



MCDONOUGH COUNTY, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended November 30, 2018



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INDEPENDENT AUDITOR'S REPORT

Members of the County
Board McDonough County,
Illinois Macomb, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois (County), as of and for the year ended November 30, 2018 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois as of November 30, 2018, 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 of America.

Change in Accounting Principle

The County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to the financial statements and the required supplementary information as discussed in Note 17 to the basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McDonough County, Illinois has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise McDonough County, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and the supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying financial information listed as "Supplemental Information" in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on that information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019, on our consideration of McDonough County, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of McDonough County, Illinois' 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 McDonough County, Illinois' internal control over financial reporting and compliance.

Sikich LLP
Springfield, Illinois
June 19, 2019

BASIC FINANCIAL STATEMENTS

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET POSITION
November 30, 2018

	Primary Government			Component Unit - ETSB
	Governmental Activities	Business-Type Activities	Government Total	
ASSETS				
Cash and cash equivalents	\$ 12,822,215	\$ 2,183,851	\$ 15,006,066	\$ 1,024,073
Restricted cash	-	48,293	48,293	-
Investments	1,237,989	973,075	2,211,064	-
Restricted investments	-	41,664	41,664	-
Receivables, net:				
State of Illinois	785,530	964,352	1,749,882	-
Property Taxes	5,769,899	401,500	6,171,399	-
Accrued interest	-	9,376	9,376	-
Other	307,994	142,214	450,208	174,774
Due from fiduciary funds	21,933	-	21,933	-
Due from (to) other funds	4,269	(4,269)	-	-
Due from component unit	17,138	-	17,138	-
Inventories	5,738	58,038	63,776	-
Prepaid expense	283,280	139	283,419	-
Net pension asset	92,176	-	92,176	-
Capital assets not being depreciated	228,647	61,427	290,074	-
Capital assets, net of accumulated depreciation	4,975,207	1,718,821	6,694,028	-
TOTAL ASSETS	26,552,015	6,598,481	33,150,496	1,198,847
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	975,604	389,364	1,364,968	-
Total assets and deferred outflows of resources	27,527,619	6,987,845	34,515,464	1,198,847

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET POSITION
November 30, 2018

	Primary Government			Component Unit - ETSB
	Governmental Activities	Business-Type Activities	Government Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	309,089	363,273	672,362	-
Claims payable	2,348,764	-	2,348,764	-
Due to primary government	-	-	-	17,138
Accrued expense	-	48,238	48,238	-
Due to others	43,998	-	43,998	-
Unearned revenue	105,718	9,098	114,816	-
Resident deposits	-	16,840	16,840	-
Long-term obligations, due within one year:				
Compensated absences - current	182,248	70,853	253,101	-
Net OPEB liability - current	44,993	3,749	48,742	-
Long-term obligations, due in more than one year:				
Compensated absences - long-term	47,123	71,522	118,645	-
Net OPEB liability	711,760	128,762	840,522	-
Net pension liability	1,257,867	394,420	1,652,287	-
Total liabilities	5,051,560	1,106,755	6,158,315	17,138
DEFERRED INFLOWS OF RESOURCES				
Unearned property taxes	5,769,899	401,500	6,171,399	-
Pension items - IMRF	2,742,637	1,166,243	3,908,880	-
OPEB	142,800	52,287	195,087	-
Total deferred inflows of resources	8,655,336	1,620,030	10,275,366	-
Total liabilities and deferred inflows of resources	13,706,896	2,726,785	16,433,681	17,138
NET POSITION				
Net investment in capital assets	5,203,854	1,780,248	6,984,102	-
Restricted for				
Highways and streets	1,286,429	-	1,286,429	-
Health and welfare	1,690,709	-	1,690,709	-
Public safety	738,957	-	738,957	1,181,709
Economic development	62,014	-	62,014	-
Retirement	2,332,167	-	2,332,167	-
Specific purpose	1,991,559	73,118	2,064,677	-
Unrestricted	515,034	2,407,694	2,922,728	-
TOTAL NET POSITION	\$ 13,820,723	\$ 4,261,060	\$ 18,081,783	\$ 1,181,709

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended November 30, 2018

ACTIVITIES	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL				
General government	\$ 2,070,331	\$ 364,246	\$ 65,512	\$ -
Public safety	2,801,357	788,396	133,986	-
Corrections	1,138,268	8,227	-	-
Judiciary and court related	2,875,120	329,460	559,973	-
Transportation	2,656,598	218,854	371,280	190,954
Public health	2,951,715	460,776	522,022	-
Public welfare	196,370	-	-	-
Total governmental activities	<u>14,689,759</u>	<u>2,169,959</u>	<u>1,652,773</u>	<u>190,954</u>
BUSINESS-TYPE				
The Elms Nursing Home	<u>6,601,539</u>	<u>5,504,655</u>	<u>-</u>	<u>41,208</u>
TOTAL McDONOUGH COUNTY	<u>\$ 21,291,298</u>	<u>\$ 7,674,614</u>	<u>\$ 1,652,773</u>	<u>\$ 232,162</u>
COMPONENT UNIT				
ETSB	<u>\$ 411,761</u>	<u>\$ 711,720</u>	<u>\$ -</u>	<u>\$ -</u>

	Net (Expense) Revenue and Changes in Net Position			Component Unit - ETSB
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
	\$ (1,640,573)	\$ -	\$ (1,640,573)	\$ -
	(1,878,975)	-	(1,878,975)	-
	(1,130,041)	-	(1,130,041)	-
	(1,985,687)	-	(1,985,687)	-
	(1,875,510)	-	(1,875,510)	-
	(1,968,917)	-	(1,968,917)	-
	(196,370)	-	(196,370)	-
	<u>(10,676,073)</u>	<u>-</u>	<u>(10,676,073)</u>	<u>-</u>
	-	(1,055,676)	(1,055,676)	-
	<u>(10,676,073)</u>	<u>(1,055,676)</u>	<u>(11,731,749)</u>	<u>-</u>
	-	-	-	299,959
General revenues:				
Taxes:				
Property taxes	5,673,784	403,619	6,077,403	-
Local use tax	178,872	-	178,872	-
General sales tax	2,396,299	-	2,396,299	-
Income and replacement taxes	812,794	-	812,794	-
Investment income	46,121	19,849	65,970	3,834
Miscellaneous	607,955	91,022	698,977	2,066
Extraordinary item:				
Legal contingency	(61,508)	-	(61,508)	-
Total general revenues and special items	<u>9,654,317</u>	<u>514,490</u>	<u>10,168,807</u>	<u>5,900</u>
Change in net position	(1,021,756)	(541,186)	(1,562,942)	305,859
Net position - beginning of year	<u>15,348,300</u>	<u>4,771,558</u>	<u>20,119,858</u>	<u>875,850</u>
Prior period adjustment	102,050	-	102,050	-
Change in accounting principle	(607,871)	30,688	(577,183)	-
Total prior period adjustments	<u>(505,821)</u>	<u>30,688</u>	<u>(475,133)</u>	<u>-</u>
Net position - beginning of year, restated	<u>14,842,479</u>	<u>4,802,246</u>	<u>19,644,725</u>	<u>875,850</u>
Net position - end of year	<u>\$ 13,820,723</u>	<u>\$ 4,261,060</u>	<u>\$ 18,081,783</u>	<u>\$ 1,181,709</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2018

	General Fund	Illinois Municipal Retirement Fund	Public Safety Sales Tax Fund	Social Security Fund
ASSETS				
Cash and cash equivalents	\$ 736,336	\$ 1,684,766	\$ 266,902	\$ 932,825
Investments	-	-	-	-
Receivables, net:				
State of Illinois	222,821	-	265,587	-
Property taxes	1,161,000	1,350,000	-	720,000
Other	42,146	-	-	-
Due from other funds	23,037	2,692	-	2,577
Inventories	5,738	-	-	-
Due from component unit	-	-	-	-
Advances to other funds	-	-	90,681	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 2,191,078	\$ 3,037,458	\$ 623,170	\$ 1,655,402
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 33,832	\$ 171,273	\$ 5,595	\$ -
Due to others	309	-	-	-
Due to other funds	5,269	100,000	10,724	-
Unearned revenue	-	-	-	-
Advances from other funds	90,681	-	-	-
Total liabilities	130,091	271,273	16,319	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	1,161,000	1,350,000	-	720,000
Total deferred inflows of resources	1,161,000	1,350,000	-	720,000
Total liabilities and deferred inflows of resources	1,291,091	1,621,273	16,319	720,000
FUND BALANCES				
Nonspendable				
Nonspendable - prepaids	-	-	-	-
Nonspendable - advances	-	-	90,681	-
Nonspendable - inventories	5,738	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	18,446	-	516,170	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	-	-	-
Restricted for retirement	-	1,416,185	-	915,982
Restricted for specific purpose	-	-	-	-
Unrestricted:				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	-	-	-
Assigned for retirement	-	-	-	19,420
Assigned for specific purpose	687,403	-	-	-
Unassigned	188,400	-	-	-
Total fund balances	899,987	1,416,185	606,851	935,402
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,191,078	\$ 3,037,458	\$ 623,170	\$ 1,655,402

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2018

	County Health Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 901,161	\$ 4,390,232	\$ 8,912,222
Investments	4,300	1,233,689	1,237,989
Receivables, net:			
State of Illinois	123,274	173,848	785,530
Property taxes	337,510	1,731,389	5,299,899
Other	8,044	257,804	307,994
Due from other funds	2,937	249,717	280,960
Inventories	-	-	5,738
Due from component unit	-	17,138	17,138
Advances to other funds	-	-	90,681
Prepaid items	-	205,328	205,328
TOTAL ASSETS	\$ 1,377,226	\$ 8,259,145	\$ 17,143,479
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 12,196	\$ 86,193	\$ 309,089
Due to others	-	43,689	43,998
Due to other funds	13,900	230,473	360,366
Unearned revenue	4,653	101,065	105,718
Advances from other funds	-	-	90,681
Total liabilities	30,749	461,420	909,852
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	337,510	1,731,389	5,299,899
Total deferred inflows of resources	337,510	1,731,389	5,299,899
Total liabilities and deferred inflows of resources	368,259	2,192,809	6,209,751
FUND BALANCES			
Nonspendable			
Nonspendable - prepaids	-	205,328	205,328
Nonspendable - advances	-	-	90,681
Nonspendable - inventories	-	-	5,738
Restricted for highways and streets	-	1,286,429	1,286,429
Restricted for public safety	-	113,660	648,276
Restricted for economic development	-	62,014	62,014
Restricted for health and welfare	939,318	751,391	1,690,709
Restricted for retirement	-	-	2,332,167
Restricted for specific purpose	-	1,991,559	1,991,559
Unrestricted:			
Committed for highways and streets	-	235,181	235,181
Assigned for highways and streets	-	971,519	971,519
Assigned for public safety	-	304	304
Assigned for economic development	-	1,550	1,550
Assigned for health and welfare	69,649	37,218	106,867
Assigned for retirement	-	-	19,420
Assigned for specific purpose	-	410,183	1,097,586
Unassigned	-	-	188,400
Total fund balances	1,008,967	6,066,336	10,933,728
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,377,226	\$ 8,259,145	\$ 17,143,479

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES
 November 30, 2018

Total fund balance for government funds (Exhibit 3)		\$ 10,933,728
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	\$ 228,647	
Buildings, net	688,855	
Building improvements, net	939,827	
Infrastructure, net	2,780,023	
Vehicles, net	190,269	
Maintenance equipment, net	307,975	
Computer equipment, net	16,145	
Software, net	3,385	
Office equipment, net	48,728	5,203,854
Internal service funds (see Exhibit 5) are used by the County to charge the cost of liability, unemployment, worker's compensation, and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:		
		1,744,789
Differences between expected and actual experiences and assumption changes for OPEB are recognized as deferred inflows on the statement of net position		
		(142,800)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows or inflows of resources on the statement of net position		
		(1,767,033)
Net pension assets are not a current financial resource and, therefore, are not reported in the government funds.		
		92,176
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. The long-term liabilities consist of:		
Compensated absences	\$ (229,371)	
Net OPEB liability	(756,753)	
Net pension liability	(1,257,867)	
Total long-term liabilities		(2,243,991)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT 1)		\$ 13,820,723

