

# **Adams County, Illinois**

Quincy, Illinois

## **Financial Report**

Year Ended November 30, 2015

# Adams County, Illinois

Year Ended November 30, 2015

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# Adams County, Illinois

Year Ended November 30, 2015

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## **Independent Auditor's Report**

To the County Board  
Adams County, Illinois  
Quincy, 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 Adams 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 the County'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; 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of November 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Emphasis of Matter**

The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB 68*, during the year ended November 30, 2015. Statement No. 68 and 71 changed how net pension liability is reported on the statement of net position and the footnotes related to the retirement systems the County participates in. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis and required supplementary information pages 4 through 17 and 61 through 72 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, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The schedules listed as supplementary information on pages 73 through 94 are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2016, on our consideration of the County's 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 results of that testing, and not to provide an opinion on the 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 the County's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
May 9, 2016

## **Management Discussion And Analysis**

# Adams County, Illinois

## Management Discussion and Analysis

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Adams County, Illinois' (the "County") management discussion and analysis (MD&A) is generally intended to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the County's financial activities, (3) identify changes in the County's financial position (its ability to meet future financial demands and conditions), (4) identify any material deviations from the governmental unit's financial plan (approved budget), and (5) identify individual fund issues or concerns.

The MD&A is provided at the beginning of the report to provide an overview of the County's financial position at November 30, 2015 and the results of operations for the year. This summary should not be taken as a replacement for the audit report, which consists of the basic financial statements, notes to the financial statements, required and supplementary information.

### **FINANCIAL HIGHLIGHTS FOR FY2015**

- The County's assets exceeded its liabilities at the close of the fiscal year by \$60.7 million (net position). Of this amount \$2.1 million (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's total net position decreased by \$1.8 million during fiscal year 2015 as reported in the statement of activities.
- The County's major revenue consisted of \$9.0 million in property tax distributions, \$8.3 million in charges for services, and \$3.7 million in operating grants and contributions.
- At the close of fiscal year 2015, the County's governmental funds reported combined ending fund balances of \$18.8 million, an increase of \$1.3 million in comparison to the prior year.
- At the end of fiscal year 2015, the unassigned fund balance in the General Fund was \$5.5 million, which is 44.3% of total general fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This document serves as an introduction to the County's basic financial statements. There are three components to the basic financial statements – government wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary and supplementary information in addition to the basic financial statements themselves.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

These statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business, using the economic resources measurement focus and the accrual basis of accounting.

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



# Adams County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

The statement of activities presents information that shows 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 result in cash flows in future fiscal years.

These statements highlight the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general control and administration, public safety, judiciary and courts, corrections, highways and bridges, public health, public welfare, education and interest on long-term debt. There are no business-type activities accounted for by the County.

The government-wide financial statements can be found on pages 18 and 19 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental 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 financing requirements. The County's Governmental Funds during the reporting period use the modified accrual basis of accounting and activities are converted to the accrual basis of accounting for government-wide financial statement reporting purposes.

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 county's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for major funds, (the General Fund, Illinois Municipal Retirement Fund, Ambulance Services Fund, Health Department Fund, and Motor Fuel Tax Fund). All other non-major governmental funds are combined and presented in one column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 20 through 25 of this report.

# Adams County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

*Proprietary Fund.* The County maintains one proprietary fund. Proprietary funds are reported in the same way as the government-wide financial statements. Internal Service Funds are a type of proprietary fund and provide service to other funds in the County. The County's internal service fund accounts for the health insurance premiums for the County employees. The proprietary fund financial statement can be found on pages 26 through 28 of this report.

*Fiduciary Funds.* The County also maintains a number of fiduciary funds in the form of agency funds, which are used to account for resources - almost exclusively cash and investments - held by the County 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 accounting used for fiduciary funds is the same as that used for proprietary funds. The fiduciary fund financial statement can be found on page 29 of this report.

#### Notes to the Financial Statements

These provide additional information that is essential to gaining a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 30 through 60 of this report.

#### Required Supplementary Information

This information addresses the County's budgetary comparison schedules of major funds, Multiyear Schedules of Changes in Net Pension Liability and Related Ratios, the Multiyear Schedules of IMRF Contributions, and Schedule of Other Postemployment Benefit Funding Progress. The County adopts an annual appropriated budget for its General Fund, Special Revenue Funds, Debt Service Fund, and Internal Service Fund. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. The IMRF pension schedules have been provided to present the County's progress in funding its obligation to provide pension benefits to County employees through the IMRF system. Required supplementary information can be found on pages 61 through 72 of this report.

#### Supplementary Information

This information as discussed earlier in connection with the General Fund, non-major governmental funds, and agency funds is presented immediately following the required supplementary information on pensions and other postemployment benefit plans other than pensions. Supplementary information can be found on pages 73 through 94 of this report.

# Adams County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As previously addressed, net position may serve the purpose over time as a useful indicator of financial position. To that end, the County's assets exceeded its liabilities by \$60.7 million for FY2015.

The following table represents a condensed Statement of Net Position of the County for governmental activities as of November 30, 2015 and 2014.

<b>Net Position (in millions)</b>		
<b>Governmental Activities</b>		
<b>November 30</b>		
	<b>2015</b>	<b>2014*</b>
Current assets	\$20.1	\$19.2
Noncurrent assets	51.4	56.2
Total assets	71.5	75.4
Deferred outflows of resources	4.6	0.0
Total assets and deferred outflows of resources	76.1	75.4
Current liabilities	1.8	1.9
Long term liabilities	13.6	6.8
Total liabilities	15.4	8.7
Deferred inflows of resources	0.0	0.0
Total liabilities and deferred inflows of resources	15.4	8.7
Net position:		
Net investment in capital assets	45.5	50.0
Restricted	13.1	13.5
Unrestricted	2.1	3.2
Total net position	\$60.7	\$66.7

\*Adjustments have not been made to restate prior years for the effects of GASB Statements No. 68 and 71

At November 30, 2015, the County is able to report positive balances in all three categories of net position.

A portion of the County's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide services. Therefore, these assets are not available for future spending. Although the County's investments in its capital assets are reported net of available debt, it is important to note that under this consideration the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

# Adams County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following condensed financial information was derived from the Government-Wide Statement of Activities and reflects how the County's net position changed during the fiscal years.

<b>Changes in Net Position (in millions)</b>		
<b>Governmental Activities</b>		
<b>For the year ended November 30</b>		
	<b>2015</b>	<b>2014*</b>
Revenues:		
Program revenues:		
Charge for services	\$8.3	\$7.8
Operating grants and contributions	3.7	4.0
Capital grants and contributions	1.3	1.8
General revenue:		
Local property taxes	9.0	9.1
Sales taxes	2.2	2.2
State income taxes	2.1	1.9
Other taxes	2.9	2.2
Unrestricted investment earnings	0.1	0.1
Miscellaneous	0.1	0.2
Total revenues	29.7	29.3
Expenses:		
General control and administration	4.1	4.4
Public safety	3.5	3.8
Judiciary and courts	4.1	4.0
Corrections	3.0	3.1
Highways and bridges	8.4	8.3
Public health	7.2	7.5
Public welfare	0.6	0.6
Education	0.4	0.4
Interest on long-term debt	0.2	0.3
Total expenses	31.5	32.4
Change in net position	(1.8)	(3.1)
Net position beginning, as restated	62.5	69.8
Net position, ending	\$60.7	\$66.7

\*Adjustments have not been made to restate prior years for the effects of GASB Statements No. 68 and 71

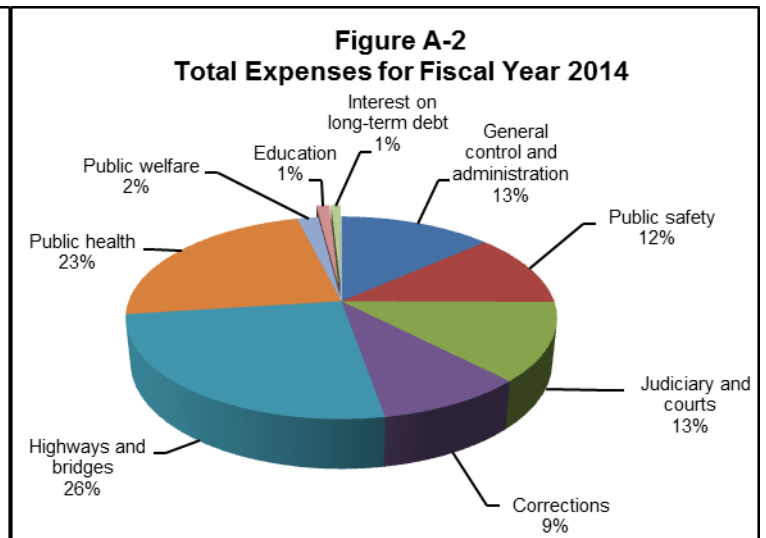
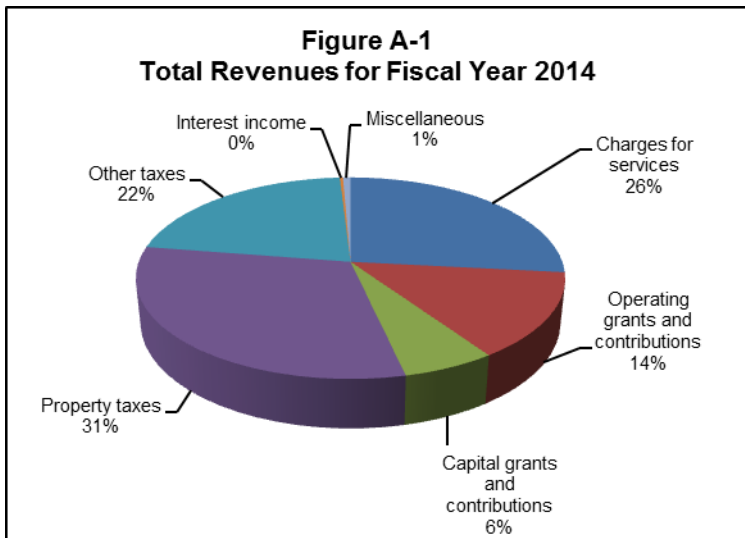
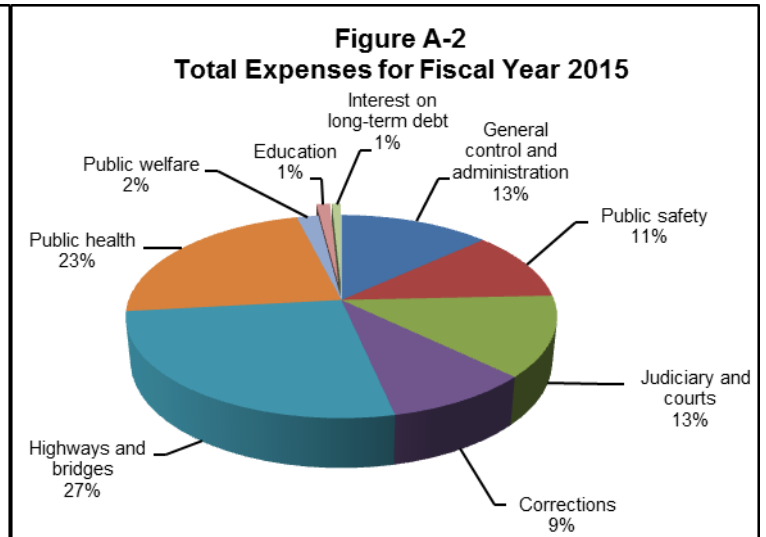
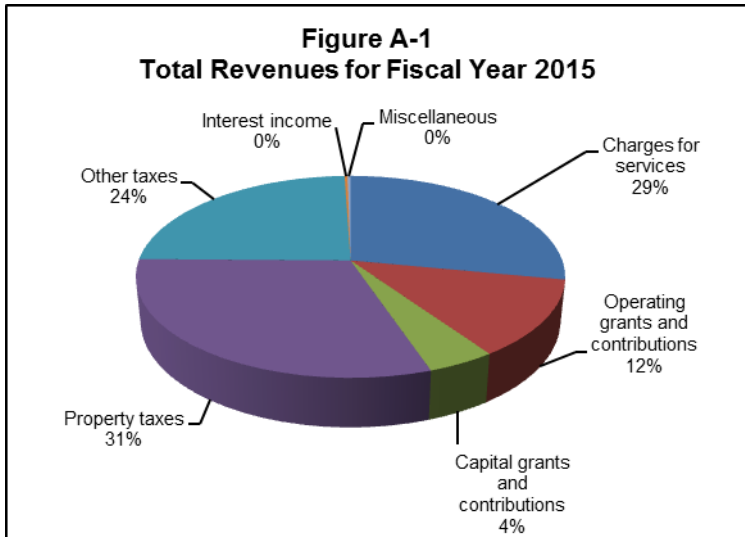
# Adams County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The County's 2015 total revenues (Figure A-1) come from a variety of sources including 31% from property taxes, and 24% comes from some other type of tax. Another 29% comes from fees charged for services.

The County's 2015 expenses (Figure A-2) cover a range of services, with about 27% related to highways and bridges. Public health accounts for 23%. Another 13% is each from general control and administration and judiciary and courts expenses. Public safety expenses account for another 11%.



Net position decreased \$1.8 million over the previous year. For the fiscal year ended November 30, 2015 revenues from governmental activities totaled \$29.7 million. Tax revenues (\$16.2 million, or 55%) represent the largest source.

# Adams County, Illinois

## Management Discussion and Analysis

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

In the following table, we have presented the cost of each of the County's functions as well as the net cost (total cost less revenues generated by the activities) for each. Net costs help to show what functions are being covered by direct revenue and those that are covered by the net revenue of others.

<b>For the year ended November 30, 2015</b>		
	<b>Total cost of service (in millions)</b>	<b>Net cost of service (in millions)</b>
General control and administration	\$4.1	(\$2.7)
Public safety	3.5	(3.0)
Judiciary and courts	4.1	(1.2)
Corrections	3.0	(1.9)
Highways and bridges	8.4	(6.8)
Public health	7.2	(1.4)
Public welfare	0.6	(0.6)
Education	0.4	(0.4)
Interest on long-term debt	0.2	(0.2)
<b>Total governmental activities</b>	<b>\$31.5</b>	<b>(\$18.2)</b>

<b>For the year ended November 30, 2014</b>		
	<b>Total cost of service (in millions)</b>	<b>Net cost of service (in millions)</b>
General control and administration	\$4.4	(\$3.2)
Public safety	3.8	(2.8)
Judiciary and courts	4.0	(1.4)
Corrections	3.1	(2.2)
Highways and bridges	8.3	(6.3)
Public health	7.5	(1.6)
Public welfare	0.6	(0.6)
Education	0.4	(0.4)
Interest on long-term debt	0.3	(0.3)
<b>Total governmental activities</b>	<b>\$32.4</b>	<b>(\$18.8)</b>

For the fiscal year ended November 30, 2015 expenses for governmental activities totaled \$31.5 million. Highway and bridges expenses accounted for \$8.4 million or 27% of the governmental activities total. Various funds established for the County Highway Department account for these expenditures.

Public health expenses represented \$7.2 million (23%) of the total governmental activities expenditures in 2015. Expenses related to the Health Department.

General and administrative expenses totaled for \$4.1 million or 13% of the governmental activities total. These expenses are used for the operations of departments conducting such functions as administrative and financial functions, elections, document recording and retrieval, and assessment of property.

# Adams County, Illinois

## Management Discussion and Analysis

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### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Judiciary and courts expenses represented \$4.1 million (13%) in 2015. Expenses relating to the circuit court, public defender, court services, probation services, and the State's Attorney relate to this function.

Public Safety (11% of the total) accounted for \$3.5 million in expenses during 2015. The highest percentage of public safety is directly tied to the operations of the Sheriff's Department. The animal control and emergency service function is also part of this activity group.

Corrections (9% of the total) accounted for \$3.0 million in expenses during 2015. These expenses are directly tied to the operations of the County jail.

Public welfare expenses represented \$0.6 million (2%) of the total governmental expenses activity. Expenses relate to mentally deficient persons.

Education expenses totaled \$0.4 million (1%) in expenses during 2015. These expenses related to the Regional Office of Education and Cooperative Extension.

### **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### 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, unreserved fund balances 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 the County's governmental funds reported combined ending fund balances of \$18.8 million, an increase of \$1.3 million in comparison with the previous fiscal year.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5.5 million. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenses. Unassigned fund balance represents 44.3% of total general fund expenses.

The fund balance of the General Fund increased by \$1.8 million before transfers during the current fiscal year.

#### Budgetary Highlights

The County's budget is prepared according to Illinois law and is based on accounting for certain transactions on a cash basis of accounting. A budget to actual schedule is provided as required supplementary information for the General Fund and major special revenue funds.

