	of Services	(Expense) of	of Services	(Expense) of
	2015	Services	2014 (restated)	Services
		2015		2014 (restated)
General Control and Administration	\$ 2,388,581	\$ (1,041,344)	\$ 2,628,468	\$ (1,371,984)
Transportation	3,561,988	(1,855,545)	3,259,464	(1,379,239)
Public Health and Education	1,341,196	(586,563)	1,509,936	(671,190)
Public Safety	3,911,277	(3,449,156)	4,066,519	(3,671,392)
Mental Health	345,453	(345,453)	341,975	(341,975)
County Development	1,171,121	(780,047)	1,236,943	(770,754)
Court Services	1,272,705	(823,822)	1,474,563	(998,781)
Interest	10,608	(10,608)	26,867	(26,867)
Total	<u>\$ 14,002,929</u>	<u>\$ (8,892,538)</u>	<u>\$ 14,544,735</u>	<u>\$ (9,232,182)</u>

Net cost of services is 64 percent and 63 percent of total cost of services in 2015 and 2014, respectively. This reflects a continued reliance on taxes and other general revenues sources to fund the cost of services.

Management's Discussion and Analysis
Year Ended November 30, 2015

Government-Wide Financial Analysis (Continued)

Revenues: Total government-wide revenue decreased \$427,854 or 2.7 percent from the prior year. If property taxes in the amount of \$5,886,729 are factored out of the total all other government-wide revenue decreased \$576,985 or 5.6 percent. Program revenue decreased \$202,162 or 3.8 percent. A significant portion of this decrease is due to less revenue from charges for services and less revenue from capital grants; this was partially offset by increased revenue from operation grants and contributions for public health and transportation projects. The most significant sources of revenue during fiscal year 2015 were property taxes, grants and contributions, state income tax, and charges for services. The most significant sources of revenue during fiscal year 2015 continued to be property taxes at 37.8 percent (up from 35.8 percent in 2014), charges for services at 19.8 percent (down from 20.8 percent in 2014), operating grants and contributions at 6.9 percent (up from 6.3 percent in 2014), and capital grants and contributions at 6.1 percent (same as 6.1 percent in 2014). Other general revenue sources (as a percent of total revenue) include: state income tax 7.9 percent, sales tax 6.6 percent, hotel/motel tax 5.4 percent, motor fuel tax 3.3 percent, other 2.7 percent, other taxes 1.6 percent, corporate personal property replacement tax 1.5 percent, and unrestricted investment earnings 0.4 percent.

Expenses: Total government-wide expenses decreased \$541,806 or 4.0 percent from the prior year. Programs which experienced an increase in fiscal year 2015 include transportation \$302,524 or 9.3 percent, and mental health \$3,478 or 1.0 percent. Programs which experienced a decrease include general control and administration \$239,887 or 9.1 percent, public health and education \$168,740 or 11.2 percent, public safety \$155,242 or 3.8 percent, county development \$65,822 or 5.3 percent and court services which decreased \$201,858 or 13.6 percent.

The most significant classification of expenses supporting County operations are personnel related costs. In fiscal year 2015 government-wide expenses for personnel costs (salaries, wages, pension contributions, employee benefits and health insurance) totaled approximately \$7,403,935. This is a decrease of \$73,948 or 1.0 percent less than the prior year total of \$7,477,883. Salaries and wages totaled \$5,382,364, a decrease of \$37,574 or 0.7 percent less than the prior year total of \$5,419,938. A majority of this decrease can be contributed to salaries-part-time which decreased \$61,408 or 27.1 percent from prior year and salaries-overtime which decreased \$57,185 or 16.8% from prior year. These decreases were partially offset by salaries-full-time which increased \$81,579 or 1.7% from prior year. Employee benefits (social security, Medicare, health insurance, unemployment, and IMRF pension contributions) totaled \$2,021,571. This is a decrease of \$36,374 or 1.8 percent under the prior year total of \$2,057,945. A majority of this decrease can be contributed to the IMRF/retirement contributions which decreased \$26,250 or 3.7 percent from prior year. Personnel costs for salaries/wages and employee benefits represent 52.4 percent and 51.4 percent of the County's total cost of services for governmental activities in 2015 and 2014 (restated), 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, 2015), the County's governmental funds reported combined ending fund balances of \$16,512,889, an increase of \$707,463 in comparison with the prior year. Approximately 23 percent of this total amount, \$3,715,880, 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 \$3,715,880 while total fund balance reached \$3,772,714 (this includes the Contingency Fund). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. Unassigned fund balance represents approximately 54.6 percent of total actual General Fund expenditures (\$6,803,032), while total fund balance represents approximately 55.5 percent of that same amount.

The fund balance of the County's General Fund increased by \$428,897 during the current year (this includes the Contingency Fund). The fund balance of the General Fund increased \$204,714 and the Contingency Fund increased \$224,183. The FY2015 General Fund budget (less the Contingency Fund), before the appropriation of fund balance, was a deficit budget in the amount of \$384,908. The General Fund (less the Contingency Fund) exceeded budget expectations by \$589,622. Combined actual revenue exceeded budget by \$359,590 or 5.9%. Total combined expenditures were less than budget by \$647,542 or 8.7%. Total combined revenue was up \$676,345 or 11.7% and total combined expenditures were down \$27,904 or 0.4% from prior year. Transfers in were \$28,261 or 2.2% less and transfers out were \$45,475 or 10.4% more than prior year.

The County Highway Fund had a fund balance of \$1,494,739 which increased \$290,467 from the prior year. This increase is primarily due to less than anticipated expenditures for salaries and benefits, fuel/oil, and capital building and equipment purchases.

Management's Discussion and Analysis
Year Ended November 30, 2015

Financial Analysis of the Government's Funds (Continued)

The County Transit Fund had a fund balance of \$655,411 which increased \$5,894 from the prior year. This increase is primarily due to less than anticipated expenditures for operating expenses and capital building expenditures.

The Public Health Fund had a fund balance of \$1,203,654, which decreased \$196,229 from the prior year (this includes the Catastrophic Public Health Emergency Fund). This decrease is primarily due to lower revenue from property taxes compared to prior year.

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 2015. 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 (\$6,475,832) exceeded estimates (\$6,116,242) for the period by \$359,590 (this includes the Contingency Fund). This increase is primarily due to more than anticipated receipts of intergovernmental revenues of \$195,095. In addition the Contingency Fund received \$85,599 in unanticipated reimbursement revenue from the BNSF Railroad as a result of the Galena train derailment which occurred in March of 2015. General Fund revenue sources which exceeded expectations by more than \$15,000 include: State income tax \$107,393, building permits \$55,418, local use tax \$43,191, penalties on tax collection \$36,209, county supplemental sales tax (0.25%) \$32,609, housing of prisoners \$21,168, and CPPRT \$19,544. These variances were partially offset by revenue projections which fell short of expectations by more than \$15,000 including: Court costs/fines/fees \$61,260, and interfund transfers from Rabies Control fund \$15,043 and IMRF fund \$19,669.

Budget to Actual Expenditures: Total expenditures (\$6,803,032) were less than budget (\$7,450,576) for the period by \$647,542. General Fund expenditure categories less than budget include: General control and administration \$429,921, Public health and education \$23,421, Public Safety \$32,216, County development \$19,932, Court services \$135,349 and Capital outlay \$6,703. Personnel costs of \$5,533,833 were less than the budget amount of \$5,664,794 by \$130,961 or 2.3% percent. Personnel line items under budget include: Salaries full-time \$2,765, salaries part-time \$51,523, health insurance \$116,292, IMRF \$13,400, social security \$10,602, and per diem \$7,840. Overtime exceeded budget by \$73,886. Personnel costs represented 81.3 percent of total General Fund expenditures.

General Fund Budgetary Variances (Continued)

The General Fund had a year-end fund balance of \$3,772,714. While this is an increase of \$428,897 from the prior year (this includes the Contingency Fund), it also represents an increase of \$1,013,255 over the \$584,358 deficit anticipated when the fiscal year 2015 budget was adopted.

Major Special Revenue Fund Variances

County Highway Fund: The County Highway Fund had a fund balance of \$1,494,739, which is a \$290,467 increase from the prior year. Actual revenues exceeded expectations by \$121,196. This increase is primarily due to more than anticipated receipts of County 1% sales tax revenues of \$24,425, and unanticipated reimbursement revenue of \$50,715 from the BNSF Railroad as a result of the Galena train derailment which occurred in March of 2015. Actual expenditures were less than budget by \$365,849. This was primarily due to less than anticipated personnel costs \$156,390, automotive fuel/oil \$54,038, buildings \$75,452, and equipment purchases \$49,463.

Capital Asset and Long-Term Debt Activity

Capital assets: Jo Daviess County, Illinois' investment in capital assets for its governmental activities amounted to \$19,544,702 and \$19,134,098 (net of accumulated depreciation) as of November 30, 2015 and 2014, 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 2015 include: completion of major deck repairs on Menominee Township Bridge on High Ridge Road Bridge over Sinsinawa River and Woodbine Township Bridge on Apple River Road over Apple River, construction of culverts on the Elizabeth/Guilford Township Longhollow Culvert Project, constructed a new box culvert on Eagle Ridge Drive in Guilford Township, removed the Galena Salt Shed Building and began preliminary site work, completed significant repairs to county bridges on Massbach and Blackjack Road, a contract was let for the Willow Road Recycling Project to Dunn Company, work to begin in Spring 2016; the County completed the Courthouse 1900 Addition Masonry and Window Restoration Project and the Courthouse Parking Lot Railing Project; began construction of the Jo Daviess County Transit Building addition; the GIS/IT Department continued implementation of the SAN/Virtual Server project with 14 virtual servers implemented; the Sheriff 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), acquired government surplus vehicles and equipment to aid in emergency response and purchased three new squad vehicles; the Treasurer and County Clerk implemented a new Civic Systems financial software upgrade called Clarity; the Highway department purchased a new disc mower, a used road widener, and a new dump truck.

Table 4 - Jo Daviess County, Illinois' Capital Assets

	Governmental Activities	
	2015	2014 (restated)
Land	\$ 346,374	\$ 346,374
Construction-in-Progress	1,556,276	3,274,788
Buildings and Improvements	3,006,323	2,739,037
Equipment and Machinery	1,703,109	1,731,942
Transportation and Equipment	1,008,675	1,181,763
Roads and Bridges	11,923,945	9,860,194
Total	\$ 19,544,702	\$ 19,134,098

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, 2015 was \$622,408. In addition, there are some other post-employment benefit obligations and net pension obligations.

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.

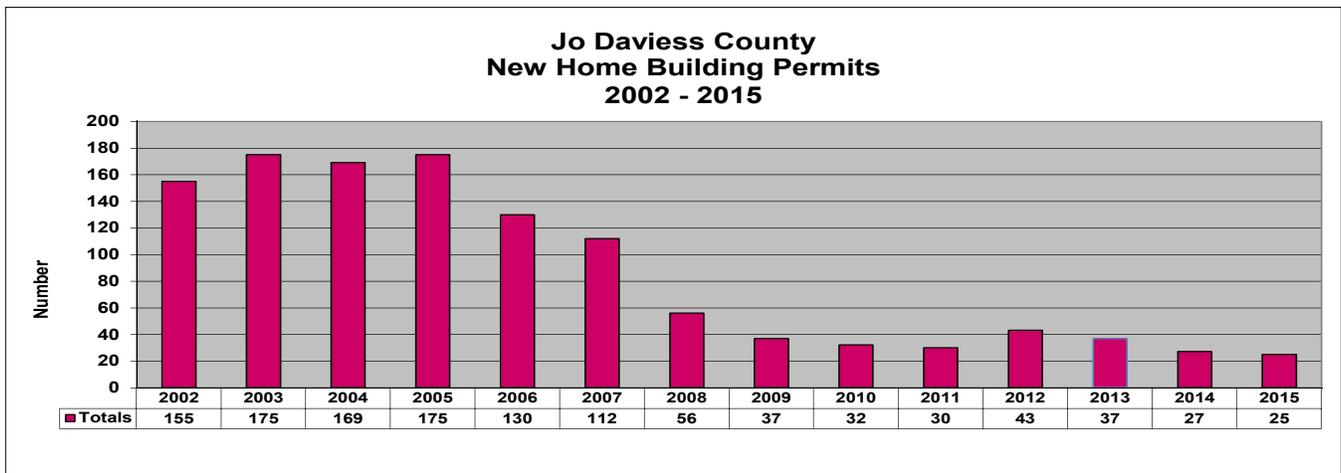
Under the Counties Code (55 ILCS 5/et. seq.), the County Board has the authority to appropriate expenditures and levy property taxes. The County of Jo Daviess is a legal subdivision of the State of Illinois. The services and functions of Jo Daviess County Government are limited to those that are specifically 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.

