

Adams County, Illinois

Quincy, Illinois

Financial Report

Year ended November 30, 2016

WIPFLi^{LLP}
CPAs and Consultants

Adams County, Illinois

Year Ended November 30, 2016

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Adams County, Illinois

Year Ended November 30, 2016

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Independent Auditor's Report

To the County Board
Adams County, Illinois, 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 the Adams County, Illinois (the "County"), as of and for the year ended November 30, 2016, 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 the Adams County, Illinois, as of November 30, 2016, 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.

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 on pages 5 through 18 and 68 through 79 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 80 through 103 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 April 20, 2017, 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

April 20, 2017
Sterling, Illinois

Adams County, Illinois

Management Discussion and Analysis

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, 2016 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 FY2016

- The County's assets exceeded its liabilities at the close of the fiscal year by \$55,065,675 (net position). Of this amount \$(559,066) (unrestricted net position) may be used to meet the County's ongoing obligations.
- The County's total net position decreased by \$5,682,475 during fiscal year 2016 as reported in the statement of activities.
- The County's major revenue consisted of \$8,919,506 in property tax distributions, \$8,717,249 in charges for services, and \$2,835,723 in operating grants and contributions.
- At the close of fiscal year 2016, the County's governmental funds reported combined ending fund balances of \$19,121,996, an increase of \$322,938 in comparison to the prior year.
- At the end of fiscal year 2016, the unassigned fund balance in the General Fund was \$5,160,125, which is 41.1% 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

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.

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, County Bridge Fund, Ambulance Services Fund, Capital Expenses 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.

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.

Adams County, Illinois

Management Discussion and Analysis

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.

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.

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.

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.

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 \$55,065,675 for FY2016.

The following table represents a condensed Statement of Net Position of the County for governmental activities as of November 30, 2016 and 2015.

Condensed Statement of Net Position Governmental Activities

November 30	2016	2015
Total current assets	20,811,554	20,092,864
Noncurrent Assets	47,069,255	51,428,999
Total assets	67,880,809	71,521,863
Deferred outflows of resources	7,856,717	4,553,820
Total assets and deferred outflows of resources	75,737,526	76,075,683
Current liabilities	2,225,434	1,734,713
Noncurrent liabilities	18,379,575	13,592,820
Total liabilities	20,605,009	15,327,533
Deferred inflows of resources	66,842	0
Total liabilities and deferred inflows of resources	20,671,851	15,327,533
Net position:		
Net investment in capital assets	41,504,255	45,508,999
Restricted	14,120,486	13,104,974
Unrestricted	(559,066)	2,134,177
Total net position	55,065,675	60,748,150

At November 30, 2016, the County reports positive balances in Net investment in capital assets and Restricted categories, and a negative balance in the Unrestricted category 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

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.

Condensed Statement of Activities Governmental Activities

For the Years Ended November 30,	2016	2015
Revenues:		
Program revenues:		
Charges for services	8,717,249	8,323,689
Operating grants and contributions	2,835,723	3,666,312
Capital grants and contributions	1,389,735	1,312,520
General revenue:		
Property taxes	8,919,506	9,032,832
Sales Tax	2,217,078	2,205,675
Public Safety Taxes	1,947,887	0
Income taxes	1,930,431	2,110,082
Other Taxes	2,209,145	2,890,643
Interest Income	81,740	78,328
Miscellaneous	116,779	76,859
Total revenues	30,365,273	29,696,940
Expenses:		
General control and administration	4,740,021	4,160,447
Public safety	3,965,642	3,484,203
Judiciary and courts	4,754,873	4,048,081
Corrections	3,495,368	2,973,151
Highways and bridges	9,452,998	8,378,201
Public health	8,496,065	7,195,312
Public welfare	600,249	598,308
Education	307,441	384,976
Interest on long-term debt	235,091	249,191
Total expenses	36,047,748	31,471,870
Change in net position	(5,682,475)	(1,774,930)
Net position beginning	60,748,150	62,523,080
Net position, ending	55,065,675	60,748,150

The County's 2016 total revenues come from a variety of sources including 29% from property taxes, and 27% comes from some other type of tax. Another 30% comes from fees charged for services.

Adams County, Illinois

Management Discussion and Analysis

The County's 2016 expenses cover a range of services, with about 26% related to highways and bridges. Public health accounts for 24%. Another 13% is each from general control and administration and judiciary and courts expenses. Public safety expenses account for another 11%.

Net position decreased \$5,682,475 over the previous year. For the fiscal year ended November 30, 2016 revenues from governmental activities totaled \$30,365,273. Tax revenues (\$17,224,047 or 57%) represent the largest source.

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.

For the year ended November 30, 2016

	Total Cost of Service	Net Cost of Service
General control and administration	4,740,021	(2,744,437)
Public safety	3,965,642	(3,582,261)
Judiciary and courts	4,754,873	(2,163,384)
Corrections	3,495,368	(2,653,138)
Highways and bridges	9,452,998	(7,468,641)
Public health	8,496,065	(3,350,399)
Public welfare	600,249	(600,249)
Education	307,441	(307,441)
Interest on long-term debt	235,091	(235,091)
Total governmental activities	36,047,748	(23,105,041)

For the year ended November 30, 2015

	Total Cost of Service	Net Cost of Service
General control and administration	4,160,447	(2,728,447)
Public safety	3,484,203	(3,039,868)
Judiciary and courts	4,048,081	(1,156,564)
Corrections	2,973,151	(1,882,105)
Highways and bridges	8,378,201	(6,755,138)
Public health	7,195,312	(1,374,752)
Public welfare	598,308	(598,308)
Education	384,976	(384,976)
Interest on long-term debt	249,191	(249,191)
Total governmental activities	31,471,870	(18,169,349)

Adams County, Illinois

Management Discussion and Analysis

For the fiscal year ended November 30, 2016 expenses for governmental activities totaled \$36,047,748. Highway and bridges expenses accounted for \$9,452,998 or 26% of the governmental activities total. Various funds established for the County Highway Department account for these expenditures.

Public health expenses represented \$8,496,065 (24%) of the total governmental activities expenditures in 2016. Expenses related to the Health Department.

General control and administrative expenses totaled for \$4,740,021 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.

Judiciary and courts expenses represented \$4,754,873 (13%) in 2016. 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 \$3,965,642 in expenses during 2016. 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 \$3,495,368 in expenses during 2016. These expenses are directly tied to the operations of the County jail.

Public welfare expenses represented \$600,249 (2%) of the total governmental expenses activity. Expenses relate to mentally deficient persons.

Education expenses totaled \$307,441 (1%) in expenses during 2016. 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 \$19,121,996, an increase of \$322,938 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 \$5,160,125. 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 41.1% of total general fund expenses.

Adams County, Illinois

Management Discussion and Analysis

The fund balance of the General Fund increased by \$448,331 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 2016 continue to be property taxes and intergovernmental sources. Intergovernmental revenues for 2016 were \$7,998,073 compared with budgeted amount of \$8,300,992. The variance is the result of the County receiving less State reimbursed salary expenses and Personal Property Replacement Tax revenue than expected.

Charges for services for 2016 were \$1,571,613 compared with budgeted amount of \$927,500. The variance is the result of the County receiving money from Ameren for the construction of powerlines in the County that was unbudgeted. Ameren was required to pay the County a lump sum payment for the work they completed.

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 2016 were \$3,441,559 compared with budgeted amount of \$3,749,243. The County over budgeted for medical insurance and contingencies.

County Bridge Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2016 continue to be charges for services and property taxes. Charges for services were \$81,824 compared to budgeted amount of \$6,000. The variance is a result of the County receiving more money for bridge projects completed than anticipated.

Expenditures

Highway and bridge expenses for 2016 were \$795,417 compared to budgeted amount of \$1,500,000. The variance is a result of the County over budgeting for total projects to be completed during the fiscal year.

Adams County, Illinois

Management Discussion and Analysis

Ambulance Services Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2016 continue to be charges for services and property taxes. Charges for services were \$2,716,267 compared to budgeted amount of \$2,992,500. The variance is a result of the County collecting less ambulance fees than expected.

Expenditures

Public health expenditures for 2016 were \$3,588,521 compared to budgeted amount of \$3,412,843. The variance is a result of the County under budgeting for Ambulance staff salaries and collection expenses.

Capital Expenses Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2016 continue to be intergovernmental revenue. Intergovernmental revenue for 2016 was \$1,501,983 compared to budgeted amount of \$1,772,205. The amount collected on a cash basis represents ten months of public safety tax revenue.

Expenditures

Public safety expenditures for 2016 were \$1,076,595 compared to budgeted amount of \$2,850,000. The variance is a result of the County over budgeting for expenses related to work performed on the new jail during the fiscal year.

Motor Fuel Tax Fund Budgetary Variances

Revenues

The most significant revenue sources during fiscal year 2016 continue to be intergovernmental revenue. Intergovernmental revenue for 2016 was \$1,784,316 compared to budgeted amount of \$1,080,000. The variance is a result of the County receiving more state payments than expected.

Expenditures

Highway and bridges expenditures for 2016 were \$1,101,125 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.

Adams County, Illinois

Management Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities at year end totaled \$47,069,255 (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 \$1,783,437 of capital asset additions recorded during the year and \$6,143,181 of depreciation charges were expensed on the total capital assets. More detailed information can be found in Note 4 of the financial statements.

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

- Work in Progress = \$1,762,557
- Machinery & Equipment = \$20,880

Net Book Value of Capital Assets at November 30,	2016	2015
Land and other nondepreciable assets	2,467,291	1,193,911
Buildings and improvements	11,030,438	11,483,900
Vehicles	837,750	1,183,023
Furniture, fixtures, and equipment	907,373	1,145,313
Infrastructure	31,826,403	36,422,852
Total	47,069,255	51,428,999

Debt Administration

At November 30, 2016, the County had \$6,082,547 in governmental activities long term debt which consisted of general obligation bonds and accrued compensated absences. Amounts due next year on these obligations are \$370,000. See Note 11 for details of debt.

Outstanding Debt at November 30,	2016	2015
Bonds Payable	5,565,000	5,920,000
Accrued compensated absences	517,547	484,659
Total	6,082,547	6,404,659

Economic Factors

The general local economic outlook is mixed. Construction activity will strengthen with the planned start of the new jail in 2017. Knapheide Manufacturing Company also announced plans to expand manufacturing operations that includes construction of an 188,000 square foot facility and adding 250 jobs. However, agriculture commodity prices remain stagnant which may limit demand for larger equipment.

Adams County, Illinois

Management Discussion and Analysis

The State of Illinois poses the largest potential financial impact to the County. The State has not had a budget since the 2014 fiscal year. There has been little agreement on how to resolve this. The backlog of unpaid state bills continues to increase. The Illinois Comptroller reported that nearly \$10.7 billion in bills were unpaid as of December 30, 2016, compared to \$7 billion as of December 31, 2015. This backlog could cause delays in receiving state reimbursements and grant revenue. To date there has been little, if any, impact to the County's receipt of tax distributions.

Potential actions to solve the state budget issue include proposals that could negatively impact county revenue. Suggestions include taking away distributions of state income tax and freezing property tax levels. Few details are available on how or when either of these would be implemented. However, these actions could combine to reduce significant revenue sources with few options for replacing it.

Next Year's Budget and Rates

On November 15, 2016 the Adams County Board approved the Adams County's Government budget for the 2016-2017 fiscal year.

REVENUE. The projected revenue budget for all funds increased by \$10,917,304 to \$45,767,623. This is a 31% increase from the initial FY 2015-2016 budget.

This increase was due to almost \$12 million in anticipated revenue for a new county jail that was not included in the initial FY 2015-2016 budget. Excluding this revenue, the projected revenue budget for all funds decreased \$867,696 to \$33,982,623, or a 2.5% decrease compared to the initial FY 2015-2016 budget.