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended November 30, 2018

EXHIBIT 4

	General Fund	Illinois Municipal Retirement Fund	Public Safety Sales Tax Fund	Social Security Fund
REVENUES				
Property taxes	\$ 1,140,434	\$ 1,335,043	\$ -	\$ 723,845
State of Illinois:				
Local use tax	178,872	-	-	-
Sales tax	865,096	-	1,020,802	-
Income tax	616,788	-	-	-
Motor fuel tax allotments	-	-	-	-
Personal property replacement taxes	184,145	11,861	-	-
State grants and expenditure reimbursements	347,094	-	-	-
Federal revenue	12,632	-	-	-
Fees for services and materials	1,106,904	-	-	-
Investment income	10,505	1,196	563	1,872
Other	206,138	1,853	7,984	2,486
Total revenues	<u>4,668,608</u>	<u>1,349,953</u>	<u>1,029,349</u>	<u>728,203</u>
EXPENDITURES				
Current:				
General government	1,325,982	125,534	-	63,136
Public safety	1,408,729	180,754	637,603	113,697
Corrections	447,986	13,268	335,342	8,350
Judiciary and court related	1,528,077	250,350	-	153,626
Public health	-	428,688	-	304,510
Public welfare	-	-	-	-
Transportation	-	68,697	-	43,232
Capital outlay	5,034	-	74,252	-
Total expenditures	<u>4,715,808</u>	<u>1,067,291</u>	<u>1,047,197</u>	<u>686,551</u>
Excess (deficiency) of revenues over expenditures	<u>(47,200)</u>	<u>282,662</u>	<u>(17,848)</u>	<u>41,652</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	51,184	10,358	-	-
Transfers out	-	-	(65,000)	-
Insurance proceeds	-	-	24,385	-
Extraordinary item	-	-	-	-
Total other financing sources (uses)	<u>51,184</u>	<u>10,358</u>	<u>(40,615)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,984	293,020	(58,463)	41,652
FUND BALANCES, BEGINNING OF YEAR	<u>896,003</u>	<u>1,123,165</u>	<u>665,314</u>	<u>893,750</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR - RESTATED	<u>896,003</u>	<u>1,123,165</u>	<u>665,314</u>	<u>893,750</u>
FUND BALANCES, END OF YEAR	<u>\$ 899,987</u>	<u>\$ 1,416,185</u>	<u>\$ 606,851</u>	<u>\$ 935,402</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended November 30, 2018

EXHIBIT 4

	County Health Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 339,353	\$ 1,679,102	\$ 5,217,777
State of Illinois:			
Local use tax	-	-	178,872
Sales tax	-	510,401	2,396,299
Income tax	-	-	616,788
Motor fuel tax allotments	-	371,280	371,280
Personal property replacement taxes	-	-	196,006
State grants and expenditure reimbursements	165,300	570,473	1,082,867
Federal revenue	356,722	-	369,354
Fees for services and materials	227,860	835,195	2,169,959
Investment income	460	28,281	42,877
Other	11,485	344,842	574,788
Total revenues	<u>1,101,180</u>	<u>4,339,574</u>	<u>13,216,867</u>
EXPENDITURES			
Current:			
General government	-	307,513	1,822,165
Public safety	-	72,180	2,412,963
Corrections	-	271,434	1,076,380
Judiciary and court related	-	602,586	2,534,639
Public health	1,047,030	674,073	2,454,301
Public welfare	-	173,718	173,718
Transportation	-	2,203,276	2,315,205
Capital outlay	35,995	309,337	424,618
Total expenditures	<u>1,083,025</u>	<u>4,614,117</u>	<u>13,213,989</u>
Excess (deficiency) of revenues over expenditures	<u>18,155</u>	<u>(274,543)</u>	<u>2,878</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,821	723,299	799,662
Transfers out	-	(733,478)	(798,478)
Insurance proceeds	-	-	24,385
Extraordinary item	-	-	-
Total other financing sources (uses)	<u>14,821</u>	<u>(10,179)</u>	<u>25,569</u>
NET CHANGE IN FUND BALANCES	32,976	(284,722)	28,447
FUND BALANCES, BEGINNING OF YEAR	<u>953,455</u>	<u>6,271,544</u>	<u>10,803,231</u>
Prior period adjustment	<u>22,536</u>	<u>79,514</u>	<u>102,050</u>
FUND BALANCES, BEGINNING OF YEAR - RESTATED	<u>975,991</u>	<u>6,351,058</u>	<u>10,905,281</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,008,967</u>	<u>\$ 6,066,336</u>	<u>\$ 10,933,728</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year ended November 30, 2018

Net change in fund balances - total governmental funds (Exhibit 4)	\$	28,447
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay		278,838
Depreciation		(404,090)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to increase/decrease net position:		
Disposals of capital assets		(3,487)
Contributions of capital assets		8,359
The change in deferred inflows of resources for OPEB is reported only in the statement of activities.		(142,800)
The change in deferred outflows of resources and deferred inflows of resources for IMRF is reported only in the statement of activities.		(4,707,891)
The change in the net pension asset for IMRF is reported only in the statement of activities.		55,672
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.		
Compensated absences		14,185
Net OPEB liability		133,427
Net pension liability		3,920,750
Internal services funds (See Exhibit 6) are used by the County to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities		(203,166)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT 2)		\$ (1,021,756)

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2018

	Business-type Activities	Governmental Activities
	Enterprise Fund - The Elms	Internal Service Funds
ASSETS AND DEFERRED INFLOW OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,183,851	\$ 3,909,993
Restricted cash	48,293	-
Investments	973,075	-
Restricted investments	41,664	-
Receivables:		
State of Illinois	964,352	-
Property taxes	401,500	470,000
Accrued interest	9,376	-
Other	142,214	-
Due from other funds	3,015	118,169
Inventories	58,038	-
Prepaid expenses	139	77,952
Total current assets	<u>4,825,517</u>	<u>4,576,114</u>
NONCURRENT ASSETS		
Capital assets (net of accumulated depreciation)	<u>1,780,248</u>	<u>-</u>
Total assets	<u>6,605,765</u>	<u>4,576,114</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension - IMRF	<u>389,364</u>	<u>-</u>
Total deferred outflow of resources	<u>389,364</u>	<u>-</u>
Total assets and deferred outflow of resources	<u>6,995,129</u>	<u>4,576,114</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
November 30, 2018

	Business-type Activities	Governmental Activities
	Enterprise Fund - The Elms	Internal Service Funds
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
CURRENT LIABILITIES		
Accounts payable	\$ 363,273	\$ -
Claims payable	-	2,348,764
Accrued expense	48,238	-
Due to other funds	7,284	12,561
Unearned revenue	9,098	-
Resident deposits	16,840	-
Compensated absences payable - current	70,853	-
Net OPEB liability - current	3,749	-
Total current liabilities	<u>519,335</u>	<u>2,361,325</u>
NONCURRENT LIABILITIES		
Compensated absences payable	71,522	-
Net pension liability	394,420	-
Net OPEB liability	128,762	-
Total noncurrent liabilities	<u>594,704</u>	<u>-</u>
Total liabilities	<u>1,114,039</u>	<u>2,361,325</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue - property taxes	401,500	470,000
Pension - IMRF	1,166,243	-
OPEB	52,287	-
Total deferred inflows of resources	<u>1,620,030</u>	<u>470,000</u>
Total liabilities and deferred inflows of resources	<u>2,734,069</u>	<u>2,831,325</u>
NET POSITION		
Net investment in capital assets	1,780,248	-
Restricted for:		
Other purposes	73,118	-
Unrestricted	<u>2,407,694</u>	<u>1,744,789</u>
TOTAL NET POSITION	<u>\$ 4,261,060</u>	<u>\$ 1,744,789</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended November 30, 2018

	Business-type Activities Enterprise Fund - The Elms	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 5,504,655	\$ 2,798,331
Total operating revenues	<u>5,504,655</u>	<u>2,798,331</u>
OPERATING EXPENSES		
Insurance premiums	-	471,561
Medical claims and administration fees	-	2,947,144
Public health:		
Dietary	636,734	-
Housekeeping	155,260	-
Laundry	108,550	-
Maintenance	139,430	-
Nursing	2,940,293	-
Therapy	472,531	-
Activities	136,362	-
Social services	66,328	-
Administrative	443,787	-
Payroll related	1,228,028	-
Depreciation	121,730	-
Plant operations	152,506	-
Total operating expenses	<u>6,601,539</u>	<u>3,418,705</u>
Operating income (loss)	<u>(1,096,884)</u>	<u>(620,374)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	403,619	456,007
Investment income	19,849	3,244
Grants	-	20,226
Other	91,022	423
Total nonoperating revenues (expenses)	<u>514,490</u>	<u>479,900</u>
Income before transfers	<u>(582,394)</u>	<u>(140,474)</u>
TRANSFERS		
Transfers out	-	(1,184)
Total transfers	<u>-</u>	<u>(1,184)</u>
CONTRIBUTION REVENUE - Farm and Macomb Public Building Commission		
	<u>41,208</u>	<u>-</u>
EXTRAORDINARY ITEM - Legal settlement		
	<u>-</u>	<u>(61,508)</u>
CHANGE IN NET POSITION		
	<u>(541,186)</u>	<u>(203,166)</u>
TOTAL NET POSITION - BEGINNING OF YEAR		
	<u>4,771,558</u>	<u>1,947,955</u>
Change in accounting principle	<u>30,688</u>	<u>-</u>
TOTAL NET ASSETS - BEGINNING OF YEAR, RESTATED		
	<u>4,802,246</u>	<u>1,947,955</u>
TOTAL NET POSITION - END OF YEAR		
	<u>\$ 4,261,060</u>	<u>\$ 1,744,789</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2018

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - The Elms</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 5,469,474	\$ -
Payments to suppliers	(2,159,839)	(3,357,075)
Payments to employees	(3,034,099)	-
Receipts from employees and others	-	117,438
Internal activity-payments for interfund services	(873,902)	-
Internal activity-payments from other funds	-	2,680,893
Net cash from operating activities	<u>(598,366)</u>	<u>(558,744)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	403,619	456,007
Other nonoperating revenue	91,022	423
Grants received	-	20,226
Interfund borrowing (lending)	(4,731)	2,605
Transfers out	-	(1,184)
Net cash from noncapital financing activities	<u>489,910</u>	<u>478,077</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of loan proceeds	(3,014)	-
Net cash from capital financing activities	<u>(3,014)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	19,849	3,244
Proceeds from maturity of investments	945,725	-
Purchase of investments	(950,000)	-
Net cash from investing activities	<u>15,574</u>	<u>3,244</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(95,896)	(77,423)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,328,040</u>	<u>3,987,416</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,232,144</u>	<u>\$ 3,909,993</u>
CASH AND CASH EQUIVALENTS, END OF YEAR		
Cash and cash equivalents	\$ 2,183,851	\$ 3,909,993
Restricted cash	48,293	-
Total	<u>\$ 2,232,144</u>	<u>\$ 3,909,993</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2018

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - The Elms</u>	<u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,096,884)	\$ (620,374)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	121,730	-
Change in assets and liabilities:		
Accounts receivable	(43,878)	-
Inventories	1,059	-
Prepaid expenses	2,188	(37,815)
Accounts payable	83,504	99,445
Deferred revenue	8,697	-
Accrued liabilities	(2,621)	-
Compensated absences payable	(6,650)	-
Pension items	351,095	-
Net OPEB liability	(16,606)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (598,366)</u>	<u>\$ (558,744)</u>
Non-cash capital and related financing activities:		
Donated capital assets	\$ 41,208	\$ -
Total non-cash capital and related financing activities	<u>\$ 41,208</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
November 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,080,806
Investments	270,000
Receivables:	
State of Illinois	558,135
Due from county funds	<u>104,550</u>
 TOTAL ASSETS	 <u><u>\$ 4,013,491</u></u>
 LIABILITIES	
Accounts payable	\$ 63,178
Due to county funds	126,483
Due to other taxing units	1,660,227
Due to others	<u>2,163,603</u>
 TOTAL LIABILITIES	 <u><u>\$ 4,013,491</u></u>

The accompanying notes are an integral part of these financial statements.

McDONOUGH COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

McDonough County is one of 102 counties organized in the State of Illinois. As a local governmental unit, the County is tax-exempt. The County provides a broad range of services to citizens, including but not limited to general government, public safety and corrections, transportation, and public health and welfare. Revenues are substantially generated as a result of taxes assessed and allocated to McDonough County (examples would be property taxes, sales taxes, income taxes and motor fuel taxes) and charges for services performed for constituents of the County. McDonough County revenues are therefore primarily dependent on the economy within its territorial boundaries. Industry within the County is primarily agriculture, manufacturing, and retail. Additionally, there are large nonprofit employers, including a hospital, state university, and other local governments within the County.

The accounting policies and the presentation of the basic financial statements of McDonough County (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

These financial statements include all organizations, activities, functions, funds, and component units for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the County's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the County. The following component units have been included in the financial statements of the County.