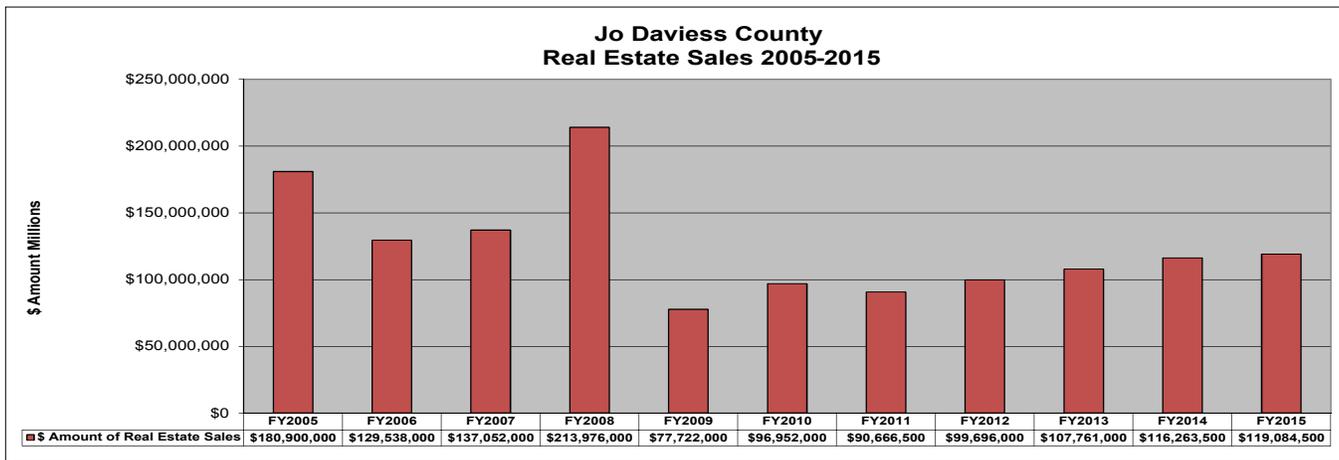
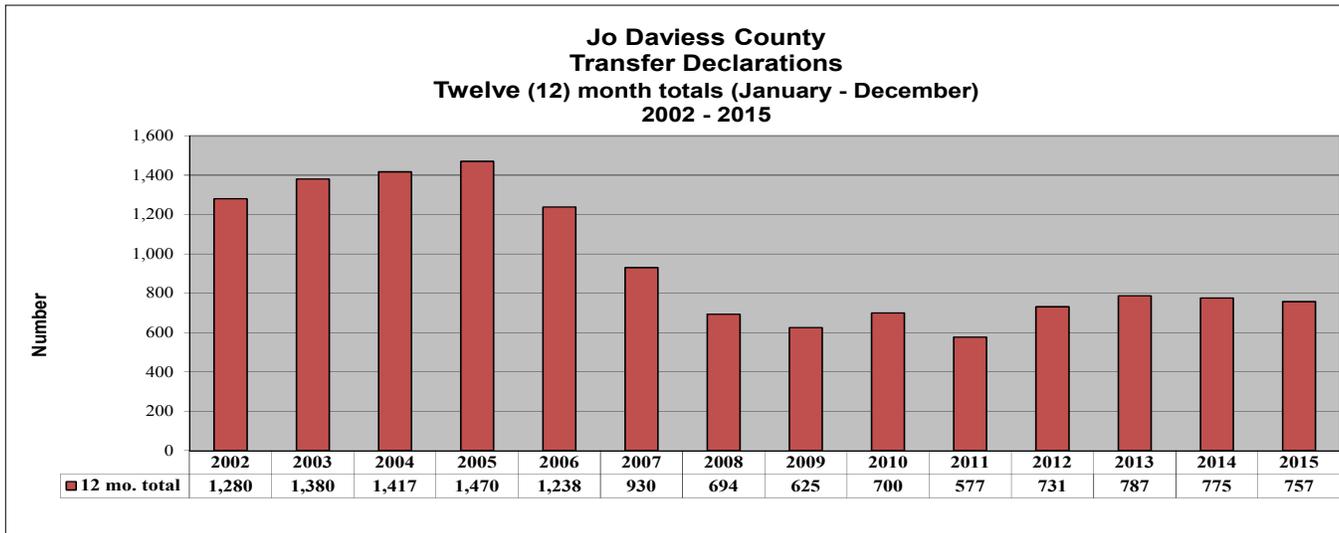
Economic Factors and Outlook

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 2015 and continue as we enter 2016. 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 two year pay freeze 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 2016 budget. Jo Daviess County uses a 15 step target based budget 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 programs or potentially eliminate certain programs.

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 each year to a low of 25 in 2015. Transfer declarations also peaked in 2005 at 1,470, declined to a low of 577 in 2011, after increasing to 787 in 2013, transfer declarations have remained steady with 775 in 2014 and 757 in 2015. There is optimism as the total value of all building permits in 2015 (new homes, accessory buildings, additions, industrial, and commercial) increased from 14.7 million in 2014 to 32.3 million in 2015, this is the highest total since 36.0 million in 2007. The 2015 total includes three large commercial or industrial building permits issued to Tessengerlo Kerley, Inc., Casey's General Stores, Inc. and IEI Barge Services, Inc.



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 to where they were before the recession, expenses have continued to increase. This is a challenge to the County as it continues to “do more with less.”

Employment

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 February 2016 Illinois unemployment rate, not seasonally adjusted, was 7.0 percent (up from 6.5 percent in February 2015), the U.S. unemployment rate was 5.2 percent (down from 5.8 percent in February 2015), and the Jo Daviess County unemployment rate was 7.9 percent (up from 6.8 in February 2015). The 2015 annual unemployment rate for Jo Daviess County was 5.5 percent (down from the 2014 annual unemployment rate of 6.2 percent). In February 2016, Northwest Illinois continued to have some of the highest unemployment rates in the State with five of Illinois' 50 highest unemployed counties in Boone 8.5 percent, Winnebago 7.9 percent, Jo Daviess 7.9 percent, Stephenson 7.7 percent, and Ogle 7.7 percent.

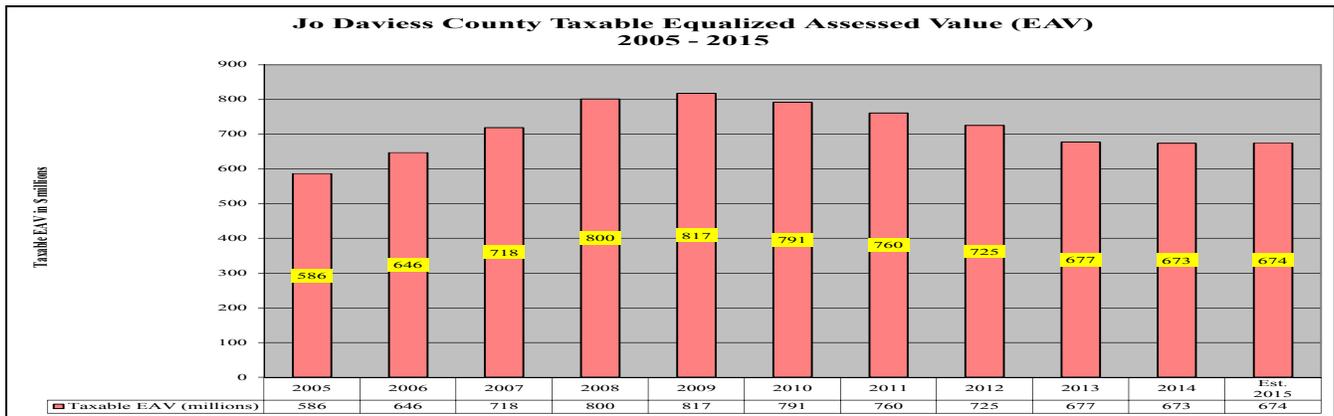
The Illinois Department of Employment Security (IDES) reports the annual average labor force for Jo Daviess County in 2015 was 11,515 of which 10,876 were employed, 639 were unemployed and an unemployment rate of 5.5 percent. This compares to the 2014 average labor force of 11,589 of which 10,870 were employed, 719 were unemployed and an unemployment rate of 6.2 percent and the 2007 average labor force of 13,790 of which 13,237 were employed, 553 were unemployed and the unemployment rate was 4.0 percent.

Labor trends – for the first time since 2006 the number of jobs began to increase in Jo Daviess County in 2013 and 2014, however jobs decreased 2015. The most current quarterly workforce indicator report from the Illinois Department of Employment Security (IDES) indicates that in the 2nd quarter of 2015 8,072 individuals were employed by 839 Jo Daviess County employers. This compares to 8,213 individuals employed by 822 employers in the 2nd quarter of 2014; 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.

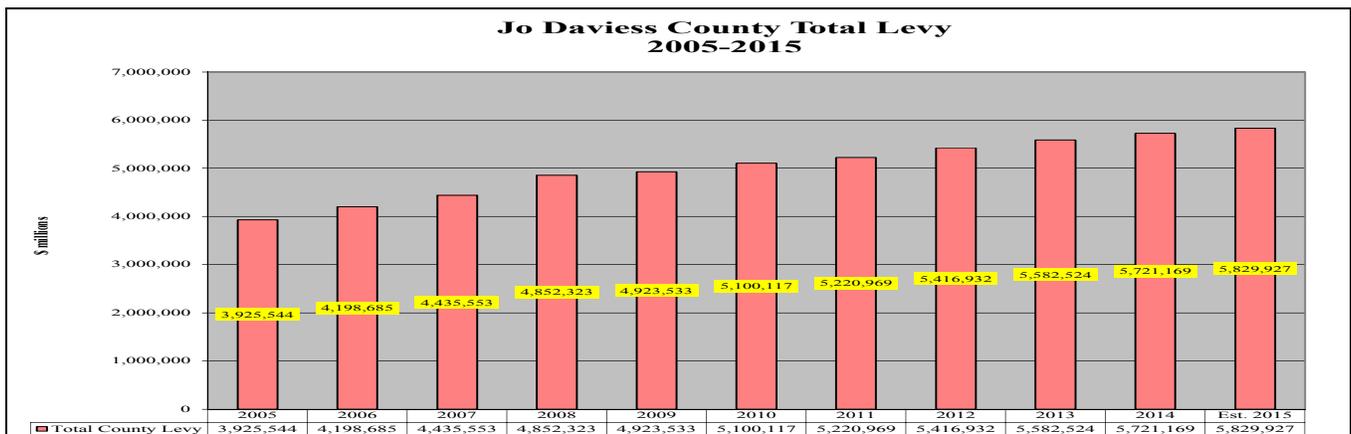
Proposed 2015 Jo Daviess County Property Tax Extension Levy (Payable 2016)

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 PTELL which do 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 0.8% was utilized in administering the 2015 Property Tax Extension Limitation Law formula.

The estimated allowable property tax extension increase for 2015 (payable 2016) is \$108,758. To determine this amount, several variables were considered. The County Assessor's Office estimated the 2015 gross assessed valuation of Jo Daviess County to be \$741,000,000. This total includes an estimated \$7.2 million in new property/construction. A 9% factor for exemptions was used to estimate the 2015 taxable EAV for Jo Daviess County at \$674,310,000.



The estimated overall maximum aggregate tax levy extension for 2015 is \$5,829,927. This amount represents an increase of \$108,758 or 1.9% more than the 2014 PTELL certified levy extension of \$5,721,169. Approximately \$45,770 or 42.1% of the proposed 2015 property tax levy increase (payable 2016) is the result of a 0.8% inflationary CPI increase on existing property and approximately \$62,988 or 57.9% is the result of an estimated \$7.2 million increase in EAV associated with new property/construction.

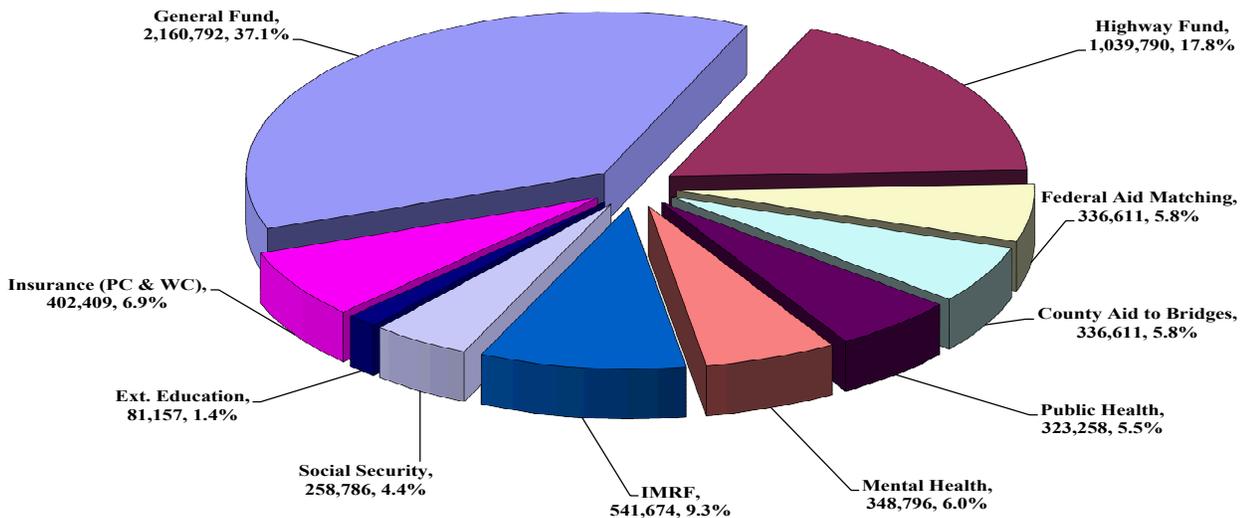


Proposed 2015 Jo Daviess County Property Tax Extension Levy (continued)

The overall Jo Daviess County property tax levy is distributed between ten (10) individual special purpose property tax levies. In addition the County is responsible for four (4) special service area (SSA) levies, SSA #1 Warren Ambulance, SSA #2 & #4 Elizabeth Ambulance, SSA #5 Hanover Ambulance, and new SSA #6 Galena Ambulance.

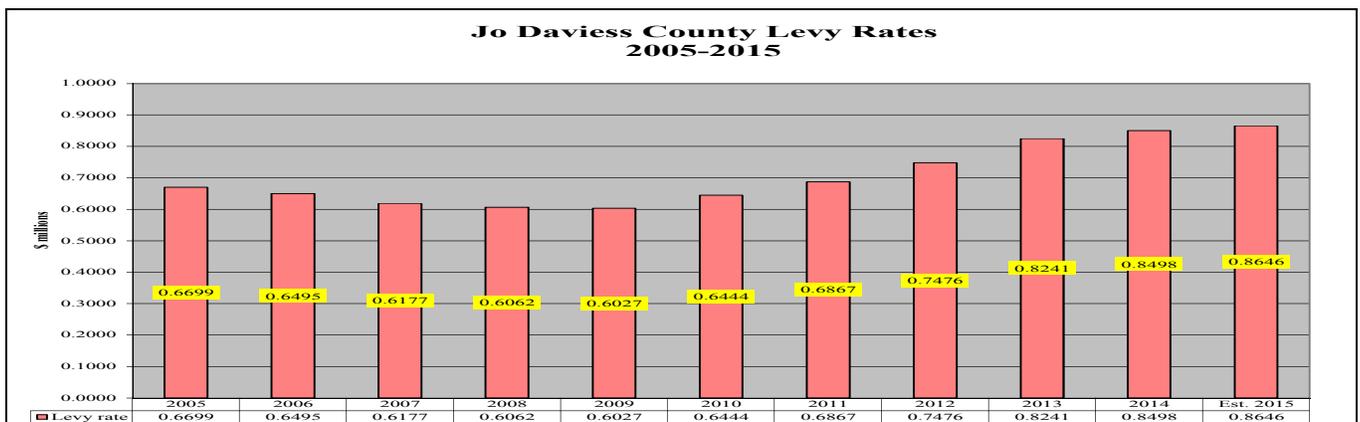
The proposed 2015 property tax levy (payable 2016) of \$5,829,927 represents **31.8%** of the County's aggregate FY2016 all fund revenue estimate of \$18,359,577. The proposed General Corporate property tax levy of \$2,160,792 represents **28.9%** of the General Corporate Fund's FY2016 estimated revenue amount of \$7,474,498.