New County Jail. On January 12, 2016 the County Board approved \$11,782,205 in new revenue to support the construction of a new county jail. This revenue includes \$10 million in anticipated bond proceeds and \$1.77 million of new public safety tax distributions that the County began to receive in October 2015. The County did not issue bonds or begin construction in FY 2016 but plans to in FY 2017.

The projected General Fund revenue budget decreased by \$371,501 to \$13,278,429. This is a 2.7% decrease from FY 2015-2016.

Nearly two of every three General Fund dollars received come from some type of tax. Major General Fund revenue sources include:

Taxes. 66.2% 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. Anticipated tax revenue from taxes is \$8,790,000 that includes:

- ◆ 17.4% from real estate property taxes (\$2,310,000)
- ◆ 16.8% from the county portion of state sales tax collected (\$2,230,000)
- ◆ 16.8% from state income tax (\$2,230,000)

Adams County, Illinois

Management Discussion and Analysis

- ◆ 8.9% from County Retailers Occupation Tax and State Use Tax (\$1,180,000)
- ◆ 5.8% from state payments received in lieu of Personal Property Replacement Tax (\$770,000)
- ◆ 0.5% from video gaming tax (\$70,000).

Other revenue. 16.6% will come from licenses and fees, interest, grants and other enterprise revenue. Anticipated revenue of \$2,208,500 includes:

- ◆ 9.3% in earnings from the County Clerk and Recorder, Sheriff, Circuit Clerk, and Animal Warden (\$1,233,000)
- ◆ 5.8% in fines, fees and licenses (\$769,000)
- ◆ 1.6% in cell tower leases, bank interest, inmate room and board, inmate commissary sales, bank interest and other miscellaneous revenue (\$206,500).

Reimbursements. 15.6% will come from state and federal reimbursements. Anticipated revenue of \$2,066,729 includes:

- ◆ 12.2% from salary reimbursements for the State's Attorney office, probation officers, detention center officers, and the Supervisor of Assessments (\$1,618,929)
- ◆ 3.4% from other reimbursements (\$447,800)

Transfers from Special Revenue Funds. 1.6% will come from transfers from nine county special revenue funds (\$213,200). 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 automation equipment purchases for a specific county office or task. These accounts include several automation funds, the law library fund, the animal control fund, arrestees medical fund, and other court funds.

EXPENSES. The projected expense budget for all funds increased by \$9,975,566 to \$53,359,930. This is a 23% increase from the initial FY 2015-2016 budget.

As discussed in the revenue budget, the initial 2016 expense budget also did not include a capital budget to begin construction of the new County jail. On January 12, 2016 the County Board approved an initial \$2.85 million capital budget that was intended for jail design and acquisition of adjacent properties. The 2017 capital jail budget is \$10.5 million and is intended to complete property acquisition, demolition and jail design, to hire bond consultants and to begin construction.

The General Fund's projected total expense budget is \$14,263,775. This reflects a 1.3% increase over the initial FY 2015-2016 budget.

Adams County, Illinois

Management Discussion and Analysis

The General Fund Capital Expense budget is \$160,870 (1.1% of budgeted General Fund expenditures) and is a 63% increase compared to the initial FY 2015-2016 capital budget. The largest capital expense is \$92,364 to replace three sheriff vehicles and \$33,356 for tasers and special response vests.

LEVY. On December 13, 2016 the Adams County Board approved a property tax levy of 0.79177 per \$100 of equalized assessed valuation (EAV) for the 2016 tax year (taxes payable in 2017). This levy decreased by 2.12% compared to the levy for the 2015 tax year (0.80888, certified rate). However, the new levy will increase the total tax collections by \$245,192 (2.76%). Although the levy decreased, the total real estate EAV increased by \$54,768,081 (4.98%) to \$1,154,172,714.

The table below lists the budget amounts for the 2015 and the 2016 tax years, the difference for each fund compared to the 2015 tax year, and the calculated levy rate:

	2016	2015	Difference	Percent	Levy
General	2,550,069	2,309,117	240,952	10.43 %	0.2210
Bonds and Interest	0	0	0	0.00 %	0.0000
Pension/IMRF	1,359,994	1,278,153	81,841	6.40 %	0.1178
County Highway	1,038,756	987,776	50,980	5.16 %	0.0900
County Bridge/Joint Bridge	577,086	548,764	28,322	5.16 %	0.0500
TB Care & Treatment	74,200	74,197	3	0.00 %	0.0064
Federal Aid Matching	519,378	493,888	25,490	5.16 %	0.0450
County Health Department	187,460	327,500	(140,040)	(42.76)%	0.0163
Tort Judgment/Liability	400,000	501,732	(101,732)	(20.28)%	0.0347
Social Security	1,117,545	1,139,351	(21,806)	(1.91)%	0.0968
Extension Education	134,000	133,602	398	0.30 %	0.0116
Ambulance	500,000	500,000	0	0.00 %	0.0433
Development Disability	679,000	598,216	80,784	13.50 %	0.0588
Total	9,137,488	8,892,296	245,192	2.76 %	0.7917

The following discusses selected funds:

County General. Much of the County General levy increase was due to the Circuit Clerk eliminating a \$150,000 transfer from the Court Document Storage Special Revenue Fund to the General Fund. These funds will be required to upgrade the circuit clerk document storage equipment to support state mandated digital court filings.

Bonds and Interest. The County has a General Obligation Bond that was issued in 2008. Principal and interest payments totaling approximately \$595,624 are paid from the General Fund and are not levied for separately. The County is pursuing issuance general obligation refunding bonds in 2017 which is projected to save approximately \$900,000 in interest.

Adams County, Illinois

Management Discussion and Analysis

New Jail. In 2016 the County began efforts to build a new jail adjacent to the courthouse. 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, 2016 the County received nearly \$2.1 million in public safety taxes. In January 2016 the Board approved a \$2.85 million initial jail capital project expense budget. Through November 30, 2016 the County spent \$798 thousand on site acquisition and design consultants. In 2017 the County plans to issue up to \$10 million in bonds to support the initial construction of the jail.

Ambulance Building. In 2017 the County plans to construct a new building to house three Adams County Ambulances and crews at an expected cost of \$1.5 million. These are currently housed at the Blessing Hospital campus at 14th and Broadway. Blessing Hospital asked the County to relocate from this location by December 31, 2016 but extended this date to accommodate completion of the new facility. The County plans to fund this construction from available funds.

Two Rivers Transmission Project. In November 2016 the County unexpectedly received \$659,000 from the Ameren Transmission Company after completion of a 345 kilovolt "Illinois Rivers" electric transmission line across Adams County. This line crosses seven townships in southern Adams County for nearly 33 miles. Ameren paid \$20,000 per mile upon its completion as required by the Illinois Public Utilities Act (220 ILCS 5/8-406.1(h)). Plans for these funds is currently undetermined but may be used to pay a portion of the new ambulance building.

Requests for Information

This financial report provides a general over view of Adams County, Illinois's finances for anyone interested in this government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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/treasurer/annualreports.htm>

Basic Financial Statements

Adams County, Illinois

Statement of Net Position

November 30, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities
Cash and cash equivalents	17,214,605
Investments	0
Receivables, net of allowance for uncollectibles:	
Due from State of Illinois	2,485,662
Property taxes receivable	110,900
Accounts receivable	916,213
Loans	13,315
Inventory	70,859
Total current assets	20,811,554
Capital assets:	
Land and other nondepreciable assets	2,467,291
Depreciable property and equipment, net of depreciation	44,601,964
Total capital assets	47,069,255
Deferred outflows of resources -	
Deferred outflows of pension resources	7,856,717
Total assets and deferred outflows of resources	75,737,526
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities:	
Accounts payable	891,873
Accrued payroll	880,738
Funds held in trust for others	5,248
Accrued interest payable	77,575
Bonds payable, current portion	370,000
Total current liabilities	2,225,434
Long-term liabilities:	
Accrued compensated absences	517,547
Bonds payable, noncurrent portion	5,195,000
Accrued other post-employment benefits	270,331
Net pension liability	12,396,697
Total long-term liabilities	18,379,575
Total liabilities	20,605,009
Deferred inflows of resources -	
Deferred inflows of pension resources	55,541
Deferred grant revenues	11,301
Total deferred inflows of resources	66,842
Total liabilities and deferred inflows of resources	20,671,851
NET POSITION	
Net investment in capital assets	41,504,255
Restricted	14,120,486
Unrestricted	(559,066)
Total net position	55,065,675

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Statement of Activities

For the Year Ended November 30, 2016

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	4,740,021	1,881,228	114,356	0	(2,744,437)
Public safety	3,965,642	255,021	128,360	0	(3,582,261)
Judiciary and courts	4,754,873	1,824,557	766,932	0	(2,163,384)
Corrections	3,495,368	159,937	682,293	0	(2,653,138)
Highways and bridges	9,452,998	477,142	117,480	1,389,735	(7,468,641)
Public health	8,496,065	4,119,364	1,026,302	0	(3,350,399)
Public welfare	600,249	0	0	0	(600,249)
Education	307,441	0	0	0	(307,441)
Interest on long-term debt	235,091	0	0	0	(235,091)
Total governmental activities	36,047,748	8,717,249	2,835,723	1,389,735	(23,105,041)

General revenues:

Taxes:

Property taxes	8,919,506
Sales taxes	2,217,078
Public safety taxes	1,947,887
Income taxes	1,930,431
Other taxes	2,209,145
Interest income	81,740
Miscellaneous	116,779
Total general revenues	17,422,566

Change in net position (5,682,475)

Net position - beginning 60,748,150

Net position - ending 55,065,675

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Governmental Funds

Balance Sheet

November 30, 2016

ASSETS	General	County Bridge	Ambulance Services	Capital Expenses	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	3,352,319	803,935	3,281	1,014,210	4,260,056	7,697,983	17,131,784
Investments	0	0	0	0	0	0	0
Receivables, net of allowance:							
Due from State of Illinois	1,690,930	0	0	445,904	92,277	256,551	2,485,662
Property taxes receivable	28,797	6,844	6,235	0	0	69,024	110,900
Accounts receivable	378,938	66,243	191,148	25	0	279,859	916,213
Loans	0	0	0	0	0	13,315	13,315
Inventory	819	0	0	0	0	70,040	70,859
Due from other funds	442,442	0	0	0	0	0	442,442
Total assets	5,894,245	877,022	200,664	1,460,139	4,352,333	8,386,772	21,171,175
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	150,948	221,698	29,835	196,388	1,265	109,316	709,450
Accrued payroll	432,442	0	137,953	0	22,704	287,639	880,738
Accrued compensated absences	0	0	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0	5,248	5,248
Due to other funds	0	0	394,795	0	0	47,647	442,442
Total liabilities	583,390	221,698	562,583	196,388	23,969	449,850	2,037,878
Deferred inflows of resources -							
Deferred grant revenues	0	0	0	0	0	11,301	11,301
Fund balances:							
Nonspendable	819	0	0	0	0	70,040	70,859
Restricted	0	655,324	0	1,263,751	4,328,364	7,902,609	14,150,048
Committed	149,911	0	0	0	0	0	149,911
Assigned	0	0	0	0	0	0	0
Unassigned	5,160,125	0	(361,919)	0	0	(47,028)	4,751,178
Total fund balances	5,310,855	655,324	(361,919)	1,263,751	4,328,364	7,925,621	19,121,996
Total liabilities, deferred inflows of resources and fund balances	5,894,245	877,022	200,664	1,460,139	4,352,333	8,386,772	21,171,175

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Reconciliation of the Balance Sheet to the Statement of Net Position November 30, 2016

Total fund balances - governmental funds	19,121,996
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.	
	(99,602)
Accrued longterm 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 resources	(4,595,521)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Net book value of assets reported.	
	47,069,255
Longterm liabilities not due and payable with the current resources are not reported in the funds:	
Accrued compensated absences	(517,547)
Accrued interest payable	(77,575)
Bonds payable	(5,565,000)
Other post-employment benefits	(270,331)
Total net position - governmental activities	<u>55,065,675</u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended November 30, 2016