#### General Fund Budgetary Variances

##### Revenues

The most significant revenue sources for all funds during fiscal year 2015 continue to be property taxes and intergovernmental sources. Intergovernmental revenues for 2015 were \$8,206,893 compared with budgeted amount of \$7,864,335. The variance is the result of the County receiving more State sales tax than anticipated.

# Adams County, Illinois

## Management Discussion and Analysis

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### **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS (continued)**

#### General Fund Budgetary Variances (continued) Revenues (continued)

Charges for services for 2015 were \$1,067,333 compared with budgeted amount of \$859,500. The variance is the result of the County receiving more Recorder earnings than anticipated, and also receiving three years' worth of reimbursement from the Regional Office of Education for the Sheriff's S.A.F.E. program.

#### Expenditures

Personnel Services remains the highest expenditure in County operations. Government service requires people to provide both services and information to the citizens it supports. It is a sizeable expenditure; however, it is also a long-term investment. Benefit payments remain a significant portion of the total personnel services costs. Pension, FICA and Health Insurance rates have all affected the total cost of personnel services.

General control and administration expenditures for 2014 were \$3,354,561 compared with budgeted amount of \$3,523,872. The County over budgeted for medical insurance and contingencies.

#### Illinois Municipal Retirement Fund Budgetary Variances

Overall, there were no significant variances in the Illinois Municipal Retirement Fund. Actual revenues and expenses were less than budgeted.

#### Ambulance Services Fund Budgetary Variances Revenues

The most significant revenue sources during fiscal year 2015 continue to be charges for services and property taxes. Charges for services were \$2,909,134 compared to budgeted amount of \$2,743,000. The variance is a result of the County collecting more ambulance fees than expected.

#### Expenditures

Public health expenditures for 2015 were \$3,524,987 compared to budgeted amount of \$3,214,199. The variance is a result of the County under budgeting for Ambulance staff salaries and collection expenses.

#### Health Fund Budgetary Variances Revenues

The most significant revenue sources during fiscal year 2015 continue to be intergovernmental revenue and charges for services. Charges for services for 2015 was \$1,288,886 compared to budgeted amount of \$1,165,000. The variance is due to the County collecting more immunization income than expected.

#### Expenditures

Public health expenditures for 2015 were \$3,070,087 compared to budgeted amount of \$3,248,914. The variance is a result of the County over budgeting for salaries, immunization doses, dental expenditures, and nursing expenditures.



# Adams County, Illinois

## Management Discussion and Analysis

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### **FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS (continued)**

#### Motor Fuel Tax Fund Budgetary Variances

##### Revenues

The most significant revenue sources during fiscal year 2015 continue to be intergovernmental revenue. Intergovernmental revenue for 2015 was \$907,485 compared to budgeted amount of \$1,330,000. The variance is a result of the County receiving less state payments than expected.

##### Expenditures

Highway and bridges expenditures for 2015 were \$1,225,536 compared to budgeted amount of \$4,500,000. The variance is due to the County over budgeting for road and bridge construction and road and bridge maintenance.

The following is the analysis of expenditures for the year for the General Fund and other major Governmental Funds of the County.

- From a fund perspective, overall fund expenditures decreased by 0.16% in 2015 compared with 2014.
- Within the General Fund, the functions which reflected the largest portion of total expenditures within the General Fund are general control and administration and judiciary and court related. Judiciary and court related function expenditures increased over 2014. The function which reflected the largest increase over 2014 was judiciary and court related.

### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

#### Capital Assets

The County's investment in capital assets for its governmental activities at year end totaled \$51.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and highway infrastructure such as roads and bridges. There were \$1.4 million of capital asset additions recorded during the year and \$6.2 million of depreciation charges were expensed on the total capital assets. More detailed information can be found in Note 5 of the financial statements.

Major capital asset events during the fiscal year included the following:

- Vehicles = \$510,761
- Machinery & Equipment = \$286,410
- Infrastructure = \$523,451

<b>Net Book Value of Capital Assets at November 30 (in millions)</b>		
	<b>2015</b>	<b>2014</b>
Land and other nondepreciable assets	\$1.2	\$0.8
Buildings and improvements	11.5	11.9
Vehicles	1.2	1.0
Furniture, fixtures and equipment	1.1	1.2
Infrastructure	36.4	41.3
<b>Total</b>	<b>\$51.4</b>	<b>\$56.2</b>

# Adams County, Illinois

## Management Discussion and Analysis

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### **CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY (continued)**

#### Debt Administration

At November 30, 2015, the County had \$6.4 million in governmental activities long term debt which consisted of general obligation bonds. Amounts due next year on these obligations are \$0.4 million. See Note 12 for details of debt.

<b>Outstanding Debt at November 30 (in millions)</b>		
	<b>2015</b>	<b>2014</b>
Bonds payable	\$5.9	\$6.3
Accrued compensated absences	0.5	0.6
	<b>\$6.4</b>	<b>\$6.9</b>

### **NEXT YEAR'S BUDGET AND RATES**

On November 10, 2015 the Adams County Board approved the Adams County's Government budget for the 2015-2016 fiscal year.

**REVENUE** - The projected revenue budget for all funds increased by \$387,928 to \$34,850,319. This is a 1.1% increase from FY 2014-2015.

The projected General Fund revenue budget increased by \$270,333 to \$13,972,260. This is a 2.0% increase compared to 2014-2015.

The revenue structure of the General Fund is diversified so that the operation of the county is not overly dependent on any one source. However, nearly two of every three dollars received come from some type of tax. Major General Fund revenue sources include:

**Taxes** - 63.2% will come from real estate property taxes and state-shared sources including sales tax, use tax, income tax, retailers occupational tax, and personal property replacement tax. Budgeted tax revenue from taxes is \$8,830,499 that includes:

- 18.8% from real estate property taxes (\$2,631,447).
- 15.7% from the county portion of state sales tax collected (\$2,200,000)
- 15.7% from state income tax (\$2,200,000)
- 5.7% from state payments received in lieu of Personal Property Replacement Tax (\$800,052)
- 7.1% from other state taxes such as use tax, retailers occupational tax, and video gaming tax (\$999,000).

Real estate property tax revenue is expected to decrease \$238,530 (8.3%) to \$2,631,447. The County Board approved a smaller tax levy to spend down excess General Fund reserves. Revenue from state-shared tax sources is expected to increase 3.8% to \$6,199,052.

# Adams County, Illinois

## Management Discussion and Analysis

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### **NEXT YEAR'S BUDGET AND RATES (continued)**

**Other revenue** - 17.0% will come from licenses and fees, interest, grants and other enterprise revenue. This includes:

- 9.1% in earnings from the County Clerk and Recorder, Sheriff, Circuit Clerk, and Animal Warden (\$1,275,100)
- 5.9% in fines, fees and licenses (\$830,570)
- 2.0% in cell tower leases, bank interest, prisoner room and board, inmate commissary sales, bank interest and other miscellaneous revenue (\$272,200).

**Reimbursements** - 16.4% will come from state and federal reimbursements. This includes:

- 13.0% from salary reimbursements for the State's Attorney office, Drug Task Force, probation officers, detention center officers, election judges and the Supervisor of Assessments (\$1,820,240)
- 3.4% from other reimbursements (\$467,100)

**Transfers from Special Revenue Funds** - 3.4% will come from transfers from fourteen county special revenue accounts (\$476,551). State statutes direct the creation of most special revenue accounts and establish the collection of specific fees to support either specific court costs or large equipment purchases for a specific county office or task. These accounts include several automation funds, the law library fund, animal control fund, document storage fund, prisoner medical fund, and other court funds.

**EXPENSES** - The General Fund's projected expense budget is \$14,080,606. This reflects a 1.2% increase over the FY 2014-2015 budget.

The County General Capital Expense budget is \$83,290 (0.59% of budgeted General Fund expenditures) and is a 76% decrease compared to the FY 2014-2015 capital budget. The largest capital expense is \$50,100 to upgrade the County financial software. This budget includes no sheriff vehicle replacements.

**LEVY** - On December 15, 2015 the Adams County Board approved a property tax levy of 0.81021 per \$100 of equalized assessed valuation (EAV) for the 2015 tax year (taxes payable in 2016). This is a decrease of the levy for the 2014 tax year (0.84523, certified rate).

When compared to the 2014 tax year, the new levy rate will decrease the total tax collections by \$168,432 (1.89%) even though the total real estate EAV increased by \$25,485,942 (2.38%) to \$1,097,527,558.

# Adams County, Illinois

## Management Discussion and Analysis

### NEXT YEAR'S BUDGET AND RATES (continued)

The table below lists the budget amounts for the 2014 and the 2015 tax years, the difference for each fund compared to the 2014 tax year, and the calculated levy rate:

	2015	2014	Difference	Percent	Levy
General	\$2,309,117	\$2,869,978	(\$560,861)	-19.54%	0.2104
Bonds and Interest	0	0	0	0.00%	0.0000
Pension/IMRF	1,278,153	1,304,697	(26,544)	-2.03%	0.1164
County Highway	987,776	956,660	31,116	3.25%	0.0900
County Bridge/Joint Bridge	548,764	478,330	70,434	14.72%	0.0500
TB Care & Treatment	74,197	56,000	18,197	32.49%	0.0068
Federal Aid Matching	493,888	478,330	15,558	3.25%	0.0450
County Health Department	327,500	250,000	77,500	31.00%	0.0298
Tort Judgment/Liability	501,732	387,568	114,164	29.46%	0.0457
Social Security	1,139,351	1,045,165	94,168	9.01%	0.1038
Extension Education	133,602	134,000	(398)	-0.30%	0.0122
Ambulance	500,000	500,000	0	0.00%	0.0456
Development Disability	598,216	600,000	(1,784)	-0.30%	0.0545
<b>Total</b>	<b>\$8,892,269</b>	<b>\$9,060,728</b>	<b>(\$168,432)</b>	<b>-1.86%</b>	<b>0.8102</b>

The following discusses selected funds:

**County General.** The County General fund levy was reduced to collect less County General revenue and spend down excess cash reserves. The cash available was approximately \$600,000 higher at the end of 2015 than the previous fiscal year.

**Bonds and Interest.** The County has a General Obligation Bond that was issued in 2008. Principal and interest payments totaling approximately \$595,125 annually are paid from the General Fund and are not levied for separately.

**NEW JAIL** - On the April 7, 2015 consolidated election Adams County residents approved a 0.25% public safety tax to build a new county jail at a total estimated cost of \$25 million. Collection of the tax began on July 1, 2015. Through November 30, 2015 the County received two tax distributions totaling \$285,928. In FY 2016 the County expects to receive \$1.8 million in public safety tax. The Board approved a \$2.85 million capital project expense budget in FY 2016 to pay for bond consultants, design consultants, and site acquisition and demolition.

### ECONOMIC FACTORS

The general local economic outlook has softened. The local area has recently lost some manufacturing businesses. Other manufacturers of agriculture equipment have seen business decreases because depressed grain prices have slowed demand large equipment purchases.

# Adams County, Illinois

## Management Discussion and Analysis

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### **ECONOMIC FACTORS (continued)**

The largest potential financial County impact comes from the State of Illinois. On November 30, there was a \$7 billion bill backlog from the state's General Revenue Fund. Illinois is still operating without a 2015-2016 budget with no end in sight to the budget impasse. On February 2, 2016 the Illinois Comptroller reported that without a state budget, she projects that the state will spend \$6.2 billion more than it collects at its current rate of spending.

Although the County continues to receive most state-collected taxes, there were some delays in receipt of state salary reimbursements. Other revenue, such as for grants have not yet been distributed. The County has been able to absorb these costs and expects to receive payments after the budget impasse is settled.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Adams County's finances for all those with an interest in the Government's finances. Address questions concerning any of the information provided in this report or requests for additional financial information to the Adams County Treasurer:

ADAMS COUNTY TREASURER  
507 VERMONT ST STE G12  
QUINCY, IL 62301-2998  
(217) 277-2245  
e-mail: treasurer@adams.co.il.us

Audit reports are available. Paper copies are available by contacting the Adams County Clerk Office at (217) 277-2150. Digital copies of current and past reports are available at the following website: <http://www.co.adams.il.us/budget/cafr.htm>

## **Basic Financial Statements**

# Adams County, Illinois

## Statement of Net Position

November 30, 2015

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>Governmental Activities</b>
Cash and cash equivalents	\$16,209,915
Investments	0
Receivables, net of allowance for uncollectibles:	
Due from State of Illinois	2,848,309
Accounts receivable	936,651
Loans	14,865
Inventory	83,124
Total current assets	20,092,864
Capital assets:	
Land and other nondepreciable assets	1,193,911
Depreciable property and equipment, net of depreciation	50,235,088
Total capital assets	51,428,999
Deferred outflows of resources -	
Deferred outflows of pension resources	4,553,820
Total assets and deferred outflows of resources	76,075,683
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
Current liabilities:	
Accounts payable	409,729
Accrued payroll	778,559
Accrued compensated absences	104,833
Funds held in trust for others	4,284
Accrued interest payable	82,308
Bonds payable, current portion	355,000
Total current liabilities	1,734,713
Long-term liabilities:	
Accrued compensated absences	379,826
Bonds payable, noncurrent portion	5,565,000
Accrued other post-employment benefits	220,265
Net pension liability	7,427,729
Total long-term liabilities	13,592,820
Total liabilities	15,327,533
Deferred inflows of resources -	
None	0
Total deferred inflows of resources	0
Total liabilities and deferred inflows of resources	15,327,533
<b>NET POSITION</b>	
Net investment in capital assets	45,508,999
Restricted	13,104,974
Unrestricted	2,134,177
Total net position	\$60,748,150

See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Statement of Activities

For the year ended November 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General control and administration	\$4,160,447	\$1,287,833	\$130,661	\$13,506	(\$2,728,447)
Public safety	3,484,203	233,394	210,941	0	(3,039,868)
Judiciary and courts	4,048,081	2,002,047	889,470	0	(1,156,564)
Corrections	2,973,151	178,051	912,995	0	(1,882,105)
Highways and bridges	8,378,201	324,049	0	1,299,014	(6,755,138)
Public health	7,195,312	4,298,315	1,522,245	0	(1,374,752)
Public welfare	598,308	0	0	0	(598,308)
Education	384,976	0	0	0	(384,976)
Interest on long-term debt	249,191	0	0	0	(249,191)
<b>Total governmental activities</b>	<b>\$31,471,870</b>	<b>\$8,323,689</b>	<b>\$3,666,312</b>	<b>\$1,312,520</b>	<b>(18,169,349)</b>

### General revenues:

#### Taxes:

Property taxes	9,032,832
Sales taxes	2,205,675
Income taxes	2,110,082
Other taxes	2,890,643
Interest income	78,328
Miscellaneous	76,859
<b>Total general revenues</b>	<b>16,394,419</b>

Change in net position (1,774,930)

Net position - beginning, restated 62,523,080

**Net position - ending \$60,748,150**

See Accompanying Notes to Financial Statements.



# Adams County, Illinois

Governmental Funds

Balance Sheet

November 30, 2015

<b>ASSETS</b>	<b>General</b>	<b>Illinois Municipal Retirement</b>
Cash and cash equivalents	\$3,859,067	\$1,059,987
Investments	0	0
Receivables, net of allowance:		
Due from State of Illinois	2,065,981	13,835
Accounts receivable	183,893	0
Loans	0	0
Inventory	36,306	0
Due from other funds	33,841	0
<b>Total assets</b>	<b>\$6,179,088</b>	<b>\$1,073,822</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$93,396	\$0
Accrued payroll	326,905	140,391
Accrued compensated absences	57,986	0
Funds held in trust for others	0	0
Due to other funds	0	0
<b>Total liabilities</b>	<b>478,287</b>	<b>140,391</b>
Deferred inflows of resources - None	0	0
Fund balances:		
Nonspendable	36,306	0
Restricted	0	933,431
Committed	149,911	0
Assigned	0	0
Unassigned	5,514,584	0
<b>Total fund balances</b>	<b>5,700,801</b>	<b>933,431</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$6,179,088</b>	<b>\$1,073,822</b>

See Accompanying Notes to Financial Statements.