**Jo Daviess County
 Proposed 2015 Property Tax Levy (Payable FY2016)
 (Less Special Service Areas) - \$5,829,927**



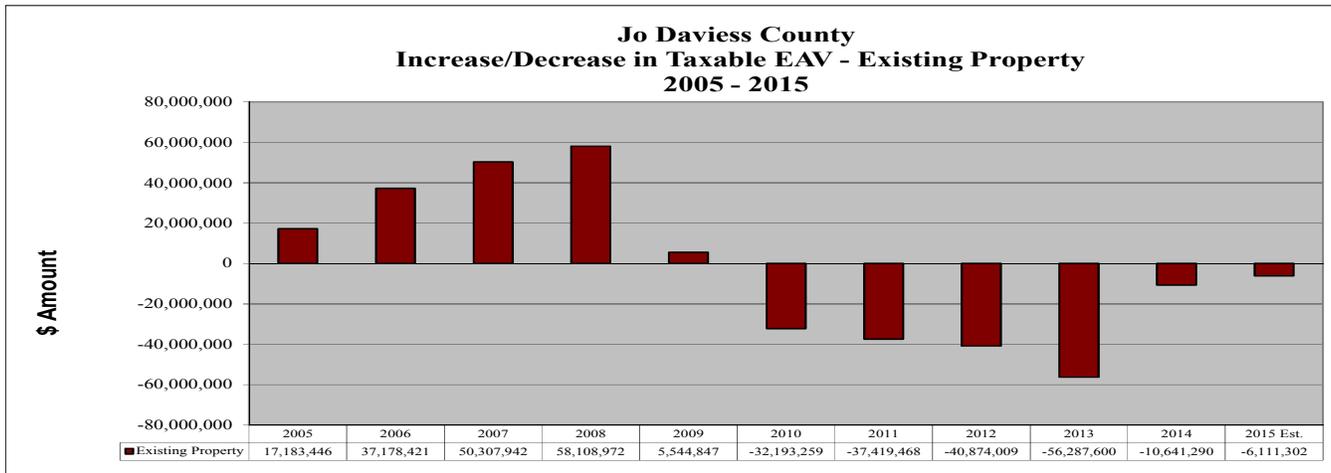
Estimated 2015 Property Tax Extension Rate

The estimated 2015 JDC property tax rate is 0.8646/hundred dollars of assessed value. 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 has decreased over the last six (6) year period.



Estimated 2015 Property Tax Extension Rate (Continued)

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. 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 six year period 2010 to 2015 taxable EAV of existing property decreased 24.3% while PTELL CPI increased 10.4%.



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 2016 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.

**JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF NET POSITION
NOVEMBER 30, 2015**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash and Investments	\$ 15,524,494
Receivables:	
Accounts	254,803
Interest	1,624
Property Taxes	6,122,235
Due from Other Governments	1,981,340
Inventories	84,195
Prepaid Expenses	11,726
Loans Receivable	300,000
Total Current Assets	<u>24,280,417</u>
NONCURRENT ASSETS	
Capital Assets, Non Depreciable:	
Land	346,374
Construction-in-Progress	1,556,276
Capital Assets, Depreciable:	
Buildings and Improvements	5,351,301
Equipment and Machinery	4,398,543
Transportation Equipment	3,169,173
Road and Bridges	20,206,484
Less: Accumulated Depreciation	<u>(15,483,449)</u>
Total Noncurrent Assets	<u>19,544,702</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount Related to Pension Liability	<u>1,652,750</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 45,477,869</u>

See accompanying Notes to Basic Financial Statements.

	<u>Governmental Activities</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 804,982
Accrued Liabilities	156,844
Unearned Revenue	143,381
Accrued Compensated Absences	388,314
Current Portion of Debt Certificates	98,787
Total Current Liabilities	<u>1,592,308</u>
NONCURRENT LIABILITIES	
Long-Term Portion of Debt Certificates	523,621
Net Pension Liability	2,063,394
Other Postemployment Benefit Obligation	105,253
Total Noncurrent Liabilities	<u>2,692,268</u>
Total Liabilities	4,284,576
DEFERRED INFLOWS OF RESOURCES	
Deferred Amount Related to Pension Liability	116,016
Subsequent Year's Property Taxes	6,122,235
Total Deferred Inflows of Resources	<u>6,238,251</u>
NET POSITION	
Net Investment in Capital Assets	18,922,294
Restricted for:	
General Control and Administration	2,123,381
Transportation	4,406,856
Public Health and Education	2,271,591
Public Safety	419,403
Mental Health	34,242
County Development	882,639
Court Services	479,043
Unrestricted	<u>5,415,593</u>
Total Net Position	<u>\$ 34,955,042</u>

**JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2015**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position
PRIMARY GOVERNMENT:	Charges for	Operating	Capital	Governmental	Activities
Governmental Activities:	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities
General Control and Administration	\$ 2,388,581	\$ 1,230,190	\$ 114,918	\$ 2,129	\$ (1,041,344)
Transportation	3,561,988	132,549	632,102	941,792	(1,855,545)
Public Health and Education	1,341,196	573,165	181,468	-	(586,563)
Public Safety	3,911,277	449,407	12,714	-	(3,449,156)
Mental Health	345,453	-	-	-	(345,453)
County Development	1,171,121	254,444	136,630	-	(780,047)
Court Services	1,272,705	445,585	3,298	-	(823,822)
Interest	10,608	-	-	-	(10,608)
Total Governmental Activities	14,002,929	3,085,340	1,081,130	943,921	(8,892,538)
General Revenues:					
Property Taxes					5,886,729
Sales Tax					1,028,714
Hotel/Motel Use Tax					840,257
State Income Tax					1,227,787
Motor Fuel Tax					516,809
Corporate Personal Property Replacement Taxes					235,066
Other Taxes					256,227
Unrestricted Investment Earnings					56,348
Other					421,676
Total General Revenues					10,469,613
CHANGE IN NET POSITION					1,577,075
Net Position - Beginning of Year, As Previously Reported					34,047,634
Prior Period Adjustment					(669,667)
Net Position- Beginning of Year, As Restated					33,377,967
NET POSITION - END OF YEAR					\$ 34,955,042

See accompanying Notes to Basic Financial Statements.

**JO DAVIESS COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
NOVEMBER 30, 2015**

	General Fund	County Highway Fund	County Transit Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 3,227,698	\$ 1,475,878	\$ 340,737	\$ 1,222,845	\$ 9,257,336	\$ 15,524,494
Accounts Receivable	130,687	2,044	10,070	505	111,497	254,803
Interest Receivable	1,141	-	-	121	362	1,624
Due from Other Funds	44,372	-	-	36,890	46,280	127,542
Due from Other Governments	901,545	50,174	417,426	1,207	610,988	1,981,340
Property Taxes Receivable	2,160,792	1,039,790	-	323,258	2,598,395	6,122,235
Loans Receivable	-	-	300,000	-	-	300,000
Prepaid Expenses	11,339	94	-	168	125	11,726
Inventory	45,495	17,915	-	20,785	-	84,195
Total Assets	\$ 6,523,069	\$ 2,585,895	\$ 1,068,233	\$ 1,605,779	\$ 12,624,983	\$ 24,407,959
LIABILITIES						
Accounts Payable	\$ 119,178	\$ 22,472	\$ 253,990	\$ 7,356	\$ 401,986	\$ 804,982
Accrued Liabilities	96,487	11,096	-	10,136	39,125	156,844
Unearned Revenue	122,506	-	-	20,875	-	143,381
Due to Other Funds	3,840	4,940	2,426	40,500	75,836	127,542
Total Liabilities	342,011	38,508	256,416	78,867	516,947	1,232,749
DEFERRED INFLOWS OF RESOURCES						
Unavailable Grants, Taxes, and Other Charges	247,552	12,858	156,406	-	123,270	540,086
Subsequent Year's Property Taxes	2,160,792	1,039,790	-	323,258	2,598,395	6,122,235
Total Deferred Inflows of Resources	2,408,344	1,052,648	156,406	323,258	2,721,665	6,662,321
FUND BALANCES						
Nonspendable	56,834	18,009	-	20,953	125	95,921
Restricted:						
General Control and Administration	-	-	-	-	2,066,422	2,066,422
Transportation	-	1,476,730	655,411	-	2,087,442	4,219,583
Public Health and Education	-	-	-	1,182,701	1,054,191	2,236,892
Public Safety	-	-	-	-	376,939	376,939
Mental Health	-	-	-	-	34,242	34,242
County Development	-	-	-	-	882,639	882,639
Court Services	-	-	-	-	479,043	479,043
Committed	-	-	-	-	790,753	790,753
Assigned	-	-	-	-	1,614,575	1,614,575
Unassigned	3,715,880	-	-	-	-	3,715,880
Total Fund Balances	3,772,714	1,494,739	655,411	1,203,654	9,386,371	16,512,889
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,523,069	\$ 2,585,895	\$ 1,068,233	\$ 1,605,779	\$ 12,624,983	\$ 24,407,959

See accompanying Notes to Basic Financial Statements.

**JO DAVIESS COUNTY, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
NOVEMBER 30, 2015**

Total Governmental Fund Balances	\$	16,512,889
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 \$15,483,449		19,544,702
Net Deferred Outflows of Resources for Net Pension Liability		1,536,734
Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred Inflows in the Funds		540,086
Long-Term Liabilities are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:		
Debt Certificates Payable		(622,408)
Net Pension Liability		(2,063,394)
Other Post-Employment Benefit Obligation		(105,253)
Accrued Compensated Absences		(388,314)
		(3,180,369)
Total Net Position - Governmental Activities	\$	34,955,042

See accompanying Notes to Basic Financial Statements.

JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED NOVEMBER 30, 2015

	General Fund	County Highway Fund	County Transit Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 2,161,443	\$ 1,041,261	\$ -	\$ 217,220	\$ 2,466,805	\$ 5,886,729
Intergovernmental	2,954,970	211,068	1,454,552	117,060	2,167,208	6,904,858
Charges for Services	913,744	-	-	91,266	823,096	1,828,106
Interest	20,383	3,008	889	3,473	28,595	56,348
Licenses and Permits	313,800	1,710	-	-	1,190	316,700
Other	111,492	140,956	121,659	6,417	41,152	421,676
Total Revenues	<u>6,475,832</u>	<u>1,398,003</u>	<u>1,577,100</u>	<u>435,436</u>	<u>5,528,046</u>	<u>15,414,417</u>
EXPENDITURES						
Current:						
General Control and Administration	1,799,512	-	-	-	504,958	2,304,470
Transportation	-	1,169,879	696,744	-	526,610	2,393,233
Public Health and Education	144,659	-	-	600,296	584,369	1,329,324
Public Safety	3,365,910	-	-	-	132,778	3,498,688
Mental Health	-	-	-	-	345,037	345,037
County Development	211,035	-	-	-	924,232	1,135,267
Court Services	1,260,620	-	-	-	16,565	1,277,185
Capital Outlay	21,296	158,714	860,634	2,315	1,263,591	2,306,550
Debt Service:						
Principal	-	-	-	-	106,592	106,592
Interest	-	-	-	-	10,608	10,608
Total Expenditures	<u>6,803,032</u>	<u>1,328,593</u>	<u>1,557,378</u>	<u>602,611</u>	<u>4,415,340</u>	<u>14,706,954</u>
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	(327,200)	69,410	19,722	(167,175)	1,112,706	707,463
OTHER FINANCING SOURCES (USES)						
Transfers In	1,237,242	257,045	-	75,090	672,467	2,241,844
Transfers Out	(481,145)	(35,988)	(13,828)	(104,144)	(1,606,739)	(2,241,844)
Total Other Financing Sources (Uses)	<u>756,097</u>	<u>221,057</u>	<u>(13,828)</u>	<u>(29,054)</u>	<u>(934,272)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	428,897	290,467	5,894	(196,229)	178,434	707,463
Fund Balances - Beginning of Year	<u>3,343,817</u>	<u>1,204,272</u>	<u>649,517</u>	<u>1,399,883</u>	<u>9,207,937</u>	<u>15,805,426</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,772,714</u>	<u>\$ 1,494,739</u>	<u>\$ 655,411</u>	<u>\$ 1,203,654</u>	<u>\$ 9,386,371</u>	<u>\$ 16,512,889</u>

See accompanying Notes to 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, 2015

Net Change in Fund Balances - Total Governmental Funds		\$ 707,463
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		1,454,532
Depreciation Expense:		
General Control and Administration	\$ (66,205)	
Transportation	(681,037)	
Public Health and Education	(23,077)	
Public Safety	(301,824)	
County Development	(26,515)	
Court Services	(26,471)	
		(1,125,129)
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		81,201
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	(29,431)	
Operating Grants and Contributions	34,941	
Capital Grants and Contributions	86,059	
Sales Tax	(10,383)	
Use Tax	3,200	
		84,386
Governmental Funds Report Pension Contributions as Expenditures When Made. However, in the Statement of Activities, Pension Expense is the Cost of Benefits Earned, Adjusted for Member Contributions, the Recognition of Changes in Deferred Outflows and Inflows of Resources Related to Pensions, and the Investment Experience.		
		296,838
Some Expenses Reported in the Statement of Activities do not Require the Use of Current Financial Resources and, Therefore, are not Reported as Expenditures in Governmental Funds:		
Change in Compensated Absences		1,105
Change in Other Postemployment Benefit Obligations		(29,913)
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 on Long-Term Debt		106,592
Change in Net Position of Governmental Activities		\$ 1,577,075

See accompanying Notes to Basic Financial Statements.

JO DAVIESS COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
NOVEMBER 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	\$ 818,718
Due from Other Governments	<u>410,946</u>
Total Assets	<u><u>\$ 1,229,664</u></u>
LIABILITIES	
Accounts Payable	\$ 54,479
Due to Individuals and Private Entities	920,234
Due to Other Governments	<u>254,951</u>
Total Liabilities	<u><u>\$ 1,229,664</u></u>

See accompanying Notes to Basic Financial Statements.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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, 2015

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, 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, 2015**

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 and deferred inflows of resources, 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.

County Transit Fund: This fund is used 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. The Jo Daviess County Transit was developed under Section 5311 of Section 313 of the Surface Transportation Act of 1978.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

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 2015 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, 2015

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 2015 tax levy is budgeted for the fiscal year 2016, 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.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

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.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

Beginning Balance	Additions	Payments	Ending Balance	Amount Due Within One Year
\$ 389,419	\$ 388,314	\$ 389,419	\$ 388,314	\$ 388,314

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

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. Deferred outflows of resources are reported in these financial statements related to the pension liability and expenses which will be recognized in future years.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 three 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. Finally, deferred inflows of resources related to the pension liability will be recognized in future years.