	General	County Bridge	Ambulance Services	Capital Expenses	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	2,316,096	550,467	501,507	0	0	5,551,436	8,919,506
Intergovernmental revenue	7,625,357	0	1,000	1,947,887	1,389,735	1,566,020	12,529,999
Charges for services	1,622,420	67,743	2,614,192	0	0	2,260,853	6,565,208
Fees and fines	1,301,865	0	0	0	0	776,561	2,078,426
Licenses and permits	49,325	0	0	0	0	24,290	73,615
Interest	48,194	147	163	5,199	20,598	7,439	81,740
Other revenue	52,787	0	9,249	0	0	54,743	116,779
Total revenues	13,016,044	618,357	3,126,111	1,953,086	1,410,333	10,241,342	30,365,273
Expenditures:							
Current:							
General control and administration	3,498,026	0	0	0	0	853,237	4,351,263
Public safety	2,989,716	0	0	0	0	526,500	3,516,216
Judiciary and court related	3,144,625	0	0	0	0	1,051,249	4,195,874
Corrections	2,774,703	0	0	0	0	455,447	3,230,150
Highways and bridges	0	523,076	0	0	1,087,526	2,309,065	3,919,667
Public health	0	0	3,546,293	0	0	4,007,182	7,553,475
Public welfare	0	0	0	0	0	600,249	600,249
Education	139,763	0	0	0	0	157,417	297,180
Debt service:							
Principal	0	0	0	0	0	355,000	355,000
Interest	0	0	0	0	0	239,824	239,824
Capital outlay	20,880	434,631	0	1,272,982	0	54,944	1,783,437
Total expenditures	12,567,713	957,707	3,546,293	1,272,982	1,087,526	10,610,114	30,042,335
Excess (deficiency) of revenues over expenditures	448,331	(339,350)	(420,182)	680,104	322,807	(368,772)	322,938
Other financing sources and (uses)							
Transfers in	339,370	0	0	583,647	0	594,000	1,517,017
Transfers out	(1,177,647)	0	0	0	0	(339,370)	(1,517,017)
Total other financing sources (uses)	(838,277)	0	0	583,647	0	254,630	0
Net change in fund balance	(389,946)	(339,350)	(420,182)	1,263,751	322,807	(114,142)	322,938
Fund balances, beginning of year	5,700,801	994,674	58,263	0	4,005,557	8,039,763	18,799,058
Fund balances (deficit), end of year	5,310,855	655,324	(361,919)	1,263,751	4,328,364	7,925,621	19,121,996

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, 2016

Net change in fund balance - Governmental funds	322,938
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.	(96,003)
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 exceeds newly capitalized fixed assets in the period.	(4,359,744)
In the statement of activities, postretirement obligations, net pension obligations, and deferred resources 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 resources exceed the amount paid by.	(1,721,612)
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.	355,000
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	4,733
Change in other post-employment benefits	(50,066)
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>(137,721)</u>
Change in net position of governmental activities	<u><u>(5,682,475)</u></u>

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds

Statement of Net Position

November 30, 2016

	Internal Service Fund Medical Insurance
ASSETS	
Cash in banks	82,821
Due from other funds	0
Total assets	82,821
LIABILITIES	
Accrued payroll	2,717
Accounts payable	12,821
Claims payable	166,885
Total liabilities	182,423
NET POSITION	
Unrestricted (deficit)	(99,602)
Total net position	(99,602)

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, 2016

	<u>Internal Service Fund Medical Insurance</u>
Operating revenues -	
Contribution	2,272,325
Total operating revenues	2,272,325
Operating expenses -	
Health insurance premiums	2,369,122
Total operating expenses	2,369,122
Operating income (loss)	(96,797)
Non-operating income (loss)	794
Income (loss) before other financing sources (uses)	(96,003)
Other financing sources (uses):	
Transfers in	0
Transfers out	0
Total other financing sources (uses)	0
Change in net position	(96,003)
Net position (deficit), beginning of year	(3,599)
Net position (deficit), end of year	(99,602)

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Proprietary Funds

Statement of Cash Flows

For the Year Ended November 30, 2016

	<u>Internal Service Fund Medical Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from employees and Board	2,272,325
Payment to suppliers	(2,288,358)
Net cash provided by (used in) operating activities	(16,033)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
	0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in	0
Transfers out	0
Net cash provided by noncapital financing activities	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	794
Net cash provided by investing activities	794
Net increase (decrease) in cash	(15,239)
Cash, beginning of year	98,060
Cash, end of year	82,821
RECONCILIATION:	
Net operating income (loss)	(\$96,797)
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	0
Accounts payable and claims payable	80,764
Net cash provided by (used in) operating activities	(16,033)

See Accompanying Notes to Financial Statements.

Adams County, Illinois
Statement of Fiduciary Net Position
November 30, 2016

	Agency Funds
ASSETS	
Cash in banks	4,795,513
Investments	17,651
Accounts receivable	82,970
Due from other governments	134,334
Total assets	5,030,468
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities:	
Accounts payable	78,295
Agency funds due to others	4,952,173
Total liabilities	5,030,468

See Accompanying Notes to Financial Statements.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of Adams County, Illinois (the "County") have been prepared in accordance 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.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the County, except for the fiduciary funds. The fiduciary funds are only reported in the statements of fiduciary net position at the fund financial statement level. The governmental activities column incorporates data from governmental funds and internal service funds. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The County applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Fund Financial Statements

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

The County reports the following major governmental funds:

General Fund - This is the County's primary operating fund. It accounts for all financial activity that is not accounted for and reported in another fund. The General Fund consists of the County General Fund and Working Cash Fund. A brief description of the County's 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.

County Bridge Fund - This fund is used to account for property tax and charges for services revenues, as well as expenses relating to the maintenance and construction of County bridges.

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

Capital Expenses Fund - This fund accounts for public safety tax revenues and expenditures related to the construction of the new County jail.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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.

Proprietary:

- **Internal Service Fund** - This fund accounts for 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.

Fiduciary:

- **Agency Funds** - These funds account for monies held by the County in a fiduciary capacity.

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 transaction takes 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.

The governmental fund financial statements 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 (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers all imposed nonexchange revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Expenditures are recognized 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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 proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in accordance 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.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Basis of Accounting (Continued)

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 Investments

The County considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The County considers deposits with financial institutions, including nonnegotiable certificates of deposit, to be nonparticipating contracts reported at cost.

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices.

The County is a participant in the Local Government Investment Pool (LGIP) which is authorized in Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in LGIP. The investment is not subject to the fair value hierarchy disclosures.

Accounts Receivable

The County's property tax is levied each year on all taxable real property located in the County. The 2015 property tax levy is recorded as revenue by the County in accordance with the applicable measurement focus and basis of accounting for fiscal year 2016. The County must file its tax levy by the last Tuesday of December each year. The 2015 levy was approved on December 15, 2015. The 2016 levy was approved on December 13, 2016.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

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 2015 became due and payable in two installments, generally in July 2016 and September 2016. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

Other receivables in the governmental and proprietary funds are recorded at gross. No allowance for uncollectible accounts has been provided, since it is believed that the amount of such allowance would not be material.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. The County's inventory consists of Health Department expendable immunization vaccines and deed stamps held for resale.

Prepaid items represent payments made by the County for which benefits extend beyond November 30, 2016. The costs of governmental fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets, including property, plant, equipment, and infrastructure (roads, bridges, and similar items), are reported at cost or estimated historical cost in the government-wide financial statements. The County defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for equipment, vehicles, real property acquisitions, improvements, and infrastructure are recorded as capital outlay. Donated assets are recorded at their fair market value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses/expenditures as incurred and are not capitalized.

Capital assets 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

Capital assets not being depreciated include land and construction in progress.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one items that qualifies for reporting in this category. The County reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and County contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the County has no items that qualify for reporting in this category.

Compensated Absences

The County's vacation policy allows employees to earn vacation hours on a monthly basis, at various rates, based on years of employment. Upon separation, any unused vacation is paid out at the current salary rate.

The County's sick leave policy allows employees to earn sick leave hours at various rates, based on years of employment. Upon separation, any unused sick leave hours will be applied towards years of service for the employee's retirement benefit with I.M.R.F. No monetary obligation exists except at the Health Dept. 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.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements, with vacation accruals being payable within one year. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pension Plan

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.

Other Post-Employment ("OPEB") Obligations

The County's net OPEB Obligation is recognized as a liability and Annual Required Contribution ("ARC") is expensed, as determined by the County's actuary, in the government-wide financial statements and proprietary fund financial statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first.

Adams County, Illinois

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the County Board - the County's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the County Board removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance: This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The County Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Adams County, Illinois

Notes to Financial Statements

Note 2: Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the year ended November 30, 2016, expenditures exceeded appropriations in the following funds (the legal level of budgetary control) by:

Fund	Amount
Law Library	7
Sex Offender Management	4,857
Court Appointed Special Advocates	87,483
IMRF	83,306
Ambulance Services	175,678

Deficit Fund Equity/Net Position

As of November 30, 2016, the Flood Control, Medical Insurance Net Position, and Ambulance Services funds had deficit fund balances/net position in the amount of \$47,028, \$99,602, and \$361,919, respectively.

Note 3: Cash and Investments

Deposits 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, 2016, the County's bank balance was \$22,845,574 and the entire balance was insured and collateralized with securities in the County's name.

Investments

As of November 30, 2016, the County had the following investments:

	Fair Value		Total
	Statement of Net Position	Statement of Fiduciary Net Position	
Illinois Funds Money Market Fund	0	17,651	17,651

Adams County, Illinois

Notes to Financial Statements

Note 3: Cash and Investments (Continued)

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	
Local Government Investment Pool	17,651	0	0	17,651

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	AAAm	Aa	Unrated	Total
Local Government Investment Pool	17,651	0	0	17,651

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, 2016, 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 4: Capital Assets

Capital asset balances and activity for the year ended November 30, 2016, were as follows:

Governmental Activities:	Balance 11/30/15	Increases	Decreases and Transfers	Balance 11/30/16
Capital assets, not being depreciated:				
Land	669,633	0	0	669,633
Work in progress	524,278	1,762,557	(489,177)	1,797,658
Total capital assets, not being depreciated	1,193,911	1,762,557	(489,177)	2,467,291
Capital assets, being depreciated:				
Buildings and improvements	20,096,934	0	0	20,096,934
Vehicles	5,037,307	0	0	5,037,307
Furniture, fixtures and equipment	4,793,349	20,880	0	4,814,229
Infrastructure	104,651,478	0	489,177	105,140,655
Total capital assets, being depreciated	134,579,068	20,880	489,177	135,089,125
Accumulated depreciation:				
Buildings and improvements	(8,613,034)	(453,462)	0	(9,066,496)
Vehicles	(3,854,284)	(345,273)	0	(4,199,557)
Furniture, fixtures and equipment	(3,648,036)	(258,820)	0	(3,906,856)
Infrastructure	(68,228,626)	(5,085,626)	0	(73,314,252)
Total accumulated depreciation	(84,343,980)	(6,143,181)	0	(90,487,161)
Total capital assets, being depreciated, net	50,235,088	(6,122,301)	489,177	44,601,964
Governmental activities capital assets, net	51,428,999	(4,359,744)	0	47,069,255
Depreciation expense was charged to the governmental functions as follows:				
Governmental activities:				
General control and administration				201,601
Judiciary and court				138,613
Public health				276,676
Public safety				162,842
Highways and bridges				5,363,449
Total depreciation expense, governmental activities				6,143,181

Adams County, Illinois

Notes to Financial Statements

Note 5: Loans Receivable

The County has net loans receivable with area businesses in the amount of \$13,315 at November 30, 2016. The following is a summary of changes in loans receivable for the year ended November 30, 2016:

Governmental activities:	Beginning Balance	Increase	Decrease	Ending Balance
Loans Receivable -				
Forklift of Liberty	14,865	0	(1,550)	13,315

Note 6: Retirement Plans

Illinois Municipal Retirement Fund

Plan Description - The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits provided - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

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

Regular Personnel (Non-SLEP)

Employees Covered by the Benefit Terms - At December 31, 2015, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	217
Inactive plan member entitled to but not yet receiving benefits	155
Active employees	249
<hr/>	
Total	621

Contributions - As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 11.90%. For the fiscal year ended November 30, 2016, the County contributed \$1,370,662 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2015, 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 following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17 %	7.59 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	6.00 %
Alternative Investments	9 %	2.75-8.15%
Cash Equivalents	1 %	2.25 %
Total	100 %	

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Single Discount Rate - A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2015	62,863,084	57,325,510	5,537,574
Changes for the year:			
Service Cost	1,251,139	0	1,251,139
Interest on the total pension liability	4,654,900	0	4,654,900
Differences between expected and actual experience of the total pension liability	111,581	0	111,581
Changes in assumptions	84,388	0	84,388
Contributions - employer	0	1,400,068	(1,400,068)
Contributions - employees	0	558,886	(558,886)
Net investment income	0	284,823	(284,823)
Benefit payments, including refunds of employee contributions	(2,680,903)	(2,680,903)	0
Other (net transfer)	0	(98,990)	98,990
Net Changes	3,421,105	(536,116)	3,957,221
Balance at December 31, 2015	66,284,189	56,789,394	9,494,795

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.48%)	Current Discount (7.48%)	1% Higher (8.48%)
Net Pension Liability	18,697,681	9,494,795	2,027,341

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the year ended November 30, 2016, the County recognized pension expense of \$1,370,662. At November 30, 2016, 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
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	337,825	0
Changes in assumptions	1,150,087	0
Net difference between projected and actual earnings on pension plan investments	3,643,727	0
Total deferred amounts to be recognized in pension expense in future periods	5,131,639	0
Pension contributions made subsequent to the measurement date	1,263,623	0
Total deferred amounts related to pensions	6,395,262	0

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

Year Ending December 31:	Net Deferred Outflows of Resources
2016	1,460,650
2017	1,460,650
2018	1,381,577
2019	828,762
2020	0
Thereafter	0
Total	5,131,639

Sheriff's Law Enforcement (SLEP):

Employees Covered by the Benefit Terms - At December 31, 2015, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	21
Inactive plan member entitled to but not yet receiving benefits	3
Active employees	28
Total	52

Contributions - As set by statute, the County's Sheriff's Law Enforcement Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 20.86%. For the fiscal year ended November 30, 2016, the County contributed \$366,967 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Actuarial assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17 %	7.59 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	6.00 %
Alternative Investments	9 %	2.75-8.15%
Cash Equivalents	1 %	2.25 %
Total	100 %	

Single Discount Rate - A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2015	14,017,352	12,145,481	1,871,871
Changes for the year:			
Service Cost	308,632	0	308,632
Interest on the total pension liability	1,040,864	0	1,040,864
Differences between expected and actual experience of the total pension liability	(65,512)	0	(65,512)
Changes in assumptions	20,683	0	20,683
Contributions - employer	0	356,023	(356,023)
Contributions - employees	0	128,005	(128,005)
Net investment income	0	60,563	(60,563)
Benefit payments, including refunds of employee contributions	(549,893)	(549,893)	0
Other (net transfer)	0	(270,000)	270,000
Net Changes	754,774	(275,302)	1,030,076
Balance at December 31, 2015	14,772,126	11,870,179	2,901,947

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.48%)	Current Discount (7.48%)	1% Higher (8.48%)
Net Pension Liability	5,161,201	2,901,947	1,075,881

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

For the year ended November 30, 2016, the County recognized pension expense of \$366,967. At November 30, 2016, 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
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	222,980	55,541
Changes in assumptions	115,125	0
Net difference between projected and actual earnings on pension plan investments	767,303	0
Total deferred amounts to be recognized in pension expense in future periods	1,105,408	55,541
Pension contributions made subsequent to the measurement date	339,495	0
Total deferred amounts related to pensions	1,444,903	55,541

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

Year Ending December 31:	Net Deferred Outflows of Resources
2016	265,516
2017	265,516
2018	265,516
2019	233,147
2020	24,063
Thereafter	(3,891)
Total	1,049,867

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

Elected County Officials (ECO):

Employees Covered by the Benefit Terms - At December 31, 2015, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	3
Inactive plan member entitled to but not yet receiving benefits	0
Active employees	0
<hr/>	
Total	3
<hr/>	

Contributions - As set by statute, the County's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2015 was 0.00%. For the fiscal year ended November 30, 2016, the County contributed \$0 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The County's Net Pension Liability was measured as of December 31, 2015, 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 following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2015:

<i>Asset Class</i>	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17 %	7.59 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	6.00 %
Alternative Investments	9 %	2.75-8.15%
Cash Equivalents	1 %	2.25 %
Total	100 %	

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.50%.

Changes to Net Pension Liability

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (A)-(B)
Balances at January 1, 2015	275,943	257,659	18,284
Changes for the year:			
Service Cost	0	0	0
Interest on the total pension liability	20,696	0	20,696
Differences between expected and actual experience of the total pension liability	(23,902)	0	(23,902)
Contributions - employer	0	0	0
Contributions - employees	0	0	0
Net investment income	0	1,288	(1,288)
Benefit payments, including refunds of employee contributions	0	0	0
Other (net transfer)	0	13,835	(13,835)
Net Changes	(3,206)	15,123	(18,329)
Balance at December 31, 2015	272,737	272,782	(45)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower (6.5%)	Current Discount (7.5%)	1% Higher (8.5%)
Net Pension Liability	18,168	(45)	(16,277)

Adams County, Illinois

Notes to Financial Statements

Note 6: Retirement Plans (Continued)

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

For the year ended November 30, 2016, the County recognized pension expense of \$0. At November 30, 2016, 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
<i>Deferred amounts to be recognized in pension expense in future periods:</i>		
Differences between expected and actual experience	0	0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	16,552	0
Total deferred amounts to be recognized in pension expense in future periods	16,552	0
Pension contributions made subsequent to the measurement date	0	0
Total deferred amounts related to pensions	16,552	0

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

Year Ending December 31:	Net Deferred Outflows of Resources
2016	4,280
2017	4,280
2018	4,281
2019	3,711
2020	0
Thereafter	0
Total	16,552

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits

Plan Description. The County administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the County's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the minimum requirements of the Illinois Municipal Retirement Fund. If eligible, the retiree may receive medical insurance benefits until the retiree stops paying the medical insurance premiums. The plan does not issue a standalone report.

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.

Funding Policy. The County does not pay any portion of the health insurance premiums for retirees; however, the retired employee receives an implicit benefit of a lower health care premium, which is spread among the cost of active employee premiums. 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 2016 was 71%. All contributions made to the plan are from retirees and their beneficiaries.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or fund excess) over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	176,792
Interest on net OPEB	8,811
Adjustment to annual required contribution	(12,248)
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Annual OPEB cost	173,355
Contributions made	(123,289)
Increase in net OPEB obligation	50,066
Net OPEB, beginning of year	220,265
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Net OPEB, end of year	270,331
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Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

The County's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2014 through 2016 were as follows:

Three-Year Trend Information for the Postretirement Health Plan

Fiscal year Ending	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
11/30/16	173,355	71 %	270,331
11/30/15	174,148	77 %	220,265
11/30/14	129,894	45 %	179,503

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.

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.

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

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.
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):

Adams County, Illinois

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

- 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 8: Construction and Other Significant Commitments

Construction Commitments. In October 2015, the County entered into an agreement with Hellmuth, Obata & Kassabaum, Inc. (HOK) for the design and architecture related to the new jail. The contract is for a total sum of \$1,600,000, with an estimated completion date during FY2017. As of November 30, 2016, the County had expended a total of \$507,801 related to this contract, with an estimated \$1,092,199 remaining.

Note 9: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the County carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in the County's insurance coverage in fiscal 2016.

The County has retained a portion of the risk of loss for its health care programs. A third-party administrator is responsible for the approval, processing, and payment of claims, after which the County is billed for reimbursement. Purchased stop-loss coverage pays health insurance claims in excess of \$80,000 per individual with an unlimited maximum benefit per individual per life time and aggregate stop loss at a minimum of \$2,408,256 over an annual liability period.

Adams County, Illinois

Notes to Financial Statements

Note 9: Risk Management (Continued)

A reconciliation of health claims payable due for fiscal year ended November 30, 2016, 2015, and 2014 is as follows:

	2016	2015	2014
Claims payable, beginning of year	100,659	143,496	263,000
Add: estimated claims incurred	2,354,584	2,369,794	2,168,468
Less: claims paid	(2,288,358)	(2,412,631)	(2,287,972)
Total	166,885	100,659	143,496

This liability is reported in the Internal Service Fund at November 30, 2016 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 10: Leases

The County leases software under an operating lease agreement which expires in 2020. Total lease expense paid for November 30, 2016 was \$44,100. The following is a schedule of future minimum lease payments under operating leases at November 30, 2016:

Years Ended November 30, 2016 and 2015	Operating Leases
2017	44,100
2018	44,100
2019	44,100
2020	33,075
Total	165,375

Adams County, Illinois

Notes to Financial Statements

Note 11: Long-Term Obligations

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, 2016 are as follows:

Governmental Activities:

General Obligation Bonds	Sales Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 11/30/16
Series 2008-Alt Rev	9/25/08	8,180,000	3.250-4.375	2028	5,565,000

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 15th and August 15th. 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 \$7,099,438, payable through fiscal year 2028. For the current year, principal and interest paid and total pledged revenues were \$594,824 and \$5,253,756, respectively. The following is a schedule of debt payments due over the life of the bond:

Year Ended November 30,	Principal	Interest
2017	370,000	225,324
2018	385,000	210,224
2019	400,000	194,524
2020	415,000	178,224
2021	430,000	161,109
2021 - 2025	2,440,000	515,268
2026 - 2028	1,125,000	49,765
Total	5,565,000	1,534,438

Adams County, Illinois

Notes to Financial Statements

Note 11: Long-Term Obligations (Continued)

Long term liability activity for the year ended November 30, 2016 is as follows:

Governmental activities:	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	5,920,000	0	(355,000)	5,565,000	370,000
Accrued compensated absences	484,659	876,874	(843,986)	517,547	0
Total	6,404,659	876,874	(1,198,986)	6,082,547	370,000

The County is subject to a debt limitation of 5.75% of its assessed valuation of \$1,099,404,633. As of November 30, 2016, the County had \$63,215,766 of remaining legal debt margin.

Note 12: Net Position

Net position reported on the government wide statement of net position at November 30, 2016:

Governmental Activities:	
Net investment in capital assets:	
Land and other nondepreciable assets	2,467,291
Other capital assets, net of accumulated depreciation	44,601,964
Less: related long-term debt outstanding	(5,565,000)
Total net investment in capital assets	41,504,255
Restricted:	
State statutes and enabling legislation	13,574,218
Debt services	1,812
Externally imposed by grantors	544,456
Total restricted	14,120,486
Unrestricted	(559,066)
Governmental activities capital assets, net	55,065,675

Adams County, Illinois

Notes to Financial Statements

Note 13: 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.

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.