DISCRETELY PRESENTED COMPONENT UNIT:

The McDonough County Board Chairman, with the advice and consent of the McDonough County Board, appoints 11 of the 15 board members of the McDonough-Schuyler County Emergency Telephone System Board (ETSB). The members of the ETSB are then responsible for planning the 911 emergency system, receiving monies imposed under an established surcharge, and authorizing disbursements. The geographic area served by the ETSB includes McDonough County and Schuyler County. The treasurer of McDonough County maintains the funds and invests or disburses them at the direction of the ETSB. McDonough County and Schuyler County have the responsibility for approving the rate of the surcharges which fund the activities of the ETSB and, therefore, has the ability to impose its will on the ETSB. The ETSB does not issue any separate component unit reports.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants, motor fuel tax allotments and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of the expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the County; therefore, revenue is recognized based upon the expenditures recorded.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay current liabilities. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Personal property replacement taxes are considered to be measurable when they have been collected and allocated by the state and are recognized as revenue at that time. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Illinois Municipal Retirement Fund – This fund is used to account for property tax monies and reimbursements restricted for the funding of the County's IMRF retirement system.

Public Safety Sales Tax Fund – This fund is used to account for the state sales tax restricted to fund various public safety purposes.

Social Security Fund – This fund is used to account for the property tax monies restricted to make contributions related to employees' wages for FICA and Medicare payroll taxes.

County Health Fund – This fund is used to account for the property taxes and grant funds restricted for the County Health Department activities.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The County reports the following major proprietary fund:

The Elms – This fund is used to account for the activities of the County's nursing home.

Additionally, the County reports the following fund types:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds – These funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of capital facilities.

Internal Service Funds – These funds account for insurance costs provided to other departments or agencies of the government on a cost-reimbursement basis.

Permanent Funds – These funds account for monies held in trust in which the earnings can be used for governmental purposes.

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the following fund type: Agency Funds. Agency Funds account for monies held on behalf of others.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Elms enterprise fund and of the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the County has defined cash equivalents to include savings accounts, demand deposit accounts, and certificates of deposit with an original maturity of three months or less when purchased.

Investments consists primarily of certificates of deposit with an original maturity of greater than three months and are stated at cost, which approximates fair value. Investments also consists of mutual funds which are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest earned on certain Agency Fund investments is transferred to and recorded as income in the General Fund.

E. Accounts Receivable

All trade and property tax receivables are reported net of allowance for doubtful accounts.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, right of ways, bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used in governmental fund operations (general capital assets) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net position. Capital assets in the proprietary funds are capitalized within the fund.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

The County defines capital assets as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	25
Maintenance equipment	10
Software	5
Vehicles	5
Office equipment	7
Computer equipment	5
Infrastructure	40-50

H. Property Taxes

McDonough County Supervisor of Assessments prepares the property tax assessment rolls with the property tax liens as of January 1 of each year. Levies are set by individual local governmental entities by the last Tuesday of December of each year.

The collection date for property tax receipts is thirty days after the property tax bills are mailed to property owners for the first installment, generally June 1 of each year. The second installment is generally due September 1 of each year.

Property taxes collected are distributed to each taxing district approximately thirty days after receipt. Any unpaid property tax levies are sold at a tax sale the last week of October and final distribution is made by the end of November of each year.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

McDonough County has the following policies concerning compensated absences for all full-time employees.

Personal Leave

Employees are allowed non-cumulative personal leave days as follows:

	<u>Days Per Year</u>
County and Sheriffs Department	3
Highway Department	2
Health Department	4*

* Unused personal days are transferred at the end of the calendar year to the employee's vacation leave account.

Sick Leave

Employees accrue one day of sick leave per month of service. For employees there is no provision for payment upon termination. Unused accumulated sick days may be carried over and may be applied for IMRF pension service credit in accordance with IMRF guidelines as indicated by the following schedule:

	<u>Maximum Days Accumulated (Carryover)</u>	<u>Maximum Days for IMRF</u>
County offices	40	240
Sheriffs Department	180	365
Highway Department	40	240
Health Department	240	240

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

Vacation Leave

Full-time employees of the County earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 5	10
6 - 15	15
16 and over	20

Full-time employees at the Sheriff's Department and the County Highway Department earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 4	10
5 - 14	15
15 and over	20

Full and part-time Health Department employees earn vacation benefits according to the following schedule:

<u>Years of Service</u>	<u>Working Days Per Year</u>
1 - 3	10
4 - 10	15
11 and over	20

Employees, excluding Health Department employees, can accumulate and carryover vacation benefits equivalent to twice the amount earned in one service year. Health Department employees can accumulate up to 30 days of vacation benefits in one calendar year. Unused vacation in excess of accumulation and carryover limits as of December 31 each year is lost.

J. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-term Obligations (Continued)

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

L. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the County. Committed fund balance is constrained by formal actions of the County’s Board, which is considered the County’s highest level of decision-making authority. Formal actions include ordinances approved by the Board. Assigned fund balance represents amounts constrained by the County’s intent to use them for a specific purpose, but that are neither restricted nor committed. Any residual fund balance is reported as unassigned.

The County’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the County considers committed funds to be expended first followed by assigned and then unassigned funds.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance/Net Position (Continued)

The County has not established fund balance reserve policies for their governmental funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the County's net position is restricted as a result of enabling legislation adopted by the County. Net investment in capital assets, net of accumulated depreciation, represents the County's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

M. Restricted Assets

Certain proceeds of The Elms' enterprise fund are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and are contributions made on behalf of former patients for specific purposes. The funds can only be spent according to the donors' wishes.

N. Patient Service Revenue

Patient service revenue is reported at the net realizable amounts from residents, third-party payors, and others for service rendered, net of provider tax.

Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for third-party payor settlements are provided in the period the related services are rendered. Differences between the amounts accrued and interim and final settlements are reported in operations in the year of settlement.

O. Provider Tax

The provider tax is assessed by the State of Illinois based on occupied bed days. The tax is withheld from The Elms' reimbursements from the Illinois Department of Public Aid.

P. Use of Estimates

Management of the County has made certain estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/ expenses during the period. Actual results could differ from those estimates.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Deferred Outflows/Inflows of Resources

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

2. DEPOSITS AND INVESTMENTS

Investment of County funds, by statute, is vested with the County Treasurer. The Treasurer's investment policy guides the investments of the County. The investment policy permits the County to invest in instruments allowed by the Illinois Compiled Statutes (ILCS). These investments include deposits/ investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

It is the policy of the County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the County and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety of principal, diversity, liquidity, yield, public confidence, positive community involvement, and investment period.

A. Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the County's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 100% of market value of principal and accrued interest, with collateral held by an independent third party in the name of the County with whom the Treasurer has a custodial agreement.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

At November 30, 2018, the County had the following investments:

Investments:	
Certificates of deposit	\$ 2,481,064
Mutual Funds	<u>41,664</u>
Total investments	<u>\$ 2,522,728</u>
Total County:	
Primary government investments	\$ 2,211,064
Primary government restricted investments	41,664
Agency fund investments	<u>270,000</u>
Total investments	<u>\$ 2,522,728</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The County limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by limiting its investments to the top ratings issued by nationally recognized statistical rating organizations.

For an investment, custodial risk 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 that are in the possession of an outside party. The County limits its exposure to custodial credit risk by utilizing independent third party institutions, selected by the County, to act as custodian for its securities and collateral.

Concentration of credit risk – The County places no limit on the amount the County may invest in any one issuer.

C. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quote prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

3. COUNTY FARM

On March 28, 1982, McDonough County was named an income beneficiary in the will of Blanche L. Martin. Under the terms of the will, the County received investments totaling \$43,689 and approximately 120 acres of farm land. The principal of the investments cannot be invaded and the County cannot sell the farm land, but can manage and operate the farm. The net income from the investments and farm land shall be applied by the County toward the payment of the costs of operating and maintaining The Elms. In the event the County ceases to operate The Elms, or fails to follow the terms of the will, all property shall revert and go to the then heirs-at-law of Blanche L. Martin. The County Farm Fund is reported as a Permanent Fund.

4. CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended November 30, 2018 consists of the following:

	<u>Balances</u> <u>December 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>November 30</u>
Land	\$ 228,647	\$ -	\$ -	\$ 228,647
Total capital assets not being depreciated	<u>228,647</u>	<u>-</u>	<u>-</u>	<u>228,647</u>
Buildings	2,482,220	-	-	2,482,220
Building improvements	2,740,632	19,859	-	2,760,491
Maintenance equipment	1,575,550	166,000	-	1,741,550
Software	114,680	-	-	114,680
Vehicles	920,766	58,231	(69,744)	909,253
Office equipment	206,049	43,107	(34,865)	214,291
Computer equipment	367,720	-	(1,000)	366,720
Infrastructure	<u>5,506,273</u>	<u>-</u>	<u>-</u>	<u>5,506,273</u>
Total capital assets being depreciated	<u>13,913,890</u>	<u>287,197</u>	<u>(105,609)</u>	<u>14,095,478</u>
Less accumulated depreciation for:				
Buildings	(1,742,698)	(50,667)	-	(1,793,365)
Building improvements	(1,722,259)	(98,405)	-	(1,820,664)
Maintenance equipment	(1,399,296)	(34,279)	-	(1,433,575)
Software	(111,295)	-	-	(111,295)
Vehicles	(698,914)	(89,814)	69,744	(718,984)
Office equipment	(194,799)	(2,142)	31,378	(165,563)
Computer equipment	(345,689)	(5,886)	1,000	(350,575)
Infrastructure	<u>(2,603,353)</u>	<u>(122,897)</u>	<u>-</u>	<u>(2,726,250)</u>
Total accumulated depreciation	<u>(8,818,303)</u>	<u>(404,090)</u>	<u>102,122</u>	<u>(9,120,271)</u>
Total capital assets, being depreciated, net	<u>5,095,587</u>	<u>(116,893)</u>	<u>(3,487)</u>	<u>4,975,207</u>
Total capital assets, net of accumulated depreciation	<u>\$ 5,324,234</u>	<u>\$ (116,893)</u>	<u>\$ (3,487)</u>	<u>\$ 5,203,854</u>

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued)

B. Business-type Activities

	Balances			Balances
	December 1	Additions	Retirements	November 30
Land	\$ 61,427	\$ -	\$ -	\$ 61,427
Total capital assets not being depreciated	<u>61,427</u>	<u>-</u>	<u>-</u>	<u>61,427</u>
Building and improvements, land improvements/landscaping	4,837,067	41,208	(25,179)	4,853,096
Equipment, including vehicles	<u>907,518</u>	<u>-</u>	<u>(32,025)</u>	<u>875,493</u>
Total capital assets - at cost, being depreciated	<u>5,744,585</u>	<u>41,208</u>	<u>(57,204)</u>	<u>5,728,589</u>
Less accumulated depreciation for:				
Building and improvements, land improvements/landscaping	(3,107,460)	(100,572)	25,179	(3,182,853)
Equipment, including vehicles	<u>(837,782)</u>	<u>(21,158)</u>	<u>32,025</u>	<u>(826,915)</u>
Total accumulated depreciation	<u>(3,945,242)</u>	<u>(121,730)</u>	<u>57,204</u>	<u>(4,009,768)</u>
Total capital assets, being depreciated, net	<u>1,799,343</u>	<u>(80,522)</u>	<u>-</u>	<u>1,718,821</u>
Total capital assets net of accumulated depreciation	<u>\$ 1,860,770</u>	<u>\$ (80,522)</u>	<u>\$ -</u>	<u>\$ 1,780,248</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 94,002
Public safety	70,673
Corrections	42,196
Transportation	174,567
Public health and welfare	<u>22,652</u>

Total depreciation expense - governmental activities \$ 404,090

Business-type activities:

The Elms Nursing Home	<u>\$ 121,730</u>
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McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN

The County contributes to three agent multiple-employer defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF – County), Illinois Municipal Retirement Fund Elected County Officials (IMRF – ECO), and the Sheriff’s Law Enforcement Personnel (SLEP) (also administered by IMRF). The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. This report can be obtained on-line at www.imrf.org. The net pension liability for the governmental activities has been liquidated by the IMRF Fund.

Illinois Municipal Retirement Fund – County

Plan Administration

All employees (other than those covered by IMRF-ECO or SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. The plan is treated as a cost sharing plan by the County and the Macomb/McDonough County Emergency Dispatch Center, Inc. (the Center). Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2017 (most recent available), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	269
Active employees	242
 TOTAL	 762

The IMRF data included in the table above includes membership of both the County and the Center.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – County (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended November 30, 2018 was 11.33% of covered payroll.