Fund Balance

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

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

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

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.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2015, 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.

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, 2015:

Checking/Savings Accounts, Various Banks	\$ 14,382,560
Certificates of Deposit, Various Banks	1,773,821
Repurchase Agreement, First Community Bank	161,332
Illinois Funds Money Market Mutual Fund	228
Money Market, Citizens State Bank	25,271
Total	<u>\$ 16,343,212</u>

These deposits are shown as follows in the financial statements:

Cash and Investments, Governmental Activities (pg 26)	\$ 15,524,494
Cash and Investments, Fiduciary Funds (pg 33)	818,718
Total	<u>\$ 16,343,212</u>

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015

NOTE 2 DEPOSITS (CONTINUED)

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.

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, 110 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, 2015, the County's deposits and investments were fully insured or collateralized.

NOTE 3 LOANS RECEIVABLE

In fiscal year 2014, 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, 2015

NOTE 4 CAPITAL ASSETS

	Balance November 30, 2014	Additions	Retirements	Balance November 30, 2015
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 346,374	\$ -	\$ -	\$ 346,374
Construction-in-Progress	3,274,788	1,329,486	3,047,998	1,556,276
Total Capital Assets not Being Depreciated	3,621,162	1,329,486	3,047,998	1,902,650
Capital Assets Being Depreciated:				
Buildings and Improvements	4,949,967	401,334	-	5,351,301
Equipment and Machinery	4,175,047	235,805	12,309	4,398,543
Transportation and Equipment	3,080,238	109,533	20,598	3,169,173
Roads and Bridges	17,698,911	2,507,573	-	20,206,484
Total Capital Assets Being Depreciated	29,904,163	3,254,245	32,907	33,125,501
Less: Accumulated Depreciated for:				
Buildings and Improvements	2,210,930	134,048	-	2,344,978
Equipment and Machinery	2,443,105	264,638	12,309	2,695,434
Transportation Equipment	1,898,475	282,621	20,598	2,160,498
Roads and Bridges	7,838,717	443,822	-	8,282,539
Total Accumulated Depreciation	14,391,227	1,125,129	32,907	15,483,449
Total Capital Assets Being Depreciated, Net	15,512,936	2,129,116	-	17,642,052
Governmental Activities Capital Assets, Net	<u>\$ 19,134,098</u>	<u>\$3,458,602</u>	<u>\$ 3,047,998</u>	<u>\$ 19,544,702</u>

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions as follows:

General Control and Administration	\$ 66,205
Transportation	681,037
Public Health and Education	23,077
Public Safety	301,824
County Development	26,515
Court Services	26,471
Total Depreciation Expense - Governmental Activities	<u>\$ 1,125,129</u>

NOTE 5 LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended November 30, 2015 were as follows:

	Balance November 30, 2014	Issued	Retired	Balance November 30, 2015	Due Within One Year
Governmental Activities:					
Debt Certificates	\$ 729,000	\$ -	\$106,592	\$ 622,408	\$ 98,787
Other Post-Employment Benefit Obligations	75,340	29,913	-	105,253	-
Total Governmental Activities	<u>\$ 804,340</u>	<u>\$29,913</u>	<u>\$106,592</u>	<u>\$ 727,661</u>	<u>\$ 98,787</u>

As of November 30, 2015, the County has other post-employment benefits accrued in the amount of \$105,253 (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.

The County has a long-term liability related to its pension plan of \$2,063,394. See Note 7 for information about the net pension liability.

JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015

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>
2016	\$ 98,787	\$ 18,413	\$ 117,200
2017	101,858	15,342	117,200
2018	104,969	12,231	117,200
2019	108,175	9,025	117,200
2020	111,462	5,738	117,200
2021	97,157	2,316	99,473
Total	<u>\$ 622,408</u>	<u>\$ 63,065</u>	<u>\$ 685,473</u>

The following schedule illustrates the legal debt margin of the County as of November 30, 2015:

Assessed Valuation - 2014	<u>\$ 673,221,302</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	\$ 19,355,112
Total Debt:	
Debt Certificates	<u>622,408</u>
Legal Debt Margin	<u>\$ 18,732,704</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, 2015**

NOTE 7 PENSION AND RETIREMENT SYSTEMS

IMRF Plan Description

The County's defined benefit pension plan, a multi-employer agent plan, for regular employees, elected county officials, and sheriff's law enforcement personnel, provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), an administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). Jo Daviess County does not participate in the ECO plan.

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 7 PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2014, the following regular employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	77
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	43
Active Plan Members	78
Total	198

As of December 31, 2014, the following sheriff's law enforcement personnel were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	10
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	18
Active Plan Members	33
Total	61

Contributions

Statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

1. As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The County's annual contribution rate for calendar year 2014 was 11.59%. For the calendar year ended 2014, the County contributed \$404,300 to the plan.
2. As set by statute, the County's SLEP Plan Members are required to contribute 7.5% of their annual covered salary. The County's annual contribution rate for calendar year 2014 was 19.65%. For the calendar year ended 2014, the County contributed \$390,837 to the plan.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 7 PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	63.2 %	9.81 %
International Equity	2.6	(2.79)
Fixed Income	23.5	5.93
Real Estate	4.3	12.66
Alternative Investments	4.5	N/A
Cash Equivalents	1.9	N/A
Total	100.0 %	

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 7 PENSIONS AND RETIREMENT SYSTEMS (CONTINUED)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability for the regular and SLEP plans. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances - December 31, 2013	\$ 27,162,576	\$ 25,859,258	\$ 1,303,318
Changes for the Year:			
Service Cost	715,358	-	715,358
Interest on the Total Pension Liability	2,032,331	-	2,032,331
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(73,839)	-	(73,839)
Changes of Assumptions	715,514	-	715,514
Contributions - Employer	-	824,979	(824,979)
Contributions - Employees	-	331,782	(331,782)
Net Investment Income	-	1,615,356	(1,615,356)
Differences Between Projected and Actual Investment Income	-	(142,842)	142,842
Benefit Payments, Including Refunds of Employee Contributions	(895,805)	(895,805)	-
Other (Net Transfer)	-	13	(13)
Net Changes	<u>2,493,559</u>	<u>1,733,483</u>	<u>760,076</u>
Balances - December 31, 2014	<u>\$ 29,656,135</u>	<u>\$ 27,592,741</u>	<u>\$ 2,063,394</u>

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 7 PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Regular plan's and SLEP plan's net pension liability, (disaggregated information is not available) calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.50%)	Current (7.50%)	1% Higher (8.50%)
Net Pension Liability	\$ 6,118,112	\$ 2,063,394	\$ (2,923,830)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended November 30, 2015, the County recognized pension expense of \$795,889. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences Between Expected and Actual Experience	\$ 49,739	\$ 116,016
Changes of Assumptions	542,273	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	412,648	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,004,660	116,016
Pension Contributions Made Subsequent to the Measurement Date	648,090	-
Total Deferred Amounts Related to Pensions	<u>\$ 1,652,750</u>	<u>\$ 116,016</u>

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 7 PENSION AND RETIREMENT SYSTEMS (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

\$648,090 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended November 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 268,841
2016	268,841
2017	259,131
2018	96,661
2019	(4,830)
Thereafter	-
Total	<u>\$ 888,644</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 I, employees hired before January 1, 2011, to be eligible for retiree benefits, IMRF employees must be a minimum of age 55 with eight or more years of service; SLEP employees must be a minimum of age 50 and 20 years of service. All employees hired after January 1, 2011 will fall under a "Tier 2" retirement schedule. To be eligible for Tier 2 retiree benefits, IMRF employees must be a minimum of age 62 with 10 or more years of service; SLEP employees must be a minimum of age 50 with 10 or more years of SLEP service to be eligible for SLEP retiree benefits.

**JO DAVIESS COUNTY, ILLINOIS
 NOTES TO BASIC FINANCIAL STATEMENTS
 NOVEMBER 30, 2015**

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 2015.

Membership

At December 31, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3	
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-	
Active Employees	107	
Total	110	
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 2015 were \$693 for single coverage, \$1,667 for family coverage, and \$502 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, 2015**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Annual OPEB Cost	\$ 42,995
Contributions	13,082
Increase in Net OPEB Obligation	29,913
Net OPEB Obligation - Beginning of Year	75,340
Net OPEB Obligation - End of Year	\$ 105,253

Three-Year Trend Information

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
November 30, 2015	\$ 42,995	30.43%	\$ 105,253
November 30, 2013	29,064	63.42%	65,485
November 30, 2011	28,067	44.44%	43,039

Funded Status and Funding Progress

As of December 1, 2014, the most recent valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$380,016 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$380,016. The covered payroll (annual payroll of active employees covered by the plan) was \$4,878,396 and the ratio of the UAAL to the covered payroll was 7.79 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, 2015**

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, 2014 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 percent initially, grading down to 4 percent in 20 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, 2015, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
Major Funds:		
General Fund	\$ 3,840	\$ 44,372
Special Revenue Funds:		
County Highway Fund	4,940	-
County Transit Fund	2,426	-
Public Health Fund	40,500	36,890
Nonmajor Governmental Funds	75,836	46,280
Total	<u>\$ 127,542</u>	<u>\$ 127,542</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, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 1,237,242	\$ 481,145
Special Revenue Funds:		
County Highway Fund	257,045	35,988
County Transit Fund	-	13,828
Public Health Fund	75,090	104,144
Nonmajor Governmental Funds	672,467	1,606,739
Total Operating Transfers	<u>\$ 2,241,844</u>	<u>\$ 2,241,844</u>

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

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, 2015 was \$5,000. During the year ended November 30, 2015, 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 \$55,444 in payments to the trust during the year ended November 30, 2015. The financial information is available by contacting Aaron Mercier at Regional Superintendent of Schools Trust Fund, 500 N. Rush Street, Stockton, Illinois 61085.

**JO DAVIESS COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
NOVEMBER 30, 2015**

NOTE 12 RESTATEMENT

The County adopted a new accounting standard to conform with generally accepted accounting principles. The statement adopted requiring restatement of net position was Government Accounting Standard Board Statement GASB 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the November, 2014 net position of governmental activities.

	Total Governmental Activities
Net Position - Beginning of Year, as Previously Reported	\$ 34,047,634
Adjustment for Beginning Deferred Outflows of Resources Related to Pensions	633,651
Adjustment for Beginning Net Pension Liability	(1,303,318)
Net Position - Beginning of Year, as Restated	\$ 33,377,967

NOTE 13 COMMITMENTS

The County has financial commitments relating to various highway, bridge, and software projects that are estimated to be approximately \$572,115.

NOTE 14 MINIMUM YEAR-END FUND BALANCE POLICIES

The County has adopted minimum year-end fund balance policies for fiscal year 2015 as follows:

Fund Name	Amount	Policy
General Fund	\$ 1,942,000	Estimated Three Months of Operating Expenses
County Highway Fund	590,000	Estimated Four Months of Operating Revenue
Public Health Fund	388,000	Estimated Six Months of Operating Expenses
Home Health Care Fund	163,000	Estimated Three Months of Operating Expenses
Tourism Promotion Fund	372,000	Estimated Three to Four Months of Operating Expenses
GIS Automation Fund	37,500	Estimated Three Months of Operating Expenses
Social Security Tax Fund	185,000	50%-60% of the Total Eligible Expenses for the Period
Illinois Municipal Retirement Fund	345,000	50%-60% of the Total Eligible Expenses for the Period
Insurance Fund	441,000	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

No funds have a deficit fund balance as of November 30, 2015.

**JO DAVIESS COUNTY, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NOVEMBER 30, 2015
(UNAUDITED)**

Regular Plan

<u>Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 344,346	\$ 404,300	\$ (59,954)	\$ 3,138,977	12.88%

Sheriff's Law Enforcement Personnel Plan

<u>Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 318,573	\$ 390,837	\$ (72,264)	\$ 1,674,058	23.35%

Additional years will be added to this schedule until 10 years of data is presented.

JO DAVIESS COUNTY, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
NOVEMBER 30, 2015
(UNAUDITED)

<u>Calendar Year Ended December 31,</u>	<u>2014</u>
Total Pension Liability:	
Service Cost	\$ 715,358
Interest on Total Pension Liability	2,032,331
Difference Between Expected and Actual Experience	(73,839)
Assumption Changes	715,514
Benefit Payments and Refunds	<u>(895,805)</u>
Net Change in Total Pension Liability	2,493,559
 Total Pension Liability - Beginning	 <u>27,162,576</u>
Total Pension Liability - Ending (A)	<u>\$ 29,656,135</u>
 Plan Fiduciary Net Position:	
Employer Contributions	\$ 824,979
Employee Contributions	331,782
Pension Plan Net Investment Income	1,615,356
Benefit Payments and Refunds	(895,805)
Other	<u>(142,829)</u>
Net Change in Plan Fiduciary Net Position	1,733,483
 Plan Fiduciary Net Position - Beginning	 <u>25,859,258</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 27,592,741</u>
 Net Pension Liability - Ending (A) - (B)	 \$ 2,063,394
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 93.04%
 Covered Valuation Payroll	 \$ 4,813,035
 Net Pension Liability as a Percentage of Covered Valuation Payroll	 42.87%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Information presented in the Schedule of Changes in the Net Pension Liability and Related Ratios above includes both the Regular Plan and SLEP Plan, as disaggregated information by plan is not available.