Adams County, Illinois

Notes to Financial Statements

Note 13: Fund Balance (Continued)

Nonspendable Fund Balance

Major Funds - Inventory:	
General Fund	819
Nonmajor Funds - Inventory:	
Health Department	70,040
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Total nonspendable fund balance	70,859
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Restricted Fund Balance

Major Funds:	
State statutes and enabling legislation:	
County Bridge	655,324
Capital Expenses	1,263,751
Motor Fuel Tax	4,328,364
Non-Major Funds:	
State statutes and enabling legislation:	
Coroners' Fees	21,433
Probation	307,755
State Attorney Record Automation	9,602
Law Library	5,385
Sex Offender Management	2,267
Court Finance	44,709
Electronic Citation	10,096
Circuit Clerk Operation	38,296
Court Automation	56,274
Court Document	143,579
Maintenance & Child Support	18
Drug Enforcement	22,503
Arrestees Medical Costs	22,255
Drug Traffic Prevention	22,132
DUI Equipment	11,988
County Clerk Equipment	38,239
Recorder GIS	23,098
Recorders Equipment	96,725
Tax Sale Automation	11,565
Court Appointed Special Advocates	5,157
IMRF	689,483
Social Security	760,387
Liability Insurance	617,437
Health Department	1,169,813
Tuberculosis Treatment	30,267
County Highway	1,653,745
Matching Tax	1,055,269

Adams County, Illinois

Notes to Financial Statements

Note 13: Fund Balance (Continued)

Road District Revolving	181,379
GIS	135,501
Jail Commissary	147,541
Animal Control	22,416
Motel Operators	27
Externally imposed by grantors:	
IDPA Reconciliation Grant	9
Economic Loan	508,988
Federal and State Grants	35,459
Bond agreement -	
Debt Service	1,812
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Total restricted fund balance	14,150,048
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Committed Fund Balance	
Major Funds -	
General Fund -	
Working Cash	149,911
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Unassigned Fund Balance	
Major Fund -	
General Fund	5,160,125
Ambulance Services	(361,919)
Non-Major Fund -	
Flood Control	(47,028)
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Total unassigned fund balance	4,751,178
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Adams County, Illinois

Notes to Financial Statements

Note 14: Interfund Balances and Activity

Interfund receivable and payable balances in the fund financial statements on November 30, 2016, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Ambulance Fund	394,795
General Fund	Nonmajor funds	47,647
Total		442,442

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

In the statement of net position, amounts reported in fund balance sheets as interfund balances have been eliminated within the governmental activities columns.

Interfund transfers at November 30, 2016, were as follows:

Fund	Transfer In	Transfer Out
Major fund -		
General Fund	339,370	1,177,647
Capital Expenses Fund	583,647	0
Nonmajor governmental funds	594,000	339,370
Total	1,517,017	1,517,017

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

Note 15: 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, 2016, the County is not aware of any contingencies that need to be disclose.

Adams County, Illinois

Notes to Financial Statements

Note 16: Impact of Pending Accounting Principles

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. 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.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The County has not determined the effect of this Statement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* amends the required the presentation to include the covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2017. The County has not determined the effect of this Statement.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting period in which the measurement date of the pension liability is after June 15, 2018. The County has not determined the effect of this Statement.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County has not determined the effect of this Statement.

Adams County, Illinois

Notes to Financial Statements

Note 17: Corporate Personal Property Replacement Tax

In late April 2016, local governments received a notice from the Illinois Department of Revenue (IDOR) that a misallocation of Personal Property Replacement Taxes (PPRT) had resulted in an overpayment of an estimated \$168 million to local governments. The County's share of this amount is \$137,836. IDOR has requested the Auditor General review the findings before finalizing a plan to recapture the funds over an extended period of time. Counties will not be making a payment to repay the overpayments. The result will likely be some sort of state accounting where the PPRT amount is reduced to offset the PPRT reduction. They have indicated that no resolution will be announced before January 2017.

Note 18: Subsequent Events

In December 2016, the County purchased four properties to be used for the location of the new jail. The County paid a total of \$1,025,000 for these properties. The purchases of these properties were paid out of the new Capital Expenses Fund using revenue collected from the public safety tax.

In January 2017, the County entered into an agreement with Laverdiere Construction, Inc. for the construction of the new Ambulance building. The total sum of the contract is \$1,433,000 and is expected to be started and completed during fiscal year 2017. The construction of the building is to be paid out of the Ambulance Services Fund, and is to be funded using general tax revenue for the County.

In January 2017, the County entered into an agreement with Blick's Construction Co., Inc. for the demolition of several properties to be used for the location of the new County jail. The total sum of the contract is \$721,392 and is expected to be completed during fiscal year 2017.

In March 2017, the County refinanced their Series 2008 General Obligation Alternate Revenue Bond with a Series 2017 General Obligation Refunding Bond with a par value of \$5,150,000. There is a variable interest rate ranging from 2-3% during the term. Principal payments are to be made on February 15 of every year with the first payment being made in 2018 and last payment in 2028. Interest payments are made semi-annually on August 15 and February 15 with the first payment being made in August 2017 and last payment in February 2028.

Required Supplementary Information

Adams County, Illinois

General Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	2,631,447	2,309,117	2,287,919	(21,198)
Intergovernmental revenue	8,300,992	8,300,992	7,998,073	(302,919)
Charges for services	927,500	927,500	1,571,613	644,113
Fees and Fines	1,488,870	1,488,870	1,169,766	(319,104)
Licenses and permits	51,200	51,200	49,595	(1,605)
Interest	52,000	52,000	47,574	(4,426)
Other revenue	10,700	10,700	52,218	41,518
Total revenues	13,462,709	13,140,379	13,176,758	36,379
Expenditures:				
Current:				
General control and administration	3,703,416	3,749,243	3,441,559	307,684
Public safety	3,128,495	3,138,545	2,973,280	165,265
Judiciary and court related	3,150,307	3,152,452	3,116,029	36,423
Corrections	2,743,328	2,743,328	2,747,220	(3,892)
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	240,574	182,553	134,212	48,341
Total expenditures	12,966,120	12,966,120	12,412,300	553,820
Excess (deficiency) of revenues over expenditures	496,589	174,259	764,458	590,199
Other financing sources and (uses):				
Transfers in	476,551	476,551	339,370	(137,181)
Transfers out	(1,081,486)	(1,081,486)	(1,177,647)	(96,161)
Net change in fund balance	(108,346)	(430,676)	(73,819)	356,857
Adjustment from budgetary basis to generally accepted accounting principles basis			(316,127)	
Fund balances, beginning of year			5,550,890	
Fund balances, end of year			5,160,944	
GAAP fund balances for General Revenue Funds:				
General Fund			5,160,944	
Working Cash			149,911	
GAAP fund balances for General Revenue Funds			5,310,855	

See Notes to Required Supplementary Information.

Adams County, Illinois

County Bridge Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	552,208	548,764	543,770	(4,994)
Intergovernmental revenue	(35,472)	0	0	0
Charges for services	6,000	6,000	81,824	75,824
Interest	0	0	0	0
Other revenue	(4,676)	0	0	0
Total revenues	518,060	554,764	625,594	70,830
Expenditures:				
Highways and bridges	1,494,852	1,500,000	795,417	704,583
Excess (deficiency) of revenues over expenditures	(976,792)	(945,236)	(169,823)	775,413
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(976,792)	(945,236)	(169,823)	775,413
Adjustment from budgetary basis to generally accepted accounting principles basis			(169,527)	
Fund balance (deficit), beginning of year			994,674	
Fund balance, end of year			655,324	

See Notes to Required Supplementary Information.

Adams County, Illinois

Ambulance Services Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	500,000	500,000	495,406	(4,594)
Intergovernmental revenue	0	0	1,000	1,000
Charges for services	2,992,500	2,992,500	2,716,267	(276,233)
Interest	0	0	29	29
Other revenue	12,000	12,000	10,341	(1,659)
Total revenues	3,504,500	3,504,500	3,223,043	(281,457)
Expenditures:				
Public health	3,412,843	3,412,843	3,588,521	(175,678)
Excess (deficiency) of revenues over expenditures	91,657	91,657	(365,478)	(457,135)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	91,657	91,657	(365,478)	(457,135)
Adjustment from budgetary basis to generally accepted accounting principles basis			(54,704)	
Fund balance, beginning of year			58,263	
Fund balance (deficit), end of year			(361,919)	

See Notes to Required Supplementary Information.

Adams County, Illinois

Capital Expenses Fund

Budgetary Comparison Schedule

Required Supplementary Information

For the Year Ended November 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	1,772,205	1,501,983	(270,222)
Charges for services	0	0	0	0
Interest	0	1,000	5,175	4,175
Other revenue	0	0	0	0
Total revenues	0	1,773,205	1,507,158	(266,047)
Expenditures:				
Public safety	0	2,850,000	1,076,595	1,773,405
Excess (deficiency) of revenues over expenditures	0	(1,076,795)	430,563	1,507,358
Other financing sources and (uses):				
Transfers in	0	0	583,647	583,647
Transfers out	0	0	0	0
Net change in fund balance	0	(1,076,795)	1,014,210	2,091,005
Adjustment from budgetary basis to generally accepted accounting principles basis			249,541	
Fund balance (deficit), beginning of year			0	
Fund balance, end of year			1,263,751	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	1,080,000	1,080,000	1,784,316	704,316
Charges for services	0	0	0	0
Interest	20,000	20,000	20,598	598
Other revenue	0	0	0	0
Total revenues	1,100,000	1,100,000	1,804,914	704,914
Expenditures:				
Highways and bridges	4,500,000	4,500,000	1,101,125	3,398,875
Excess (deficiency) of revenues over expenditures	(3,400,000)	(3,400,000)	703,789	4,103,789
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(3,400,000)	(3,400,000)	703,789	4,103,789
Adjustment from budgetary basis to generally accepted accounting principles basis			(380,982)	
Fund balance (deficit), beginning of year			4,005,557	
Fund balance, end of year			4,328,364	

See Notes to Required Supplementary Information.

Adams County, Illinois

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)

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability:										
Service cost	1,251,139	1,310,213								
Interest on the total pension liability	4,654,900	4,263,097								
Benefit changes	0	0								
Difference between expected and actual experience	111,581	425,844								
Assumption changes	84,388	1,848,429								
Benefit payments and refunds	(2,680,903)	(2,341,378)								
Net change in total pension liability	3,421,105	5,506,205								
Total pension liability beginning ^a	62,863,084	57,356,879								
Total pension liability - ending (a)	66,284,189	62,863,084								
Plan fiduciary net position:										
Employer contributions	1,400,068	1,413,904								
Employee contributions	558,886	546,536								
Pension plan net investment income	284,823	3,301,536								
Benefit payments and refunds	(2,680,903)	(2,341,378)								
Other	(98,990)	90,899								
Net change in plan fiduciary net position	(536,116)	3,011,497								
Plan fiduciary net position beginning ^a	57,325,510	54,314,013								
Plan fiduciary net position - ending (b)	56,789,394	57,325,510								
Net pension liability(asset) - Ending (a) - (b)	9,494,795	5,537,574								
Plan fiduciary net position as a percentage of total pension liability	85.68%	91.19%								
Covered valuation payroll	11,693,312	11,647,817								
Net pension liability as a percentage of covered valuation payroll	81.20%	47.54%								

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

Adams County, Illinois

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)

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability:										
Service cost	308,632	322,860								
Interest on the total pension liability	1,040,864	952,626								
Benefit changes	0	0								
Difference between expected and actual experience	(65,512)	323,728								
Assumption changes	20,683	141,684								
Benefit payments and refunds	(549,893)	(527,585)								
Net change in total pension liability	754,774	1,213,313								
Total pension liability beginning^a	14,017,352	12,804,039								
Total pension liability - ending (a)	14,772,126	14,017,352								
Plan fiduciary net position:										
Employer contributions	356,023	345,293								
Employee contributions	128,005	121,810								
Pension plan net investment income	60,563	697,238								
Benefit payments and refunds	(549,893)	(527,585)								
Other	(270,000)	48,357								
Net change in plan fiduciary net position	(275,302)	685,113								
Plan fiduciary net position beginning^a	12,145,481	11,460,368								
Plan fiduciary net position - ending (b)	11,870,179	12,145,481								
Net pension liability(asset) - Ending (a) - (b)	2,901,947	1,871,871								
Plan fiduciary net position as a percentage of total pension liability	80.36%	86.65%								
Covered valuation payroll	1,706,726	1,626,389								
Net pension liability as a percentage of covered valuation payroll	170.03%	115.09%								

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

Adams County, Illinois

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)

Calendar year ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability:										
Service cost	0	0								
Interest on the total pension liability	20,696	19,824								
Benefit changes	0	0								
Difference between expected and actual experience	(23,902)	(24,571)								
Assumption changes	0	16,365								
Benefit payments and refunds	0	0								
Net change in total pension liability	(3,206)	11,618								
Total pension liability - beginning^a	275,943	264,325								
Total pension liability - ending (a)	272,737	275,943								
Plan fiduciary net position:										
Employer contributions	0	0								
Employee contributions	0	0								
Pension plan net investment income	1,288	16,124								
Benefit payments and refunds	0	0								
Other	13,835	(22,790)								
Net change in plan fiduciary net position	15,123	(6,666)								
Plan fiduciary net position - beginning^a	257,659	264,325								
Plan fiduciary net position - ending (b)	272,782	257,659								
Net pension liability(asset) - Ending (a) - (b)	(45)	18,284								
Plan fiduciary net position as a percentage of total pension liability	100.02%	93.37%								
Covered valuation payroll	0	0								
Net pension liability as a percentage of covered valuation payroll	0.00%	0.00%								

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

Adams County, Illinois

Required Supplementary Information
 Multiyear Schedule of IMRF Contributions
 (schedule to be built prospectively from 2015)

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

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2016	1,370,662	1,370,662	0	11,545,005	11.87%
2015	1,401,556	1,401,556	0	11,723,083	11.96%

* Estimated based on contribution rate of 11.87% and covered valuation payroll of \$11,545,005.