Actuarial Assumptions

The County’s net pension liability was measured as of December 31, 2017 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50% (2.75% in calendar year 2016)
Salary increases	3.39% to 14.25% (3.75% to 14.50% in calendar year 2016)
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – County (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates 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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 51,585,815	\$ 45,285,060	\$ 6,300,755
Changes for the period:			
Service cost	961,001	-	961,001
Interest	3,825,603	-	3,825,603
Difference between expected and actual experience	(92,257)	-	(92,257)
Changes in assumptions	(1,629,397)	-	(1,629,397)
Employer contributions	-	1,040,050	(1,040,050)
Employee contributions	-	512,439	(512,439)
Net investment income	-	6,644,285	(6,644,285)
Benefit payments and refunds	(2,219,333)	(2,236,250)	16,917
Other (net transfer)	-	(29,628)	29,628
Net changes	845,617	5,930,896	(5,085,279)
BALANCES AT DECEMBER 31, 2017	\$ 52,431,432	\$ 51,215,956	\$ 1,215,476

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – County (Continued)

Changes in the Net Pension Liability (Continued)

The table presented on the previous page includes amounts for both the County and the Center. The County’s proportionate share of the employer contributions and the net pension liability at December 31, 2017 was \$976,112 and \$1,151,330, respectively. The Center’s proportionate share of the employer contributions and net pension liability at December 31, 2017 was \$63,938 and \$64,146, respectively.

Changes in assumptions related to inflation, salary increases, retirement age tables, and mortality tables were made since the prior measurement date.

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

For the year ended November 30, 2018, the County recognized pension expense of \$1,927,857. At November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 156,624	\$ 66,112
Changes in assumption	18,042	1,222,570
Net difference between projected and actual earnings on pension plan investments	-	2,140,279
Contributions made after measurement date	970,132	-
	<u> </u>	<u> </u>
TOTAL	\$ 1,144,798	\$ 3,428,961

The deferred outflows presented in the table above include amounts for both the County and the Center. The County’s proportionate share of the deferred outflows of resources and inflows of resources at November 30, 2018 was \$1,074,422 and \$3,218,167, respectively. The Center’s proportionate share of the deferred outflows of resources and inflows of resources at November 30, 2018 was \$70,376 and \$210,794, respectively.

\$970,132 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended November 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – County (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

<u>Year ending December 31,</u>	
2018	\$ (516,657)
2019	(728,081)
2020	(1,107,093)
2021	<u>(902,464)</u>
TOTAL	<u>\$ (3,254,295)</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the County calculated using the discount rate of 7.50% as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net pension liability(County)	\$ 7,632,260	\$ 1,151,330	\$ (4,064,917)
Net pension liability (Center)	<u>499,923</u>	<u>64,146</u>	<u>(266,258)</u>
Net pension liability (Total)	<u>\$ 8,132,183</u>	<u>\$ 1,215,476</u>	<u>\$ (4,331,175)</u>

Illinois Municipal Retirement Fund – Elected County Officials

Plan Administration

All eligible elected county officials are enrolled in IMRF as participating members with the option of participating in the Elected County Officials plan. The Elected County Officials plan was closed to new members effective August 8, 2011.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Elected County Officials (Continued)

Plan Membership

At December 31, 2017 (most recent available), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>1</u>
 TOTAL	 <u><u>5</u></u>

Benefits Provided

IMRF ECO provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to eight years, 4% for each year after eight years up to 12 years, and 5% for each year thereafter to a maximum of 80% at 20 years of service. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after eight or ten years of service. Participating members who retire at age 55 with eight years of Tier 1 service credit or after age 62 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their final rate of earnings, for each year of credited service up to eight years, 4% for each year after eight years up to 12 years, and 5% for each year thereafter to a maximum of 80% at 20 years of service.

Contributions

Participating members are required to contribute 7.5% of their annual salary to IMRF. The County is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended November 30, 2018 was 19.01% of covered payroll.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Elected County Officials (Continued)

Actuarial Assumptions

The County’s net pension liability was measured as of December 31, 2017 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50% (2.75% in calendar year 2016)
Salary increases	3.39% to 14.25% (3.75% to 14.50% in calendar year 2016)
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates 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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the IMRF’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Elected County Officials (Continued)

Changes in the Net Pension (Asset) Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
Balances at January 1, 2017	\$ 763,458	\$ 799,962	\$ (36,504)
Changes for the period:			
Service cost	16,043	-	16,043
Interest	57,477	-	57,477
Difference between expected and actual experience	(64,922)	-	(64,922)
Changes in assumptions	60,612	-	60,612
Employer contributions	-	12,964	(12,964)
Employee contributions	-	5,035	(5,035)
Net investment income	-	108,566	(108,566)
Benefit payments and refunds	(10,850)	(10,933)	83
Other (net transfer)	-	(1,600)	1,600
Net changes	58,360	114,032	(55,672)
BALANCES AT DECEMBER 31, 2017	\$ 821,818	\$ 913,994	\$ (92,176)

Changes in assumptions related to inflation, salary increases, retirement age tables, and mortality tables were made since the prior measurement date.

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

For the year ended November 30, 2018, the County recognized pension expense of \$24,015. At November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 20,228
Changes in assumption	18,885	-
Net difference between projected and actual earnings on pension plan investments	-	34,193
Contributions made after measurement date	10,678	-
TOTAL	\$ 29,563	\$ 54,421

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Elected County Officials (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$10,678 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended November 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	
2018	\$ (3,321)
2019	(3,882)
2020	(13,808)
2021	<u>(14,525)</u>
TOTAL	<u>\$ (35,536)</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) liability to changes in the discount rate. The table below presents the net pension (asset) liability of the County calculated using the discount rate of 7.50% as well as what the County’s net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net pension (asset) liability	\$ 4,804	\$ (92,176)	\$ (171,656)

Sheriff’s Law Enforcement Personnel

Plan Administration

All eligible full-time deputized law enforcement personnel and correctional officers are enrolled in SLEP as participating members.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Sheriff’s Law Enforcement Personnel (Continued)

Plan Membership

At December 31, 2017 (most recent available), Sheriff’s Law Enforcement Personnel (SLEP) membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>17</u>
 TOTAL	 <u><u>40</u></u>

Benefits Provided

Sheriff’s Law Enforcement Personnel having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

Contributions

Participating members are required to contribute 7.5% of their annual salary to SLEP. The County is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rate for the year ended November 30, 2018 was 18.28% of covered payroll.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Sheriff’s Law Enforcement Personnel (Continued)

Actuarial Assumptions

The County’s net pension liability was measured as of December 31, 2017 (most recent available) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50% (2.75% in calendar year 2016)
Salary increases	3.39% to 14.25% (3.75% to 14.50% in calendar year 2016)
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates 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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Sheriff’s Law Enforcement Personnel (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, the IMRF’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 8,429,918	\$ 7,051,290	\$ 1,378,628
Changes for the period:			
Service cost	150,620	-	150,620
Interest	621,165	-	621,165
Difference between expected and actual experience	(13,095)	-	(13,095)
Changes in assumptions	(171,901)	-	(171,901)
Employer contributions	-	184,004	(184,004)
Employee contributions	-	79,072	(79,072)
Net investment income	-	1,216,957	(1,216,957)
Benefit payments and refunds	(472,178)	(475,777)	3,599
Other (net transfer)	-	(11,974)	11,974
Net changes	114,611	992,282	(877,671)
BALANCES AT DECEMBER 31, 2017	\$ 8,544,529	\$ 8,043,572	\$ 500,957

Changes in assumptions related to inflation, salary increases, retirement age tables, and mortality tables were made since the prior measurement date.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Sheriff’s Law Enforcement Personnel (Continued)

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

For the year ended November 30, 2018, the County recognized pension expense of \$365,384. At November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52,000	\$ 10,123
Changes in assumption	44,524	143,735
Net difference between projected and actual earnings on pension plan investments	-	482,433
Contributions made after measurement date	164,459	-
TOTAL	<u>\$ 260,983</u>	<u>\$ 636,291</u>

\$164,459 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended November 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	
2018	\$ (25,739)
2019	(101,997)
2020	(215,696)
2021	<u>(196,335)</u>
TOTAL	<u>\$ (539,767)</u>

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

5. ILLINOIS MUNICIPAL RETIREMENT FUND – AGENT MULTIPLE EMPLOYER PENSION PLAN (Continued)

Sheriff’s Law Enforcement Personnel (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the County calculated using the discount rate of 7.50% as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension (asset) liability	\$ 1,563,159	\$ 500,957	\$ (358,485)

6. DEFERRED COMPENSATION PLAN

The County offers its employees two different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all County employees, permit them to defer a portion of their salary until future years. The County is not required to make any contributions to the plans. The amounts deferred and earnings thereon, are not available to employees until termination, retirement, death, or unforeseeable emergency.

Contributions by employees are administered by a third-party agent and the assets and income thereon are held in trust for the exclusive benefit of participants and their beneficiaries.

7. LONG-TERM DEBT

A. Operating Leases

Office Building

In March 1981, McDonough County entered into a non-cancelable lease agreement with the Macomb Public Building Commission (Building Commission) for the rental of County office space at 130-134 South Lafayette Street, Macomb, Illinois. The agreement called for an initial payment of \$37,000 with annual rental payments of \$20,000 for the years 1981 through 1991. In April 1984, April 1999 and December 2017, the County entered into supplemental agreements with the Building Commission whereby the original lease was extended from April 1, 1991 until January 31, 2029, with annual rental payments of \$1.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

A. Operating Leases (Continued)

Office Building (Continued)

Payments are due by November 30 of each year. All insurance on the building and general public liability insurance is to be obtained by the Building Commission. The County is responsible for the maintenance, operations, and safekeeping of the offices that they are leasing. Currently, portions of this building are being rented to third parties. As long as the third party rent payments, made directly to the Building Commission, exceed the County's required annual payments, the County's payment will be waived by the Building Commission. After all outstanding indebtedness of the Building Commission has been paid in full, the Building Commission agrees to transfer by warranty deed the fee simple title of the building to the County upon the County's request.

Elms and County Jail

On November 1, 1993, the County entered into two noncancelable supplemental lease agreements with the Macomb Public Building Commission for the lease of The Elms (nursing home facility) and the County jail facility. On October 17, 2018, the County entered into supplemental agreements with the Macomb Public Building Commission for the lease of The Elms (nursing home facility) and the County jail facility from January 1, 2019 to January 31, 2029 with annual rental payments of \$100,000 for the nursing home facility and \$250,000 for the County jail facility. Upon execution of the leases, the County conveyed to the Commission, with provisions for reverter, fee simple title to the premises described in the leases.

The County has provided for the levy and collection of a direct annual tax sufficient to pay the annual lease payments. The County is responsible for the normal maintenance, operation, and safekeeping of the premises. Upon completion of the lease agreements, the Building Commission agrees to transfer by warranty deed the fee simple title of both facilities to the County. The following is a schedule by years of minimum future rentals due to the Commission under noncancelable lease agreements in effect as of November 30, 2018.

<u>Year Ending November 30,</u>	<u>The Elms</u>	<u>County Jail</u>	<u>Total</u>
2019	\$ 100,000	\$ 250,000	350,000
2020	100,000	250,000	350,000
2021	100,000	250,000	350,000
2022	100,000	250,000	350,000
2023	100,000	250,000	350,000
2024 to 2028	100,000	250,000	350,000
2029	400,000	1,000,000	1,400,000
Total	<u>\$ 1,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 3,500,000</u>

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

A. Operating Leases (Continued)

Equipment Leases

During the fiscal year ended November 30, 2017, the County entered into two noncancelable lease agreements with Watts Copy Systems, Inc. for the lease of four copiers totaling \$18,900. The agreements call for monthly payments of \$170 commencing in April of 2017 and \$145 commencing in October of 2017. Current year rental costs totaled \$3,780. The final payments are due in 2022. Upon completion of the leases, ownership of the equipment will transfer to the County.

Following is a schedule of minimum future rental payments as of November 30, 2017 for the above operating equipment leases:

	<u>Operating</u>
Year ending November 30:	
2019	\$ 3,780
2020	3,780
2021	3,780
2022	<u>2,130</u>
Total minimum lease payments:	<u>\$ 13,470</u>

B. Capital Leases

Equipment Leases

On May 30, 2014, the County entered into a noncancelable lease agreement with RK Dixon Co. for the lease of a \$13,032 copier. The agreement calls for monthly payments of \$217 commencing May 31, 2014. The lease was paid off in fiscal year 2018. The leased asset and related obligation are accounted for as business-type activities. The asset under the capital lease net of depreciation totaled \$1,303 at November 30, 2018.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

7. LONG-TERM DEBT (Continued)

C. Changes in Long-Term Debt

Long-term liability activity for the year ended November 30, 2018 was as follows:

	*Restated Balances <u>December 1</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>November 30</u>	Due Within <u>One Year</u>
Governmental Activities:					
Compensated absences payable	\$ 243,556	\$ 316,619	\$ 330,804	\$ 229,371	\$ 182,248
Net OPEB liability*	890,180	-	133,427	756,753	44,993
Net pension asset	(36,504)	(55,672)	-	(92,176)	-
Net pension liability	<u>5,178,617</u>	<u>-</u>	<u>3,920,750</u>	<u>1,257,867</u>	<u>-</u>
Governmental activity - long-term liabilities	<u>\$ 6,275,849</u>	<u>\$ 260,947</u>	<u>\$ 4,384,981</u>	<u>\$ 2,151,815</u>	<u>\$ 227,241</u>
Business-type activities:					
Capital Leases payable	\$ 3,014	\$ -	\$ 3,014	\$ -	\$ -
Net OPEB liability*	149,117	-	16,606	132,511	3,749
Net pension liability	2,124,002	-	1,729,582	394,420	-
Compensated absences payable	<u>149,025</u>	<u>168,705</u>	<u>175,355</u>	<u>142,375</u>	<u>70,853</u>
Business-type activity - long-term liabilities	<u>\$ 2,425,158</u>	<u>\$ 168,705</u>	<u>\$ 1,924,557</u>	<u>\$ 669,306</u>	<u>\$ 74,602</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund, or the fund where the employee is paid their payroll on a regular basis. The net OPEB liability is generally liquidated by the Self Insurance Fund.