**JO DAVIESS COUNTY, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)**

	Budget		Actual	Actual Over (Under)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,167,497	\$ 2,167,497	\$ 2,161,443	\$ (6,054)
Intergovernmental	2,759,875	2,759,875	2,954,970	195,095
Charges for Services	859,793	859,793	913,744	53,951
Interest	12,550	15,657	20,383	4,726
Licenses and Permits	259,245	259,245	313,800	54,555
Other	57,282	54,175	111,492	57,317
	<u>\$ 6,116,242</u>	<u>\$ 6,116,242</u>	6,475,832	<u>\$ 359,590</u>
EXPENDITURES				
Current:				
General Control and Administration	\$ 2,229,434	\$ 2,229,433	1,799,512	\$ (429,921)
Public Health and Education	168,080	168,080	144,659	(23,421)
Public Safety	3,414,548	3,398,126	3,365,910	(32,216)
County Development	230,967	230,967	211,035	(19,932)
Court Services	1,395,969	1,395,969	1,260,620	(135,349)
Capital Outlay	11,578	27,999	21,296	(6,703)
	<u>\$ 7,450,576</u>	<u>\$ 7,450,574</u>	6,803,032	<u>\$ (647,542)</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			(327,200)	
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,281,120	\$ 1,281,120	1,237,242	\$ (43,878)
Transfers Out	(531,145)	(530,596)	(481,145)	49,451
	<u>\$ 749,975</u>	<u>\$ 750,524</u>	756,097	<u>\$ 5,573</u>
NET CHANGE IN FUND BALANCE			428,897	
Fund Balance - Beginning of Year			3,343,817	
FUND BALANCE - END OF YEAR			<u>\$ 3,772,714</u>	

**JO DAVIESS COUNTY, ILLINOIS
COUNTY HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)**

	Budget		Actual	Actual Over (Under)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,043,885	\$ 1,043,885	\$ 1,041,261	\$ (2,624)
Intergovernmental	181,178	181,178	211,068	29,890
Interest	1,500	1,500	3,008	1,508
Licenses and Permits	2,490	2,490	1,710	(780)
Other	47,754	47,754	140,956	93,202
	<u>\$ 1,276,807</u>	<u>\$ 1,276,807</u>	1,398,003	<u>\$ 121,196</u>
EXPENDITURES				
Current:				
Transportation	\$ 1,359,442	\$ 1,410,785	\$ 1,169,879	\$ (240,906)
Capital Outlay	285,000	283,657	158,714	(124,943)
	<u>\$ 1,644,442</u>	<u>\$ 1,694,442</u>	1,328,593	<u>\$ (365,849)</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			69,410	
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 307,045	\$ 307,045	257,045	\$ (50,000)
Transfers Out	(39,346)	(39,346)	(35,988)	3,358
	<u>\$ 267,699</u>	<u>\$ 267,699</u>	221,057	<u>\$ (46,642)</u>
NET CHANGE IN FUND BALANCE			290,467	
Fund Balance - Beginning of Year			<u>1,204,272</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,494,739</u>	

**JO DAVIESS COUNTY, ILLINOIS
COUNTY TRANSIT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)**

	Budget		Actual	Actual Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,615,902	\$ 1,615,902	\$ 1,454,552	\$ (161,350)
Interest	1,200	1,200	889	(311)
Other	-	-	121,659	121,659
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 1,617,102</u>	<u>\$ 1,617,102</u>	1,577,100	<u>\$ (40,002)</u>
EXPENDITURES				
Current:				
Transportation	\$ 762,582	\$ 757,500	\$ 696,744	\$ (60,756)
Capital Outlay	825,000	825,000	860,634	35,634
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 1,587,582</u>	<u>\$ 1,582,500</u>	1,557,378	<u>\$ (25,122)</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			19,722	
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ -	-	\$ -
Transfers Out	<u>(8,820)</u>	<u>(13,902)</u>	<u>(13,828)</u>	<u>74</u>
Total Other Financing Sources (Uses)	<u>\$ (8,820)</u>	<u>\$ (13,902)</u>	<u>(13,828)</u>	<u>\$ 74</u>
NET CHANGE IN FUND BALANCE			5,894	
Fund Balance - Beginning of Year			<u>649,517</u>	
FUND BALANCE - END OF YEAR			<u>\$ 655,411</u>	

**JO DAVIESS COUNTY, ILLINOIS
PUBLIC HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)**

	Budget		Actual	Actual Over (Under)
	Original	Final		
REVENUES				
Property Taxes	\$ 216,869	\$ 216,869	\$ 217,220	\$ 351
Intergovernmental	114,701	114,701	117,060	2,359
Charges for Services	82,500	82,500	91,266	8,766
Interest	1,800	2,575	3,473	898
Other	5,675	4,900	6,417	1,517
Total Revenues	\$ 421,545	\$ 421,545	435,436	\$ 13,891
EXPENDITURES				
Current:				
Public Health and Education	\$ 658,640	\$ 658,140	600,296	\$ (57,844)
Capital Outlay	3,375	3,875	2,315	(1,560)
Total Expenditures	\$ 662,015	\$ 662,015	602,611	\$ (59,404)
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			(167,175)	
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 74,890	\$ 74,890	75,090	\$ 200
Transfers Out	(313,800)	(313,800)	(104,144)	209,656
Total Other Financing Sources (Uses)	\$ (238,910)	\$ (238,910)	(29,054)	\$ 209,856
NET CHANGE IN FUND BALANCE			(196,229)	
Fund Balance - Beginning of Year			1,399,883	
FUND BALANCE - END OF YEAR			\$ 1,203,654	

JO DAVIESS COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NOVEMBER 30, 2015
(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, County Transit 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 18, 2014. 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 2015.
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

No major funds had expenditures in excess of budget. One nonmajor fund had an excess of expenditures over budget for the 2015 fiscal year-end. The Extension Education Fund was budgeted for \$81,156 in expenditures and spent \$81,314, therefore spending \$156 over budget.

**JO DAVIESS COUNTY, ILLINOIS
GENERAL FUND – MAJOR
COMBINING BALANCE SHEET
NOVEMBER 30, 2015**

	General Account	Contingency Account	Total General Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 2,935,265	\$ 292,433	\$ 3,227,698
Accounts Receivable	130,687	-	130,687
Interest Receivable	1,141	-	1,141
Due from Other Funds	44,372	-	44,372
Due from Other Governmental Agencies	901,545	-	901,545
Property Tax Receivable	2,160,792	-	2,160,792
Prepaid Expenses	11,339	-	11,339
Inventory	45,495	-	45,495
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,230,636</u>	<u>\$ 292,433</u>	<u>\$ 6,523,069</u>
LIABILITIES			
Accounts Payable	\$ 119,178	\$ -	\$ 119,178
Accrued Liabilities	96,487	-	96,487
Unearned Revenue	122,506	-	122,506
Due to Other Funds	141,939	(138,099)	3,840
Total Liabilities	<u>480,110</u>	<u>(138,099)</u>	<u>342,011</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Grants, Taxes, and Other Charges	247,552	-	247,552
Subsequent Year's Property Taxes	2,160,792	-	2,160,792
Total Deferred Inflows of Resources	<u>2,408,344</u>	<u>-</u>	<u>2,408,344</u>
FUND BALANCES			
Nonspendable	56,834	-	56,834
Unassigned	3,285,348	430,532	3,715,880
Total Fund Balances	<u>3,342,182</u>	<u>430,532</u>	<u>3,772,714</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,230,636</u>	<u>\$ 292,433</u>	<u>\$ 6,523,069</u>

**JO DAVIESS COUNTY, ILLINOIS
GENERAL FUND - MAJOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
YEAR ENDED NOVEMBER 30, 2015**

	General Account	Contingency Account	Total General Fund
REVENUES			
Property Taxes	\$ 2,161,443	\$ -	\$ 2,161,443
Intergovernmental	2,954,970	-	2,954,970
Charges for Services	913,744	-	913,744
Interest	19,898	485	20,383
Licenses and Permits	313,800	-	313,800
Other	25,893	85,599	111,492
Total Revenues	6,389,748	86,084	6,475,832
EXPENDITURES			
Current:			
General Control and Administration	1,799,512	-	1,799,512
Public Health and Education	144,659	-	144,659
Public Safety	3,365,910	-	3,365,910
County Development	211,035	-	211,035
Court Services	1,260,620	-	1,260,620
Capital Outlay	21,296	-	21,296
Total Expenditures	6,803,032	-	6,803,032
Excess (Deficiency) of Revenues Over Expenditures			
Before Other Financing Sources (Uses)	(413,284)	86,084	(327,200)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,237,242	-	1,237,242
Transfers Out	(481,145)	-	(481,145)
Operating Transfers in (out) from			
Other General Fund accounts	(138,099)	138,099	-
Total Other Financing Sources (Uses)	617,998	138,099	756,097
NET CHANGE IN FUND BALANCE	204,714	224,183	428,897
Fund Balances - Beginning of Year	3,137,468	206,349	3,343,817
FUND BALANCES - END OF YEAR	\$ 3,342,182	\$ 430,532	\$ 3,772,714

**JO DAVIESS COUNTY, ILLINOIS
PUBLIC HEALTH FUND - MAJOR
COMBINING BALANCE SHEET
NOVEMBER 30, 2015**

	Public Health Account	Catastrophic Public Health Emergency Account	Total Public Health Fund
ASSETS			
Cash and Investments	\$ 962,847	\$ 259,998	\$ 1,222,845
Accounts Receivable	505	-	505
Interest Receivable	-	121	121
Due from Other Governmental Agencies	1,207	-	1,207
Due to Other Funds	36,890	-	36,890
Due from (to) Other Public Health Fund Accounts	(25,000)	25,000	-
Property Taxes Receivable	323,258	-	323,258
Prepaid Expenses	168	-	168
Inventory	20,785	-	20,785
	<u>\$ 1,320,660</u>	<u>\$ 285,119</u>	<u>\$ 1,605,779</u>
LIABILITIES			
Accounts Payable	\$ 7,356	\$ -	\$ 7,356
Accrued Liabilities	10,136	-	10,136
Unearned Revenue	20,875	-	20,875
Due to Other Funds	40,500	-	40,500
Total Liabilities	<u>78,867</u>	<u>-</u>	<u>78,867</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	323,258	-	323,258
FUND BALANCES			
Nonspendable	20,953	-	20,785
Restricted:			
Public Health and Education	897,582	285,119	1,182,701
Total Fund Balances	<u>918,535</u>	<u>285,119</u>	<u>1,203,654</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,320,660</u>	<u>\$ 285,119</u>	<u>\$ 1,605,779</u>

**JO DAVIESS COUNTY, ILLINOIS
PUBLIC HEALTH FUND - MAJOR
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED NOVEMBER 30, 2015**

	Public Health Account	Catastrophic Public Health Emergency Account	Total Public Health Fund
REVENUES			
Property Taxes	\$ 217,220	\$ -	\$ 217,220
Intergovernmental	117,060	-	117,060
Charges for Services	91,266	-	91,266
Interest	2,711	762	3,473
Other	6,417	-	6,417
Total Revenues	<u>434,674</u>	<u>762</u>	<u>435,436</u>
EXPENDITURES			
Current:			
Public Health and Education	600,296	-	600,296
Capital Outlay	2,315	-	2,315
Total Expenditures	<u>602,611</u>	<u>-</u>	<u>602,611</u>
Excess (Deficiency) Revenues Over Expenditures Before Other Financing Sources (Uses)	(167,937)	762	(167,175)
OTHER FINANCING SOURCES (USES)			
Transfers In	50,090	25,000	75,090
Transfers Out	(104,144)	-	(104,144)
Total Other Financing Sources (Uses)	<u>(54,054)</u>	<u>25,000</u>	<u>(29,054)</u>
NET CHANGE IN FUND BALANCE	(221,991)	25,762	(196,229)
Fund Balances - Beginning of Year	<u>1,140,526</u>	<u>259,357</u>	<u>1,399,883</u>
FUND BALANCES - END OF YEAR	<u>\$ 918,535</u>	<u>\$ 285,119</u>	<u>\$ 1,203,654</u>

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
NOVEMBER 30, 2015**

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, 2015**

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, 2015**

Special Revenue Funds (Continued)

Special Service District No. Six Fund: The purpose of this fund is to provide financial support for the Galena Area Emergency Medical Service District. The revenue for this fund is derived from a tax levied on property within the boundaries of Special Service Area Number Six including all taxable parcels located within the geographical boundaries of Council Hill, East Galena, Rawlins, Scales Mound, Vinegar Hill, and West Galena Townships and parcels located in portions of the geographical boundaries of Guilford, Menominee, and Rice Townships. Funds are disbursed by the County Treasurer following collection of property taxes in accordance with the County Board approved Annual Budget and Appropriations Ordinance and the Annual Tax Levy Ordinance. This fund was established under the authority of 35 ILCS 200/27-5 et seq.

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, 2015**

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.

Illinois 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, 2015**

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 payer 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, 2015**

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.

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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
NOVEMBER 30, 2015**

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.

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 this fund. This fund was established under the authority of 605 ILCS 5/5-603.

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.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
NOVEMBER 30, 2015**

Special Revenue Funds (Continued)

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, 2015**

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 & Investment 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 GOVERNMENTAL FUNDS
NOVEMBER 30, 2015**

Capital Project Funds (Continued)

ETSB Capital Equipment & Investment Fund: This special fund was established by the Jo Daviess County Emergency Telephone System Board (ETSB) to accumulate funds for the cost of replacing or planning for the future purchase of capital equipment and capital investment projects associated with the Jo Daviess County 9-1-1 system. Expenditures from this fund may be made only as allowed per 50 ILCS 750/ Emergency Telephone System Act. The primary source of revenue for this fund is inter-fund transfers from the 9-1-1 fund, earned interest and may also include grant funding, direct state and/or federal assistance, private donations, and local/county funds. The Emergency Telephone System Board authorizes all disbursements from this fund.