Ambulance	Health Department	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
\$1,510	\$720,109	\$3,556,267	\$6,914,915	\$16,111,855
0	0	0	0	0
0	281,635	486,858	0	2,848,309
294,315	294,844	0	163,599	936,651
0	0	0	14,865	14,865
0	46,818	0	0	83,124
0	0	0	0	33,841
<b>\$295,825</b>	<b>\$1,343,406</b>	<b>\$4,043,125</b>	<b>\$7,093,379</b>	<b>\$20,028,645</b>

\$45,062	\$25,302	\$2,513	\$141,797	\$308,070
162,224	36,626	26,268	86,145	778,559
2,730	15,953	8,787	19,377	104,833
0	0	0	4,284	4,284
27,546	0	0	6,295	33,841
<b>237,562</b>	<b>77,881</b>	<b>37,568</b>	<b>257,898</b>	<b>1,229,587</b>

0	0	0	0	0
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0	46,818	0	0	83,124
58,263	1,218,707	4,005,557	6,842,198	13,058,156
0	0	0	0	149,911
0	0	0	0	0
0	0	0	(6,717)	5,507,867
<b>58,263</b>	<b>1,265,525</b>	<b>4,005,557</b>	<b>6,835,481</b>	<b>18,799,058</b>

<b>\$295,825</b>	<b>\$1,343,406</b>	<b>\$4,043,125</b>	<b>\$7,093,379</b>	<b>\$20,028,645</b>
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See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2015

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Total fund balances - governmental funds	\$18,799,058
Amounts reported for governmental activities in the statement of net position are different because:	
An internal service fund is used to account for county and employee health insurance premiums. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
	(3,599)
Accrued long-term employee benefits are not due and payable in the current period and therefore are not reported as liabilities of the funds, but are included as liabilities and deferred items in the statement of net position	
Accrued net pension liability and related deferred outflows of resources	(2,873,909)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$135,772,979 and the accumulated depreciation of \$84,343,980.	
	51,428,999
Long-term liabilities not due and payable with the current resources are not reported in the funds:	
Accrued compensated absences	(379,826)
Accrued interest payable	(82,308)
Bonds payable	(5,920,000)
Other post-employment benefits	(220,265)
Total net position - governmental activities	<u>\$60,748,150</u>

# Adams County, Illinois

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended November 30, 2015

	General	Illinois Municipal Retirement
Revenues:		
Property taxes	\$2,861,086	\$1,300,692
Intergovernmental revenue	8,745,017	365,690
Charges for services	1,081,282	0
Fees and fines	1,407,114	0
Licenses and permits	47,922	0
Interest	51,248	354
Other revenue	30,570	0
<b>Total revenues</b>	<b>14,224,239</b>	<b>1,666,736</b>
Expenditures:		
Current:		
General control and administration	3,310,870	146,656
Public safety	2,932,046	273,569
Judiciary and court related	3,093,707	369,636
Corrections	2,657,028	271,350
Highways and bridges	0	139,937
Public health	0	583,815
Public welfare	0	0
Education	237,803	17,671
Debt service:		
Principal	0	0
Interest	0	0
Capital outlay	210,738	0
<b>Total expenditures</b>	<b>12,442,192</b>	<b>1,802,634</b>
Excess (deficiency) of revenues over expenditures	1,782,047	(135,898)
Other financing sources and (uses)		
Transfers in	323,058	0
Transfers out	(593,625)	0
<b>Total other financing sources and (uses)</b>	<b>(270,567)</b>	<b>0</b>
Net change in fund balance	1,511,480	(135,898)
Fund balances (deficit), beginning of year	4,189,321	1,069,329
<b>Fund balances (deficit), end of year</b>	<b>\$5,700,801</b>	<b>\$933,431</b>

See Accompanying Notes to Financial Statements.

<b>Ambulance</b>	<b>Health Department</b>	<b>Motor Fuel Tax</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$498,432	\$249,216	\$0	\$4,123,406	\$9,032,832
34,471	1,552,325	1,299,014	188,715	12,185,232
2,869,936	1,421,837	0	567,779	5,940,834
0	0	0	902,417	2,309,531
0	0	0	25,402	73,324
135	830	19,156	6,604	78,327
18,063	4,143	0	24,082	76,858
<b>3,421,037</b>	<b>3,228,351</b>	<b>1,318,170</b>	<b>5,838,405</b>	<b>29,696,938</b>
0	0	0	621,554	4,079,080
0	0	0	276,968	3,482,583
0	0	0	738,530	4,201,873
0	0	0	159,855	3,088,233
0	0	1,229,962	1,764,071	3,133,970
3,396,339	3,032,550	0	426,228	7,438,932
0	0	0	598,308	598,308
0	0	0	144,033	399,507
0	0	0	340,000	340,000
0	0	0	253,724	253,724
129,920	0	0	1,033,212	1,373,870
<b>3,526,259</b>	<b>3,032,550</b>	<b>1,229,962</b>	<b>6,356,483</b>	<b>28,390,080</b>
(105,222)	195,801	88,208	(518,078)	1,306,858
0	0	0	617,678	940,736
0	0	0	(347,111)	(940,736)
0	0	0	270,567	0
(105,222)	195,801	88,208	(247,511)	1,306,858
163,485	1,069,724	3,917,349	7,082,992	17,492,200
<b>\$58,263</b>	<b>\$1,265,525</b>	<b>\$4,005,557</b>	<b>\$6,835,481</b>	<b>\$18,799,058</b>

See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the year ended November 30, 2015

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Net change in fund balance - Governmental funds	\$1,306,858
Amounts reported for governmental activities in the statement of activities are different because:	
An internal service fund is used to account for county and employee health insurance premiums. The net revenue of the internal service fund is reported with governmental activities.	(215,213)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which depreciation expense of \$6,151,545 exceeds new capitalized assets of \$1,373,870 for the period.	(4,777,675)
The net effect of various transactions involving capital assets (i.e. disposals and sales) is to decrease net position	(12,331)
In the statement of activities, postretirement obligations, net pension obligations, and deferred sources are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year net pension liabilities and related deferred outflows exceed the amount paid by.	1,512,628
Principal payments on bonds payable are reported in governmental funds as expenditures However, only the interest on bonds payables are recorded in the statement of activities. This is the amount of principal payments in the period.	340,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	
Change in accrued interest payable	4,533
Change in other post-employment benefits	(40,762)
Vacation and compensated pay for employees is expensed in the statement of activities. However, since these amounts will not be paid from current resources, this expense is not recorded in the governmental funds. This is the amount by which vacation and compensated pay increased over the prior period.	<u>107,032</u>
Change in net position of governmental activities	<u><u>(\$1,774,930)</u></u>

# Adams County, Illinois

Proprietary Funds

Statement of Net Position

November 30, 2015

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	<u>Internal Service Fund Medical Insurance</u>
<b>ASSETS</b>	
Cash in banks	\$98,060
Due from other funds	0
<b>Total assets</b>	<b>98,060</b>
<b>LIABILITIES</b>	
Accrued payroll	1,000
Claims payable	100,659
<b>Total liabilities</b>	<b>101,659</b>
<b>NET POSITION</b>	
Unrestricted (deficit)	(3,599)
<b>Total net position</b>	<b>(\$3,599)</b>

See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Proprietary Funds

### Statement of Revenues, Expenses and Changes in Net Position

For the year ended November 30, 2015

	<u>Internal Service Fund Medical Insurance</u>
Operating revenues - Contribution	\$2,153,455
<u>    Total operating revenues</u>	<u>2,153,455</u>
Operating expenses - Health insurance premiums	2,369,790
<u>    Total operating expenses</u>	<u>2,369,790</u>
Operating income (loss)	(216,335)
Non-operating income (loss)	1,122
<u>    Income (loss) before other financing sources (uses)</u>	<u>(215,213)</u>
Other financing sources (uses):	
Transfers in	0
Transfers out	0
<u>    Total other financing sources (uses)</u>	<u>0</u>
Change in net position	(215,213)
<u>Net position, beginning of year</u>	<u>211,614</u>
<u>Net position (deficit), end of year</u>	<u>(\$3,599)</u>

See Accompanying Notes to Financial Statements.



# Adams County, Illinois

Proprietary Funds

Statement of Cash Flows

For the year ended November 30, 2015

	<u>Internal Service Fund Medical Insurance</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from employees and Board	\$2,153,855
Payment to suppliers	(2,413,031)
Net cash provided by (used in) operating activities	(259,176)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
	0
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers in	0
Transfers out	0
Net cash provided by noncapital financing activities	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	1,122
Net cash provided by investing activities	1,122
Net increase (decrease) in cash	(258,054)
Cash, beginning of year	356,114
Cash, end of year	\$98,060
<b>RECONCILIATION:</b>	
Net operating income (loss)	(\$216,335)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in operating assets and liabilities:	
Receivables	0
Advances from other funds	400
Accounts payable and claims payable	(43,241)
Net cash provided by (used in) operating activities	(\$259,176)

See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Statement of Fiduciary Net Position

November 30, 2015

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<b>ASSETS</b>	<b>Agency Funds</b>
Cash in banks	\$3,376,419
Investments	10,436
Accounts receivable	0
Due from other governments	662,343
<b>Total assets</b>	<b>4,049,198</b>
<hr/>	
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<hr/>	
Liabilities:	
Accounts payable	366,535
Agency funds due to others	3,682,663
<b>Total liabilities</b>	<b>\$4,049,198</b>

See Accompanying Notes to Financial Statements.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies**

#### **Introduction**

The financial statements of Adams County, Quincy, Illinois (the "County"), with the county seat located in Quincy, Illinois have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below.

The County was formed in 1825. Adams is a county of the second class as defined under Illinois statute and operates under an elected county board form of government. The County provides the following services: general government, public safety, judiciary and courts, corrections, highways and bridges, public health, public welfare, and education.

#### **Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements.

*Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

#### **Financial Reporting Entity**

The County is governed by a twenty-one member County Board. The accompanying financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship. 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 financial statements.

#### **Basis of Presentation – Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

**General** – The General Fund is used to account for all financial resources of the County except those which are required to be accounted for in another fund. The General Fund consists of the General Fund and Working Cash Fund. A brief description of the County's two General Funds follows:

General Fund - This 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 services which are administered by the Department and accounted for in the general fund include general control and administration, public safety, judiciary and court related, corrections, and education.

Working Cash Fund – This fund consists of County cash reserves.

**Illinois Municipal Retirement Fund (IMRF)** – This fund is used to pay retirement for SLEP, non-SLEP, and ECO employees of the County.

**Ambulance Fund** – This fund accounts for revenue and expenditures related to the operations of the County Ambulance.

**Health Department Fund** – This fund provides health related care to the constituents of the County.

**Motor Fuel Tax Fund** – This fund accounts for revenue and expenditures of Motor Fuel Tax, including, but not limited to salaries, road and bridge construction, and purchase of machinery and equipment.

Additionally, the County reports the following fund types:

The County administers an internal service fund (reported as a proprietary fund type) to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County administers the following internal service fund:

**Health Insurance** – This fund accounts for employee and County Board medical premiums.

Additionally, the County administers fiduciary (agency) funds for assets held by the County in a fiduciary capacity.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County has elected to take exception to this assumption for revenue remitted by the State. Due to the State being late with payments, the County considers those amounts applicable to the current fiscal year to be available as it is vouchered by the State. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Use of Estimates**

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

#### **Budgetary Basis of Accounting**

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual.
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred.
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance.
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheets transactions.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

#### **Cash and Cash Equivalents**

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

The cash balances of most County funds are pooled and invested. Each fund's share of the investment pool is reflected on its respective balance sheet.

#### **Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of Health Department expendable immunization vaccines and deed stamps held for the County's use. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Investments**

Statutes authorize the County to invest in: 1) securities guaranteed by the full faith and credit of the United States of America; 2) deposits or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short-term obligations of corporations organized in the United States which meet other restrictions as defined in Illinois Revised Statutes Chapter 35, Paragraph 902, as amended; 4) money market funds registered under the Investment Company Act of 1940; 5) short-term discount obligations of the Federal National Mortgage Association; 6) shares or other forms of securities legally issuable by savings and loan associations; 7) various share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States provided the principal office of any such credit union is located within the State of Illinois; 8) a Public Treasurer's Investment Pool created under Section 17 of "An Act to revise the law in relation to the State Treasurer", approved November 23, 1873, as amended. Bank and savings and loan investments may only be made in institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Investments for the County are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

#### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20 - 50 years
Automotive	5 - 10 years
Furniture, fixtures and equipment	5 - 10 years

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. In addition to liabilities, the statement of net position will sometimes report a separate section, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### **Fund Balance Flow Assumptions**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Board has by resolution authorized an official of the County Board to assign fund balance. The County Board may also assign fund balance as it does when appropriating fund balance to cover a gap between



# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **Fund Balance Policies (continued)**

estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### **Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### **Property Taxes**

The County's property tax is levied each year on all taxable real property located in the County. The 2014 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2015. The County must file its tax levy by the last Tuesday of December each year. The 2014 levy was approved on December 9, 2014. The 2015 levy was approved on December 15, 2015.

The township assessors are responsible for assessment of all taxable real property within the County. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in 2014 became due and payable in two installments, generally in July 2015 and September 2015. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

#### **Compensated Absences**

##### ***Vacation***

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide and governmental fund financial statements. In the fund financial statements, the County also recognizes a short term liability for the portion of compensated absences that will be paid from available funds within 60 days after year end. The liability for compensated absences includes salary-related benefits, where applicable.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 1 Summary of Significant Accounting Policies (continued)**

#### ***Sick Leave***

Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists except at the Health Department. Health Department employees have the option to turn in sixty (60) days of sick leave and be paid for thirty (30) days at their current wage rate or to apply the balance of unused sick leave over the sixty (60) days to the employee's retirement benefit with I.M.R.F.

#### **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.

#### **Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. The principal operating revenues of internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Note 2 Stewardship, Compliance and Accountability**

#### **Excess of expenditures over appropriations**

For the year ended November 30, 2015, expenditures exceeded appropriations in the following funds (the legal level of budgetary control) by:

<b>Fund</b>	<b>Amount</b>
Court Finance	\$48,553
Court Appointed Special Advocates	\$73,879
Ambulance	\$310,788
Jail Commissary	\$21,893

#### **Deficit Fund Equity**

As of November 30, 2015, the Flood Control and Medical Insurance funds had a deficit fund balances in the amount of \$6,717 and \$3,599, respectively.

# Adams County, Illinois

## Notes to Financial Statements

### Note 3 Cash Deposit with Financial Institutions

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of November 30, 2015, the County's bank balance was \$20,359,925 and the entire balance was insured and collateralized with securities in the County's name.

### Note 4 Investments

As of November 30, 2015, the County had the following investments:

	Fair Value		
	Governmental Activities	Statement of Fiduciary Net Position	Total
Illinois Funds Money Market Fund	\$0	\$10,436	\$10,436

*Interest rate risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no specific policy on the interest rate risk at year-end.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Remaining Maturity (in Years)			Total
	12 Months or Less	1-5 Years	5-10 Years	
External investment pool	\$10,436	\$0	\$0	\$10,436

*Credit risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

Investment Type	Total as of November 30, 2015	AAAm	Aa	Unrated
External investment pool	\$10,436	\$10,436	\$0	\$0

*Concentration of credit risk.* The County's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the County's total investments.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of November 30, 2015, there are no investments with custodial credit risk in that all of its investments are insured.

*Foreign Currency Risk.* The County has no foreign currency risk for investments at year end.

# Adams County, Illinois

## Notes to Financial Statements

### Note 5 Capital Assets

The governmental activities capital asset activity for the year ended November 30, 2015 is as follows:

<b>Governmental activities:</b>	<b>Balance 11/30/2014</b>	<b>Increases</b>	<b>Decreases and Transfers</b>	<b>Balance 11/30/2015</b>
Capital assets, not being depreciated -				
Land	\$669,633	\$0	\$0	\$669,633
Work in Progress	145,517	402,814	(24,053)	524,278
<b>Total capital assets, not being depreciation</b>	<b>815,150</b>	<b>402,814</b>	<b>(24,053)</b>	<b>1,193,911</b>
Capital assets, being depreciated:				
Buildings and Improvements	20,078,786	18,148	0	20,096,934
Vehicles	4,635,963	510,761	(109,417)	5,037,307
Furniture, fixtures and equipment	4,604,094	286,410	(97,155)	4,793,349
Infrastructure	104,471,688	155,737	24,053	104,651,478
<b>Total capital assets, being depreciated:</b>	<b>133,790,531</b>	<b>971,056</b>	<b>(182,519)</b>	<b>134,579,068</b>
Accumulated depreciation:				
Buildings and Improvements	(8,161,236)	(451,798)	0	(8,613,034)
Vehicles	(3,613,027)	(340,403)	99,146	(3,854,284)
Furniture, fixtures and equipment	(3,445,607)	(297,524)	95,095	(3,648,036)
Infrastructure	(63,166,806)	(5,061,820)	0	(68,228,626)
<b>Total accumulated depreciation</b>	<b>(78,386,676)</b>	<b>(6,151,545)</b>	<b>194,241</b>	<b>(84,343,980)</b>
<b>Total capital assets, being depreciated, net</b>	<b>55,403,855</b>	<b>(5,180,489)</b>	<b>11,722</b>	<b>50,235,088</b>
<b>Governmental activities capital assets, net</b>	<b>\$56,219,005</b>	<b>(\$4,777,675)</b>	<b>(\$12,331)</b>	<b>\$51,428,999</b>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental activities:</b>	
General control and administration	\$202,994
Judiciary and court	142,708
Public health	286,212
Public safety	169,026
Highways and bridges	5,350,605
<b>Total depreciation expense, governmental activities</b>	<b>\$6,151,545</b>

# Adams County, Illinois

## Notes to Financial Statements

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### Note 6 Loans Receivable

The County has net loans receivable with area businesses in the amount of \$14,865 at November 30, 2015. The following is a summary of changes in loans receivable for the year ended November 30, 2015:

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental activities:</b>				
Loans Receivable - Forklift of Liberty	\$15,220	\$0	(\$355)	\$14,865

### Note 7 Retirement Plans

Illinois Municipal Retirement Fund

**Plan description** – Employees of the County are provided with pensions through the Illinois Municipal Retirement Fund (IMRF) —an agent multiple-employer defined benefit pension plan. Established by the Illinois State Legislature for the benefit of Illinois municipal employed outside the city of Chicago, IMRF is governed by the Illinois Pension Code. IMRF issues a publicly available financial report that can be obtained at <http://imrf.org>.