8. STATUTORY DEBT MARGIN

A schedule indicating the statutory debt margin computation follows:

2017 Assessed valuation	<u>\$ 421,209,203</u>
Statutory debt limitation (2.875 percent of assessed valuation)	\$ 12,109,765
Debt outstanding at November 30, 2018	<u>-</u>
Statutory debt margin, November 30, 2018	<u>\$ 12,109,765</u>

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. INTERFUND TRANSACTIONS

Interfund receivable and payable balances at November 30, 2018 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Funds:		
Illinois Municipal Retirement Fund	\$ -	\$ 2,692
Social Security Fund	-	2,577
Internal Service Funds	6,854	-
Agency Funds	<u>16,183</u>	<u>-</u>
	<u>23,037</u>	<u>5,269</u>
Illinois Municipal Retirement Funds:		
General Fund	2,692	-
Internal Service Funds	<u>-</u>	<u>100,000</u>
	<u>2,692</u>	<u>100,000</u>
Public Safety Sales Tax Fund:		
Nonmajor Governmental Funds	<u>-</u>	<u>10,724</u>
Social Security Fund:		
General Fund	<u>2,577</u>	<u>-</u>
County Health Funds:		
Internal Service Funds	-	10,885
Nonmajor Governmental Funds	2,937	-
The Elms	<u>-</u>	<u>3,015</u>
	<u>2,937</u>	<u>13,900</u>
The Elms:		
County Health Fund	3,015	-
Internal Service Funds	<u>-</u>	<u>7,284</u>
	<u>3,015</u>	<u>7,284</u>
Internal Service Funds:		
General Fund	-	6,854
Illinois Municipal Retirement Fund	100,000	-
County Health Fund	10,885	-
The Elms	7,284	-
Nonmajor Governmental Funds	<u>-</u>	<u>5,707</u>
	<u>118,169</u>	<u>12,561</u>
Agency Funds:		
General Fund	-	16,183
Nonmajor Governmental Funds	<u>104,550</u>	<u>110,300</u>
	<u>104,550</u>	<u>126,483</u>
Nonmajor Governmental Funds:		
Public Safety Sales Tax Fund	10,724	-
County Health Fund	-	2,937
Internal Service Funds	5,707	-
Agency Funds	110,300	104,550
Nonmajor Governmental Funds	<u>122,986</u>	<u>122,986</u>
	<u>249,717</u>	<u>230,473</u>
Total Interfund Receivables/Payables	<u>\$ 506,694</u>	<u>\$ 506,694</u>

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. INTERFUND TRANSACTIONS (Continued)

The purposes of the significant interfund receivable and payable balances are as follows:

- \$100,000 due to Internal Service funds from the Illinois Municipal Retirement fund. This balance relates to a loan to the Illinois Municipal Retirement fund to cover operating expenses. The County expects the obligation will be liquidated within one year.
- \$110,300 due to Nonmajor governmental funds from Agency funds. This balance relates to a) accrued but unpaid transfers of \$100,361 from the Township Motor Fuel Tax fund to the Engineering Revolving fund and b) accrued but unpaid fees of \$9,939 from the County Clerk fund. The County expects the obligations will be liquidated within one year.
- \$104,550 due to Agency funds from Nonmajor governmental funds. This balance relates to a) an accrued but unpaid transfer for materials purchased by the Township Bridge fund and used by the County Highway fund totaling \$6,383 and b) \$98,167 in grant funds owed from the Adult Redeploy fund to the Court Services fund. The County expects the obligations will be liquidated within one year.
- \$122,986 due between Nonmajor governmental funds. The balance relates to accrued but unpaid transfers between the various County Highway Department funds. The County expects the obligations will be liquidated within one year.

Advances from/to other funds at November 30, 2018 consist of:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Public Safety Sales Tax Fund	\$ <u> -</u>	\$ <u> 90,681</u>
Public Safety Sales Tax Fund		
General Fund	<u> 90,681</u>	<u> -</u>
Total Interfund Receivables/Payables	<u> 90,681</u>	<u> 90,681</u>

The purposes of the interfund advance receivable and payable balances are as follows:

- \$90,681 remaining advance from the Public Safety Sales Tax fund to the General fund to cover general County expenses. Repayment is not expected within one year.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

9. INTERFUND TRANSACTIONS (Continued)

Interfund transfers during fiscal year ending November 30, 2018 consist of:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Funds:		
Public Safety Sales Tax Fund	\$ 50,000	\$ -
Internal Service funds	<u>1,184</u>	<u>-</u>
	<u>51,184</u>	<u>-</u>
Illinois Municipal Retirement Fund:		
Nonmajor Governmental Funds	<u>10,358</u>	<u>-</u>
Public Safety Sales Tax Funds:		
General Fund	-	50,000
Nonmajor Governmental Funds	<u>-</u>	<u>15,000</u>
	<u>-</u>	<u>65,000</u>
County Health Fund:		
Nonmajor Governmental Funds	<u>14,821</u>	<u>-</u>
Internal Service Funds:		
General Fund	<u>-</u>	<u>1,184</u>
Nonmajor Governmental Funds:		
Illinois Municipal Retirement Fund	-	10,358
County Health Fund	-	14,821
Public Safety Sales Tax Fund	15,000	-
Nonmajor Governmental Funds	<u>708,299</u>	<u>708,299</u>
	<u>723,299</u>	<u>733,478</u>
Total interfund transfers	<u>\$ 799,662</u>	<u>\$ 799,662</u>

The purposes of the significant interfund transfers are as follows:

- \$50,000 transferred from the Public Safety Sales Tax fund to the General Fund is a routine budgeted transfer. This transfer will not be repaid.
- \$708,299 transferred between the Nonmajor governmental funds. This amount relates to a) transfers of \$525,140 to the County Highway fund to repay roadway maintenance expenditures, b) transfers of \$169,609 to the Equipment Replacement fund for replacement of equipment and vehicles on a scheduled basis, c) transfer of \$13,550 to the Engineering Revolving fund for repayment of engineering services. These transfers will not be repaid.

10. RELATED ORGANIZATIONS, JOINTLY GOVERNED ORGANIZATIONS, AND JOINT VENTURES

A. Related Organizations

The County's officials are responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The other organizations include various Cemetery Associations and Boards of Trustees of Fire Protection Districts in the County, the McDonough County Housing Authority, and McDonough District Hospital.

B. Jointly Governed Organizations

The County, in conjunction with the City of Macomb, Illinois created the Macomb Public Building Commission under the Public Building Commission Act. The Commission's board is composed of three members appointed by the City Council and two members appointed by the County Board. The County is involved as lessee in operating leases with the Commission as lessor as described in the preceding footnotes for leases payable. As of the fiscal year ending November 30, 2018, the Macomb Public Building Commission has cash and investment balances of \$758,696 maintained in the County's Operating & Maintenance Account to fund future maintenance projects.

C. Joint Ventures

The County is a participant with the City of Macomb, Illinois and the McDonough-Schuyler County Emergency Telephone System Board (ETSB) in a joint venture to operate a 911 emergency services communication and dispatch enterprise. The Macomb/McDonough Emergency Dispatch Center, Inc., a not-for-profit corporation, was created for that purpose. The corporation is governed by a six-member board composed of 1) the County Board Chairman or a County board member designated by the Chairman, 2) the County Sheriff or a designated full-time employee of the Sheriff's Department, 3) the City Mayor, 4) the City Police Chief, 5) the ETSB Chairman, and 6) the ETSB Secretary. The County, the City, and the ETSB each contributed various property, equipment, services, and/or funds for initial relocation and occupancy costs to the corporation. The County, the City, and the ETSB are each obligated by an intergovernmental cooperation agreement to pay one-third (1/3) of the costs of the corporation for wages, employee benefits, and normal office supplies.

The ETSB's liability for operating costs during any fiscal year of the corporation is limited to a cap amount determined by the County, the City, and the ETSB. The County and the City share equally the amount of costs in excess of the determined cap of the ETSB's share of costs. The ETSB contributes to the corporation annually an amount sufficient to pay the entire cost of equipment installation, operation, maintenance, repair and replacement, employee training, and telephone line charges.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

10. RELATED ORGANIZATIONS, JOINTLY GOVERNED ORGANIZATIONS, AND JOINT VENTURES (Continued)

C. Joint Ventures (Continued)

The Center's fiscal year end is November 30. Separate audited financial statements are available through the Macomb/McDonough County Emergency Dispatch Center, Inc. Summarized financial information of the Center as of and for the year ended November 30, 2018, follows:

Statement of Net Position Information

Assets and deferred outflows of resources:	
Current assets	\$ 398,664
Property and equipment, net	261,470
Deferred outflows of resources	<u>70,376</u>
Total assets	<u>\$ 730,510</u>
Liabilities, deferred inflows of resources, and net position:	
Liabilities	\$ 132,856
Deferred inflows of resources	221,235
Net position	<u>376,419</u>
Total liabilities and net position	<u>\$ 730,510</u>

Statement of Activities Information

Operating revenue	\$ 919,307
Operating expenses	<u>1,036,331</u>
Operating net loss	<u>(117,024)</u>
Nonoperating revenue	<u>27,374</u>
Change in net position	(89,650)
Net position, beginning (restated)	<u>466,069</u>
Net position, ending	<u>\$ 376,419</u>

The County is a participant with Mercer County, Illinois and Warren County, Illinois in an intergovernmental agreement to jointly establish a regional solid waste management organization for the purpose of implementation of a regional solid waste management plan. The Tri-County Resource and Waste Management Council was created for that purpose. The Council is made up of equal representation from each county. Each county shall contribute funds for the preparation of the three-county Solid Waste Plan based on each county's population as a proportion of the total population of the three counties based upon the 1990 Census of Population as published by the United States Department of Commerce. The Council's fiscal year end is November 30. Separate audited financial statements are not available.

11. RISK MANAGEMENT

A. General and Professional Liability, Property, Errors, and Omissions

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health claims of employees; and natural disasters. The County purchases commercial insurance for all risks of loss, excluding group health care coverage and workers' compensation, which are described below. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Workers' Compensation

The County insures its risk of loss for employee injuries under workers' compensation laws by participating in the Illinois Public Risk Fund (IPRF) a public entity risk pool currently operating as a common risk management program for a number of Illinois counties. The County pays an annual "premium" to IPRF for its coverage. Annual audits of the County's payroll, workers' compensation claims, and employee job classifications are performed by IPRF.

C. Group Health Plan

Beginning July 1, 2001, the County uses an internal service fund to account for and finance its uninsured risks of loss related to its self-funded health insurance plan. Under this plan, the County is self-insured for the first \$90,000 of covered charges per individual per year. Commercial insurance is carried for amounts in excess of self-insured amounts. The County also maintains aggregate stop loss coverage with a maximum reimbursement of \$1,000,000. Changes in claims liability for the self-funded health insurance plan in fiscal years 2017 and 2018 are as follows:

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$ 119,115	\$ 161,011
Claims incurred	2,439,214	2,206,666
Claims paid	<u>2,338,598</u>	<u>2,248,562</u>
Balance at end of year	\$ 219,731	\$ 119,115

The Internal service funds also includes \$2,129,033 in claims payable reported in the Liability Insurance Fund related to a legal settlement. See additional information regarding the legal settlement in Note 15.

12. ADMINISTRATION AGREEMENT

The County entered into an administration agreement for its self-funded health plan with Mutual Medical Plans, Inc. This agreement has a three-year term extending through November 30, 2018, and fees for services under this agreement are assessed at \$21 per participant per month. Fees paid to Mutual Medical for administrative, clerical, and consulting services in fiscal 2018 were \$84,452.