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET
NOVEMBER 30, 2015**

	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	
ASSETS								
Cash and Investments	\$ 341	\$ 270,625	\$ 366,695	\$ 2,245	\$ 1,011,138	\$ 3,670	\$ 42,555	\$ 1,585
Accounts Receivable	-	-	791	-	7,464	-	-	-
Interest Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	-	201,920	175,918	-	40,100	-	14,792	-
Property Taxes Receivable	-	336,611	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	94	-	-	-
Total Assets	\$ 341	\$ 809,156	\$ 543,404	\$ 2,245	\$ 1,058,796	\$ 3,670	\$ 57,347	\$ 1,585
LIABILITIES								
Accounts Payable	-	150,088	-	-	9,297	-	-	-
Accrued Liabilities	-	-	2,250	-	5,595	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	36,890	-
Total Liabilities	-	150,088	2,250	-	14,892	-	36,890	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Grants, Taxes, and Other Charges	-	-	-	-	10,661	-	3,085	-
Subsequent Year's Property Taxes	-	336,611	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	336,611	-	-	10,661	-	3,085	-
FUND BALANCES								
Nonspendable	-	-	-	-	94	-	-	-
Restricted:								
General Control and Administration	-	-	-	-	-	-	-	-
Transportation	341	322,457	541,154	-	-	-	-	-
Public Health and Education	-	-	-	-	1,033,149	3,670	17,372	-
Public Safety	-	-	-	-	-	-	-	1,585
Mental Health	-	-	-	-	-	-	-	-
County Development	-	-	-	-	-	-	-	-
Court Services	-	-	-	2,245	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	341	322,457	541,154	2,245	1,033,243	3,670	17,372	1,585
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 341	\$ 809,156	\$ 543,404	\$ 2,245	\$ 1,058,796	\$ 3,670	\$ 57,347	\$ 1,585

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	Special Revenue							911 Fund	Sheriff's Forfeiture Fund
	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	Special Service District No. Six Fund			
ASSETS									
Cash and Investments	\$ 16,157	\$ 43,623	\$ -	\$ -	\$ -	\$ -	\$ 171,441	\$ 7,121	
Accounts Receivable	-	-	-	-	-	-	13,576	-	
Interest Receivable	-	-	-	-	-	-	-	-	
Due from Other Funds	-	-	-	-	-	-	-	-	
Due from Other Governments	-	-	-	-	-	-	99,659	12	
Property Taxes Receivable	-	348,796	73,000	58,000	29,808	131,500	-	-	
Loans Receivable	-	-	-	-	-	-	-	-	
Prepaid Expenses	-	-	-	-	-	-	-	-	
Total Assets	\$ 16,157	\$ 392,419	\$ 73,000	\$ 58,000	\$ 29,808	\$ 131,500	\$ 284,676	\$ 7,133	
LIABILITIES									
Accounts Payable	\$ -	\$ 9,381	\$ -	\$ -	\$ -	\$ -	\$ 9,542	\$ 394	
Accrued Liabilities	-	-	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	-	-	
Due to Other Funds	16,157	-	-	-	-	-	-	-	
Total Liabilities	16,157	9,381	-	-	-	-	9,542	394	
DEFERRED INFLOWS OF RESOURCES									
Unavailable Grants, Taxes, and Other Charges	-	-	-	-	-	-	42,464	-	
Subsequent Year's Property Taxes	-	348,796	73,000	58,000	29,808	131,500	-	-	
Total Deferred Inflows of Resources	-	348,796	73,000	58,000	29,808	131,500	42,464	-	
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	
Restricted:									
General Control and Administration	-	-	-	-	-	-	-	-	
Transportation	-	-	-	-	-	-	-	-	
Public Health and Education	-	-	-	-	-	-	-	-	
Public Safety	-	-	-	-	-	-	232,670	6,739	
Mental Health	-	34,242	-	-	-	-	-	-	
County Development	-	-	-	-	-	-	-	-	
Court Services	-	-	-	-	-	-	-	-	
Committed	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	
Total Fund Balances	-	34,242	-	-	-	-	232,670	6,739	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,157	\$ 392,419	\$ 73,000	\$ 58,000	\$ 29,808	\$ 131,500	\$ 284,676	\$ 7,133	

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	Special Revenue							
	Economic Development Investment Fund	LTCB Matching Grant Fund	GIS Automation Fund	IL Municipal Retirement Fund	Social Security Tax Fund	Probation Services Fund	Extension Education Fund	Insurance Fund
ASSETS								
Cash and Investments	\$ 790,668	\$ 1	\$ 43,669	\$ 467,293	\$ 238,415	\$ 74,753	\$ 1	\$ 698,726
Accounts Receivable	-	-	56	-	-	11	-	-
Interest Receivable	85	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	4,940
Due from Other Governments	-	57,060	7,827	-	-	1,560	-	-
Property Taxes Receivable	-	-	-	541,674	258,786	-	81,157	402,452
Loans Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	31	-	-	-	-	-
Total Assets	\$ 790,753	\$ 57,061	\$ 51,583	\$ 1,008,967	\$ 497,201	\$ 76,324	\$ 81,158	\$ 1,106,118
LIABILITIES								
Accounts Payable	-	-	419	-	-	1,233	-	307
Accrued Liabilities	-	-	2,507	12,513	6,519	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	6,030	12,759	-	-	-
Total Liabilities	-	-	2,926	18,543	19,278	1,233	-	307
DEFERRED INFLOWS OF RESOURCES								
Unavailable Grants, Taxes, and Other Charges	-	57,060	-	-	-	-	-	-
Subsequent Year's Property Taxes	-	-	-	541,674	258,786	-	81,157	402,452
Total Deferred Inflows of Resources	-	57,060	-	541,674	258,786	-	81,157	402,452
FUND BALANCES								
Nonspendable	-	-	31	-	-	-	-	-
Restricted:								
General Control and Administration	-	-	48,626	448,750	219,137	-	-	703,359
Transportation	-	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-	-
County Development	-	1	-	-	-	-	1	-
Court Services	-	-	-	-	-	75,091	-	-
Committed	790,753	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	790,753	1	48,657	448,750	219,137	75,091	1	703,359
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 790,753	\$ 57,061	\$ 51,583	\$ 1,008,967	\$ 497,201	\$ 76,324	\$ 81,158	\$ 1,106,118

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	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	\$ 116,518	\$ 135,117	\$ 36,992	\$ 153,983	\$ 10,341	\$ 627	\$ 72,731	\$ 3,879
Accounts Receivable	1	-	-	3	1,613	-	-	-
Interest Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	2,691	3,330	304	2,318	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Total Assets	\$ 119,210	\$ 138,447	\$ 37,296	\$ 156,304	\$ 11,954	\$ 627	\$ 72,731	\$ 3,879
LIABILITIES								
Accounts Payable	\$ 590	\$ 479	\$ 631	\$ 390	\$ 302	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	590	479	631	390	302	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Grants, Taxes, and Other Charges	-	-	-	-	-	-	-	-
Subsequent Year's Property Taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted:								
General Control and Administration	-	137,968	36,665	-	11,652	627	-	-
Transportation	-	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-	-
County Development	-	-	-	-	-	-	-	-
Court Services	118,620	-	-	155,914	-	-	72,731	3,879
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	118,620	137,968	36,665	155,914	11,652	627	72,731	3,879
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 119,210	\$ 138,447	\$ 37,296	\$ 156,304	\$ 11,954	\$ 627	\$ 72,731	\$ 3,879

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	Special Revenue						
	Sheriff DUI Fund	Sheriff Vehicle Fund	Circuit Clerk Operation and Administrative Fund	Tourism Promotion Fund	Sale in Error Fund	Rentech Energy Escrow Fund	JDC Emergency Services Communication Fund
ASSETS							
Cash and Investments	\$ 42,106	\$ 61,912	\$ 26,342	\$ 859,657	\$ 92,427	\$ 546	\$ 356,677
Accounts Receivable	-	34	3	67,146	9,660	-	226
Interest Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	1,409	600	336	-	-	-	418
Property Taxes Receivable	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Total Assets	\$ 43,515	\$ 62,546	\$ 26,681	\$ 926,803	\$ 102,087	\$ 546	\$ 357,321
LIABILITIES							
Accounts Payable	-	\$ 3,350	\$ 115	\$ 34,425	-	-	\$ 316
Accrued Liabilities	-	-	-	9,741	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	3,350	115	44,166	-	-	316
DEFERRED INFLOWS OF RESOURCES							
Unavailable Grants, Taxes, and Other Charges	-	-	-	-	-	-	-
Subsequent Year's Property Taxes	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
General Control and Administration	-	-	-	-	102,087	546	357,005
Transportation	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-
Public Safety	43,515	59,196	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-
County Development	-	-	-	882,637	-	-	-
Court Services	-	-	26,566	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	43,515	59,196	26,566	882,637	102,087	546	357,005
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,515	\$ 62,546	\$ 26,681	\$ 926,803	\$ 102,087	\$ 546	\$ 357,321

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	Special Revenue					
	Sobriety Court Fund	County Jail Medical Costs Fund	Coroner's Equipment and Operations Fund	Federal Aid Matching Fund	JDC Natural Hazard Mitigation Fund	State's Attorney Records Automation Fund
ASSETS						
Cash and Investments	\$ 18,603	\$ 3,848	\$ 29,270	\$ 1,362,598	\$ 3	\$ 4,905
Accounts Receivable	-	-	857	-	-	-
Interest Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	351	245	-	-	-	138
Property Taxes Receivable	-	-	-	336,611	-	-
Loans Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	\$ 18,954	\$ 4,093	\$ 30,127	\$ 1,699,209	\$ 3	\$ 5,043
LIABILITIES						
Accounts Payable	-	441	548	139,108	-	-
Accrued Liabilities	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	441	548	139,108	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable Grants, Taxes, and Other Charges	-	-	-	-	-	-
Subsequent Year's Property Taxes	-	-	-	336,611	-	-
Total Deferred Inflows of Resources	-	-	-	336,611	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted:						
General Control and Administration	-	-	-	-	-	-
Transportation	-	-	-	1,223,490	-	-
Public Health and Education	-	-	-	-	-	-
Public Safety	-	3,652	29,579	-	3	-
Mental Health	-	-	-	-	-	-
County Development	-	-	-	-	-	-
Court Services	18,954	-	-	-	-	5,043
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	18,954	3,652	29,579	1,223,490	3	5,043
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,954	\$ 4,093	\$ 30,127	\$ 1,699,209	\$ 3	\$ 5,043

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING BALANCE SHEET (CONTINUED)
NOVEMBER 30, 2015**

	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 & Investment Fund	ETSB Capital Equipment & Investment Fund	Total Other Governmental Funds
ASSETS								
Cash and Investments	\$ 349,893	\$ 291,739	\$ 269,481	\$ 546,661	\$ 51,146	\$ 83,010	\$ 25,602	\$ 9,257,336
Accounts Receivable	-	-	10,000	44	-	12	-	111,497
Interest Receivable	127	-	-	-	-	150	-	362
Due from Other Funds	32,500	-	-	3,840	-	5,000	-	46,280
Due from Other Governments	-	-	-	-	-	-	-	610,988
Property Taxes Receivable	-	-	-	-	-	-	-	2,598,395
Loans Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	125
Total Assets	\$ 382,520	\$ 291,739	\$ 279,481	\$ 550,545	\$ 51,146	\$ 88,172	\$ 25,602	\$ 12,624,983
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ 39,623	\$ 850	\$ -	\$ 157	\$ -	\$ 401,986
Accrued Liabilities	-	-	-	-	-	-	-	39,125
Unearned Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	4,000	-	-	-	-	-	-	75,836
Total Liabilities	4,000	-	39,623	850	-	157	-	516,947
DEFERRED INFLOWS OF RESOURCES								
Unavailable Grants, Taxes, and Other Charges	-	-	10,000	-	-	-	-	123,270
Subsequent Year's Property Taxes	-	-	-	-	-	-	-	2,598,395
Total Deferred Inflows of Resources	-	-	10,000	-	-	-	-	2,721,665
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	125
Restricted:								
General Control and Administration	-	-	-	-	-	-	-	2,066,422
Transportation	-	-	-	-	-	-	-	2,087,442
Public Health and Education	-	-	-	-	-	-	-	1,054,191
Public Safety	-	-	-	-	-	-	-	376,939
Mental Health	-	-	-	-	-	-	-	34,242
County Development	-	-	-	-	-	-	-	882,639
Court Services	-	-	-	-	-	-	-	479,043
Committed	-	-	-	-	-	-	-	790,753
Assigned	378,520	291,739	229,858	549,695	51,146	88,015	25,602	1,614,575
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	378,520	291,739	229,858	549,695	51,146	88,015	25,602	9,386,371
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 382,520	\$ 291,739	\$ 279,481	\$ 550,545	\$ 51,146	\$ 88,172	\$ 25,602	\$ 12,624,983

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED NOVEMBER 30, 2015**

	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	\$ -	\$ 337,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	204,483	541,793	-	364,676	-	43,400	-
Charges for Services	-	-	-	-	36,140	-	-	-
Interest	-	317	2,882	-	3,707	7	55	1
Licenses and Permits	-	-	-	-	-	-	-	-
Other	-	1	14,155	-	4	-	-	-
Total Revenues	-	541,889	558,830	-	404,527	7	43,455	1
EXPENDITURES								
Current:								
General Control and Administration	-	-	-	-	-	-	-	-
Transportation	-	18,744	507,866	-	-	-	-	-
Public Health and Education	-	-	-	-	426,829	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-	-
County Development	-	-	-	-	-	-	-	-
Court Services	-	-	-	-	-	-	-	-
Capital Outlay	-	716,977	-	-	153	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	-	735,721	507,866	-	426,982	-	-	-
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	-	(193,832)	50,964	-	(22,455)	7	43,455	1
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(150,000)	(100,000)	-	(32,301)	-	(36,890)	-
Total Other Financing Sources (Uses)	-	(150,000)	(100,000)	-	(32,301)	-	(36,890)	-
NET CHANGE IN FUND BALANCE	-	(343,832)	(49,036)	-	(54,756)	7	6,565	1
Fund Balances - Beginning of Year	341	666,289	590,190	2,245	1,087,999	3,663	10,807	1,584
FUND BALANCES - END OF YEAR	<u>\$ 341</u>	<u>\$ 322,457</u>	<u>\$ 541,154</u>	<u>\$ 2,245</u>	<u>\$ 1,033,243</u>	<u>\$ 3,670</u>	<u>\$ 17,372</u>	<u>\$ 1,585</u>

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	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	Special Service District No. Six Fund	911 Fund	Sheriff's Forfeiture Fund
REVENUES								
Property Taxes	\$ -	\$ 349,291	\$ 71,217	\$ 58,243	\$ 27,994	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	83,775	-	-	-	-	-	324,260	2,227
Interest	27	262	39	32	15	-	1,234	15
Licenses and Permits	-	-	-	-	-	-	-	-
Other	342	-	-	-	-	-	-	3,465
Total Revenues	84,144	349,553	71,256	58,275	28,009	-	325,494	5,707
EXPENDITURES								
Current:								
General Control and Administration	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public Health and Education	-	-	71,256	58,275	28,009	-	-	-
Public Safety	-	-	-	-	-	-	89,692	3,405
Mental Health	-	345,037	-	-	-	-	-	-
County Development	-	-	-	-	-	-	-	-
Court Services	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	54,836	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	-	345,037	71,256	58,275	28,009	-	144,528	3,405
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	84,144	4,516	-	-	-	-	180,966	2,302
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(84,957)	(1,000)	-	-	-	-	(163,655)	-
Total Other Financing Sources (Uses)	(84,957)	(1,000)	-	-	-	-	(163,655)	-
NET CHANGE IN FUND BALANCE	(813)	3,516	-	-	-	-	17,311	2,302
Fund Balances - Beginning of Year	813	30,726	-	-	-	-	215,359	4,437
FUND BALANCES - END OF YEAR	\$ -	\$ 34,242	\$ -	\$ -	\$ -	\$ -	\$ 232,670	\$ 6,739