**Benefits provided** - IMRF provides retirement, disability, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. The benefit provisions in effect on the member's date of participation determine a member's minimum benefit while the benefit provisions in effect on the member's date of termination determine a member's maximum benefit. Public Act 96-0889 added a new section to the Pension Code that applies different benefits to anyone who first contributes to IMRF on or after January 1, 2011 and does not have any other previous service credit with one of the reciprocal retirement systems in Illinois.

Members who first participate on or after that date are members of Tier II. Anyone who made contributions to IMRF prior to January 1, 2011 remain participants of Tier I. Tier I retirement benefit are determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. The pension amount is 1 2/3 percent of the final rate of earnings for each of the first fifteen years of service and 2 percent for each year of service credit in excess of fifteen years, up to a maximum of 75 percent of the final rate of earnings.

Tier II benefits are determined by the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Pension earnings are initially capped at \$110,631 increasing annually by 3 percent or the consumer price index, whichever is less.

*Regular Personnel (Non-SLEP)*

**Employees Covered by the Benefit Terms** - At the December 31st 2014 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	205
Inactive employees entitled to but not yet receiving benefits	151
Active employees	255
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Total	611



# Adams County, Illinois

## Notes to Financial Statements

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### Note 7 Retirement Plans (continued)

*Regular Personnel (Non-SLEP) (continued):*

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2014 Illinois Municipal Retirement Fund annual actuarial valuation report.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study dated April 27, 2015 for the period January 1, 2014 through December 31, 2014. As a result of the December 31, 2014 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2014 actuarial valuation to more closely reflect actual experience.

**Discount rate** - The discount rate used to measure the total pension liability was 7.49 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$57,356,879	\$54,314,013	\$3,042,866
Service costs	1,310,213	0	1,310,213
Interest on total pension liability	4,263,097	0	4,263,097
Difference between expected and actual experience	425,844	0	425,844
Changes in assumptions	1,848,429	0	1,848,429
Employer contributions	0	1,413,904	(1,413,904)
Employee contributions	0	546,536	(546,536)
Net investment income	0	3,301,536	(3,301,536)
Benefit payments – net of refunds	(2,341,378)	(2,341,378)	0
Other changes	0	90,899	(90,899)
Net changes	5,506,205	3,011,497	2,494,708
Balances as of December 31, 2014	\$62,863,084	\$57,325,510	\$5,537,574

# Adams County, Illinois

## Notes to Financial Statements

### Note 7 Retirement Plans (continued)

*Regular Personnel (Non-SLEP) (continued):*

**Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate** - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.49 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.49 percent) or 1-percentage-point higher (8.49 percent) than the current rate:

	1% Decrease (6.49%)	Current Rate (7.49%)	1% Increase (8.49%)
County's proportionate share of the net pension liability	\$14,409,937	\$5,537,574	(\$1,658,376)

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2014, the County recognized pension expense of \$1,496,097. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$337,714	\$0
Changes in assumptions	1,465,890	0
Net difference between projected and actual earnings	608,911	0
Employer contributions subsequent to the measurement date	1,290,680	0
<b>Total</b>	<b>\$3,703,195</b>	<b>\$0</b>

The County reported \$1,290,680 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending December 31:</b>	<b>Net Deferred Outflows of Resources</b>
2015	\$622,897
2016	622,897
2017	622,897
2018	543,824
2019	0
Thereafter	0
<b>Total</b>	<b>\$2,412,515</b>



# Adams County, Illinois

## Notes to Financial Statements

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### **Note 7 Retirement Plans (continued)**

*Regular Personnel (Non-SLEP) (continued):*

#### **Payable to the Pension Plan**

At November 30, 2015, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

*Sheriff's Law Enforcement (SLEP):*

**Employees Covered by the Benefit Terms** - At the December 31st 2014 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	3
Active employees	26
<hr/>	
Total	51

**Contributions** - Employees are required to contribute 7.5 percent of their annual pay as set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability** - The employer's Net Pension Liability was measured as of December 31, 2014, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

**Actuarial assumptions** - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.49%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 7 Retirement Plans (continued)**

#### *Sheriff's Law Enforcement (SLEP) (continued):*

##### Mortality

For non-disabled retirees, an IMRF specific morality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Morality 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 RF-2014 Disabled Retirees Morality Table applying the same adjustment 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.

##### **Other Information:**

##### Notes

There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2014 Illinois Municipal Retirement Fund annual actuarial valuation report.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study dated April 27, 2015 for the period January 1, 2014 through December 31, 2014. As a result of the December 31, 2014 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2014 actuarial valuation to more closely reflect actual experience.

**Discount rate** - The discount rate used to measure the total pension liability was 7.49 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Adams County, Illinois

## Notes to Financial Statements

### Note 7 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

#### Changes in Net Pension Liability

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$12,804,039	\$11,460,368	\$1,343,671
Service costs	322,860	0	322,860
Interest on total pension liability	952,626	0	952,626
Difference between expected and actual experience	323,728	0	323,728
Changes in assumptions	141,684	0	141,684
Employer contributions	0	345,293	(345,293)
Employee contributions	0	121,810	(121,810)
Net investment income	0	697,238	(697,238)
Benefit payments – net of refunds	(527,585)	(527,585)	0
Other changes	0	48,357	(48,357)
<b>Net changes</b>	<b>1,213,313</b>	<b>685,113</b>	<b>528,200</b>
<b>Balances as of December 31, 2014</b>	<b>\$14,017,352</b>	<b>\$12,145,481</b>	<b>\$1,871,871</b>

**Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate** - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.49 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.49 percent) or 1-percentage-point higher (8.49 percent) than the current rate:

	1% Decrease (6.49%)	Current Rate (7.49%)	1% Increase (8.49%)
County's proportionate share of the net Pension liability	\$4,000,552	\$1,871,871	\$151,376

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

# Adams County, Illinois

## Notes to Financial Statements

### Note 7 Retirement Plans (continued)

*Sheriff's Law Enforcement (SLEP) (continued):*

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

**Related to Pensions** - For the year ended December 31, 2014, the County recognized pension expense of \$351,034. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$273,354	\$0
Changes in assumptions	119,637	0
Net difference between projected and actual earnings	129,468	0
Employer contributions subsequent to the measurement date	325,889	0
<b>Total</b>	<b>\$848,348</b>	<b>\$0</b>

The County reported \$325,889 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending December 31:</b>	<b>Net Deferred Outflows of Resources</b>
2015	\$104,788
2016	104,788
2017	104,788
2018	104,788
2019	72,421
Thereafter	30,886
<b>Total</b>	<b>\$522,459</b>

#### **Payable to the Pension Plan**

At November 30, 2015, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

*Elected County Officials (ECO):*

**Employees Covered by the Benefit Terms** - At the December 31st 2014 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
<b>Total</b>	<b>3</b>



# Adams County, Illinois

## Notes to Financial Statements

### Note 7 Retirement Plans (continued)

*Elected County Officials (ECO) (continued):*

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study dated April 27, 2015 for the period January 1, 2014 through December 31, 2014. As a result of the December 31, 2014 actuarial experience study, new assumptions for the assumed rate of return, salary increase, inflation and related economic assumptions were adopted in the December 31, 2014 actuarial valuation to more closely reflect actual experience.

**Discount rate** - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance January 1, 2014	\$264,325	\$264,325	\$0
Service costs	0	0	0
Interest on total pension liability	19,824	0	19,824
Difference between expected and actual experience	(24,571)	0	(24,571)
Changes in assumptions	16,365	0	16,365
Employer contributions	0	0	0
Employee contributions	0	0	0
Net investment income	0	16,124	(16,124)
Benefit payments – net of refunds	0	0	0
Other changes	0	(22,790)	22,790
Net changes	11,618	(6,666)	18,284
Balances as of December 31, 2014	\$275,943	\$257,659	\$18,284

### Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the net Pension liability	\$37,350	\$18,284	\$1,342

# Adams County, Illinois

## Notes to Financial Statements

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### Note 7 Retirement Plans (continued)

*Elected County Officials (ECO) (continued):*

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report which is publicly available at <http://imrf.org>.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2014, the County recognized pension expense of \$16,007. At November 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$0	\$0
Changes in assumptions	0	0
Net difference between projected and actual earnings	2,277	0
Employer contributions subsequent to the measurement date	0	0
Total	\$2,277	\$0

The County reported \$0 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended November 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31:</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$569
2016	569
2017	569
2018	570
2019	0
Thereafter	0
Total	\$2,277

### **Payable to the Pension Plan**

At November 30, 2015, the County reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2015.

### Note 8 Other Post-Employment Benefits

*Plan Description.* The County established the Health Insurance Plan for Retired Employees, providing for limited health care insurance coverage for its eligible retired employees. The plan is a single-employer defined benefit health care plan administered by the County which provides medical insurance to eligible retirees and beneficiaries with the retiree or beneficiary paying the County's full cost of the premium.

# Adams County, Illinois

## Notes to Financial Statements

### Note 8 Other Post-Employment Benefits (continued)

As of the latest valuation performed December 1, 2014, the plan has 20 retirees receiving benefits and has a total of 303 active participants, of which 246 are not yet eligible to receive benefits.

*Annual OPEB Cost and Net OPEB Obligation.* For fiscal year 2015, the County's annual OPEB cost for the plan was \$174,148. The County's annual OPEB cost, for percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended November 30, 2015, were as follows:

Annual required contribution	\$176,792
Interest on net OPEB	6,776
Adjustment to annual required contribution	(9,420)
<b>Annual OPEB cost</b>	<b>174,148</b>
Contributions made	(133,386)
<b>Increase in net OPEB obligation</b>	<b>40,762</b>
Net OPEB, beginning of year	179,503
<b>Net OPEB, end of year</b>	<b>\$220,265</b>

#### **THREE-YEAR TREND INFORMATION FOR THE POSTRETIREMENT HEALTH PLAN**

Fiscal Year Ending	Annual OPEB Cost	Percentage Of OPEB Contributed	Net OPEB Obligation
11/30/15	\$174,148	77%	\$220,265
11/30/14	129,894	45%	179,503
11/30/13	130,516	45%	108,482

*Funded Status and Funding Progress.* The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Funding Policy.* Plan members receiving benefits contribute the monthly insurance premium. Therefore, there is no direct plan subsidy for retirees from the County. Because the State prohibits local governments from separately rating active employees and retirees, the County charges both groups an equal, blended premium rate. Although both groups are charged the same rate, GAAP requires the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability. However, the County's contributions to the plan are based on actuarial valuations prepared using the blended rate premium that is actually charged.

The County's contribution rate in effect for the fiscal year 2015 was 77%. All contributions made to the plan are from retirees and their beneficiaries.



# Adams County, Illinois

## Notes to Financial Statements

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### **Note 8 Other Post-Employment Benefits (continued)**

*Actuarial Methods and Assumptions.* Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include 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 are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method	Entry Age Normal
Discount Rate	4.00%
Salary Rate Increase	3.00%
Health Care Trend	Rates are adjusted to reflect the difference between the Insurance Year and Fiscal Year. Insurance Year Trends has an initial rate of 6.00% that ultimately decreases over 10 years to 5.00%. Fiscal Year Trends has an initial rate of 7.93% that decreases to 5.00% over a 10 year period.
Mortality	Rates from the December 31, 2014 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Retirement Rates	Rates from the December 31, 2014 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Withdrawal Rates	Rates from the December 31, 2014 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Disability Rates	Rates from the December 31, 2014 IMRF Actuarial Valuation Report for male and female Regular and SLEP employees.
Starting Per Capita Costs	Starting per capita costs are based on COBRA rates. The rates are developed for actives and pre-Medicare retirees. According to GASB 45, when an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, rates were estimated for retirees as if they were rated on a stand-alone basis, and were adjusted to reflect the difference between the Insurance Year and the Fiscal Year. These costs were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age (morbidity). Costs for Medicare eligible do not exhibit the active/retiree subsidization as seen for pre-Medicare medical and are not adjusted. It is assumed that there is no liability to the County for Medicare eligible retirees receiving coverage on a pay-all basis. This treatment follows generally accepted actuarial practice.
Retiree Contribution	Medical Plan – Pre-Medicare: Retiree \$6,775 and Spouse \$8,538
Morbidity	Under Age 65: 4.00%
Coverage Status	Active employees are assumed to continue into retirement at their current coverage level as that in the active medical plan.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 8 Other Post-Employment Benefits (continued)**

Election at Retirement	20% of future retirees will elect medical coverage at retirement
Marital Status	15% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

*Eligibility provisions.* The following minimum requirements must be met for employees to participate in coverage:

Tier I IMRF Regular employees (enrolled in IMRF prior to January 1, 2011):

- At least 55 years old and have at least 8 years of credited service (reduced pension)
- At least 60 years old and have at least 8 years of credited service (full pension)

Tier II IMRF Regular employees (enrolled in IMRF on or after January 1, 2011):

- At least 62 years old and have at least 10 years of credited service (reduced pension)
- At least 67 years old and have at least 10 years of credited service (full pension)

Tier I IMRF SLEP employees (enrolled in IMRF prior to January 1, 2011):

- At least 50 years old and have at least 20 years of credited service

Tier II IMRF SLEP employees (enrolled in IMRF on or after January 1, 2011):

- At least 50 years old and have at least 10 years of credited service

*Medical Coverage.* Retirees and their eligible dependents are allowed to remain on the County's insurance plans provided that they pay the entire premium. Coverage can continue upon Medicare eligibility. Coverage ceases when premium payments cease.

*Other Comments.* The County changed their Insurance Year. The 2014 Insurance Year was January 2014 to December 2014. The next Insurance period covered January 2015 to October 2015. Going forward, the Insurance Year will be November 1 to October 31. These changes are reflected in both the starting per capita costs and health care trend rates.

### **Note 9 Construction and Other Significant Commitments**

*Construction commitments.* There are no construction commitments as of November 30, 2015

### **Note 10 Risk Management**

The County is exposed to various risks including but not limited to losses from workers' compensation, employee health insurance and general liability/property. The County is self-insured for employee health. The County has established an internal service fund, the Medical Insurance Fund, to account for the activity. Premiums are collected and displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge is based on the actual expenses of the fund. The County has contracted with a third party administrator to administer the employee health insurance programs and to review and process claims. In addition, the County has contracted with a third party carrier for specific and aggregate stop loss coverage to limit the County's exposure to losses. The specific and aggregate stop loss coverage is as follows:

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 10 Risk Management (continued)**

Health insurance – The County is self-insured for \$80,000 per individual per year with an unlimited maximum benefit per individual per life time and aggregate stop loss at a minimum of \$2,153,862 over an annual liability period.

A reconciliation of health claims payable due for fiscal year ended November 30, 2015, 2014 and 2013 is as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Claims payable, beginning of year	\$143,496	\$263,000	\$361,503
Add: estimated claims incurred	2,369,794	2,168,468	2,080,650
Less: claims paid	(2,412,631)	(2,287,972)	(2,179,153)
Claims payable, end of year	\$100,659	\$143,496	\$263,000

This liability is reported in the Internal Service Fund at November 30, 2015 based on the requirements of accounting principles generally accepted in the United States of America which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This liability includes an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

### **Note 11 Lease Obligations**

#### ***Operating lease***

The County leases software under an operating lease agreement which expires in 2020. Total lease expense paid for November 30, 2015 was \$42,525. The following is a schedule of future minimum lease payments under operating leases at November 30, 2015:

<b>Fiscal Year Ended November 30,</b>	<b>Operating Leases</b>
2016	\$44,100
2017	44,100
2018	44,100
2019	44,100
2020	33,075
	<hr/>
	\$209,475

# Adams County, Illinois

## Notes to Financial Statements

### Note 12 Long-Term Debt

*General Obligation Bonds* - The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds outstanding at November 30, 2015 are as follows:

Governmental Activities:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates To Maturity	Final Maturity	Outstanding 11/30/15
Series 2008-Alt Rev	9/25/08	\$8,180,000	3.250 – 4.375	2028	\$5,920,000

On September 25, 2008, the County issued \$8,180,000 in general obligation bonds (sales tax alternate revenue source) with an average general interest rate between 3.250% and 4.375%.