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

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2016	366,967	366,967	0	1,684,741	21.78%
2015	355,404	355,404	0	1,699,581	20.91%

* Estimated based on contribution rate of 21.78% and covered valuation payroll of \$1,684,741.

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

Fiscal Year Ending November 30,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2016	0	0	0	0	0.00%
2015	0	0	0	0	0.00%

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

Adams County, Illinois

Required Supplementary Information

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)
11/30/2016	No valuation performed					
11/30/2015	0	1,844,262	1,844,262	0.00%	N/A	N/A
11/30/2014	No valuation performed					
11/30/2013	0	1,342,479	1,342,479	0.00%	N/A	N/A

Adams County, Illinois

Notes to Required Supplementary Information

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 \$175,678.

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 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 2015 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): 28-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 23 years for most employers (two employers were financed over 32 years).

Asset Valuation Method 5-Year smoothed market; 20% corridor

Wage Growth 4.00%

Adams County, Illinois

Notes to Required Supplementary Information

Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate for IMRF * (Continued)

Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

Supplementary Information

Adams County, Illinois

General Fund

Combining Balance Sheet

November 30, 2016

ASSETS	County General	Working Cash	Total General
Cash and cash equivalents	3,202,408	149,911	3,352,319
Investments	0	0	0
Receivables, net of allowance for uncollectibles:			
Due from State of Illinois	1,690,930	0	1,690,930
Property taxes receivable	28,797	0	28,797
Accounts receivable	378,938	0	378,938
Loans	0	0	0
Inventory	819	0	819
Due from other funds	442,442	0	442,442
Total assets	5,744,334	149,911	5,894,245
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	150,948	0	150,948
Accrued payroll	432,442	0	432,442
Accrued compensated absences	0	0	0
Funds held in trust for others	0	0	0
Due to other funds	0	0	0
Total liabilities	583,390	0	583,390
Deferred inflows of resources - None	0	0	0
Fund balances:			
Nonspendable	819	0	819
Restricted	0	0	0
Committed	0	149,911	149,911
Assigned	0	0	0
Unassigned	5,160,125	0	5,160,125
Total fund balances	5,160,944	149,911	5,310,855
Total liabilities, deferred inflows of resources, and fund balances	5,744,334	149,911	5,894,245

Adams County, Illinois

General Fund

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

For the Year Ended November 30, 2016

	County General	Working Cash	Total General
Revenues:			
Property taxes	2,316,096	0	2,316,096
Intergovernmental revenue	7,625,357	0	7,625,357
Charges for services	1,622,420	0	1,622,420
Fees and fines	1,301,865	0	1,301,865
Licenses and permits	49,325	0	49,325
Interest	48,194	0	48,194
Other revenue	52,787	0	52,787
Total revenues	13,016,044	0	13,016,044
Expenditures:			
Current:			
General control and administration	3,518,906	0	3,518,906
Public safety	2,989,716	0	2,989,716
Judiciary and court related	3,144,625	0	3,144,625
Corrections	2,774,703	0	2,774,703
Highways and bridges	0	0	0
Public health	0	0	0
Public welfare	0	0	0
Education	139,763	0	139,763
Total expenditures	12,567,713	0	12,567,713
Excess (deficiency) of revenues over expenditures	448,331	0	448,331
Other financing sources and (uses):			
Transfers in	339,370	0	339,370
Transfers out	(1,177,647)	0	(1,177,647)
Net change in fund balance	(389,946)	0	(389,946)
Fund balances, beginning of year	5,550,890	149,911	5,700,801
Fund balances, end of year	5,160,944	149,911	5,310,855

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

November 30, 2016

ASSETS	Total Nonmajor Governmental	Special Revenue Funds		
		Coroners' Fees	Probation	States Attorney Record Automation
Cash and cash equivalents	7,697,983	20,541	306,922	8,943
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	256,551	0	0	0
Property taxes receivable	69,024	0	0	0
Accounts receivable	279,859	892	9,606	659
Loans	13,315	0	0	0
Inventory	70,040	0	0	0
Due from other funds	0	0	0	0
Total assets	8,386,772	21,433	316,528	9,602
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	109,316	0	8,773	0
Accrued payroll	287,639	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	5,248	0	0	0
Due to other funds	47,647	0	0	0
Total liabilities	449,850	0	8,773	0
Deferred inflows of resources -				
Deferred grant revenues	11,301	0	0	0
Fund balances:				
Nonspendable	70,040	0	0	0
Restricted	7,902,609	21,433	307,755	9,602
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	(47,028)	0	0	0
Total fund balances	7,925,621	21,433	307,755	9,602
Total liabilities, deferred inflows of resources and fund balances	8,386,772	21,433	316,528	9,602

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds			
	Sex Offender Management	Court Finance	Electronic Citation	Circuit Clerk Operation
Cash and cash equivalents	2,267	46,498	9,658	37,446
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	0	54	438	850
Loans	0	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
Total assets	2,267	46,552	10,096	38,296
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	1,843	0	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	1,843	0	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	2,267	44,709	10,096	38,296
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	2,267	44,709	10,096	38,296
Total liabilities, deferred inflows of resources and fund balances	2,267	46,552	10,096	38,296

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Law Library	Court Automation	Court Document	Maintenance & Child Support	IDPA Reconciliation Grant
Cash and cash equivalents	6,529	47,628	133,809	18	9
Investments	0	0	0	0	0
Receivables, net of allowance					
Due from State of Illinois	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	2,873	8,646	9,770	0	0
Loans	0	0	0	0	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	9,402	56,274	143,579	18	9
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	4,017	0	0	0	0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	4,017	0	0	0	0
Deferred inflows of resources -					
None	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	5,385	56,274	143,579	18	9
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	5,385	56,274	143,579	18	9
Total liabilities, deferred inflows of resources and fund balances	9,402	56,274	143,579	18	9

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds			
	Drug Enforcement	Arrestees Medical Costs	Drug Traffic Prevention	DUI Equipment
Cash and cash equivalents	18,930	21,402	22,132	11,988
Investments	0	0	0	0
Receivables, net of allowance:				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	3,573	853	0	0
Loans	0	0	0	0
Inventory	0	0	0	0
Prepaid expense	0	0	0	0
Total assets	22,503	22,255	22,132	11,988
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	0	0	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	0	0	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	22,503	22,255	22,132	11,988
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	22,503	22,255	22,132	11,988
Total liabilities, deferred inflows of resources and fund balances	22,503	22,255	22,132	11,988

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds			
	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation
Cash and cash equivalents	37,429	22,162	91,624	6,515
Investments	0	0	0	0
Receivables, net of allowance				
Due from State of Illinois	0	0	0	0
Property taxes receivable	0	0	0	0
Accounts receivable	810	936	5,101	5,050
Loans	0	0	0	0
Inventory	0	0	0	0
Due from other funds	0	0	0	0
Total assets	38,239	23,098	96,725	11,565
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	0	0	0
Accrued payroll	0	0	0	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	0	0	0	0
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	38,239	23,098	96,725	11,565
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	38,239	23,098	96,725	11,565
Total liabilities, deferred inflows of resources and fund balances	38,239	23,098	96,725	11,565

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds			
	Social Security	Liability Insurance	Tuberculosis Treatment	Cooperative Extension
Cash and cash equivalents	797,885	611,289	32,340	0
Investments	0	0	0	0
Receivables, net of allowance for uncollectibles:				
Due from State of Illinois	0	0	0	0
Property taxes receivable	14,209	6,258	926	1,667
Accounts receivable	188	5	295	0
Loans	0	0	0	0
Inventory	0	0	0	0
Prepaid expense	0	0	0	0
Total assets	812,282	617,552	33,561	1,667
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	0	115	0	1,667
Accrued payroll	51,895	0	3,294	0
Accrued compensated absences	0	0	0	0
Funds held in trust for others	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	51,895	115	3,294	1,667
Deferred inflows of resources -				
None	0	0	0	0
Fund balances:				
Nonspendable	0	0	0	0
Restricted	760,387	617,437	30,267	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	760,387	617,437	30,267	0
Total liabilities, deferred inflows of resources and fund balances	812,282	617,552	33,561	1,667

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Developmentally Disabled	County Highway	County Health	IMRF	Matching Tax
Cash and cash equivalents	0	1,665,314	826,700	802,632	1,077,054
Investments	0	0	0	0	0
Receivables, net of allowance for uncollectibles:					
Due from State of Illinois	0	0	240,968	15,583	0
Property taxes receivable	7,462	12,319	4,084	15,939	6,160
Accounts receivable	0	12,180	187,918	310	0
Loans	0	0	0	0	0
Inventory	0	0	70,040	0	0
Prepaid expense	0	0	0	0	0
Total assets	7,462	1,689,813	1,329,710	834,464	1,083,214
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	7,462	16,486	22,904	0	23,779
Accrued payroll	0	19,582	55,652	144,981	4,166
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	0	0	0	0	0
Total liabilities	7,462	36,068	78,556	144,981	27,945
Deferred inflows of resources -					
Deferred gran revenues	0	0	11,301	0	0
Fund balances:					
Nonspendable	0	0	70,040	0	0
Restricted	0	1,653,745	1,169,813	689,483	1,055,269
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	0	1,653,745	1,239,853	689,483	1,055,269
Total liabilities, deferred inflows of resources and fund balances	7,462	1,689,813	1,329,710	834,464	1,083,214

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

ASSETS	Special Revenue Funds				
	Flood Control	Road District Revolving	GIS	Economic Loan	Jail Commissary
Cash and cash equivalents	0	183,300	141,422	495,673	152,789
Investments	0	0	0	0	0
Receivables, net of allowance for uncollectibles:					
Due from State of Illinois	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	0	4,708	17,665	0	0
Loans	0	0	0	13,315	0
Inventory	0	0	0	0	0
Due from other funds	0	0	0	0	0
Total assets	0	188,008	159,087	508,988	152,789
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	124	571	21,575	0	0
Accrued payroll	0	6,058	2,011	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust	0	0	0	0	5,248
Due to other funds	46,904	0	0	0	0
Total liabilities	47,028	6,629	23,586	0	5,248
Deferred inflows of resources -					
None	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	0	181,379	135,501	508,988	147,541
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	(47,028)	0	0	0	0
Total fund balances	(47,028)	181,379	135,501	508,988	147,541
Total liabilities, deferred inflows of resources and fund balances	0	188,008	159,087	508,988	152,789