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	Special Revenue							
	Economic Development Investment Fund	LTCB Matching Grant Fund	GIS Automation Fund	IL Municipal Retirement Fund	Social Security Tax Fund	Probation Services Fund	Extension Education Fund	Insurance Fund
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ 542,442	\$ 259,152	\$ -	\$ 81,270	\$ 403,020
Intergovernmental	-	79,570	-	43,800	22,600	-	-	-
Charges for Services	-	-	134,159	-	-	23,610	-	-
Interest	3,622	-	110	2,766	1,514	158	44	1,354
Licenses and Permits	-	-	-	-	-	-	-	-
Other	-	-	1,055	-	-	11	-	1,946
Total Revenues	<u>3,622</u>	<u>79,570</u>	<u>135,324</u>	<u>589,008</u>	<u>283,266</u>	<u>23,779</u>	<u>81,314</u>	<u>406,320</u>
EXPENDITURES								
Current:								
General Control and Administration	-	-	141,106	2,981	2,187	-	-	326,784
Transportation	-	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-	-
County Development	17,620	-	-	-	-	-	81,314	-
Court Services	-	-	-	-	-	14,663	-	-
Capital Outlay	-	-	372	-	-	9,101	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>17,620</u>	<u>-</u>	<u>141,478</u>	<u>2,981</u>	<u>2,187</u>	<u>23,764</u>	<u>81,314</u>	<u>326,784</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(13,998)	79,570	(6,154)	586,027	281,079	15	-	79,536
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	27,620	-	-	-	-	16,511
Transfers Out	-	(82,136)	(2,000)	(550,865)	(296,321)	(5,902)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(82,136)</u>	<u>25,620</u>	<u>(550,865)</u>	<u>(296,321)</u>	<u>(5,902)</u>	<u>-</u>	<u>16,511</u>
NET CHANGE IN FUND BALANCE	(13,998)	(2,566)	19,466	35,162	(15,242)	(5,887)	-	96,047
Fund Balances - Beginning 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>
FUND BALANCES - END OF YEAR	<u>\$ 790,753</u>	<u>\$ 1</u>	<u>\$ 48,657</u>	<u>\$ 448,750</u>	<u>\$ 219,137</u>	<u>\$ 75,091</u>	<u>\$ 1</u>	<u>\$ 703,359</u>

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	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	-	-	-	-	-	2,129	3,298	-
Charges for Services	25,133	45,883	5,394	21,310	1,610	-	-	-
Interest	112	126	75	17	21	4	148	-
Licenses and Permits	-	-	-	-	-	-	-	-
Other	1	-	-	3	3	-	-	-
Total Revenues	<u>25,246</u>	<u>46,009</u>	<u>5,469</u>	<u>21,330</u>	<u>1,634</u>	<u>2,133</u>	<u>3,446</u>	<u>-</u>
EXPENDITURES								
Current:								
General Control and Administration	-	26,421	954	-	616	-	-	-
Transportation	-	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-	-
County Development	-	-	-	-	-	-	-	-
Court Services	-	-	-	-	-	-	-	-
Capital Outlay	25,831	256	1,616	11,208	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>25,831</u>	<u>26,677</u>	<u>2,570</u>	<u>11,208</u>	<u>616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(585)	19,332	2,899	10,122	1,018	2,133	3,446	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(6,000)	-	-	-	-	-	(10,000)	-
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,585)	19,332	2,899	10,122	1,018	2,133	(6,554)	-
Fund Balances - Beginning 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>
FUND BALANCES - END OF YEAR	<u>\$ 118,620</u>	<u>\$ 137,968</u>	<u>\$ 36,665</u>	<u>\$ 155,914</u>	<u>\$ 11,652</u>	<u>\$ 627</u>	<u>\$ 72,731</u>	<u>\$ 3,879</u>

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	Special Revenue						JDC Emergency Services Communication Fund
	Sheriff DUI Fund	Sheriff Vehicle Fund	Circuit Clerk Operation and Administrative Fund	Tourism Promotion Fund	Sale in Error Fund	Rentech Energy Escrow Fund	
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	858,180	-	-	-
Charges for Services	7,862	6,393	3,363	89,319	-	-	-
Interest	-	127	13	1,385	93	1	801
Licenses and Permits	-	-	-	-	-	-	1,190
Other	2,694	2,394	3	3,571	9,661	-	1,779
Total Revenues	10,556	8,914	3,379	952,455	9,754	1	3,770
EXPENDITURES							
Current:							
General Control and Administration	-	-	-	-	-	-	1,751
Transportation	-	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-	-
Public Safety	8,299	22,705	-	-	-	-	-
Mental Health	-	-	-	-	-	-	-
County Development	-	-	-	825,298	-	-	-
Court Services	-	-	1,902	-	-	-	-
Capital Outlay	-	79,652	-	-	-	-	316
Debt Service:							
Principal	-	-	-	-	-	-	106,592
Interest	-	-	-	-	-	-	10,608
Total Expenditures	8,299	102,357	1,902	825,298	-	-	119,267
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	2,257	(93,443)	1,477	127,157	9,754	1	(115,497)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	84,000	-	82,136	-	-	130,534
Transfers Out	-	-	-	(79,712)	-	-	-
Total Other Financing Sources (Uses)	-	84,000	-	2,424	-	-	130,534
NET CHANGE IN FUND BALANCE	2,257	(9,443)	1,477	129,581	9,754	1	15,037
Fund Balances - Beginning of Year	41,258	68,639	25,089	753,056	92,333	545	341,968
FUND BALANCES - END OF YEAR	\$ 43,515	\$ 59,196	\$ 26,566	\$ 882,637	\$ 102,087	\$ 546	\$ 357,005

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	Special Revenue					
	Sobriety Court Fund	County Jail Medical Costs Fund	Coroner's Equipment and Operations Fund	Federal Aid Matching Fund	JDC Natural Hazard Mitigation Fund	State's Attorney Records Automation Fund
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ 337,088	\$ -	\$ -
Intergovernmental	3,279	-	-	-	-	-
Charges for Services	-	2,706	8,734	-	-	1,218
Interest	8	2	15	3,478	-	2
Licenses and Permits	-	-	-	-	-	-
Other	-	-	7	-	-	-
Total Revenues	<u>3,287</u>	<u>2,708</u>	<u>8,756</u>	<u>340,566</u>	<u>-</u>	<u>1,220</u>
EXPENDITURES						
Current:						
General Control and Administration	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Public Health and Education	-	-	-	-	-	-
Public Safety	-	3,697	4,980	-	-	-
Mental Health	-	-	-	-	-	-
County Development	-	-	-	-	-	-
Court Services	-	-	-	-	-	-
Capital Outlay	-	-	-	115,766	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,697</u>	<u>4,980</u>	<u>115,766</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures						
Before Other Financing Sources (Uses)	3,287	(989)	3,776	224,800	-	1,220
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>3,287</u>	<u>(989)</u>	<u>3,776</u>	<u>224,800</u>	<u>-</u>	<u>1,220</u>
Fund Balances - Beginning of Year	<u>15,667</u>	<u>4,641</u>	<u>25,803</u>	<u>998,690</u>	<u>3</u>	<u>3,823</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,954</u>	<u>\$ 3,652</u>	<u>\$ 29,579</u>	<u>\$ 1,223,490</u>	<u>\$ 3</u>	<u>\$ 5,043</u>

**JO DAVIESS COUNTY, ILLINOIS
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	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	ETSB Capital Equipment Fund	Total Other Governmental Funds
REVENUES								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,466,805
Intergovernmental	-	-	-	-	-	-	-	2,167,208
Charges for Services	-	-	-	-	-	-	-	823,096
Interest	970	292	34	1,953	101	654	2	28,595
Licenses and Permits	-	-	-	-	-	-	-	1,190
Other	-	-	-	44	-	13	-	41,152
Total Revenues	970	292	34	1,997	101	667	2	5,528,046
EXPENDITURES								
Current:								
General Control and Administration	-	-	-	-	-	2,158	-	504,958
Transportation	-	-	-	-	-	-	-	526,610
Public Health and Education	-	-	-	-	-	-	-	584,369
Public Safety	-	-	-	-	-	-	-	132,778
Mental Health	-	-	-	-	-	-	-	345,037
County Development	-	-	-	-	-	-	-	924,232
Court Services	-	-	-	-	-	-	-	16,565
Capital Outlay	-	-	171,521	74,720	-	1,266	-	1,263,591
Debt Service:								
Principal	-	-	-	-	-	-	-	106,592
Interest	-	-	-	-	-	-	-	10,608
Total Expenditures	-	-	171,521	74,720	-	3,424	-	4,415,340
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	970	292	(171,487)	(72,723)	101	(2,757)	2	1,112,706
OTHER FINANCING SOURCES (USES)								
Transfers In	32,500	-	189,100	76,466	2,000	6,000	25,600	672,467
Transfers Out	(4,000)	-	-	-	-	(1,000)	-	(1,606,739)
Total Other Financing Sources (Uses)	28,500	-	189,100	76,466	2,000	5,000	25,600	(934,272)
NET CHANGE IN FUND BALANCE	29,470	292	17,613	3,743	2,101	2,243	25,602	178,434
Fund Balances - Beginning of Year	349,050	291,447	212,245	545,952	49,045	85,772	-	9,207,937
FUND BALANCES - END OF YEAR	<u>\$ 378,520</u>	<u>\$ 291,739</u>	<u>\$ 229,858</u>	<u>\$ 549,695</u>	<u>\$ 51,146</u>	<u>\$ 88,015</u>	<u>\$ 25,602</u>	<u>\$ 9,386,371</u>

**JO DAVIESS COUNTY, ILLINOIS
FIDUCIARY FUNDS (AGENCY FUNDS)
NOVEMBER 30, 2015**

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 (AGENCY FUNDS)
NOVEMBER 30, 2015**

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
 AGENCY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 NOVEMBER 30, 2015**

	Township Motor Fuel Tax Fund	Lost and Unknown Heirs Fund	Township Bridge Fund	County Collector's Fund	Work Release Fund	Circuit Clerk Fund	Marriage Fund	County Clerk's Tax Redemption Fund
ASSETS								
Cash and Investments	\$ 166,467	\$ 81	\$ 172,614	\$ 144,881	\$ 821	\$ 168,613	\$ 3,967	\$ 65,246
Due from Other Governments	410,946	-	-	-	-	-	-	-
Total Assets	<u>\$ 577,413</u>	<u>\$ 81</u>	<u>\$ 172,614</u>	<u>\$ 144,881</u>	<u>\$ 821</u>	<u>\$ 168,613</u>	<u>\$ 3,967</u>	<u>\$ 65,246</u>
LIABILITIES								
Accounts Payable	\$ 54,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Individuals and Private Entities	522,934	81	172,614	-	821	58,543	3,967	65,246
Due to Other Governments	-	-	-	144,881	-	110,070	-	-
Total Liabilities	<u>\$ 577,413</u>	<u>\$ 81</u>	<u>\$ 172,614</u>	<u>\$ 144,881</u>	<u>\$ 821</u>	<u>\$ 168,613</u>	<u>\$ 3,967</u>	<u>\$ 65,246</u>

JO DAVIESS COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
NOVEMBER 30, 2015

	Inheritance Tax Fund	Probation Restitution Fund	Insurance Clearing Fund	Treasurer's Fee Account Fund	Inmate Commissary Fund	Sheriff's Kids First Fund	Total
ASSETS							
Cash and Investments	\$ 1	\$ 3,621	\$ 67,864	\$ 141	\$ 24,049	\$ 352	\$ 818,718
Due from Other Governments	-	-	-	-	-	-	410,946
Total Assets	<u>\$ 1</u>	<u>\$ 3,621</u>	<u>\$ 67,864</u>	<u>\$ 141</u>	<u>\$ 24,049</u>	<u>\$ 352</u>	<u>\$ 1,229,664</u>
LIABILITIES							
Accounts Payable	-	-	-	-	-	-	\$ 54,479
Due to Individuals and Private Entities	1	3,621	67,864	141	24,049	352	920,234
Due to Other Governments	-	-	-	-	-	-	254,951
Total Liabilities	<u>\$ 1</u>	<u>\$ 3,621</u>	<u>\$ 67,864</u>	<u>\$ 141</u>	<u>\$ 24,049</u>	<u>\$ 352</u>	<u>\$ 1,229,664</u>

**JO DAVIESS COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED NOVEMBER 30, 2015**

	Balance November 30, 2014	Additions	Deletions	Balance November 30, 2015
Township Motor Fuel Tax Fund				
Assets:				
Cash and Investments	\$ 645,203	\$ 676,284	\$ 1,155,020	\$ 166,467
Due from Other Governments	80,367	934,729	604,150	410,946
Total Assets	<u>\$ 725,570</u>	<u>\$ 1,611,013</u>	<u>\$ 1,759,170</u>	<u>\$ 577,413</u>
Liabilities:				
Accounts Payable	\$ 31,295	\$ 1,196,203	\$ 1,173,019	\$ 54,479
Due to Individuals and Private Entities	694,275	414,810	586,151	522,934
Total Liabilities	<u>\$ 725,570</u>	<u>\$ 1,611,013</u>	<u>\$ 1,759,170</u>	<u>\$ 577,413</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>\$ 172,389</u>	<u>\$ 152,031</u>	<u>\$ 151,806</u>	<u>\$ 172,614</u>
Liabilities, Due to Individuals and Private Entities	<u>\$ 172,389</u>	<u>\$ 152,031</u>	<u>\$ 151,806</u>	<u>\$ 172,614</u>
County Collector's Fund				
Assets, Cash and Investments	<u>\$ 84,817</u>	<u>\$ 50,966,405</u>	<u>\$ 50,906,341</u>	<u>\$ 144,881</u>
Liabilities, Due to Other Governments	<u>\$ 84,817</u>	<u>\$ 50,966,405</u>	<u>\$ 50,906,341</u>	<u>\$ 144,881</u>

**JO DAVIESS COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	Balance November 30, 2014	Additions	Deletions	Balance November 30, 2015
Work Release Fund				
Assets, Cash and Investments	\$ 821	\$ 40,082	\$ 40,082	\$ 821
Liabilities, Due to Individuals and Private Entities	\$ 821	\$ 40,082	\$ 40,082	\$ 821
Circuit Clerk Fund				
Assets, Cash and Investments	\$ 151,251	\$ 831,952	\$ 814,590	\$ 168,613
Liabilities:				
Due to Individuals and Private Entities	\$ 43,276	\$ 807,613	\$ 792,346	\$ 58,543
Due to Other Governments	107,975	24,339	22,244	110,070
Total Liabilities	\$ 151,251	\$ 831,952	\$ 814,590	\$ 168,613
Marriage Fund				
Assets, Cash and Investments	\$ 3,576	\$ 391	\$ -	\$ 3,967
Liabilities, Due to Individuals and Private Entities	\$ 3,576	\$ 391	\$ -	\$ 3,967
County Clerk's Tax Redemption Fund				
Assets, Cash and Investments	\$ 71,954	\$ 493,943	\$ 500,651	\$ 65,246
Liabilities, Due to Individuals and Private Entities	\$ 71,954	\$ 493,943	\$ 500,651	\$ 65,246
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	\$ 3,621	\$ -	\$ -	\$ 3,621
Liabilities, Due to Individuals and Private Entities	\$ 3,621	\$ -	\$ -	\$ 3,621