The proceeds of \$8,203,650 (including a premium of \$23,650 and \$150,548 of issuance costs) were used to pay a portion of the cost of acquiring land, constructing and equipping a health department facility, and refunding existing debt. Interest on the bonds is paid semi-annually on each February 15<sup>th</sup> and August 15<sup>th</sup>. Principal payments begin in 2009 and are payable annually.

The County must pledge future sales tax revenues to repay the Series 2008. The bonds are payable through fiscal year 2028. Total principal and interest remaining on these bonds is \$7,694,262, payable through fiscal year 2028. For the current year, principal and interest paid and total pledged revenues were \$593,724 and \$3,272,161, respectively. The following is a schedule of debt payments due over the life of the bond:

Year Ending November 30,	Principal	Interest
2016	\$355,000	\$239,824
2017	370,000	225,324
2018	385,000	210,224
2019	400,000	194,524
2020	415,000	178,224
2021 - 2025	2,340,000	615,764
2026 - 2028	1,665,000	110,378
<b>Total</b>	<b>\$5,920,000</b>	<b>\$1,774,262</b>

Long term liability activity for the year ended November 30, 2015 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$6,260,000	\$0	(\$340,000)	\$5,920,000	\$355,000
Accrued compensated absences	581,900	839,700	(936,941)	484,659	104,833
<b>Totals</b>	<b>\$6,841,900</b>	<b>\$839,700</b>	<b>(\$1,276,941)</b>	<b>\$6,404,659</b>	<b>\$459,833</b>

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$1,072,041,616. As of November 30, 2015 the County had \$61,642,393 of remaining legal debt margin.

# Adams County, Illinois

## Notes to Financial Statements

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### Note 13 Net Position

Net position reported on the government wide statement of net position at November 30, 2015:

**Governmental Activities:**

Net investment in capital assets:

Land and other nondepreciable assets	\$1,193,911
Other capital assets, net of accumulated depreciation	50,235,088
Less: related long-term debt outstanding	(5,920,000)

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Total net investment in capital assets	45,508,999
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Restricted:

State statutes and enabling legislation	12,557,033
Debt services	2,228
Externally imposed by grantors	545,713

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Total restricted	13,104,974
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Unrestricted	2,134,177
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Total governmental activities net position	\$60,748,150
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### Note 14 Fund Balance

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the how these balances are reported.

#### **Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The County has nonspendable balances at year end that are listed below.

#### **Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Examples of these restrictions could be those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The County has restricted balances at year end that are listed below.

#### **Committed Fund Balance**

The County commits fund balance by making motions or passing resolution to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contract requirements. The County has committed balances at year end that are listed below.

# Adams County, Illinois

## Notes to Financial Statements

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### Note 14 Fund Balance (continued)

#### ***Assigned Fund Balance***

The assigned fund balance classification refers to amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board to assign amounts to be used for specific purposes. The County has no assigned balances at year end.

#### ***Unassigned Fund Balance***

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund and for funds with negative fund balances.

#### **Nonspendable Fund Balance**

##### Major Funds – Inventory:

General Fund	\$36,306
Health Department	46,818

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Total nonspendable fund balance	\$83,124
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#### **Restricted Fund Balance**

##### Major Funds:

##### State statutes and enabling legislation:

Illinois Municipal Retirement	\$933,431
Ambulance	58,263
Health Department	1,218,707
Motor Fuel Tax	4,005,557

##### Non-Major Funds:

##### State statutes and enabling legislation:

Coroners' Fees	15,648
Probation	296,873
States Attorney Record Automation	4,104
Law Library	17,973
Sex Offender Management	6,500
Court Finance	60,991
Electronic Citation	2,290
Circuit Clerk Operation	30,350
Court Automation	40,415
Court Document	147,624
Maintenance & Child Support	219
Drug Enforcement	7,251
Arrestees Medical Costs	18,282
Drug Traffic Prevention	28,403
DUI Equipment	21,396
County Clerk Equipment	47,665
Recorder GIS	25,351
Recorders Equipment	92,488
Tax Sale Automation	16,264
Social Security	708,189
Liability Insurance	613,445
Tuberculosis Treatment	31,905

# Adams County, Illinois

## Notes to Financial Statements

### Note 14 Fund Balance (continued)

#### Restricted Fund Balance (continued)

Non-Major Funds (continued)	
County Highway	1,497,956
County Bridge	994,674
Matching Tax	965,690
Road District Revolving	197,275
GIS	279,789
Jail Commissary	104,611
Animal Control	20,636
Externally imposed by grantors:	
IDPA Reconciliation Grant	44
Economic Loan	507,633
Federal and State Grants	38,036
Bond agreement- Debt Service	2,228
<hr/>	
Total restricted fund balance	\$13,058,156

#### Committed Fund Balance

Major Funds - General Fund- Working Cash	\$149,911
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#### Unassigned Fund Balance

Major Funds - General Fund	\$5,514,584
Non-Major Funds - Flood Control	(6,717)
<hr/>	
Total unassigned fund balance	\$5,507,867

### Note 15 Interfund Receivables and Payables

Individual fund interfund receivable and payable balances. Balances at November 30, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
General fund	Ambulance fund	\$27,546
General fund	Nonmajor funds	6,295
<hr/>		\$33,841

The outstanding balance between funds results from loans between funds to cover operating expenses. These loans are to be repaid as soon as funding is available.

# Adams County, Illinois

## Notes to Financial Statements

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### **Note 16 Interfund Transfers**

Below are the interfund transfers as of November 30, 2015:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>
Major funds -		
General	\$323,058	\$593,625
Nonmajor governmental funds	617,678	347,111
	<u>\$940,736</u>	<u>\$940,736</u>

All transfers were made to simplify cash flows within the County.

### **Note 17 Contingencies**

From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the County's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations. As of November 30, 2015, the County is not aware of any contingencies that need to be disclosed.

### **Note 18 Prior Year Restatement**

As a result of the implementation of GASB Statement No. 68 and 71, the governmental activities beginning net position was restated as follows:

	<b>Governmental Activities</b>
Balance at December 1, 2014	\$66,687,937
Less beginning net pension liability for IMRF	(4,164,857)
<u>Balance at December 1, 2014, as restated</u>	<u>\$62,523,080</u>

### **Note 19 New Reporting Standards**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* is effective for periods beginning after June 15, 2014. This statement establishes new requirements for governments to report a “net pension liability” for the unfunded portion of its IMRF pension plans. The County has implemented this statement in the year ended November 30, 2015.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* is effective for periods beginning after June 15, 2014. The statement amends the new requirements for governments reporting a net pension liability. The County has implemented this statement in the year ended November 30, 2015.



# Adams County, Illinois

## Notes to Financial Statements

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### **Note 20 Impact of Pending Accounting Principles**

GASB issued Statement No. 72, *Fair Value Measurement and Application* addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement when a market price is not readily determinable, and establishes a 3-level hierarchy of fair value that will be disclosed in the notes to the financial statements, based on the presence or absence of observable market inputs. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The County has not determined the effect of this Statement.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68* addresses accounting and financial reporting for pensions that were not covered by GASB Statement No. 68, because the plan assets are not held in trust. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015. The County has not determined the effect of this Statement.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The County has not determined the effect of this Statement.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). Authoritative sources of GAAP now include (1) GASB pronouncements, (2) GASB implementation guides, and (3) AICPA literature specifically cleared by the GASB. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The County has not determined the effect of this Statement.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments that enter into tax abatement agreements to disclose the certain information about the agreements to allow readers of the financial statements to better access the revenue-generating capacity of the government. The provisions in Statement No. 77 are effective for reporting periods beginning after December 15, 2015. The County has not determined the effect of this Statement.

GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14* amends the blending requirements by requiring the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The County has not determined the effect of this Statement.

## **Required Supplementary Information**

# Adams County, Illinois

## General Fund

### Budgetary Comparison Schedule

#### Required Supplementary Information

For the year ended November 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$2,800,000	\$2,869,977	\$2,861,086	(\$8,891)
Intergovernmental revenue	7,806,599	7,864,335	8,206,893	342,558
Charges for services	859,500	859,500	1,067,333	207,833
Fees and Fines	1,523,250	1,523,250	1,427,663	(95,587)
Licenses and permits	49,200	49,200	48,878	(322)
Interest	47,000	47,000	51,248	4,248
Other revenue	15,700	15,700	30,170	14,470
<b>Total revenues</b>	<b>13,101,249</b>	<b>13,228,962</b>	<b>13,693,271</b>	<b>464,309</b>
<b>Expenditures:</b>				
Current:				
General control and administration	3,673,999	3,523,872	3,354,561	169,311
Public safety	3,159,330	3,137,900	3,171,250	(33,350)
Judiciary and court related	3,034,702	3,070,938	3,079,215	(8,277)
Corrections	2,613,379	2,613,379	2,681,754	(68,375)
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	238,982	242,138	216,866	25,272
<b>Total expenditures</b>	<b>12,720,392</b>	<b>12,588,227</b>	<b>12,503,646</b>	<b>84,581</b>
Excess (deficiency) of revenues over expenditures	380,857	640,735	1,189,625	548,890
<b>Other financing sources and (uses):</b>				
Transfers in	478,951	476,951	323,058	(153,893)
Transfers out	(1,062,586)	(1,062,586)	(593,625)	468,961
<b>Net change in fund balance</b>	<b>(\$202,778)</b>	<b>\$55,100</b>	<b>919,058</b>	<b>\$863,958</b>
Adjustment from budgetary basis to generally accepted accounting principles basis			592,422	
<b>Fund balances, beginning of year</b>			<b>4,039,410</b>	
<b>Fund balances, end of year</b>			<b>\$5,550,890</b>	
<b>GAAP fund balances for General Revenue Funds:</b>				
General Fund			\$5,550,890	
Working Cash			149,911	
<b>GAAP fund balances for General Revenue Funds</b>			<b>\$5,700,801</b>	

See Notes to Required Supplementary Information.

# Adams County, Illinois

Illinois Municipal Retirement Fund  
 Budgetary Comparison Schedule  
 Required Supplementary Information  
 For the year ended November 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$1,455,850	\$1,304,697	\$1,300,692	(\$4,005)
Intergovernmental revenue	368,178	368,178	367,755	(423)
Charges for services	0	0	0	0
Fees and Fines	0	0	0	0
Licenses and permits	0	0	0	0
Interest	0	0	354	354
Other revenue	0	0	0	0
<b>Total revenues</b>	<b>1,824,028</b>	<b>1,672,875</b>	<b>1,668,801</b>	<b>(4,074)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General control and administration	151,767	151,767	146,813	4,954
Public safety	283,102	283,102	273,861	9,241
Judiciary and court related	382,516	382,516	370,030	12,486
Corrections	280,805	280,805	271,640	9,165
Highways and bridges	144,813	144,813	140,086	4,727
Public health	604,158	604,158	584,438	19,720
Public welfare	0	0	0	0
Education	18,287	18,287	17,690	597
<b>Total expenditures</b>	<b>1,865,448</b>	<b>1,865,448</b>	<b>1,804,558</b>	<b>60,890</b>
Excess (deficiency) of revenues over expenditures	(41,420)	(192,573)	(135,757)	56,816
<b>Other financing sources and (uses):</b>				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Net change in fund balance</b>	<b>(\$41,420)</b>	<b>(\$192,573)</b>	<b>(135,757)</b>	<b>\$56,816</b>
Adjustment from budgetary basis to generally accepted accounting principles basis			(141)	
<b>Fund balances, beginning of year</b>			<b>1,069,329</b>	
<b>Fund balances, end of year</b>			<b>\$933,431</b>	

See Notes to Required Supplementary Information.

# Adams County, Illinois

Ambulance Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$500,000	\$500,000	\$498,432	(\$1,568)
Intergovernmental revenue	0	35,472	35,471	(1)
Charges for services	2,743,000	2,743,000	2,909,134	166,134
Interest	0	0	135	135
Other revenue	5,000	9,676	17,504	7,828
<b>Total revenues</b>	<b>3,248,000</b>	<b>3,288,148</b>	<b>3,460,676</b>	<b>172,528</b>
<b>Expenditures:</b>				
Public health	3,209,051	3,214,199	3,524,987	(310,788)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>38,949</b>	<b>73,949</b>	<b>(64,311)</b>	<b>(138,260)</b>
<b>Other financing sources and (uses):</b>				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
<b>Net change in fund balance</b>	<b>\$38,949</b>	<b>\$73,949</b>	<b>(64,311)</b>	<b>(\$138,260)</b>
Adjustment from budgetary basis to generally accepted accounting principles basis			(40,911)	
<b>Fund balance (deficit), beginning of year</b>			<b>163,485</b>	
<b>Fund balance, end of year</b>			<b>\$58,263</b>	

See Notes to Required Supplementary Information.

# Adams County, Illinois

Health Department Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2015

	<b>Budgeted Amounts</b>		<b>Variance with</b>
	<b>Original and Final</b>	<b>Actual</b>	<b>Final Budget</b>
Revenues:			
Property taxes	\$250,000	\$249,216	(\$784)
Intergovernmental revenue	1,684,101	1,649,312	(34,789)
Charges for services	1,165,000	1,288,886	123,886
Interest	500	830	330
Other revenue	2,000	2,182	182
<b>Total revenues</b>	<b>3,101,601</b>	<b>3,190,426</b>	<b>88,825</b>
Expenditures:			
Public health	3,248,914	3,070,087	178,827
Excess (deficiency) of revenues over expenditures	(147,313)	120,339	267,652
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	<u>(\$147,313)</u>	120,339	<u>\$267,652</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		75,462	
Fund balance, beginning of year		<u>1,069,724</u>	
Fund balance, end of year		<u>\$1,265,525</u>	

See Notes to Required Supplementary Information.

# Adams County, Illinois

Motor Fuel Tax Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the year ended November 30, 2015

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	<b>Budgeted Amounts</b>		
	<b>Original and Final</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Revenues:			
Intergovernmental revenue	\$1,330,000	\$907,485	(\$422,515)
Interest	20,000	19,156	(844)
<b>Total revenues</b>	<b>1,350,000</b>	<b>926,641</b>	<b>(423,359)</b>
Expenditures -			
Highways and bridges	4,500,000	1,225,536	3,274,464
Excess (deficiency) of revenues over expenditures	(3,150,000)	(298,895)	2,851,105
Other financing sources and (uses):			
Transfers in	0	0	0
Transfers out	0	0	0
Net change in fund balance	<u>(\$3,150,000)</u>	(298,895)	<u>\$2,851,105</u>
Adjustment from budgetary basis to generally accepted accounting principles basis		387,103	
Fund balance, beginning of year		<u>3,917,349</u>	
Fund balance, end of year		<u>\$4,005,557</u>	

See Notes to Required Supplementary Information.

Adams County, Illinois  
Schedules of Required Supplementary Information  
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios  
IMRF Regular Plan - Last 10 Calendar Years  
(schedule to be built prospectively from 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$1,310,213									
Interest on the total pension liability	4,263,097									
Benefit changes	0									
Difference between expected and actual experience	425,844									
Assumption changes	1,848,429									
Benefit payments and refunds	(2,341,378)									
Net change in total pension liability	5,506,205									
Total pension liability - beginning	57,356,879									
Total pension liability - ending (a)	\$62,863,084									
Plan fiduciary net position:										
Employer contributions	\$1,413,904									
Employee contributions	546,536									
Pension plan net investment income	3,301,536									
Benefit payments and refunds	(2,341,378)									
Other	90,899									
Net change in plan fiduciary net position	3,011,497									
Plan fiduciary net position - beginning	54,314,013									
Plan fiduciary net position - ending (b)	\$57,325,510									
Net pension liability(asset) - Ending (a) - (b)	5,537,574									
Plan fiduciary net position as a percentage of total pension liability	91.19%									
Covered valuation payroll	11,647,817									
Net pension liability as a percentage of covered valuation payroll	47.54%									

The County implemented GASB Statement No. 68 in November 30, 2015.



# Adams County, Illinois

## Schedules of Required Supplementary Information

### Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

#### IMRF SLEP Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$322,860									
Interest on the total pension liability	952,626									
Benefit changes	0									
Difference between expected and actual experience	323,728									
Assumption changes	141,684									
Benefit payments and refunds	(527,585)									
Net change in total pension liability	1,213,313									
Total pension liability - beginning	12,804,039									
Total pension liability - ending (a)	\$14,017,352									
Plan fiduciary net position:										
Employer contributions	\$345,293									
Employee contributions	121,810									
Pension plan net investment income	697,238									
Benefit payments and refunds	(527,585)									
Other	48,357									
Net change in plan fiduciary net position	685,113									
Plan fiduciary net position - beginning	11,460,368									
Plan fiduciary net position - ending (b)	\$12,145,481									
Net pension liability(asset) - Ending (a) - (b)	1,871,871									
Plan fiduciary net position as a percentage of total pension liability	86.65%									
Covered valuation payroll	1,626,389									
Net pension liability as a percentage of covered valuation payroll	115.09%									

The County implemented GASB Statement No. 68 in November 30, 2015.