Adams County, Illinois

Combining Balance Sheet

Nonmajor Government Funds

(Continued)

November 30, 2016

	Special Revenue Funds			Debt Service	
	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
ASSETS					
Cash and cash equivalents	21,094	27	36,202	0	1,812
Investments	0	0	0	0	0
Receivables, net of allowance for uncollectibles:					
Due from State of Illinois	0	0	0	0	0
Property taxes receivable	0	0	0	0	0
Accounts receivable	1,322	0	0	5,157	0
Loans	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid expense	0	0	0	0	0
Total assets	22,416	27	36,202	5,157	1,812
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	0	0	0	0	0
Accrued payroll	0	0	0	0	0
Accrued compensated absences	0	0	0	0	0
Funds held in trust for others	0	0	0	0	0
Due to other funds	0	0	743	0	0
Total liabilities	0	0	743	0	0
Deferred inflows of resources -					
None	0	0	0	0	0
Fund balances:					
Nonspendable	0	0	0	0	0
Restricted	22,416	27	35,459	5,157	1,812
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Total fund balances	22,416	27	35,459	5,157	1,812
Total liabilities, deferred inflows of resources and fund balances	22,416	27	36,202	5,157	1,812

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
For the Year Ended November 30, 2016

	Total Nonmajor Governmental	Special Revenue Funds		
		Coroners' Fees	Probation	States Attorney Record Automation
Revenues:				
Property taxes	5,551,436	0	0	0
Intergovernmental revenue	1,566,020	0	0	0
Charges for services	2,260,853	15,417	0	0
Fees and fines	776,561	0	274,825	5,498
Licenses and permits	24,290	0	0	0
Interest	7,439	0	0	0
Other revenue	54,743	0	0	0
Total revenues	10,241,342	15,417	274,825	5,498
Expenditures:				
Current:				
General control and administration	853,237	9,632	0	0
Public safety	526,500	0	0	0
Judiciary and court related	1,051,249	0	167,943	0
Corrections	455,447	0	0	0
Highways and bridges	2,309,065	0	0	0
Public health	4,007,182	0	0	0
Public welfare	600,249	0	0	0
Education	157,417	0	0	0
Debt service:				
Principal	355,000	0	0	0
Interest	239,824	0	0	0
Capital outlay	54,944	0	0	0
Total expenditures	10,610,114	9,632	167,943	0
Excess (deficiency) of revenues over expenditures	(368,772)	5,785	106,882	5,498
Other financing sources and (uses):				
Transfers in	594,000	0	0	0
Transfers out	(339,370)	0	(96,000)	0
Net change in fund balance	(114,142)	5,785	10,882	5,498
Fund balances, beginning of year	8,039,763	15,648	296,873	4,104
Fund balances, end of year	7,925,621	21,433	307,755	9,602

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds			
	Sex Offender Management	Court Finance	Electronic Citation	Circuit Clerk Operation
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	0	0	0
Charges for services	0	0	7,806	0
Fees and fines	0	61,516	0	15,340
Licenses and permits	1,874	0	0	0
Interest	0	0	0	0
Other revenue	0	0	0	0
Total revenues	1,874	61,516	7,806	15,340
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	6,107	0	0	0
Judiciary and court related	0	77,798	0	7,394
Corrections	0	0	0	0
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	6,107	77,798	0	7,394
Excess (deficiency) of revenues over expenditures	(4,233)	(16,282)	7,806	7,946
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(4,233)	(16,282)	7,806	7,946
Fund balances, beginning of year	6,500	60,991	2,290	30,350
Fund balances, end of year	2,267	44,709	10,096	38,296

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds				
	Law Library	Court Automation	Court Document	Maintenance & Child Support	IDPA Reconciliation Grant
Revenues:					
Property taxes	0	0	0	0	0
Intergovernmental revenue	0	0	0	0	10,899
Charges for services	0	61,028	0	99	0
Fees and fines	37,786	0	138,958	0	0
Licenses and permits	0	0	0	0	0
Interest	0	0	0	0	0
Other revenue	0	10,820	0	0	0
Total revenues	37,786	71,848	138,958	99	10,899
Expenditures:					
Current:					
General control and administration	0	0	0	0	0
Public safety	0	0	0	0	0
Judiciary and court related	50,374	35,989	23,003	0	0
Corrections	0	0	0	0	0
Highways and bridges	0	0	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Education	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	50,374	35,989	23,003	0	0
Excess (deficiency) of revenues over expenditures	(12,588)	35,859	115,955	99	10,899
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	(20,000)	(120,000)	(300)	(10,934)
Net change in fund balance	(12,588)	15,859	(4,045)	(201)	(35)
Fund balances, beginning of year	17,973	40,415	147,624	219	44
Fund balances, end of year	5,385	56,274	143,579	18	9

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds			
	Drug Enforcement	Arrestees Medical Costs	Drug Traffic Prevention	DUI Equipment
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	0	0	0
Charges for services	0	13,973	0	0
Fees and fines	15,252	0	653	11,898
Licenses and permits	0	0	0	0
Interest	0	0	119	0
Other revenue	0	0	0	0
Total revenues	15,252	13,973	772	11,898
Expenditures:				
Current:				
General control and administration	0	0	0	0
Public safety	0	0	7,043	21,306
Judiciary and court related	0	0	0	0
Corrections	0	0	0	0
Highways and bridges	0	0	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	0	0	7,043	21,306
Excess (deficiency) of revenues over expenditures	15,252	13,973	(6,271)	(9,408)
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	(10,000)	0	0
Net change in fund balance	15,252	3,973	(6,271)	(9,408)
Fund balances, beginning of year	7,251	18,282	28,403	21,396
Fund balances, end of year	22,503	22,255	22,132	11,988

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes

in Fund Balances

Nonmajor Governmental Funds

(Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds				
	County Clerk Equipment	Recorder GIS	Recorders Equipment	Tax Sale Automation	Social Security
Revenues:					
Property taxes	0	0	0	0	1,142,837
Intergovernmental revenue	0	0	0	0	2,744
Charges for services	14,386	11,747	62,077	0	0
Fees and fines	0	0	0	11,519	0
Licenses and permits	0	0	0	0	0
Interest	0	0	0	0	306
Other revenue	0	0	0	0	0
Total revenues	14,386	11,747	62,077	11,519	1,145,887
Expenditures:					
Current:					
General control and administration	5,812	0	27,840	16,218	93,391
Public safety	0	0	0	0	172,654
Judiciary and court related	0	0	0	0	222,918
Corrections	0	0	0	0	168,856
Highways and bridges	0	0	0	0	82,424
Public health	0	0	0	0	344,809
Public welfare	0	0	0	0	0
Education	0	0	0	0	8,637
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	5,812	0	27,840	16,218	1,093,689
Excess (deficiency) of revenues over expenditures	8,574	11,747	34,237	(4,699)	52,198
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	(18,000)	(14,000)	(30,000)	0	0
Net change in fund balance	(9,426)	(2,253)	4,237	(4,699)	52,198
Fund balances, beginning of year	47,665	25,351	92,488	16,264	708,189
Fund balances, end of year	38,239	23,098	96,725	11,565	760,387

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds			
	Liability Insurance	Tuberculosis Treatment	Cooperative Extension	Developmentally Disabled
Revenues:				
Property taxes	503,274	74,433	134,086	600,088
Intergovernmental revenue	1,285	0	0	0
Charges for services	0	3,016	0	0
Fees and fines	0	0	0	0
Licenses and permits	0	0	0	0
Interest	135	20	36	161
Other revenue	0	0	0	0
Total revenues	504,694	77,469	134,122	600,249
Expenditures:				
Current:				
General control and administration	500,702	0	0	0
Public safety	0	0	0	0
Judiciary and court related	0	0	0	0
Corrections	0	0	0	0
Highways and bridges	0	0	0	0
Public health	0	79,107	0	0
Public welfare	0	0	0	600,249
Education	0	0	134,122	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	500,702	79,107	134,122	600,249
Excess (deficiency) of revenues over expenditures	3,992	(1,638)	0	0
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	3,992	(1,638)	0	0
Fund balances, beginning of year	613,445	31,905	0	0
Fund balances (deficit), end of year	617,437	30,267	0	0

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds				
	County Highway	County Health	IMRF	Matching Tax	Flood Control
Revenues:					
Property taxes	990,780	328,495	1,282,002	495,441	0
Intergovernmental revenue	117,480	1,097,863	329,965	0	0
Charges for services	470	1,502,156	0	312,174	0
Fees and fines	0	0	0	0	0
Licenses and permits	0	0	0	0	0
Interest	265	767	343	133	0
Other revenue	551	43,087	0	0	0
Total revenues	1,109,546	2,972,368	1,612,310	807,748	0
Expenditures:					
Current:					
General control and administration	0	0	158,506	0	0
Public safety	0	0	293,035	0	0
Judiciary and court related	0	0	378,347	0	0
Corrections	0	0	286,591	0	0
Highways and bridges	953,757	0	139,895	663,225	40,311
Public health	0	2,998,040	585,226	0	0
Public welfare	0	0	0	0	0
Education	0	0	14,658	0	0
Debt service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Capital outlay	0	0	0	54,944	0
Total expenditures	953,757	2,998,040	1,856,258	718,169	40,311
Excess (deficiency) of revenues over expenditures	155,789	(25,672)	(243,948)	89,579	(40,311)
Other financing sources and (uses):					
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Net change in fund balance	155,789	(25,672)	(243,948)	89,579	(40,311)
Fund balances (deficit), beginning of year	1,497,956	1,265,525	933,431	965,690	(6,717)
Fund balances (deficit), end of year	1,653,745	1,239,853	689,483	1,055,269	(47,028)

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds			
	Road District Revolving	GIS	Economic Loan	Jail Commissary
Revenues:				
Property taxes	0	0	0	0
Intergovernmental revenue	0	0	0	0
Charges for services	96,755	0	0	67,109
Fees and fines	0	203,316	0	0
Licenses and permits	0	0	0	0
Interest	1,102	1,108	1,572	699
Other revenue	285	0	0	0
Total revenues	98,142	204,424	1,572	67,808
Expenditures:				
Current:				
General control and administration	0	33,297	217	0
Public safety	0	0	0	24,878
Judiciary and court related	0	0	0	0
Corrections	0	0	0	0
Highways and bridges	114,038	315,415	0	0
Public health	0	0	0	0
Public welfare	0	0	0	0
Education	0	0	0	0
Debt service:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	114,038	348,712	217	24,878
Excess (deficiency) of revenues over expenditures	(15,896)	(144,288)	1,355	42,930
Other financing sources and (uses):				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Net change in fund balance	(15,896)	(144,288)	1,355	42,930
Fund balances, beginning of year	197,275	279,789	507,633	104,611
Fund balances, end of year	181,379	135,501	508,988	147,541

Adams County, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds (Continued)

For the Year Ended November 30, 2016

	Special Revenue Funds				Debt Service
	Animal Control	Motel Operators Tax	Federal and State Grants	Court Appointed Special Advocates	Debt Service
Revenues:					
Property taxes	0	0	0	0	0
Intergovernmental revenue	0	5,784	0	0	0
Charges for services	0	0	0	92,640	0
Fees and fines	0	0	0	0	0
Licenses and permits	22,416	0	0	0	0
Interest	0	0	0	0	673
Other revenue	0	0	0	0	0
Total revenues	22,416	5,784	0	92,640	673
Expenditures:					
Current:					
General control and administration	0	5,757	1,600	0	265
Public safety	500	0	977	0	0
Judiciary and court related	0	0	0	87,483	0
Corrections	0	0	0	0	0
Highways and bridges	0	0	0	0	0
Public health	0	0	0	0	0
Public welfare	0	0	0	0	0
Education	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	355,000
Interest	0	0	0	0	239,824
Capital outlay	0	0	0	0	0
Total expenditures	500	5,757	2,577	87,483	595,089
Excess (deficiency) of revenues over expenditures	21,916	27	(2,577)	5,157	(594,416)
Other financing sources and (uses):					
Transfers in	0	0	0	0	594,000
Transfers out	(20,136)	0	0	0	0
Net change in fund balance	1,780	27	(2,577)	5,157	(416)
Fund balances, beginning of year	20,636	0	38,036	0	2,228
Fund balances, end of year	22,416	27	35,459	5,157	1,812