13. CONDUIT DEBT OBLIGATION

In June 2008, the County issued Capital Improvement Revenue Bonds, Series 2008 to provide financial assistance to a private-sector entity for the acquisition, construction, and installation of fixtures and equipment deemed to be in the public interest. In November 2012, the County issued Capital Improvement and Refunding Revenue Bonds, Series 2012 to refinance the Capital Improvement Revenue Bonds, Series 2008 and to finance the acquisition, construction, and installation of tuck pointing, a front entrance canopy, and a community center and therapy expansion project. The bonds are secured by the property financed and owned by the private-sector entity and are payable solely from payments received on the underlying mortgage loan. As of November 30, 2018, the principal amount payable under these bonds was \$5,596,879. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

14. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the County provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The plan is treated as a cost sharing plan by the County and the Macomb/McDonough County Emergency Dispatch Center, Inc. (the Center). The benefits, benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County through its personnel manual and union contracts, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

Benefits Provided

The County provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the County's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the County's insure provider.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Membership

At November 30, 2018 membership consisted of:

Retirees and beneficiaries currently receiving benefits	13
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>224</u>
TOTAL	<u><u>237</u></u>

The OPEB data included in the table above includes membership of both the County and the Center.

Funding Policy

The County negotiates the contribution percentages between the County and employees through the union contracts and personnel policy. All retirees contribute 100% of the blended premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees via the insured plan (pay as you go). For the fiscal year ended November 30, 2018, retirees contributed \$101,999 and the County contributed \$48,743. Active employees do not contribute to the plan until retirement.

Total OPEB Liability and Actuarial Assumptions

The County's total OPEB liability of \$913,203 was measured as of November 30, 2018 and was determined by an actuarial valuation as of that date using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry-age normal level percent of salary
Assumptions	
Inflation	2.50%
Salary increases	3.25% for general wage inflation plus merit and productivity increases
Discount rate	4.26% (3.51% FY 2017)
Healthcare cost trend rates	4.50% to 8.0%
Asset valuation method	Market value

Public safety employees that suffer a catastrophic injury or killed in the line of duty may receive 100% County paid lifetime coverage for the employee, their spouse, and each dependent child under the Public Safety Employee Benefits Act.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability and Actuarial Assumptions (Continued)

The discount rate was based on the index rate of 4.26% (3.51% in FY 2017) for tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher at November 30, 2018.

Mortality rates were based on the SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT DECEMBER 1, 2017 (as restated)	\$ 1,065,100
Changes for the period	
Service cost	91,971
Interest	39,765
Difference between expected and actual experience	(176,990)
Changes in benefit terms	-
Changes in assumptions	(57,900)
Benefit payments	<u>(48,743)</u>
Net changes	<u>(151,897)</u>
BALANCES AT NOVEMBER 30, 2018	<u>\$ 913,203</u>

The table presented includes amounts for both the County and the Center. The County's proportionate share of the net OPEB liability at November 30, 2018 was \$889,264 and the Center's proportionate share was \$23,939.

Changes in assumptions related to the implementation of GASB Statement No. 75 were made for the fiscal year ended November 30, 2018. Additionally, changes in assumptions related to mortality, turnover rates, retirement rates, disability rates and health care trend rates were made since the prior measurement date.

Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the County calculated using the discount rate of 4.26% as well as what the County total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.26%) and 1 percentage point higher (5.26%) than the current rate:

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Rate Sensitivity (Continued)

	1% Decrease (3.26%)	Current Discount Rate (4.26%)	1% Increase (5.26%)
Net OPEB liability (County)	\$ 955,481	\$ 889,264	\$ 827,557
Net OPEB liability (Center)	25,722	23,939	22,278
Net OPEB liability (Total)	<u>\$ 981,203</u>	<u>\$ 913,203</u>	<u>\$ 849,835</u>

The table below presents the total OPEB liability of the County calculated using the healthcare rate of 4.50% to 8.00% as well as what the County total OPEB liability would be if it were calculated using a rate 1 percentage point lower (3.50% to 7.00%) or 1 percentage point higher (5.50% to 9.00%) than the current rate:

	1% Decrease (3.50% to 7.00%)	Current Discount Rate (4.50% to 8.00%)	1% Increase (5.50% to 9.00%)
Net OPEB liability (County)	\$ 796,086	\$ 889,264	\$ 998,965
Net OPEB liability (Center)	21,431	23,939	26,892
Net OPEB liability (Total)	<u>\$ 817,517</u>	<u>\$ 913,203</u>	<u>\$ 1,025,857</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended November 30, 2018, the County recognized OPEB expense of \$53,631. The County's proportionate share of the OPEB expense was \$45,054 and the Center's proportionate share was \$8,577. At November 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 154,866
Changes in assumption	-	50,662
TOTAL	<u>\$ -</u>	<u>\$ 205,528</u>

The deferred outflows presented in the table above include amounts for both the County and the Center. The County's proportionate share of the deferred inflows of resources at November 30, 2018 was \$195,087 and the Center's proportionate share of the deferred inflows of resources at November 30, 2018 was \$10,441.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

14. OTHER POST-EMPLOYMENT BENEFITS (Continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)*

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as OPEB expense as follows:

Year ending November 30,	
2019	\$ (29,361)
2020	(29,361)
2021	(29,361)
2022	(29,361)
2023	(29,361)
Thereafter	(58,723)
TOTAL	<u>\$ (205,528)</u>

15. LEGAL CONTINGENCY

In March 2017, a jury ruled in favor of the plaintiffs in a wrongful death and survival lawsuit against the McDonough County Sheriff's Department and awarded a settlement of \$4,067,525. The ruling was overturned through a motion for judgement notwithstanding the verdict in October 2017 but the verdict was reinstated in April 2019 in the amount of \$4,129,033. The County's commercial insurance policy covers automobile liabilities up to \$2,000,000 per occurrence, with the remaining portion of the settlement totaling \$2,129,033 recorded as liability in the Liability Insurance Fund as of the November 30, 2018. The County plans to file a Petition for Leave to Appeal in June 2019 but the outcome of that petition is unknown.

16. FUND DEFICITS

The Liability Insurance Fund had a deficit net position of \$933,738 at November 30, 2018. The County plans to eliminate the deficit net position through future fund operating results or with funds transferred from another County fund.

McDONOUGH COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

17. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended November 30, 2018, the County implemented GASB Statement No. 75. With the implementation, the County is required to retroactively record the total postemployment benefit liability and write-off the net OPEB obligation. The beginning net position of the government-wide financial statements have been restated to reflect the new guidance as follows:

	<u>Governmental</u>	<u>Business-type</u>
Net position, November 30, 2017, as previously reported	\$15,348,300	\$4,771,558
a) Write off of net OPEB obligation	282,309	179,805
Total OPEB liability	<u>(890,180)</u>	<u>(149,117)</u>
Change in accounting principle	<u>(607,871)</u>	<u>30,688</u>
Net position, November 30, 2017, as restated	<u><u>\$14,740,429</u></u>	<u><u>\$4,802,246</u></u>

The County also reclassified beginning liabilities in the Agency funds as of November 30, 2017 due to the implementation of GASB Statement No. 75. Due to others increased \$184,627 due to the write-off of the net OPEB obligation.

18. PRIOR PERIOD ADJUSTMENTS

The County has restated beginning fund balance/net position as of December 1, 2017 due to a) the misstatement of interfund payables receivables between nonmajor governmental funds and agency funds and b) understated grants accounts receivable:

	<u>Governmental</u>	<u>County Health Fund</u>	<u>Nonmajor Governmental Funds</u>
Net position, November 30, 2017, as previously reported	\$15,348,300	\$953,455	\$6,271,544
a) Misstatement interfund payables	(98,167)	-	(98,167)
b) Understated grants receivable	<u>200,217</u>	<u>22,536</u>	<u>177,681</u>
Prior period adjustments	<u>102,050</u>	<u>22,536</u>	<u>79,514</u>
Net position, November 30, 2017, as restated	<u><u>\$15,450,350</u></u>	<u><u>\$975,991</u></u>	<u><u>\$6,351,058</u></u>

The County also reclassified beginning liabilities in the Agency funds as of November 30, 2017 due to the understatement in interfund receivables. Due to others decreased \$98,167 to the increase in due from other funds.

19. MCDONOUGH-SCHUYLER COUNTY EMERGENCY TELEPHONE SYSTEM BOARD

a. Summary of Significant Accounting Policies

The financial statements of the McDonough-Schuyler County Emergency Telephone System Board (ETSB) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting-body for establishing governmental accounting and financial reporting principles. The following is a brief summary of the accounting policies followed by the ETSB:

- 1) The records of the ETSB are maintained as a single fund and the financial statements have been prepared on the accrual basis of accounting and the economic resources measurement focus.
- 2) Cash and cash equivalents includes deposits at financial institutions and certificates of deposits with an original maturity of three months or less when purchased.
- 3) Accounts receivable are reported net of allowance for doubtful accounts.
- 4) Fund balance includes restrictions of fund balance reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the ETSB.

b. Cash and cash equivalents

The ETSB does not have a separate investment policy, but does follow the County investment policy. The County has adopted an investment policy to invest in instruments allowed by the Illinois Compiled Statutes.

Custodial credit risk is the risk that in the event of a bank failure, the ETSB's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions the County's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 100% of market value of principal and accrued interest, with collateral held by an independent third party in the name of the County with whom the Treasurer has a custodial agreement.

REQUIRED SUPPLEMENTARY INFORMATION

MCDONOUGH COUNTY, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY

Last Four Fiscal Years

FISCAL YEAR ENDING NOVEMBER 30,	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,058,415	\$ 1,039,959	\$ 1,030,631	\$ 1,019,089
Contributions in relation to the actuarially determined contribution	<u>1,058,415</u>	<u>1,039,959</u>	<u>1,030,631</u>	<u>1,019,089</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,345,442	\$ 9,414,962	\$ 9,214,036	\$ 9,074,147
Contributions as a percentage of covered payroll	11.33%	11.05%	11.19%	11.23%

Notes to Required Supplementary Information:

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 2.75% compounded annually.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULES OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS

Last Four Fiscal Years

FISCAL YEAR ENDING NOVEMBER 30,	2018	2017	2016	2015
Actuarially determined contribution	\$ 11,660	\$ 12,904	\$ 12,296	\$ 13,730
Contributions in relation to the actuarially determined contribution	<u>11,660</u>	<u>12,904</u>	<u>12,296</u>	<u>13,730</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 61,340	\$ 60,265	\$ 59,211	\$ 58,177
Contributions as a percentage of covered payroll	19.01%	21.41%	20.77%	23.60%

Notes to Required Supplementary Information:

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 2.75% compounded annually.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
SHERIFF'S LAW ENFORCEMENT PERSONNEL

Last Four Fiscal Years

FISCAL YEAR ENDING NOVEMBER 30,	2018	2017	2016	2015
Actuarially determined contribution	\$ 180,754	\$ 181,547	\$ 159,502	\$ 168,699
Contributions in relation to the actuarially determined contribution	<u>180,754</u>	<u>181,547</u>	<u>159,502</u>	<u>168,699</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 988,569	\$ 933,538	\$ 801,316	\$ 846,280
Contributions as a percentage of covered payroll	18.28%	19.45%	19.91%	19.93%

Notes to Required Supplementary Information:

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 26 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 2.75% compounded annually.

MCDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND - COUNTY**

Last Four Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015	2014
Employer's Proportion of Net Pension Liability	93.85%	93.98%	94.06%	93.97%
Employer's Proportionate Share of Net Pension Liability	\$ 1,151,330	\$ 5,923,992	\$ 6,248,752	\$ 2,987,277
Employer's Covered Payroll	\$ 8,832,545	\$ 8,676,018	\$ 8,526,779	\$ 8,182,817
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	13.04%	68.28%	73.28%	36.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.68%	87.79%	86.44%	93.09%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Year ended December 31, 2017 - Changes in assumptions related to price inflation, salary increases, retirement ages, and mortality were made since the prior measurement date.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND - ELECTED COUNTY OFFICIALS

Last Four Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 16,043	\$ 15,801	\$ 15,539	\$ 16,030
Interest	57,477	54,331	51,200	47,436
Differences between expected and actual experience	(64,922)	(17,535)	(14,547)	(4,634)
Changes of assumptions	60,612	-	-	1,769
Benefit payments, including refunds of member contributions	<u>(10,850)</u>	<u>(10,696)</u>	<u>(10,447)</u>	<u>(10,211)</u>
Net change in total pension liability	58,360	41,901	41,745	50,390
Total pension liability - beginning	<u>763,458</u>	<u>721,557</u>	<u>679,812</u>	<u>629,422</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 821,818</u></u>	<u><u>\$ 763,458</u></u>	<u><u>\$ 721,557</u></u>	<u><u>\$ 679,812</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 12,964	\$ 12,198	\$ 13,529	\$ 16,685
Contributions - member	5,035	4,827	5,179	4,623
Net investment income	108,566	60,768	(668)	43,787
Benefit payments, including refunds of member contributions	(10,933)	(10,765)	(10,461)	(10,211)
Other income (expense)	<u>(1,600)</u>	<u>(254)</u>	<u>614</u>	<u>(129)</u>
Net change in plan fiduciary net position	114,032	66,774	8,193	54,755
Plan fiduciary net position - beginning	<u>799,962</u>	<u>733,188</u>	<u>724,995</u>	<u>670,240</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 913,994</u></u>	<u><u>\$ 799,962</u></u>	<u><u>\$ 733,188</u></u>	<u><u>\$ 724,995</u></u>
EMPLOYER'S NET PENSION (ASSET) LIABILITY	<u><u>\$ (92,176)</u></u>	<u><u>\$ (36,504)</u></u>	<u><u>\$ (11,631)</u></u>	<u><u>\$ (45,183)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	111.22%	104.78%	101.61%	106.65%
Covered payroll	\$ 60,355	\$ 59,299	\$ 58,263	\$ 57,248
Employer's net pension liability (asset) as a percentage of covered payroll	(152.72%)	(61.56%)	(19.96%)	(78.93%)