# Adams County, Illinois

## Schedules of Required Supplementary Information

### Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

#### IMRF ECO Plan - Last 10 Calendar Years

(schedule to be built prospectively from 2014)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Calendar year ending December 31,										
Total pension liability:										
Service cost	\$0									
Interest on the total pension liability	19,824									
Benefit changes	0									
Difference between expected and actual experience	(24,571)									
Assumption changes	16,365									
Benefit payments and refunds	0									
Net change in total pension liability	11,618									
Total pension liability - beginning	264,325									
Total pension liability - ending (a)	\$275,943									
Plan fiduciary net position:										
Employer contributions	\$0									
Employee contributions	0									
Pension plan net investment income	16,124									
Benefit payments and refunds	0									
Other	(22,790)									
Net change in plan fiduciary net position	(6,666)									
Plan fiduciary net position - beginning	264,325									
Plan fiduciary net position - ending (b)	\$257,659									
Net pension liability(asset) - Ending (a) - (b)	18,284									
Plan fiduciary net position as a percentage of total pension liability	93.37%									
Covered valuation payroll	0									
Net pension liability as a percentage of covered valuation payroll	0.00%									

The County implemented GASB Statement No. 68 in November 30, 2015.

Adams County, Illinois  
 Required Supplementary Information  
 Multiyear Schedule of IMRF Contributions

**Multiyear Schedule of Contributions (IMRF – Non-SLEP)  
 Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$1,393,079	\$1,413,904	(\$20,825)	\$11,647,817	12.14%

\* Estimated based on contribution rate of 11.96% and covered valuation payroll of \$11,647,817.

\* The County implemented GASB Statement No. 68 in 11/30/15

**Multiyear Schedule of Contributions (IMRF – SLEP)  
 Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$340,565	\$345,293	(\$4,728)	\$1,626,389	21.23%

\* Estimated based on contribution rate of 20.94% and covered valuation payroll of \$1,626,389.

\* The County implemented GASB Statement No. 68 in 11/30/15

**Multiyear Schedule of Contributions (IMRF –ECO)  
 Last 10 Calendar Years**

Calendar Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2014	\$0	\$0	\$0	\$0	0.00%

\* Estimated based on contribution rate of 0.00% and covered valuation payroll of \$0.

\* The County implemented GASB Statement No. 68 in 11/30/15

# Adams County, Illinois

Required Supplementary Information (continued)

Schedule of Other Postemployment Benefit Funding Progress

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## Schedule of Other Postemployment Benefit Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
11/30/15	\$0	\$1,844,262	\$1,844,262	0.0%	N/A	N/A
11/30/14	No valuation performed					
11/30/13	0	1,342,479	1,342,479	0.0%	N/A	N/A

# Adams County, Illinois

## Notes to Required Supplementary Information

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### Note 1 Basis of Accounting

The budgets are prepared for County funds on a cash basis and include a statement of the cash revenue and expenditures of the immediately preceding fiscal year and a projection of the cash revenue (including the available beginning cash balance) and the proposed itemized appropriations of the ensuing fiscal year. All appropriations cease with the close of the fiscal year.

### Note 2 Excess of Disbursements Over Appropriations

The major fund of Ambulance Services Fund has excess of disbursements over appropriations of \$310,788.

### Note 3 Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate for IMRF \*

#### Valuation date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period.  Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period).  Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years)>
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation



## **Supplementary Information**

# Adams County, Illinois

General Fund

Combining Balance Sheet

November 30, 2015

<b>ASSETS</b>	<b>County General</b>	<b>Working Cash</b>	<b>Total General</b>
Cash and cash equivalents	\$3,853,121	\$5,946	\$3,859,067
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	2,065,981	0	2,065,981
Accounts receivable	183,893	0	183,893
Loans	0	0	0
Inventory	36,306	0	36,306
Due from other funds	(110,124)	143,965	33,841
<b>Total assets</b>	<b>\$6,029,177</b>	<b>\$149,911</b>	<b>\$6,179,088</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$93,396	\$0	\$93,396
Accrued payroll	326,905	0	326,905
Accrued compensated absences	57,986	0	57,986
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
<b>Total liabilities</b>	<b>478,287</b>	<b>0</b>	<b>478,287</b>
Deferred inflows of resources -			
None	0	0	0
Fund balances:			
Nonspendable	36,306	0	36,306
Restricted	0	0	0
Committed	0	149,911	149,911
Assigned	0	0	0
Unassigned	5,514,584	0	5,514,584
<b>Total fund balances</b>	<b>5,550,890</b>	<b>149,911</b>	<b>5,700,801</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$6,029,177</b>	<b>\$149,911</b>	<b>\$6,179,088</b>



# Adams County, Illinois

## General Fund

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended November 30, 2015

	County General	Working Cash	Total General
Revenues:			
Property taxes	\$2,861,086	\$0	\$2,861,086
Intergovernmental revenue	8,745,017	0	8,745,017
Charges for services	1,081,282	0	1,081,282
Fees and fines	1,407,114	0	1,407,114
Licenses and permits	47,922	0	47,922
Interest	51,248	0	51,248
Other revenue	30,570	0	30,570
<b>Total revenues</b>	<b>14,224,239</b>	<b>0</b>	<b>14,224,239</b>
Expenditures:			
Current:			
General control and administration	3,345,971	0	3,345,971
Public safety	3,107,683	0	3,107,683
Judiciary and court related	3,093,707	0	3,093,707
Corrections	2,657,028	0	2,657,028
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	237,803	0	237,803
<b>Total expenditures</b>	<b>12,442,192</b>	<b>0</b>	<b>12,442,192</b>
Excess (deficiency) of revenues over expenditures	1,782,047	0	1,782,047
Other financing sources and (uses):			
Transfers in	323,058	0	323,058
Transfers out	(593,625)	0	(593,625)
Net change in fund balance	1,511,480	0	1,511,480
Fund balances, beginning of year	4,039,410	149,911	4,189,321
<b>Fund balances, end of year</b>	<b>\$5,550,890</b>	<b>\$149,911</b>	<b>\$5,700,801</b>

# Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

November 30, 2015

<b>ASSETS</b>	<b>Total Nonmajor Governmental</b>	<b>Coroners' Fees</b>	<b>Probation</b>	<b>States Attorney Record Automation</b>
Cash and cash equivalents	\$6,914,915	\$15,648	\$295,579	\$4,104
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	0	0	0	0
Accounts receivable	163,599	0	12,697	0
Loans	14,865	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
<b>Total assets</b>	<b>\$7,093,379</b>	<b>\$15,648</b>	<b>\$308,276</b>	<b>\$4,104</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$141,797	\$0	\$11,403	\$0
Accrued payroll	86,145	0	0	0
Accrued compensated absences	19,377	0	0	0
Funds held in trust for others	4,284	0	0	0
Due to other funds	6,295	0	0	0
<b>Total liabilities</b>	<b>257,898</b>	<b>0</b>	<b>11,403</b>	<b>0</b>
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	6,842,198	15,648	296,873	4,104
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	(6,717)	0	0	0
<b>Total fund balances</b>	<b>6,835,481</b>	<b>15,648</b>	<b>296,873</b>	<b>4,104</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$7,093,379</b>	<b>\$15,648</b>	<b>\$308,276</b>	<b>\$4,104</b>

**Special Revenue Funds**

<b>Law Library</b>	<b>Sex Offender Management</b>	<b>Court Finance</b>	<b>Electronic Citation</b>	<b>Circuit Clerk Operation</b>	<b>Court Automation</b>	<b>Court Document</b>	<b>Maintenance &amp; Child Support</b>
\$15,698	\$6,500	\$55,070	\$2,290	\$30,350	\$37,134	\$137,874	\$219
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2,275	0	5,921	0	0	3,281	9,750	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>\$17,973</b>	<b>\$6,500</b>	<b>\$60,991</b>	<b>\$2,290</b>	<b>\$30,350</b>	<b>\$40,415</b>	<b>\$147,624</b>	<b>\$219</b>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
17,973	6,500	60,991	2,290	30,350	40,415	147,624	219
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>17,973</b>	<b>6,500</b>	<b>60,991</b>	<b>2,290</b>	<b>30,350</b>	<b>40,415</b>	<b>147,624</b>	<b>219</b>
<b>\$17,973</b>	<b>\$6,500</b>	<b>\$60,991</b>	<b>\$2,290</b>	<b>\$30,350</b>	<b>\$40,415</b>	<b>\$147,624</b>	<b>\$219</b>

# Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2015

<b>ASSETS</b>	<b>IDPA Reconciliation Grant</b>	<b>Drug Enforcement</b>	<b>Arrestees Medical Costs</b>
Cash and cash equivalents	\$44	\$12,251	\$18,282
Investments	0	0	0
Receivables, net of allowance:			
Due from State of Illinois	0	0	0
Accounts receivable	0	0	0
Loans	0	0	0
Inventory	0	0	0
Prepaid expense	0	0	0
<b>Total assets</b>	<b>\$44</b>	<b>\$12,251</b>	<b>\$18,282</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$0	\$5,000	\$0
Accrued payroll	0	0	0
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>5,000</b>	<b>0</b>
Deferred inflows of resources -			
None	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	44	7,251	18,282
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
<b>Total fund balances</b>	<b>44</b>	<b>7,251</b>	<b>18,282</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$44</b>	<b>\$12,251</b>	<b>\$18,282</b>

**Special Revenue Funds**

<b>Drug Traffic Prevention</b>	<b>DUI Equipment</b>	<b>County Clerk Equipment</b>	<b>Recorder GIS</b>	<b>Recorders Equipment</b>	<b>Tax Sale Automation</b>
\$33,905	\$21,396	\$47,665	\$25,351	\$89,606	\$16,314
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	2,882	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>\$33,905</b>	<b>\$21,396</b>	<b>\$47,665</b>	<b>\$25,351</b>	<b>\$92,488</b>	<b>\$16,314</b>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,502	0	0	0	0	50
5,502	0	0	0	0	50
0	0	0	0	0	0
0	0	0	0	0	0
28,403	21,396	47,665	25,351	92,488	16,264
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>28,403</b>	<b>21,396</b>	<b>47,665</b>	<b>25,351</b>	<b>92,488</b>	<b>16,264</b>
<b>\$33,905</b>	<b>\$21,396</b>	<b>\$47,665</b>	<b>\$25,351</b>	<b>\$92,488</b>	<b>\$16,314</b>

# Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2015

	<b>Special</b>		
<b>ASSETS</b>	<b>Social Security</b>	<b>Liability Insurance</b>	<b>Tuberculosis Treatment</b>
Cash and cash equivalents	\$749,775	\$613,445	\$34,425
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	0	0	0
Accounts receivable	0	0	0
Loans	0	0	0
Inventory	0	0	0
Prepaid expense	0	0	0
<b>Total assets</b>	<b>\$749,775</b>	<b>\$613,445</b>	<b>\$34,425</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Accrued payroll	41,586	0	2,520
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
<b>Total liabilities</b>	<b>41,586</b>	<b>0</b>	<b>2,520</b>
Deferred inflows of resources -			
None	0	0	0
Fund balances:			
Nonspendable	0	0	0
Restricted	708,189	613,445	31,905
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
<b>Total fund balances</b>	<b>708,189</b>	<b>613,445</b>	<b>31,905</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$749,775</b>	<b>\$613,445</b>	<b>\$34,425</b>

**Revenue Funds**

<b>Cooperative Extension</b>	<b>Developmentally Disabled</b>	<b>County Highway</b>	<b>County Bridge</b>	<b>Matching Tax</b>	<b>Flood Control</b>
\$398	\$1,784	\$1,535,627	\$973,758	\$966,994	\$11,096
0	0	0	0	0	0
0	0	0	0	0	0
0	0	13,450	80,324	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>\$398</b>	<b>\$1,784</b>	<b>\$1,549,077</b>	<b>\$1,054,082</b>	<b>\$966,994</b>	<b>\$11,096</b>

\$398	\$1,784	\$0	\$59,408	\$0	\$17,813
0	0	31,744	0	1,304	0
0	0	19,377	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>398</b>	<b>1,784</b>	<b>51,121</b>	<b>59,408</b>	<b>1,304</b>	<b>17,813</b>

0	0	0	0	0	0
---	---	---	---	---	---

0	0	0	0	0	0
0	0	1,497,956	994,674	965,690	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	(6,717)
<b>0</b>	<b>0</b>	<b>1,497,956</b>	<b>994,674</b>	<b>965,690</b>	<b>(6,717)</b>

<b>\$398</b>	<b>\$1,784</b>	<b>\$1,549,077</b>	<b>\$1,054,082</b>	<b>\$966,994</b>	<b>\$11,096</b>
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# Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2015

<b>ASSETS</b>	<b>Special</b>	
	<b>Road District Revolving</b>	<b>GIS</b>
Cash and cash equivalents	\$194,676	\$280,473
Investments	0	0
Receivables, net of allowance for uncollectibles:		
Due from State of Illinois	0	0
Accounts receivable	11,590	15,210
Loans	0	0
Inventory	0	0
Due from other funds	0	0
<b>Total assets</b>	<b>\$206,266</b>	<b>\$295,683</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$0	\$15,894
Accrued payroll	8,991	0
Accrued compensated absences	0	0
Funds held in trust	0	0
Due to other funds	0	0
<b>Total liabilities</b>	<b>8,991</b>	<b>15,894</b>
Deferred inflows of resources -		
None	0	0
Fund balances:		
Nonspendable	0	0
Restricted	197,275	279,789
Committed	0	0
Assigned	0	0
Unassigned	0	0
<b>Total fund balances</b>	<b>197,275</b>	<b>279,789</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$206,266</b>	<b>\$295,683</b>



Revenue Funds						Debt Service
Economic Loan	Jail Commissary	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
\$492,768	\$108,895	\$20,636	\$773	\$61,884	\$0	\$2,228
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	6,219	0
14,865	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>\$507,633</b>	<b>\$108,895</b>	<b>\$20,636</b>	<b>\$773</b>	<b>\$61,884</b>	<b>\$6,219</b>	<b>\$2,228</b>
\$0	\$0	\$0	\$773	\$23,105	\$6,219	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	4,284	0	0	0	0	0
0	0	0	0	743	0	0
0	4,284	0	773	23,848	6,219	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
507,633	104,611	20,636	0	38,036	0	2,228
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>507,633</b>	<b>104,611</b>	<b>20,636</b>	<b>0</b>	<b>38,036</b>	<b>0</b>	<b>2,228</b>
<b>\$507,633</b>	<b>\$108,895</b>	<b>\$20,636</b>	<b>\$773</b>	<b>\$61,884</b>	<b>\$6,219</b>	<b>\$2,228</b>

# Adams County, Illinois

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended November 30, 2015

	Total Nonmajor Governmental	Coroners' Fees	Probation	States Attorney Record Automation
<b>Revenues:</b>				
Property taxes	\$4,123,406	\$0	\$0	\$0
Intergovernmental revenue	188,715	0	0	0
Charges for services	567,779	14,190	0	0
Fees and fines	902,417	0	308,711	5,493
Licenses and permits	25,402	0	0	0
Interest	6,604	0	0	0
Other revenue	24,082	0	0	0
<b>Total revenues</b>	<b>5,838,405</b>	<b>14,190</b>	<b>308,711</b>	<b>5,493</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General control and administration	621,554	11,626	0	0
Public safety	276,968	0	0	0
Judiciary and court related	738,530	0	182,721	8,935
Corrections	159,855	0	0	0
Highways and bridges	1,764,071	0	0	0
Public health	426,228	0	0	0
Public welfare	598,308	0	0	0
Education	144,033	0	0	0
<b>Debt service:</b>				
Principal	340,000	0	0	0
Interest	253,724	0	0	0
Capital outlay	1,033,212	0	39,165	0
<b>Total expenditures</b>	<b>6,356,483</b>	<b>11,626</b>	<b>221,886</b>	<b>8,935</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(518,078)</b>	<b>2,564</b>	<b>86,825</b>	<b>(3,442)</b>
<b>Other financing sources and (uses):</b>				
Transfers in	617,678	0	0	0
Transfers out	(347,111)	0	(96,000)	0
<b>Net change in fund balance</b>	<b>(247,511)</b>	<b>2,564</b>	<b>(9,175)</b>	<b>(3,442)</b>
<b>Fund balances, beginning of year</b>	<b>7,082,992</b>	<b>13,084</b>	<b>306,048</b>	<b>7,546</b>
<b>Fund balances, end of year</b>	<b>\$6,835,481</b>	<b>\$15,648</b>	<b>\$296,873</b>	<b>\$4,104</b>