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For the year ended November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
County Collector Tax Funds				
Assets -				
Cash	108,857	75,958,783	74,853,924	1,213,716
Accounts Receivable	0	10,950	0	10,950
Total assets	108,857	75,969,733	74,853,924	1,224,666
Liabilities -				
Agency funds due to others	108,857	75,969,733	74,853,924	1,224,666
Township Motor Fuel Tax				
Assets -				
Cash	1,204,026	1,683,146	1,214,952	1,672,220
Accounts Receivable	0	72,015	0	72,015
Due from other governments	662,343	134,334	662,343	134,334
Total assets	1,866,369	1,889,495	1,877,295	1,878,569
Liabilities -				
Accounts payable	239,924	78,295	239,924	78,295
Agency funds due to others	1,626,445	1,811,200	1,637,371	1,800,274
Total liabilities	1,866,369	1,889,495	1,877,295	1,878,569
Township Bridge Fund				
Assets -				
Cash	746,155	333,623	840,571	239,207
Liabilities -				
Accounts payable	126,611	0	126,611	0
Agency funds due to others	619,544	333,623	713,960	239,207
Total liabilities	746,155	333,623	840,571	239,207
Sheriff Accounts				
Assets -				
Cash	4,765	5,352	4,479	5,638
Liabilities -				
Agency funds due to others	4,765	5,352	4,479	5,638

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Condemnation Proceeds Fund				
Assets -				
Cash	0	33,600	30,100	3,500
Liabilities -				
Agency funds due to others	0	33,600	30,100	3,500
Unclaimed Money Fund				
Assets -				
Cash	15,582	10,954	13,831	12,705
Accounts Receivable	0	5	0	5
Total assets	15,582	10,959	13,831	12,710
Liabilities -				
Agency funds due to others	15,582	10,959	13,831	12,710
Circuit Clerk				
Assets -				
Cash	903,744	4,422,857	4,093,358	1,233,243
Liabilities -				
Agency funds due to others	903,744	4,422,857	4,093,358	1,233,243
Adams County Benevolent Fund				
Assets -				
Cash	3,969	0	3,969	0
Liabilities -				
Agency funds due to others	3,969	0	3,969	0
County Clerk				
Assets -				
Cash	168,382	1,672,094	1,717,527	122,949
Investments	10,436	17,651	10,436	17,651
Total assets	178,818	1,689,745	1,727,963	140,600
Liabilities -				
Agency funds due to others	178,818	1,689,745	1,727,963	140,600

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

6For the year ended November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
West Central Task Force				
Assets -				
Cash	186,273	308,542	239,868	254,947
Liabilities -				
Agency funds due to others	186,273	308,542	239,868	254,947
Chief Judge				
Assets -				
Cash	5,140	5,637	6,319	4,458
Liabilities -				
Agency funds due to others	5,140	5,637	6,319	4,458
Marriage & Civil Union Fund				
Assets -				
Cash	1,823	1,058	1,350	1,531
Liabilities -				
Agency funds due to others	1,823	1,058	1,350	1,531
Probation Restitution				
Assets -				
Cash	1,022	0	0	1,022
Liabilities -				
Agency funds due to others	1,022	0	0	1,022

Adams County, Illinois

Combining Statement of Changes in Assets and Liabilities

All Agency Funds (Continued)

For the year ended November 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Safe Kids Coalition				
Assets -				
Cash	25,979	18,139	14,443	29,675
Liabilities -				
Agency funds due to others	25,979	18,139	14,443	29,675
Association of Highway Commissioners				
Assets -				
Cash	702	0	0	702
Liabilities -				
Agency funds due to others	702	0	0	702
All Agency Funds				
Assets:				
Cash in banks	3,376,419	84,453,785	83,034,691	4,795,513
Investment	10,436	17,651	10,436	17,651
Accounts Receivable	0	82,970	0	82,970
Due from other governments	662,343	134,334	662,343	134,334
Total assets	4,049,198	84,688,740	83,707,470	5,030,468
Liabilities:				
Accounts payable	366,535	78,295	366,535	78,295
Agency funds due to others	3,682,663	84,610,445	83,340,935	4,952,173
Total liabilities	4,049,198	84,688,740	83,707,470	5,030,468

Adams County, Illinois

Quincy, Illinois

Report on Federal Awards

Year ended November 30, 2016

WIPFLi^{LLP}
CPAs and Consultants

Adams County, Illinois

Year Ended November 30, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated April 20, 2017.

Internal Control Over Financial Reporting

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

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 attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or 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 2016-001, 2016-002, and 2016-003.

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
April 20, 2017



**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

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) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Adams County, Illinois, as of and for the year ended November 30, 2016, and the related notes to the financial statements, which collectively comprise Adams County, Illinois' basic financial statements. We have issued our report thereon dated April 20, 2017, which contained an unmodified opinion 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 the Uniform Guidance 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Sterling, Illinois
April 20, 2017

Adams County, Illinois

Schedule of Expenditures of Federal Awards

For the year ended November 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Illinois State Board of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2016-4220-00	\$8,267	\$0
School Breakfast Program	10.553	2017-4220-00	2,003	0
Total CFDA 10.553			10,270	0
Food Commodities (non-cash)	10.555	2016-01001005P00	2,083	0
National School Lunch Program	10.555	2016-4210-00	16,351	0
National School Lunch Program	10.555	2017-4210-00	3,993	0
Total CFDA 10.555			22,427	0
Illinois Department of Public Health				
Summer Food Service Program for Children	10.559	55280001C	500	0
Total CFDA 10.559			500	0
Total Child Nutrition Cluster			33,197	0
Illinois Department of Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
WIC Administration	10.557	FCSUQ00682	143,470	0 (M)
WIC Administration	10.557	FCSVQ00682	131,191	0 (M)
WIC Vouchers (non-cash)	10.557	SFY16-376000379	475,315	0 (M)
WIC Vouchers (non-cash)	10.557	SFY17-376000379	153,536	0 (M)
Total CFDA 10.557			903,512	0
Illinois Department of Human Services				
WIC Farmers Market Nutrition Program	10.572	FCSVQ00695	1,000	0
Total CFDA 10.572			1,000	0
Total U.S. Department of Agriculture			\$937,709	\$0
U.S. Department of Justice				
Illinois Criminal Justice Information Authority				
Edward Byrne Memorial Justice Assistance Grant	16.738	413019	\$106,710	\$106,710
Total U.S. Department of Justice			\$106,710	\$106,710

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Illinois Department of Transportation Highway Safety Project - Local Alcohol Program	20.616	AL-16-0175	\$28,471	\$0
Total U.S. Department of Transportation			\$28,471	\$0
Environmental Protection Agency				
Illinois Department of Public Health Performance Partnership Grants Potable Water Supply	66.605	65380120D	\$163	\$0
Total Environmental Protection Agency			\$163	\$0
U.S. Department of Health and Human Services				
Illinois Department of Public Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
Bioterrorism Preparedness	93.074	67180001D	\$53,985	\$0
Bioterrorism Preparedness	93.074	77180001E	39,046	0
Ebola Virus Disease	93.074	SFY16	993	0
Total CFDA 93.074			94,024	0
Illinois Department of Public Health Immunization Cooperative Agreement	93.268	65180008D	27,120	0
Illinois Department of Healthcare and Family Services				
Child Support Enforcement	93.563	SFY16	4,744	0
Child Support Enforcement	93.563	SFY17	3,519	0
Total CFDA 93.563			8,263	0
Illinois Department of Human Services Title XX Block Grant	93.667	FCSUU03851	36,544	0
Illinois Department of Healthcare and Family Services Medical Assistance Program	93.778	FY2016	31,286	0
Southern Illinois University School of Medicine HIV Care Formula Grants				
HIV Prevention Formula Grants	93.917	SIUSUB15	3,581	0
HIV Prevention Formula Grants	93.917	SIUSUB16	1,943	0
Total CFDA 93.917			5,524	0

Adams County, Illinois

Schedule of Expenditures of Federal Awards (Continued)

For the year ended November 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued):				
Illinois Department of Public Health				
Maternal and Child Health Services Block Grants				
Dental Sealants	93.994	63480101D	3,830	0
Dental Sealants	93.994	73480107E	1,209	0
Teen Pregnancy Prevention	93.994	66380042D	17,256	0
Illinois Department of Human Services				
Better Birthing Outcomes	93.994	FCSUU03851	22,541	0
Total CFDA 93.994			44,836	0
Total U.S. Department of Human Services			\$247,597	\$0
U.S. Department of Homeland Security				
Illinois Emergency Management Agency				
Emergency Management Performance Grant	97.042	16EMAADAMS	\$27,550	\$0
Total U.S. Department of Homeland Security			\$27,550	\$0
Total federal awards expended			\$1,348,200	\$106,710

(M) - Audited as a major federal program.

Adams County, Illinois

Notes to Schedule of Expenditures of Federal Awards

Note 1 Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Adams County, Illinois (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the compliance requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The County elected to not use the 10% de minimis indirect cost rate during the year ended November 30, 2016.

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 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, 2016, the County received and used/expended the following non-cash assistance. These values are included in the determination of Federal awards expended.

Non-cash assistance type:	CFDA	Value
Food commodities	10.555	\$2,083
WIC vouchers (food instruments)	10.557	628,851
		<u>\$630,934</u>

Note 4 Other Federal Award Information

The County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2016.

Adams County, Illinois

Schedule of Findings and Questioned Costs

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 the Uniform Guidance?	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: \$750,000

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

Adams County, Illinois

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

Finding 2016-001

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 – We agree with the finding and have developed a corrective action plan.

Finding 2016-002

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

Section II – Financial Statement Findings (continued)

View of responsible officials and planned corrective actions – We agree with the finding and have developed a corrective action plan.

Finding 2016-003

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 correct and timely manner.

Condition – The jail commissary trial balance for November 2016 did not properly reconcile.

Cause – Sheriff’s Office did 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.

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 agree with the finding and have developed a corrective action plan.

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Finding

None

County of Adams
Office of County Treasurer

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Finding 2016-001 – Financial Statement Preparation

Corrective Action Plan

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.

Person(s) Responsible: County Management and County Board

Timing for Implementation: There is no anticipated completion date for this item.

Finding 2016-002 – Segregation of Duties

Corrective Action Plan

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.

Person(s) Responsible: County Management and County Board

Timing for Implementation: There is no anticipated completion date for this item.

Finding 2016-003 – Jail Commissary

Corrective Action Plan

Starting December 2016, there is a designated employee to oversee the jail commissary account to help better track the profits recognized. Going forward there should not be any reconciling issues regarding this account.

Person(s) Responsible: Sheriff's Department and Treasurer's Office

Timing for Implementation: This finding is expected to be resolved for the audit ending November 30, 2017.

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings

November 30, 2015

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 2015-001

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 2016.

Item 2015-002

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 2016.

Item 2015-003

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. This finding has been resolved for 2016.

Item 2015-004

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. This is a repeat finding for 2016.

B. Compliance Finding

None

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings (continued)

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

Item 2015-005

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 finding has been resolved for 2016.

B. Compliance Finding

None

Adams County, Illinois

Summary Schedule of Prior Audit Findings

Section IV – Prior Year Findings (continued)

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 2016.

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 2016.

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

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. This finding has been resolved for 2016.

B. Compliance Finding

None