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Year ended December 31, 2017 - Changes in assumptions related to price inflation, salary increases, retirement ages, and mortality were made since the prior measurement date.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
SHERIFF'S LAW ENFORCEMENT PERSONNEL
Last Four Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 150,620	\$ 147,079	\$ 156,205	\$ 159,068
Interest	621,165	600,042	574,518	534,679
Differences between expected and actual experience	(13,095)	8,736	80,040	82,984
Changes of assumptions	(171,901)	(19,323)	9,395	198,682
Benefit payments, including refunds of member contributions	<u>(472,178)</u>	<u>(483,939)</u>	<u>(444,290)</u>	<u>(433,889)</u>
Net change in total pension liability	114,611	252,595	375,868	541,524
Total pension liability - beginning	<u>8,429,918</u>	<u>8,177,323</u>	<u>7,801,455</u>	<u>7,259,931</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 8,544,529</u>	<u>\$ 8,429,918</u>	<u>\$ 8,177,323</u>	<u>\$ 7,801,455</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 184,004	\$ 167,529	\$ 162,504	\$ 179,180
Contributions - member	79,072	65,384	68,564	68,012
Net investment income	1,216,957	602,797	(6,288)	429,214
Benefit payments, including refunds of member contributions	(475,777)	(487,039)	(444,886)	(433,889)
Other income (expense)	<u>(11,974)</u>	<u>(26,972)</u>	<u>(3,273)</u>	<u>(2,946)</u>
Net change in plan fiduciary net position	992,282	321,699	(223,379)	239,571
Plan fiduciary net position - beginning	<u>7,051,290</u>	<u>6,729,591</u>	<u>6,952,970</u>	<u>6,713,399</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 8,043,572</u>	<u>\$ 7,051,290</u>	<u>\$ 6,729,591</u>	<u>\$ 6,952,970</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 500,957</u>	<u>\$ 1,378,628</u>	<u>\$ 1,447,732</u>	<u>\$ 848,485</u>
Plan fiduciary net position as a percentage of the total pension liability	94.14%	83.65%	82.30%	89.12%
Covered payroll	\$ 947,983	\$ 803,305	\$ 843,222	\$ 843,641
Employer's net pension liability as a percentage of covered payroll	52.84%	171.62%	171.69%	100.57%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Year ended December 31, 2017 - Changes in assumptions related to price inflation, salary increases, retirement ages, and mortality were made since the prior measurement date.

Year ended December 31, 2016 - Changes in assumptions related to investment rate of return.

Year ended December 31, 2015 - Changes in assumptions related to investment rate of return.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYERS
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Fiscal Year

MEASUREMENT DATE NOVEMBER 30,	2018
TOTAL OPEB LIABILITY	
Service cost	\$ 91,971
Interest	39,765
Changes of assumptions	(57,900)
Differences between expected and actual experience	(176,990)
Benefit payments, including refunds of member contributions	<u>(48,743)</u>
Net change in total OPEB liability	(151,897)
Total OPEB liability - beginning	<u>1,065,100</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 913,203</u></u>
Covered employee payroll	\$ 10,395,351
Employer's net pension liability as a percentage of covered payroll	8.78%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There were changes in assumptions related to the discount rate and health care trend rate. In addition, turnover, retirement, and disability rate assumptions were changed to those in the most recent IMRF actuarial valuation reports. Mortality tables were updated to the SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

McDONOUGH COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND

Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 1,159,045	\$ 1,159,045	\$ 1,140,434
State of Illinois:			
Local use tax	100,000	100,000	178,872
Sales tax	675,000	675,000	866,017
Income tax	650,000	650,000	616,788
Personal property replacement taxes	200,000	200,000	184,145
State grants and expenditure reimbursements	332,634	332,634	326,991
Federal revenue	22,300	22,300	12,374
Fees for services and materials	1,116,040	1,116,040	1,050,525
Investment income	5,500	5,500	11,684
Other	170,000	170,000	206,542
Total revenues	<u>4,430,519</u>	<u>4,430,519</u>	<u>4,594,372</u>
EXPENDITURES			
Current:			
General government	1,466,935	1,428,714	1,259,759
Employee benefits	355,000	355,000	313,656
Public safety	1,349,191	1,349,191	1,265,475
Corrections	448,994	487,215	482,924
Judiciary and court related	1,470,721	1,470,721	1,408,506
Capital outlay	45,500	45,500	4,961
Total expenditures	<u>5,136,341</u>	<u>5,136,341</u>	<u>4,735,281</u>
Excess (deficiency) of revenue over expenditures	<u>(705,822)</u>	<u>(705,822)</u>	<u>(140,909)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>217,000</u>	<u>217,000</u>	<u>99,211</u>
Total other financing sources (uses)	<u>217,000</u>	<u>217,000</u>	<u>99,211</u>
NET CHANGE IN FUND BALANCES	<u>\$ (488,822)</u>	<u>\$ (488,822)</u>	<u>(41,698)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
			41,876
SHERIFF FUND - SUBFUND ACTIVITY NOT BUDGETED			
			3,806
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			
			<u>896,003</u>
FUND BALANCES, GAAP BASIS, END OF YEAR			
			<u>\$ 899,987</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 ILLINOIS MUNICIPAL RETIREMENT FUND

Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 1,328,000	\$ 1,328,000	\$ 1,335,043
Replacement taxes	11,860	11,860	11,861
Investment income	680	680	1,196
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>1,853</u>
Total revenues	<u>1,343,540</u>	<u>1,343,540</u>	<u>1,349,953</u>
EXPENDITURES			
Current:			
Employee benefits	<u>1,385,681</u>	<u>1,385,681</u>	<u>1,067,053</u>
Total expenditures	<u>1,385,681</u>	<u>1,385,681</u>	<u>1,067,053</u>
Excess (deficiency) of revenue over expenditures	<u>(42,141)</u>	<u>(42,141)</u>	<u>282,900</u>
Other financing sources (uses)			
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>10,358</u>
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>10,358</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,141)</u>	<u>\$ (7,141)</u>	293,258
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			(238)
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			<u>1,123,165</u>
FUND BALANCES, GAAP BASIS, END OF YEAR			<u>\$ 1,416,185</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 PUBLIC SAFETY SALES TAX FUND

Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
REVENUES			
Sales taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,017,817
Investment income	800	800	563
Other	12,500	12,500	7,984
Total revenues	<u>1,013,300</u>	<u>1,013,300</u>	<u>1,026,364</u>
EXPENDITURES			
Current:			
Employee benefits	325,000	327,177	327,177
Public safety	438,387	437,101	411,916
Corrections	238,031	239,578	231,081
Capital outlay	75,000	75,000	74,252
Total expenditures	<u>1,076,418</u>	<u>1,078,856</u>	<u>1,044,426</u>
Excess (deficiency) of revenue over expenditures	<u>(63,118)</u>	<u>(65,556)</u>	<u>(18,062)</u>
Other financing sources (uses)			
Transfers out	(215,000)	(215,000)	(65,000)
Insurance proceeds	-	24,384	24,385
Total other financing sources (uses)	<u>(215,000)</u>	<u>(190,616)</u>	<u>(40,615)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (278,118)</u>	<u>\$ (256,172)</u>	(58,677)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
			214
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			<u>665,314</u>
FUND BALANCES, GAAP BASIS, END OF YEAR			<u>\$ 606,851</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 SOCIAL SECURITY FUND

Year Ended November 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 720,000	\$ 720,000	\$ 723,845
Investment income	1,000	1,000	1,872
Other	-	-	2,486
Total revenues	<u>721,000</u>	<u>721,000</u>	<u>728,203</u>
EXPENDITURES			
Current:			
Employee benefits	<u>744,159</u>	<u>744,159</u>	<u>686,551</u>
Total expenditures	<u>744,159</u>	<u>744,159</u>	<u>686,551</u>
NET CHANGE IN FUND BALANCES	<u>\$ (23,159)</u>	<u>\$ (23,159)</u>	41,652
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			-
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			<u>893,750</u>
FUND BALANCES, GAAP BASIS, END OF YEAR			<u>\$ 935,402</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
COUNTY HEALTH FUND

Year Ended November 30, 2018

	Original Budget	Amended Budget	Actual
REVENUES			
Property taxes	\$ 337,508	\$ 337,508	\$ 339,353
State grant and expenditure reimbursements	73,786	73,786	163,329
Federal revenue	317,605	317,605	146,706
Fees for services and materials	184,916	184,916	222,783
Investment income	-	-	460
Other	4,500	4,500	11,485
	<u>918,315</u>	<u>918,315</u>	<u>884,116</u>
EXPENDITURES			
Current:			
Public health	971,445	971,445	865,129
Capital outlay	-	-	35,995
	<u>971,445</u>	<u>971,445</u>	<u>901,124</u>
NET CHANGE IN FUND BALANCES	<u>\$ (53,130)</u>	<u>\$ (53,130)</u>	<u>(17,008)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS			
			49,985
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR			
			953,455
Prior period adjustment			22,536
FUND BALANCES, GAAP BASIS, BEGINNING OF YEAR - RESTATED			
			975,991
FUND BALANCES, GAAP BASIS, END OF YEAR			
			\$ 1,008,968

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOVEMBER 30, 2018

1. BUDGET AND APPROPRIATIONS

The County adopts an annual budget and appropriation ordinance in accordance with Chapter 55 of the Illinois Compiled Statutes. The budget covers the fiscal year ending November 30, and is available for public inspection at least fifteen days prior to final adoption. All appropriations cease with the close of the fiscal year. The budget document is prepared for all budgetary funds on the cash basis and includes a statement of the revenues collected and expenditures paid of the immediately preceding fiscal year and a projection of the revenues collected and the proposed itemized appropriations for the ensuing fiscal year. A fiscal year budget was not prepared for the Sheriff sub-fund, Insurance Bond Fund, Child Advocacy Fund and the County Farm Fund.

Once the County budget has been adopted, no further appropriations shall be made during the year except in the event of an immediate emergency, at which time the County Board by a two-thirds vote may make appropriations in excess of those authorized in the budget. Neither the County Board, nor the agent on its behalf, shall have the power to make any contract, or do any act, which will add to the County expenditures in any year above the amount provided in the budget for that fiscal year. Nothing in the statutes shall deprive the Board of the power to provide for and pay from County funds any charge upon the County imposed by law independent of any action of the Board. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items. During the year, it was deemed necessary for the Board to approve several supplementary appropriations.

2. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The budgetary comparison schedules present comparisons of the budget on a cash basis with actual data on the cash basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present basic financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis and timing differences in the excess (deficiency) of revenue over expenditures for the year ended November 30, 2018 is presented on each budgetary comparison schedule in the line item titled "Reconciliation to modified accrual basis - net change resulting from recording accounts receivable, payable, and other accrued items."

McDONOUGH COUNTY, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

3. EXCESS OVER BUDGET

Generally accepted accounting principles require disclosure of certain information concerning individual funds (which are presented only in combination on the basic financial statements). Funds with overexpended appropriations during the year are required to be disclosed.