**Special Revenue Funds**

<b>Law Library</b>	<b>Sex Offender Management</b>	<b>Court Finance</b>	<b>Electronic Citation</b>	<b>Circuit Clerk Operation</b>	<b>Court Automation</b>	<b>Court Document</b>	<b>Maintenance &amp; Child Support</b>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	2,364	0	0
0	0	0	2,290	0	0	0	0
41,174	0	87,525	0	11,156	49,281	147,216	72
0	6,500	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
41,174	6,500	87,525	2,290	11,156	51,645	147,216	72
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
42,130	0	132,004	0	3,970	42,114	33,467	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
42,130	0	132,004	0	3,970	42,114	33,467	0
(956)	6,500	(44,479)	2,290	7,186	9,531	113,749	72
0	0	0	0	0	0	0	0
0	0	0	0	0	(15,000)	(115,000)	0
(956)	6,500	(44,479)	2,290	7,186	(5,469)	(1,251)	72
18,929	0	105,470	0	23,164	45,884	148,875	147
<b>\$17,973</b>	<b>\$6,500</b>	<b>\$60,991</b>	<b>\$2,290</b>	<b>\$30,350</b>	<b>\$40,415</b>	<b>\$147,624</b>	<b>\$219</b>

# Adams County, Illinois

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2015

	<b>Special</b>		
	<b>IDPA Reconciliation Grant</b>	<b>Drug Enforcement</b>	<b>Arrestees Medical Costs</b>
<b>Revenues:</b>			
Property taxes	\$0	\$0	\$0
Intergovernmental revenue	7,875	0	0
Charges for services	0	0	12,546
Fees and fines	0	5,058	0
Licenses and permits	0	0	0
Interest	0	0	0
Other revenue	0	0	0
<b>Total revenues</b>	<b>7,875</b>	<b>5,058</b>	<b>12,546</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General control and administration	0	0	0
Public safety	0	5,000	0
Judiciary and court related	0	0	0
Corrections	0	0	0
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	0	0	0
<b>Debt service:</b>			
Principal	0	0	0
Interest	0	0	0
Capital outlay	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>5,000</b>	<b>0</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>7,875</b>	<b>58</b>	<b>12,546</b>
<b>Other financing sources and (uses):</b>			
Transfers in	0	0	0
Transfers out	(19,951)	0	(10,000)
<b>Net change in fund balance</b>	<b>(12,076)</b>	<b>58</b>	<b>2,546</b>
<b>Fund balances, beginning of year</b>	<b>12,120</b>	<b>7,193</b>	<b>15,736</b>
<b>Fund balances, end of year</b>	<b>\$44</b>	<b>\$7,251</b>	<b>\$18,282</b>

**Revenue Funds**

<b>Drug Traffic Prevention</b>	<b>DUI Equipment</b>	<b>County Clerk Equipment</b>	<b>Recorder GIS</b>	<b>Recorders Equipment</b>	<b>Tax Sale Automation</b>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	14,306	10,019	59,154	0
22,421	10,913	0	0	0	11,716
0	0	0	0	0	0
78	0	0	0	0	0
0	0	0	0	0	0
22,499	10,913	14,306	10,019	59,154	11,716
0	0	4,049	0	32,032	15,484
0	6,207	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	6,207	4,049	0	32,032	15,484
22,499	4,706	10,257	10,019	27,122	(3,768)
0	0	0	0	0	0
0	0	(13,000)	(14,000)	(20,000)	0
22,499	4,706	(2,743)	(3,981)	7,122	(3,768)
5,904	16,690	50,408	29,332	85,366	20,032
\$28,403	\$21,396	\$47,665	\$25,351	\$92,488	\$16,264

# Adams County, Illinois

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2015

	<b>Special</b>		
	<b>Social Security</b>	<b>Liability Insurance</b>	<b>Tuberculosis Treatment</b>
<b>Revenues:</b>			
Property taxes	\$1,041,964	\$386,434	\$55,895
Intergovernmental revenue	3,030	8,380	0
Charges for services	0	0	6,542
Fees and fines	0	0	0
Licenses and permits	0	0	0
Interest	284	105	16
Other revenue	0	0	0
<b>Total revenues</b>	<b>1,045,278</b>	<b>394,919</b>	<b>62,453</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General control and administration	86,398	459,729	0
Public safety	161,163	0	0
Judiciary and court related	217,756	0	0
Corrections	159,855	0	0
Highways and bridges	82,438	0	0
Public health	343,931	0	82,297
Public welfare	0	0	0
Education	10,410	0	0
<b>Debt service:</b>			
Principal	0	0	0
Interest	0	0	0
Capital outlay	0	0	0
<b>Total expenditures</b>	<b>1,061,951</b>	<b>459,729</b>	<b>82,297</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(16,673)</b>	<b>(64,810)</b>	<b>(19,844)</b>
<b>Other financing sources and (uses):</b>			
Transfers in	0	0	0
Transfers out	0	0	0
<b>Net change in fund balance</b>	<b>(16,673)</b>	<b>(64,810)</b>	<b>(19,844)</b>
<b>Fund balances, beginning of year</b>	<b>724,862</b>	<b>678,255</b>	<b>51,749</b>
<b>Fund balances (deficit), end of year</b>	<b>\$708,189</b>	<b>\$613,445</b>	<b>\$31,905</b>

**Revenue Funds**

<b>Cooperative Extension</b>	<b>Developmentally Disabled</b>	<b>County Highway</b>	<b>County Bridge</b>	<b>Matching Tax</b>	<b>Flood Control</b>
\$133,587	\$598,145	\$953,695	\$476,843	\$476,843	\$0
0	0	0	0	0	63,229
0	0	126,230	86,899	0	0
0	0	0	0	0	0
0	0	0	0	0	0
36	163	260	131	130	0
0	0	12,830	0	0	0
<b>133,623</b>	<b>598,308</b>	<b>1,093,015</b>	<b>563,873</b>	<b>476,973</b>	<b>63,229</b>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	751,071	252,643	344,913	79,476
0	0	0	0	0	0
0	598,308	0	0	0	0
133,623	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	440,902	378,084	145,367	0
<b>133,623</b>	<b>598,308</b>	<b>1,191,973</b>	<b>630,727</b>	<b>490,280</b>	<b>79,476</b>
0	0	(98,958)	(66,854)	(13,307)	(16,247)
0	0	0	0	24,053	0
0	0	0	(24,053)	0	0
0	0	(98,958)	(90,907)	10,746	(16,247)
0	0	1,596,914	1,085,581	954,944	9,530
<b>\$0</b>	<b>\$0</b>	<b>\$1,497,956</b>	<b>\$994,674</b>	<b>\$965,690</b>	<b>(\$6,717)</b>

# Adams County, Illinois

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

(Continued)

For the year ended November 30, 2015

	<b>Special</b>	
	<b>Road District Revolving</b>	<b>GIS</b>
<b>Revenues:</b>		
Property taxes	\$0	\$0
Intergovernmental revenue	0	0
Charges for services	110,920	0
Fees and fines	0	201,681
Licenses and permits	0	0
Interest	1,244	1,212
Other revenue	8,000	0
<b>Total revenues</b>	<b>120,164</b>	<b>202,893</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General control and administration	0	0
Public safety	0	0
Judiciary and court related	0	0
Corrections	0	0
Highways and bridges	114,332	139,198
Public health	0	0
Public welfare	0	0
Education	0	0
<b>Debt service:</b>		
Principal	0	0
Interest	0	0
Capital outlay	29,694	0
<b>Total expenditures</b>	<b>144,026</b>	<b>139,198</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(23,862)</b>	<b>63,695</b>
<b>Other financing sources and (uses):</b>		
Transfers in	0	0
Transfers out	0	0
<b>Net change in fund balance</b>	<b>(23,862)</b>	<b>63,695</b>
<b>Fund balances, beginning of year</b>	<b>221,137</b>	<b>216,094</b>
<b>Fund balances, end of year</b>	<b>\$197,275</b>	<b>\$279,789</b>



Revenue Funds						Debt Service	
Economic Loan	Jail Commissary	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	0	0	6,182	97,655	0	0	
0	49,250	0	0	0	75,433	0	
0	0	0	0	0	0	0	
0	0	18,902	0	0	0	0	
1,779	514	0	0	0	0	652	
3,252	0	0	0	0	0	0	
5,031	49,764	18,902	6,182	97,655	75,433	652	
79	0	0	6,292	5,600	0	265	
0	21,893	0	0	82,705	0	0	
0	0	0	0	0	75,433	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	340,000	
0	0	0	0	0	0	253,724	
0	0	0	0	0	0	0	
79	21,893	0	6,292	88,305	75,433	593,989	
4,952	27,871	18,902	(110)	9,350	0	(593,337)	
0	0	0	0	625	0	593,000	
0	0	(20,107)	0	0	0	0	
4,952	27,871	(1,205)	(110)	9,975	0	(337)	
502,681	76,740	21,841	110	28,061	0	2,565	
\$507,633	\$104,611	\$20,636	\$0	\$38,036	\$0	\$2,228	

# Adams County, Illinois

## Combining Statement of Changes in Assets and Liabilities

### All Agency Funds

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>County Collector Tax Funds</b>				
Assets -				
Cash	\$109,722	\$72,467,458	\$72,468,323	\$108,857
Liabilities -				
Agency funds due to others	\$109,722	\$72,467,458	\$72,468,323	\$108,857
<b>Township Motor Fuel Tax</b>				
Assets -				
Cash	\$1,851,919	\$1,379,071	\$2,026,964	\$1,204,026
Accounts Receivable	25,443	0	25,443	0
Due from other governments	129,729	662,343	129,729	662,343
Total assets	\$2,007,091	\$2,041,414	\$2,182,136	\$1,866,369
Liabilities -				
Accounts payable	\$289,660	\$239,924	\$289,660	\$239,924
Agency funds due to others	1,717,431	1,801,490	1,892,476	1,626,445
Total liabilities	\$2,007,091	\$2,041,414	\$2,182,136	\$1,866,369
<b>Township Bridge Fund</b>				
Assets -				
Cash	\$292,688	\$773,497	\$320,030	\$746,155
Liabilities -				
Accounts payable	\$0	\$126,611	\$0	\$126,611
Agency funds due to others	292,688	646,886	320,030	619,544
Total liabilities	\$292,688	\$773,497	\$320,030	\$746,155
<b>Sheriff Accounts</b>				
Assets -				
Cash	\$1,680	\$3,360	\$275	\$4,765
Liabilities -				
Agency funds due to others	\$1,680	\$3,360	\$275	\$4,765

# Adams County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Condemnation Proceeds Fund</b>				
Assets -				
Cash	\$4,000	\$0	\$4,000	\$0
Liabilities -				
Agency funds due to others	\$4,000	\$0	\$4,000	\$0
<b>Unclaimed Money Fund</b>				
Assets -				
Cash	\$15,195	\$4,405	\$4,018	\$15,582
Liabilities -				
Agency funds due to others	\$15,195	\$4,405	\$4,018	\$15,582
<b>Circuit Clerk</b>				
Assets -				
Cash	\$960,423	\$4,625,802	\$4,682,481	\$903,744
Liabilities -				
Agency funds due to others	\$960,423	\$4,625,802	\$4,682,481	\$903,744
<b>Adams County Benevolent Fund</b>				
Assets -				
Cash	\$3,959	\$10	\$0	\$3,969
Liabilities -				
Agency funds due to others	\$3,959	\$10	\$0	\$3,969
<b>County Clerk</b>				
Assets -				
Cash	\$123,874	\$1,769,354	\$1,724,846	\$168,382
Investments	1,794	8,642	0	10,436
Total assets	\$125,668	\$1,777,996	\$1,724,846	\$178,818
Liabilities -				
Agency funds due to others	\$125,668	\$1,777,996	\$1,724,846	\$178,818

# Adams County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>West Central Task Force</b>				
Assets -				
Cash	\$215,780	\$229,921	\$259,428	\$186,273
Liabilities -				
Agency funds due to others	\$215,780	\$229,921	\$259,428	\$186,273
<b>Chief Judge</b>				
Assets -				
Cash	\$5,174	\$3,875	\$3,909	\$5,140
Liabilities -				
Agency funds due to others	\$5,174	\$3,875	\$3,909	\$5,140
<b>Marriage &amp; Civil Union Fund</b>				
Assets -				
Cash	\$2,362	\$1,261	\$1,800	\$1,823
Liabilities -				
Agency funds due to others	\$2,362	\$1,261	\$1,800	\$1,823
<b>Probation Restitution</b>				
Assets -				
Cash	\$1,022	\$1	\$1	\$1,022
Liabilities -				
Agency funds due to others	\$1,022	\$1	\$1	\$1,022

# Adams County, Illinois

## Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Safe Kids Coalition</b>				
Assets -				
Cash	\$29,777	\$27,295	\$31,093	\$25,979
Liabilities -				
Agency funds due to others	\$29,777	\$27,295	\$31,093	\$25,979
<b>Association of Highway Commissioners</b>				
Assets -				
Cash	\$0	\$702	\$0	\$702
Liabilities -				
Agency funds due to others	\$0	\$702	\$0	\$702
<b>All Agency Funds</b>				
Assets:				
Cash in banks	\$3,617,575	\$81,286,012	\$81,527,168	\$3,376,419
Investment	1,794	8,642	0	10,436
Accounts Receivable	25,443	0	25,443	0
Due from other governments	129,729	662,343	129,729	662,343
Total assets	\$3,774,541	\$81,956,997	\$81,682,340	\$4,049,198
Liabilities:				
Accounts payable	\$289,660	\$366,535	\$289,660	\$366,535
Agency funds due to others	3,484,881	81,590,462	81,392,680	3,682,663
Total liabilities	\$3,774,541	\$81,956,997	\$81,682,340	\$4,049,198

# **Adams County, Illinois**

Quincy, Illinois

## **Report on Federal Awards**

Year Ended November 30, 2015

# Adams County, Illinois

Year Ended November 30, 2015

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**Independent Auditor’s 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***

To the County Board  
Adams County  
Quincy, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States 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 Adams 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 County’s basic financial statements, and have issued our report thereon dated May 9, 2016. Our report on the financial statements includes an emphasis-of-matter paragraph describing how the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB 68*, during the year ended November 30, 2015.

**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 opinion(s) 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.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003 and 2015-004.



## **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*.

## **Responses 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 audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Sterling, Illinois  
May 9, 2016



**Independent Auditor’s Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB Circular A-133**

To the County Board  
Adams County  
Quincy, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Adams County, Illinois’ (the “County”) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2015. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility for Compliance***

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

***Auditor’s 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on the County’s compliance.

***Opinion***

In our opinion, Adams County, Illinois, 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.

## ***Other Matters***

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

The management of Adams 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 a 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 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 the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph 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, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2015-005.

The County's response to the internal control over compliance findings 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 2014 comparative information in the schedule of expenditures of federal awards was subjected to the auditing procedures applied by us and our audit report dated May 19, 2015 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2014 financial statements taken as a whole.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams 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 the County's basic financial statements. We have issued our report thereon dated May 9, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, Audits of States, Local

Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Sterling, Illinois  
May 9, 2016

# Adams County, Illinois

## Schedule of Expenditures of Federal Awards

For the year ended November 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2014 Expenditures	2015 Expenditures
<b>U.S. Department of Agriculture</b>				
Illinois State Board of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2014-4220-00	\$9,402	\$0
School Breakfast Program	10.553	2015-4220-00	2,192	6,804
School Breakfast Program	10.553	2016-4220-00	0	1,586
Total CFDA 10.553			11,594	8,390
Food Commodities (non-cash)	10.555	2014-01001005P00	3,887	0
Food Commodities (non-cash)	10.555	2015-01001005P00	0	2,236
National School Lunch Program	10.555	2014-4210-00	18,686	0
National School Lunch Program	10.555	2015-4210-00	4,361	13,483
National School Lunch Program	10.555	2016-4210-00	0	3,137
Total CFDA 10.555			26,934	18,856
Illinois Department of Public Health				
Summer Food Service Program for Children	10.559	45280135B	500	0
Summer Food Service Program for Children	10.559	55280001C	0	325
Total CFDA 10.559			500	325
Total Child Nutrition Cluster			39,028	27,571
Illinois Department of Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
WIC Administration	10.557	FCSSQ00682	139,738	0 (M)
WIC Administration	10.557	FCSTQ00682	117,762	153,149 (M)
WIC Administration	10.557	FCSUQ00682	0	112,824 (M)
WIC Vouchers (non-cash)	10.557	SFY14-376000379	579,315	0 (M)
WIC Vouchers (non-cash)	10.557	SFY15-376000379	183,966	501,369 (M)
WIC Vouchers (non-cash)	10.557	SFY16-376000379	0	150,232 (M)
Total CFDA 10.557			1,020,781	917,574
Illinois Department of Human Services				
WIC Farmers Market Nutrition Program	10.572	FCSTQ00695	1,000	0
WIC Farmers Market Nutrition Program	10.572	FCSUQ00695	0	1,000
Total CFDA 10.572			1,000	1,000
Total U.S. Department of Agriculture			\$1,060,809	\$946,145
<b>Department of Housing and Urban Development</b>				
Illinois Department of Commerce and Economic Opportunity				
Community Development Block Grants				
Midwest-Public Assistance & Infrastructure	14.228	08-302001	\$164,183	\$0
Total Department of Housing and Urban Development			\$164,183	\$0
<b>U.S. Department of Justice</b>				
Illinois Department of Human Services				
Juvenile Justice and Delinquency Prevention	16.540	FCSSR03220	\$810	\$0
Illinois Criminal Justice Information Authority				
Edward Byrne Memorial Justice Assistance Grant	16.738	411019	106,711	0
Edward Byrne Memorial Justice Assistance Grant	16.738	412019	0	106,711
Total CFDA 16.738			106,711	106,711
Total U.S. Department of Justice			\$107,521	\$106,711

See Notes to Schedule of Expenditures of Federal Awards.