**JO DAVIESS COUNTY, ILLINOIS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

	Balance November 30, 2014	Additions	Deletions	Balance November 30, 2015
Insurance Clearing Fund				
Assets, Cash and Investments	\$ 56,287	\$ 1,375,768	\$ 1,364,191	\$ 67,864
Liabilities, Due to Individuals and Private Entities	\$ 56,287	\$ 1,375,768	\$ 1,364,191	\$ 67,864
Treasurer's Fee Account Fund				
Assets, Cash and Investments	\$ 12	\$ 95,844	\$ 95,715	\$ 141
Liabilities, Due to Individuals and Private Entities	\$ 12	\$ 95,844	\$ 95,715	\$ 141
Inmate Commissary Fund				
Assets, Cash and Investments	\$ 30,774	\$ 30,186	\$ 36,911	\$ 24,049
Liabilities, Due to Individuals and Private Entities	\$ 30,774	\$ 30,186	\$ 36,911	\$ 24,049
Sheriff's Kids First Fund				
Assets, Cash and Investments	\$ 1,005	\$ -	\$ 653	\$ 352
Liabilities, Due to Individuals and Private Entities	\$ 1,005	\$ -	\$ 653	\$ 352
Totals - All Agency Funds				
Assets:				
Cash and Investments	\$ 1,221,792	\$ 54,662,886	\$ 55,065,960	\$ 818,718
Due from Other Governments	80,367	934,729	604,150	410,946
Total Assets	\$ 1,302,159	\$ 55,597,615	\$ 55,670,110	\$ 1,229,664
Liabilities:				
Accounts Payable	\$ 31,295	\$ 1,196,203	\$ 1,173,019	\$ 54,479
Due to Individuals and Private Entities	1,078,072	3,410,668	3,568,506	920,234
Due to Other Governments	192,792	50,990,744	50,928,585	254,951
Total Liabilities	\$ 1,302,159	\$ 55,597,615	\$ 55,670,110	\$ 1,229,664

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)

Tax Year	2014	2013	2012
Equalized Assessed Valuations	<u>\$ 673,221,302</u>	<u>\$ 677,425,066</u>	<u>\$ 724,614,974</u>
Tax Rates (Maximum Allowable is Disclosed in Parentheses):			
General (as Needed)	0.32196	0.27590	0.25108
Highway (.200)	0.15506	0.13236	0.11554
Bridges (.050)	0.05000	0.05000	0.04582
Federal Aid Matching (.050)	0.05000	0.04850	0.04416
Illinois Municipal Retirement (as Needed)	0.08046	0.10210	0.06921
Social Security (as Needed)	0.03844	0.03820	0.03571
Extension Education (.050)	0.01206	0.01198	0.01106
County Health (.150)	0.03222	0.07706	0.07204
Insurance (as Needed)	0.05978	0.03726	0.05553
Mental Health (.150)	0.05181	0.05072	0.04741
County Wide Totals	<u>0.85179</u>	<u>0.82408</u>	<u>0.74756</u>
Tax Rates (Maximum Allowable is Disclosed in Parentheses):			
Special Service District Number One (.100)	0.10000	0.10000	0.08965
Special Service District Number Two and Four (.100)	0.10000	0.10000	0.10000
Special Service District Number Five (.110)	0.11000	0.11000	0.10764
Special Service District Totals	<u>0.31000</u>	<u>0.31000</u>	<u>0.29729</u>
Tax Levies:			
General	\$ 2,167,497	\$ 1,869,011	\$ 1,821,096
Highway	1,043,885	896,607	837,975
Bridges	336,700	339,415	339,776
Federal Aid Matching	336,700	328,546	320,297
Illinois Municipal Retirement	541,651	691,626	502,000
Social Security	258,776	258,760	259,000
Extension Education	81,156	81,142	80,252
County Health	216,869	522,013	522,509
Insurance	402,409	252,379	402,764
Mental Health	348,744	343,540	343,896
County Wide Totals	<u>\$ 5,734,387</u>	<u>\$ 5,583,039</u>	<u>\$ 5,429,565</u>
Tax Levies:			
Special Service District Number One	\$ 73,000	\$ 80,000	\$ 80,000
Special Service District Number Two and Four	59,000	64,000	64,000
Special Service District Number Five	29,808	29,808	28,317
Special Service District Totals	<u>\$ 161,808</u>	<u>\$ 173,808</u>	<u>\$ 172,317</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF PROPERTY TAX RATES, LEVIES, EXTENSIONS
AND EQUALIZED ASSESSED VALUATIONS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)

Tax Year	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Extensions:			
General	\$ 2,158,381	\$ 1,869,016	\$ 1,819,363
Highway	1,039,790	896,640	837,220
Bridges	336,611	338,712	332,019
Federal Aid Matching	336,611	328,551	319,990
Illinois Municipal Retirement	541,674	691,651	501,506
Social Security	258,786	258,776	258,760
Extension Education	81,157	81,155	80,142
County Health	216,912	522,024	522,013
Insurance	402,452	252,409	402,379
Mental Health	348,795	343,590	343,540
	<u>348,795</u>	<u>343,590</u>	<u>343,540</u>
County Wide Totals	<u>\$ 5,721,169</u>	<u>\$ 5,582,524</u>	<u>\$ 5,416,932</u>
Tax Extensions:			
Special Service District Number One	\$ 71,185	\$ 72,977	\$ 80,003
Special Service District Number Two and Four	58,154	58,243	61,317
Special Service District Number Five	28,006	27,312	28,319
	<u>28,006</u>	<u>27,312</u>	<u>28,319</u>
Special Service District Totals	<u>\$ 157,345</u>	<u>\$ 158,532</u>	<u>\$ 169,639</u>

JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES FROM TAXES EXTENDED
FOR TORT IMMUNITY PURPOSES
YEAR ENDED NOVEMBER 30, 2015
(UNAUDITED)

Property, Liability and Workers' Compensation Insurance	\$ 321,967
County's Share of Insurance Costs Paid by the Regional Superintendent's Trust Fund	<u>4,817</u>
Total	<u><u>\$ 326,784</u></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 (the County) as of and for the year ended November 30, 2015, and the related notes to the financial statements, which collectively comprise Jo Daviess County, Illinois' basic financial statements, and have issued our report thereon dated April 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness [Finding 2015-003].

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2015-001 and 2015-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's 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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Champaign, Illinois
April 28, 2016

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

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

Report on Compliance for Each Major Federal Program

We have audited Jo Daviess County, Illinois' (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended November 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2015.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2015-001, which we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Champaign, Illinois
April 28, 2016

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Department of Interior				
Federal Entitlement Land/ PILT	15.226	None	\$ 18,441	\$ -
U.S. Fish & Wildlife Service	15.659	None	6,545	-
Total U.S. Department of Interior			24,986	-
U.S. Department of Defense				
Federal Control Land Lease	12.112	None	58,012	-
Total U.S. Department of Defense			58,012	-
U.S. Department of Health and Human Services				
Passed through Illinois Department of Public Health:				
Immunizations Grant- Non Cash	93.268	None	45,272	-
Public Health Information Network- Bioterrorism	93.074	57180042C	26,688	-
	93.074	67180042D	18,276	-
			44,964	-
Public Health Information Network- Ebola	93.074	67180154D	1,521	-
Total U.S. Department of Health and Human Services Passed through Illinois Department of Public Health			91,757	-
Passed through Illinois Department of Healthcare and Family Services:				
Child Support Enforcement Title IV-D	93.563	None	2,177	-
			2,177	-
Passed through National Association of County and City Health Officials:				
MCR Medical Reserve	93.008	MRC 15-2146	3,500	-
Passed through Illinois State Board of Elections:				
HAVA- VAID V	93.617	None	1,479	-
Total U.S. Department of Health and Human Services			98,913	-

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Environmental Protection Agency				
Passed through Illinois Department of Public Health:				
Non Community Public Water Supply	66.432	55380162C	\$ 638	\$ -
	66.605	65380161D	<u>238</u>	<u>-</u>
			876	-
Total U.S. Environmental Protection Agency			876	-
U.S. Department of Transportation				
Passed through Illinois Department of Transportation:				
Formula Grant for Rural Areas	20.509	OP-15-20-FED	23,865	23,345
	20.509	OP-16-20-FED	<u>155,157</u>	<u>152,336</u>
			179,022	175,681
Formula Grant for Rural Areas (ARRA)	20.509	CAP-10-938-ARRA	294,997	-
Hazardous Materials Emergency Preparedness	20.703	15JODAVMHE	1,690	-
Sustained Traffic Enforcement Program (STEP)	20.600	OP-16-0209	8,653	-
Highway Planning and Construction	20.205	600AL14053	<u>49,925</u>	<u>-</u>
Total U.S. Department of Transportation Passed through Illinois Department of Transportation			<u>534,287</u>	<u>175,681</u>
Total U.S. Department of Transportation			534,287	175,681
U.S. Department of Homeland Security				
Passed through Illinois Emergency Management Agency:				
Emergency Management Performance Grants	97.042	615EMAJODAV	<u>8,421</u>	<u>-</u>
Total U.S. Department of Homeland Security			8,421	-
U.S. Department of Justice				
State Criminal Alien Assistance Program	16.060	2015-AP-BX-0691	<u>3,548</u>	<u>-</u>
Bullet Proof Vest Grant	16.607	2017-BUBX-14073039	<u>5,505</u>	<u>-</u>
Total U.S. Department of Justice			9,053	-

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Passed-through to Subrecipients
U.S. Election Commission				
Passed through Illinois State Board of Elections:				
Help America Vote Act Requirements				
Payments	90.401	NA	\$ 650	\$ -
Total U.S. Election Commission			650	-
Total			\$ 735,198	\$ 175,681

Summary of Federal Awards by Federal CFDA Number and Cluster	Federal CFDA Number	Expenditures	Passed-through to Subrecipients	Cluster Total If Applicable
	12.112	\$ 58,012	\$ -	
	15.226	18,441	-	
	15.659	6,545	-	
	16.060	3,548	-	
	16.607	5,505	-	
	20.509	474,019	175,681	
	20.600	8,653	-	
	20.703	1,690	-	
	20.205	49,925	-	
	66.432	638	-	
	66.605	238	-	
	90.401	650	-	
	93.617	1,479	-	
	93.268	45,272	-	
	93.074	46,485	-	
	93.563	2,177	-	
	93.008	3,500	-	
	97.042	8,421	-	
		\$ 735,198	\$ 175,681	

JO DAVIESS COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2015

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards includes the activity of all federal grants of Jo Daviess County, Illinois. The Jo Daviess County reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 RELATIONSHIP TO FINANCIAL STATEMENTS

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 3 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE 4 COMMODITIES - VACCINES

The County receives vaccines at no charge from the Illinois Department of Public Health through federally assisted programs. The value of federally funded vaccines received during fiscal year 2015 was \$45,272.

NOTE 5 OTHER NONCASH ASSISTANCE

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

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2015**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? X yes no

Identification of major programs:

CFDA Number(s)

20.509

Name of Federal Program or Cluster

Formula Grant for Rural Areas

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes X no

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2015**

Section II – Financial Statement Findings

Finding No. 2015-001 – Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP) and Schedule of Expenditures of Federal Awards (SEFA)

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), and the SEFA.

Condition:

The entity 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, and preparation of the SEFA.

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, and the SEFA.

Effect:

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

Cause:

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

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 adopted a policy for the review and approval of year-end financial statements 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 and the County Treasurer will review the requirements to comply with this finding by November 30, 2016 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, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-002 – Segregation of Duties- Circuit Clerk's Office

Criteria or specific requirement:

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

Condition:

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

Effect:

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

Cause:

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

Recommendation:

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

Views of responsible officials and planned corrective action:

Circuit Clerk, Sharon Wand, to the extent possible, will monitor monthly financial results in the Jo Daviess County, Illinois Circuit Clerk's office, throughout the fiscal year ending November 30, 2016. The Circuit Clerk formalized financial transaction procedures in a written policy entitled Financial Transactions Policy Circuit Clerk. This policy is distributed and signed by all staff in the Circuit Clerks office. The policy sets forth required duties of employees in the Jo Daviess County Circuit Clerk's Office when handling financial transactions.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2015**

Section II - Financial Statement Findings (Continued)

Finding No. 2015-003 – Significant Audit Adjustment

Criteria or specific requirement:

A control deficiency 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 misstatements on a timely basis.

Condition:

During the course of our audit, we noted an adjustment was required that had a material effect on the County's financial statements. The adjustment related to recording retainage payable on capital projects still in progress.

Effect:

Expenses and liabilities were understated by \$86,059 at year end in the fund financial statements for County Transit Fund (construction-in-progress and liabilities understated in government-wide statements).

Cause:

Retainage payable at year end is infrequent and was over looked.

Recommendation:

To establish proper internal control over accounting transactions, the County should continue establishing procedures to monitor and record these accrual items, which include identifying factors that may affect the balances, as well as accumulating sufficient reliable data on which to base the balances. Such procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the County's activities and operations.

Views of responsible officials and planned corrective action:

Financial statements including any payables and accruals are prepared monthly by staff in the Jo Daviess County Treasurer's Office. This finding is for not recording retainage as a payable for a building project. The Treasurer's Office did not record a payable because they were not made aware that there was retainage for this project. To correct this communication issue the County plans to revise its fixed asset management policy. The revision will require each department with a fixed asset to identify at the beginning of the project if there is a retainage provision in the contract. This change will ensure that any retainage is properly recorded as a payable as the project progresses.

**JO DAVIESS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2015**

Section III – Federal Awards Findings and Questioned Costs

Finding No. 2015-001 – Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP) and Schedule of Expenditures of Federal Awards (SEFA)

See Section II - Financial Statement Findings

Federal Agency/Program: U.S. Department of Transportation - 20.509 - Formula
Grant for Rural Areas, passed through Illinois
Department of Transportation

All Other Programs

Questioned Costs: None

**JO DAVIESS COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2015**

YEAR ENDED NOVEMBER 30, 2014

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

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.

This condition has been repeated as Finding 2015-001.

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

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.

This condition has been repeated as Finding 2015-002.