# Adams County, Illinois

## Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2014 Expenditures	2015 Expenditures
<b>U.S. Department of Transportation</b>				
Illinois Department of Transportation				
Highway Planning and Construction - CH 27	20.205	AL13220	\$29,078	\$0
Illinois Department of Transportation				
Highway Safety Project - Local Alcohol Program	20.616	AL-14-0231	41,209	0
Highway Safety Project - Local Alcohol Program	20.616	AL-15-0199	3,735	30,053
Highway Safety Project - Local Alcohol Program	20.616	AL-16-0175	0	3,465
Total CFDA 20.616			44,944	33,518
Total U.S. Department of Transportation			\$74,022	\$33,518
<b>Environmental Protection Agency</b>				
Illinois Department of Public Health				
Performance Partnership Grants				
Potable Water Supply	66.605	45382001B	\$38	\$0
Potable Water Supply	66.605	45382001B	0	300
Total CFDA 66.605			38	300
Total Environmental Protection Agency			\$38	\$300
<b>Election Assistance Commission</b>				
Illinois Board of Elections				
Help America Vote Act Requirements Payments	90.401	376000379	\$17,603	\$0
Total Election Assistance Commission			\$17,603	\$0
<b>U.S. Department of Health and Human Services</b>				
Direct award				
Medical Reserve Corps Small Grant Program	93.008	MRC 14-0187	\$2,925	\$0
Medical Reserve Corps Small Grant Program	93.008	MRC 14-0187C	13,566	0
Medical Reserve Corps Small Grant Program	93.008	MRC 15-0187	0	3,500
Total CFDA 93.008			16,491	3,500
Illinois Department of Public Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
Bioterrorism Preparedness	93.074	47180001B	33,375	0
Bioterrorism Preparedness	93.074	57180001C	23,873	36,310
Bioterrorism Preparedness	93.074	67180001C	0	26,209
Ebola Virus Disease	93.074	SFY15	0	6,223
Total CFDA 93.074			57,248	68,742
Illinois Department of Human Services				
Substance Abuse & Mental Health Services	93.243	FCSSP01821	77,179	0
Substance Abuse & Mental Health Services	93.243	FCSTP01821	39,383	82,492
Total CFDA 93.243			116,562	82,492
Illinois Department of Public Health				
Immunization Cooperative Agreement	93.268	35180032A	913	0
Immunization Cooperative Agreement	93.268	45180018B	35,000	0
Immunization Cooperative Agreement	93.268	55180234C	0	35,000
Total CFDA 93.268			35,913	35,000
Illinois Public Health Association				
State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges				
In-Person Counseling Services	93.525	IP-14-149-001	61,900	0
In-Person Counseling Services	93.525	IP-15-149-001	54,519	193,352
Total CFDA 93.525			116,419	193,352

See Notes to Schedule of Expenditures of Federal Awards.

# Adams County, Illinois

## Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2014 Expenditures	2015 Expenditures
Illinois Department of Human Services				
Temporary Assistance for Needy Families				
Teen Reach	93.558	FCSSR03365	116,160	0
Teen Reach	93.558	FCSTR03365	0	116,160
Total CFDA 93.558			116,160	116,160
Illinois Department of Healthcare and Family Services				
Child Support Enforcement	93.563	SFY14	10,529	0
Child Support Enforcement	93.563	SFY15	3,768	6,982
Child Support Enforcement	93.563	SFY15	0	3,115
Total CFDA 93.563			14,297	10,097
Illinois Department of Healthcare and Family Services				
Medical Assistance Program	93.778	FY2015	0	30,999
Southern Illinois University School of Medicine				
HIV Care Formula Grants				
HIV Prevention Formula Grants	93.917	SIUSUB13	3,518	0
HIV Prevention Formula Grants	93.917	SIUSUB14	8,176	0
HIV Prevention Formula Grants	93.917	SIUSUB15	0	3,443
Total CFDA 93.917			11,694	3,443
Sangamon County Health Department				
HIV Prevention Activities	93.940	13-0301A - 2013	130	0
HIV Prevention Activities	93.940	13-0301A - 2014	1,925	9,588
HIV Prevention Activities	93.940	16-0101A - 2015	0	2,000
Total CFDA 93.940			2,055	11,588
Illinois Department of Public Health				
Maternal and Child Health Services Block Grants				
Coordinated School Health	93.994	46080116B	17,580	0
Coordinated School Health	93.994	56380041C	10,191	13,809
Title V - Needs Assessment Group	93.994	FY2015	0	17
Oral Health Needs Assessment and Planning	93.994	43480149B	1,000	0
Dental Sealants	93.994	43480101B	7,716	0
Dental Sealants	93.994	53480101C	0	3,600
Dental Sealants	93.994	63480101D	0	470
Teen Pregnancy Prevention	93.994	66380042D	0	6,816
Illinois Department of Human Services				
Better Birthing Outcomes	93.994	FCSTU03851	0	45,000
Better Birthing Outcomes	93.994	FCSUU03851	0	9,165
Total CFDA 93.994			36,487	78,877
Total U.S. Department of Human Services			\$523,326	\$634,250
<b>U.S. Department of Homeland Security</b>				
Illinois Emergency Management Agency				
Emergency Management Performance Grant	97.042	13EMAADAMS	\$1,737	\$0
Emergency Management Performance Grant	97.042	14EMAADAMS	28,571	0
Emergency Management Performance Grant	97.042	15EMAADAMS	0	27,869
Total CFDA 97.042			30,308	27,869
Direct Award				
Assistance to Firefighters Grant	97.044	EMW-2012-FO-2920	42,974	0
Assistance to Firefighters Grant	97.044	EMW-2014-FO-2920	0	37,051
Total CFDA 97.044			42,974	37,051
Total U.S. Department of Homeland Security			73,282	64,920
<b>Total federal awards expended</b>			<b>\$2,020,784</b>	<b>\$1,785,844</b>

(M) - Audited as a major federal program.

See Notes to Schedule of Expenditures of Federal Awards.

# Adams County, Illinois

## Notes to Schedule of Expenditures of Federal Awards

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### Note 1 Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Adams County (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget 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 or used in the preparation of the basic financial statements.

### Note 2 Significant Accounting Policies

Expenditures of federal awards are recognized in the accounting period when the liabilities are incurred and the goods or services are received.

The value of non-cash assistance is valued at fair market value at the time of receipt or the assessed value provided by the federal agency.

### Note 3 Subrecipient Payments

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County passed through the following federal funds to subrecipients during the year ended November 30, 2015:

<u>Subrecipient:</u>	<u>CFDA</u>	<u>Amount</u>
West Central Illinois Drug Task Force	16.738	\$106,711

### Note 4 Noncash Assistance

As reported on the Schedule of Expenditures of Federal Awards, the County dispensed noncash assistance in the form of food commodities and WIC food instruments. During the year ended November 30, 2015, the County received and used/expended the following non-cash assistance. These values are included in the determination of Federal awards expended.

<u>Non-cash assistance type:</u>	<u>CFDA</u>	<u>Value</u>
Food commodities	10.555	\$2,236
WIC vouchers (food instruments)	10.557	651,601
		<u>\$653,837</u>

### Note 5 Other Federal Award Information

The County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2015.



# Adams County, Illinois

## Schedule of Findings and Questioned Costs

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### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued:	Unmodified		
<hr/>			
<u>Internal control over financial reporting:</u>			
Material weakness(es) identified?	Yes	X	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	None reported

#### Federal Awards

Type of auditor’s report issued on compliance for programs:	Unmodified		
<hr/>			
<u>Internal control over major programs:</u>			
Material weakness(es) identified?	Yes	X	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	None reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes	X	No

#### Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557.....	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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Auditee qualified as a low-risk auditee? X Yes \_\_\_\_\_ No

# Adams County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings**

#### A. Internal Control

##### **Finding 2015-001**

Criteria - The *Governmental Auditing Standards* require that management prepare the financial statements with footnote disclosures.

Condition – The County relies on the external auditors to prepare the financial statements with footnote disclosures.

Cause – 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 the modified accrual basis of accounting.

Effects or Potential Effects – The completeness of the financial statement disclosures and the accuracy of the overall financial presentation is negatively impacted as external auditors do not have the same comprehensive understanding of the County as its internal financial staff.

Auditor's Recommendation – It does not appear to be economically feasible to hire additional personnel to help prepare the financial statements and required footnote disclosures in accordance with accounting principles generally accepted in the United States of America. However, the County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting.

View of responsible officials and planned corrective actions – The County's management and County Board's close review of financial statements and required footnotes prepared by the external auditors appears to be the most economical and appropriate manner to help ensure complete and proper financial reporting. There is no anticipated completion date for this item.

##### **Finding 2015-002**

Criteria - Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

Condition – There is inadequate control over the functions of processing and recording the financial transactions in the Highway Department, County Clerk's Office, Ambulance Department, and Circuit Clerk's Office due to the inadequate segregation of duties stemming from limited personnel.

Cause – The County has a limited number of staff to allow for adequate segregation of duties.

Effects or Potential Effects – As a result of this condition, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Auditor's Recommendation – It does not appear to be economically feasible to hire additional personnel to help segregate the accounting functions. However, the Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the County's accounting and financial reporting.

# Adams County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings (continued)**

View of responsible officials and planned corrective actions – The County’s management and County Board’s close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the county’s accounting and financial reporting. There is no anticipated completion date for this item.

#### **Finding 2015-003**

Criteria – The Administrative Office of the Illinois Courts requires Circuit Clerks to properly and timely assess and distribute fees.

Condition – During Circuit Clerk case testing, there were two cases that were not properly assessed according to State statutes. Both cases were corrected by the Circuit Clerk’s Office. The amounts of fees not properly assessed were insignificant to the financial statements.

Cause – There is no review of fee assessments for nonstandard cases.

Effects or Potential Effects – As a result of this condition, there is a higher risk that improper fee assessments could occur and not be detected and corrected within a timely period.

Auditor’s Recommendation – Due to the complexity and ever changing statutes, we understand the difficulty of assessing fees and suggest that a second review be performed on all nonstandard fee assessments.

View of responsible officials and planned corrective actions – We will review fees that are assessed to ensure that all fees are being assessed to cases correctly.

#### **Finding 2015-004**

Criteria – The Jail Commissary Fund is part of the County’s records and is required to be reported in the annual audit. Activity for this fund should be recorded in a timely manner.

Condition – The jail commissary trial balance and bank accounts’ reconciliations for November 2015 were not made available during audit fieldwork. When the information was received, the trial balance did not properly reconcile.

Cause – Sheriff’s Office does not have a person that designates time each month to ensuring jail commissary information is properly recorded.

Effects or Potential Effects – The accounting system does not reflect the County’s position in its entirety. As a result of this condition, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

# Adams County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section II – Financial Statement Findings (continued)**

Auditor's Recommendation – We recommend the Sheriff's Office maintain a ledger for jail commissary that is updated monthly to track all the transactions including commissary profits and county jail expenditures. In addition, an independent review of cash receipt and disbursement activities should include a review of financial reports and the bank reconciliations for accuracy, completeness, and any unusual items. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled differences should be determined and followed up on, and any journal entries deemed necessary as a result be recorded into the County's financial accounting software. This process will significantly improve the system of checks and balances necessary for strong cash control.

View of responsible officials and planned corrective actions – We will investigate different ways in which it is feasible to record the information in a timely manner.

#### B. Compliance Finding

None

### **Section III – Federal Award Findings and Questioned Costs**

#### A. Internal Control

##### **Finding 2015-005**

Applicable to all federal awards.

Criteria - In accordance with OMB Circular A-133, section .300(b), the auditee (Adams County) is responsible for maintaining internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

OMB Circular A-133, section .310(b), indicates the auditee shall prepare financial statements and the auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements.

Condition - The County, except the Health Department, does not have a complete system in place for identifying federal financial assistance to enable management to identify all federal programs and complete its Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one Office or designated individual.

Questioned Costs – None.

Cause – The County, except the Health Department, has not designated one office or individual to administer or oversee its grants. Therefore, each department head is fiscally responsible for the grantee department's federal grants, without management or administrative oversight from the County.

# Adams County, Illinois

## Schedule of Findings and Questioned Costs

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

Effects or Potential Effects – The lack of a complete system to administer Federal awards indicates a deficiency in the design and operation of internal control that could result in violations of laws, regulations, provisions of contract or grant agreements, fraud or abuse having a direct and material effect on the financial statements or the audit objectives of the Federal grants.

Auditor's Recommendation - We recommend the County establish a centralized grant identification system with one office or individual who will be responsible for obtaining the requisite information from the various departments for the grants it administers. This identification system should include, at a minimum, information necessary to prepare the Schedule of Expenditures of Federal Awards and accompanying notes as indicated in OMB A-133, section .310.

We also recommend this designated office or individual oversee the administration of the County's Federal grants to ensure proper compliance with regulations and grant agreements.

View of responsible officials and planned corrective actions – The County would prefer to keep the grants decentralized to the appropriate officeholder and utilize the auditors to compile the Schedule of Expenditures of Federal Awards as part of their audit services. There is no anticipated completion date for this item.

#### B. Compliance Findings

None

# Adams County, Illinois

## Summary Schedule of Prior Audit Findings

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### **Section IV – Prior Year Findings**

#### **November 30, 2014**

#### I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

##### A. Internal Control

###### Item 2014-001

The County does not prepare the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP). It was determined by County management and its Board of Director's that engaging with the external audit firm is the most economical and appropriate manner to prepare the financial statements and related disclosures in accordance with GAAP. The County has not completed its corrective action plan. This is a repeat finding for 2015.

###### Item 2014-002

The County does not have proper segregation of duties over the functions of processing and recording financial transactions due to limited personnel. The County's management and County Board will supervise and review accounting information to help prevent and detect errors. The County has not completed its corrective action plan. This is a repeat finding for 2015.

###### Item 2014-003

The County has several funds and bank accounts that are not recorded in the accounting system. These funds consist of County and Agency funds. The County has not completed its corrective action plan. This finding has been resolved for 2015.

##### B. Compliance Finding

###### Item 2014-004

The County over expended its budget in various funds. This finding has been resolved for 2015.

# Adams County, Illinois

## Summary Schedule of Prior Audit Findings

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### **Section IV – Prior Year Findings (continued)**

#### II. Findings and Questioned Costs for Federal Awards

##### A. Internal Control

Item 2014-005

The County does not have a system in place for identifying federal financial assistance that will enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one office or designated individual. The County will establish a centralized grant identification system with one office or individual, who will be responsible for obtaining the requisite information from the various departments for the grants it administers. The County has not completed its corrective action plan. This is a repeat finding for 2015.

##### B. Compliance Finding

None

### **November 30, 2013**

#### I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

##### A. Internal Control

Item 2013-001

The County does not prepare the financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP). It was determined by County management and its Board of Director's that engaging with the external audit firm is the most economical and appropriate manner to prepare the financial statements and related disclosures in accordance with GAAP. The County has not completed its corrective action plan. This is a repeat finding for 2015.

Item 2013-002

The County does not have proper segregation of duties over the functions of processing and recording financial transactions due to limited personnel. The County's management and County Board will supervise and review accounting information to help prevent and detect errors. The County has not completed its corrective action plan. This is a repeat finding for 2015.

# Adams County, Illinois

## Summary Schedule of Prior Audit Findings

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### **Section IV – Prior Year Findings (continued)**

I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards (continued)

A. Internal Control (continued)

Item 2013-003

The County has several funds and bank accounts that are not recorded in the accounting system. These funds consist of County and Agency funds. The County has not completed its corrective action plan. This finding has been resolved for 2015.

B. Compliance Finding

Item 2013-004

The County over expended its budget in several funds. This is a repeat finding for 2015.

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

Item 2013-005

The County does not have a system in place for identifying federal financial assistance that will enable management to identify all federal programs and complete the Schedule of Expenditures of Federal Awards. In addition, each Department separately manages individual County grants, without complete administrative oversight from one office or designated individual. The County will establish a centralized grant identification system with one office or individual, who will be responsible for obtaining the requisite information from the various departments for the grants it administers. The County has not completed its corrective action plan. This is a repeat finding for 2015.

B. Compliance Finding

None