The following budgeted funds had an excess of expenditures over appropriations for the year ended November 30, 2018:

	<u>Appropriations</u>	<u>Expenditures</u>
Building Rental Fund	350,000	351,874
Cooperative Extension Fund	172,000	172,935
Mental Health Fund	391,170	403,682
Drug Enforcement Fund	10,000	87,953
Economic Revolving Loan Fund	26,000	45,905
Sheriff's DUI Equipment Fund	10,810	11,344
Insurance Reserve Fund	-	4,143

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

McDONOUGH COUNTY, ILLINOIS

COMBINING BALANCE SHEET - BY SUBFUND
GENERAL FUND

November 30, 2018

	<u>General Corporate</u>	<u>Sheriff</u>	<u>Total General Fund</u>
ASSETS			
Cash and Cash equivalents	\$ 714,515	\$ 21,821	\$ 736,336
Receivables, net:			
State of Illinois	222,821	-	222,821
Property taxes	1,161,000	-	1,161,000
Other	42,146	-	42,146
Due from other funds	26,103	(3,066)	23,037
Inventories	5,738	-	5,738
TOTAL ASSETS	<u>\$ 2,172,323</u>	<u>\$ 18,755</u>	<u>\$ 2,191,078</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 33,832	\$ -	33,832
Due to others	-	309	309
Due to other funds	5,269	-	5,269
Advances from other funds	90,681	-	90,681
Total liabilities	<u>129,782</u>	<u>309</u>	<u>130,091</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	<u>1,161,000</u>	-	<u>1,161,000</u>
Total deferred inflows of resources	<u>1,161,000</u>	-	<u>1,161,000</u>
 Total liabilities and deferred inflows of resources	 <u>1,290,782</u>	 <u>309</u>	 <u>1,291,091</u>
FUND BALANCES			
Nonspendable - inventories	5,738	-	5,738
Restricted for public safety	-	18,446	18,446
Unrestricted:			
Assigned for specific purpose	687,403	-	687,403
Unassigned	188,400	-	188,400
 Total fund balances	 <u>881,541</u>	 <u>18,446</u>	 <u>899,987</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,172,323</u>	<u>\$ 18,755</u>	<u>\$ 2,191,078</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BY SUBFUND
GENERAL FUND

Year Ended November 30, 2018

	<u>General Corporate</u>	<u>Sheriff</u>	<u>Total General Fund</u>
REVENUES			
Property taxes	\$ 1,140,434	\$ -	\$ 1,140,434
State of Illinois:			
Local use tax	178,872	-	178,872
Sales tax	865,096	-	865,096
Income tax	616,788	-	616,788
Personal property replacement taxes	184,145	-	184,145
State grants and expenditure reimbursements	347,093	1	347,094
Federal revenue	12,632	-	12,632
Fees for services and materials	1,034,470	72,434	1,106,904
Investment income	10,501	4	10,505
Other	206,138	-	206,138
Total revenues	<u>4,596,169</u>	<u>72,439</u>	<u>4,668,608</u>
EXPENDITURES			
Current:			
General government	1,325,982	-	1,325,982
Public safety	1,389,307	19,422	1,408,729
Corrections	447,986	-	447,986
Judiciary and court related	1,528,077	-	1,528,077
Capital outlay	5,034	-	5,034
Total expenditures	<u>4,696,386</u>	<u>19,422</u>	<u>4,715,808</u>
Excess (deficiency) of revenue over expenditures	<u>(100,217)</u>	<u>53,017</u>	<u>(47,200)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>100,395</u>	<u>(49,211)</u>	<u>51,184</u>
Total other financing sources (uses)	<u>100,395</u>	<u>(49,211)</u>	<u>51,184</u>
NET CHANGE IN FUND BALANCES	178	3,806	3,984
FUND BALANCES, BEGINNING OF YEAR	<u>881,363</u>	<u>14,640</u>	<u>896,003</u>
FUND BALANCES, END OF YEAR	<u>\$ 881,541</u>	<u>\$ 18,446</u>	<u>\$ 899,987</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF CERTAIN REVENUE ITEMS
GENERAL FUND**

Year Ended November 30, 2018

FEES FOR SERVICES AND MATERIALS

General Corporate:

Police contracts - Prairie City	\$ 2,025
Maintenance salary reimbursement	45,498
County Clerk fees	204,738
Circuit Clerk fines	607,696
Circuit Clerk fees	164,678
Industry police protection	9,180
Sheriff - interstate transfer fee	655
Total	<u>1,034,470</u>

Sheriff:

Process dockets	6,628
Foreign service	1,551
Board bill - work release	19,820
Warrants	23,223
Other	21,212
Total	<u>72,434</u>

TOTAL FEES FOR SERVICES AND MATERIAL

\$ 1,106,904

OTHER

General Corporate:

Tax penalties, interest, and costs	\$ 85,954
TIF surplus	11,170
Landfill host fees	57,029
Insight franchise fees	16,320
Worker's compensation payment	8,906
Miscellaneous	21,726
Reimburse telephone - other funds	1,808
Wind energy fees	3,225

TOTAL OTHER

\$ 206,138

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT			
County Board:			
Members per diem	\$ 54,840	\$ 54,840	\$ 48,921
Mileage	10,500	10,500	8,105
County dues	2,550	2,550	2,225
Other	3,200	3,200	1,877
	<u>71,090</u>	<u>71,090</u>	<u>61,128</u>
County Treasurer:			
Salary	54,840	54,840	54,840
Deputy clerk salaries	59,270	59,270	48,537
Office supplies and expense	11,000	11,000	9,006
	<u>125,110</u>	<u>125,110</u>	<u>112,383</u>
County Clerk:			
Salary	54,840	54,840	54,840
Deputy clerk salaries	150,516	150,516	129,410
Office supplies and expense	6,000	6,000	5,945
Recording births and deaths	650	650	507
	<u>212,006</u>	<u>212,006</u>	<u>190,702</u>
Microfilming Department:			
Salary	29,750	29,750	29,749
Supplies	2,400	2,400	1,734
	<u>32,150</u>	<u>32,150</u>	<u>31,483</u>
Elections:			
Building and equipment rental	1,760	1,760	1,760
Judges	39,500	39,500	33,775
Election supplies	55,000	55,000	54,999
Printing and publications of ballots	600	600	377
Computer equipment	23,000	23,000	22,945
Deputy clerk salaries	30,872	30,872	30,000
	<u>150,732</u>	<u>150,732</u>	<u>143,856</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND**

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT (Continued)			
Supervisor of Assessments:			
Salary - Supervisor	\$ 54,840	\$ 54,840	\$ 54,840
Deputy clerk salaries	68,840	68,840	68,140
Office supplies	4,000	4,000	2,207
Mileage, education, and dues	8,000	8,000	4,545
Publications	9,500	9,500	4,776
	<u>145,180</u>	<u>145,180</u>	<u>134,508</u>
Board of Review:			
Salaries	15,529	15,529	12,207
Appraisals and administration	1,000	1,000	-
Mileage, supplies, and meetings	500	500	-
	<u>17,029</u>	<u>17,029</u>	<u>12,207</u>
Building and Grounds:			
Maintenance supervisor salary	51,720	51,720	51,720
Salaries - maintenance personnel	61,135	61,135	61,070
Building supplies	10,000	10,000	3,901
Contractual	28,000	28,000	25,361
Janitorial supplies	6,000	6,000	4,012
Reimbursement expense	4,800	4,800	4,800
Telephone and phone repairs	41,000	41,000	34,598
Utilities	65,000	65,000	61,764
	<u>267,655</u>	<u>267,655</u>	<u>247,226</u>
Network Administrator			
Salary	38,570	38,570	18,786
Supplies	1,000	1,000	218
Miscellaneous	1,000	1,000	206
	<u>40,570</u>	<u>40,570</u>	<u>19,210</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND**

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
GENERAL GOVERNMENT (Continued)			
Regional Office of Superintendent of Educational Service:			
Allocated portion of joint cost	\$ 65,603	\$ 65,603	\$ 65,603
Contingency	100,000	29,304	-
	<u>165,603</u>	<u>94,907</u>	<u>65,603</u>
Other:			
Surety bonds	3,500	3,500	2,592
W.I.R.C. dues	4,010	4,085	4,085
Postage	50,000	50,000	42,699
Preparation of budget	1,000	1,000	-
Training and education	6,500	6,500	2,748
Computer service	65,000	96,400	92,983
Audits	94,800	94,800	84,800
MAIDCO	5,000	6,000	6,000
Accounting and consulting services	10,000	10,000	5,546
	<u>239,810</u>	<u>272,285</u>	<u>241,453</u>
 Total General Government	 <u>1,466,935</u>	 <u>1,428,714</u>	 <u>1,259,759</u>
 EMPLOYEE BENEFITS	 <u>355,000</u>	 <u>355,000</u>	 <u>313,656</u>
 PUBLIC SAFETY			
Police Protection - Sheriff:			
Deputies, Dispatchers, and Jailers' salaries	968,725	968,725	947,653
Deputy pay - call-out, court	7,500	7,500	3,565
Deputy and Jailer overtime	99,500	99,500	93,445
Courthouse security salaries	90,675	90,675	90,215
Courthouse security overtime	8,000	8,000	4,891
Courthouse security - Bailiff's	3,000	3,000	360
Courthouse security equipment	2,500	2,500	867
Courthouse security uniforms	2,000	2,000	742
Office supplies	12,000	12,000	4,990
Radio repair and maintenance	20,000	20,000	6,737
Miscellaneous	24,000	24,000	22,091
Monthly access fee	7,500	7,500	7,396
	<u>1,245,400</u>	<u>1,245,400</u>	<u>1,182,952</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND**

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
PUBLIC SAFETY (Continued)			
Civil Defense:			
Director salary	\$ 17,468	\$ 17,468	\$ 15,156
Part time secretary	250	250	-
Travel	2,000	2,000	351
Local emergency planning	1,500	1,500	-
Office supplies	2,095	2,095	1,775
Equipment and contractual	6,000	6,000	5,600
	<u>29,313</u>	<u>29,313</u>	<u>22,882</u>
Coroner:			
Salary	34,500	34,500	34,500
Office supplies and education	4,500	4,500	4,097
Transportation	7,100	7,100	5,715
Professional services	10,000	10,000	5,926
Medical and contractual	7,335	7,335	2,711
Coroner's grant expense	6,243	6,243	1,892
Reimbursable expense	4,800	4,800	4,800
	<u>74,478</u>	<u>74,478</u>	<u>59,641</u>
 Total Public Safety	 <u>1,349,191</u>	 <u>1,349,191</u>	 <u>1,265,475</u>
CORRECTIONS			
Juvenile Probation Officer:			
Child Care	<u>150,000</u>	<u>171,539</u>	<u>171,539</u>
Adult Probation Officer:			
County share of joint cost	<u>293,494</u>	<u>310,176</u>	<u>310,176</u>
Drug Court:			
Claims	<u>5,500</u>	<u>5,500</u>	<u>1,209</u>
 Total Corrections	 <u>448,994</u>	 <u>487,215</u>	 <u>482,924</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND**

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
JUDICIARY AND COURT RELATED			
State's Attorney:			
Salary	\$ 166,508	\$ 168,034	\$ 168,034
Assistants	131,450	136,700	136,700
Collection Specialist salary	21,900	14,774	10,792
Secretary salaries	97,050	97,050	95,340
Investigator	18,431	18,781	18,781
Witness fees	1,000	1,000	21
Office supplies and maintenance	14,000	14,000	12,424
Appellate Prosecutor	12,000	12,000	12,000
Court ordered medical	2,000	2,000	650
	<u>464,339</u>	<u>464,339</u>	<u>454,742</u>
Courts:			
Circuit and Associated Judges' salary	1,500	1,500	1,363
County share Chief Judge	4,305	4,305	4,303
Office supplies and expense	11,000	11,000	10,155
Administrative secretary	29,121	29,121	29,121
Court appointed attorneys	131,000	131,000	121,153
Court appointed transcripts/fees	4,000	4,000	3,482
Child protection data court project	4,175	4,175	2,811
Translator	5,000	5,000	1,317
	<u>190,101</u>	<u>190,101</u>	<u>173,705</u>
Public Defender:			
Public Defender	166,508	166,508	166,508
Office Manager	42,946	42,946	42,947
Secretary	14,572	14,572	5,165
Assistant PD 1	88,569	88,569	88,569
Assistant PD 2	61,603	61,603	61,603
Court ordered medical	10,000	10,000	3,187
Office supplies and expense	10,000	10,000	8,096
	<u>394,198</u>	<u>394,198</u>	<u>376,075</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - CASH BASIS
GENERAL FUND**

Year Ended November 30, 2018

	<u>Original Appropriations</u>	<u>Amended Appropriations</u>	<u>Expenditures Paid</u>
JUDICIARY AND COURT RELATED (Continued)			
Circuit Clerk:			
Salary	\$ 54,840	\$ 54,840	\$ 54,840
Deputy clerk salaries	336,243	336,243	335,026
Jury certificates	20,000	20,000	3,118
Jury commissioner	11,000	11,000	11,000
	<u>422,083</u>	<u>422,083</u>	<u>403,984</u>
 Total Judiciary and Court Related	 <u>1,470,721</u>	 <u>1,470,721</u>	 <u>1,408,506</u>
CAPITAL OUTLAY			
Office Improvements	20,000	20,000	-
Equipment purchases	20,000	20,000	421
Computer purchases	5,500	5,500	4,540
	<u>45,500</u>	<u>45,500</u>	<u>4,961</u>
 Total capital outlay	 <u>45,500</u>	 <u>45,500</u>	 <u>4,961</u>
 TOTAL GENERAL FUND	 <u><u>\$ 5,136,341</u></u>	 <u><u>\$ 5,136,341</u></u>	 <u><u>\$ 4,735,281</u></u> (Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

November 30, 2018

	Debt Service		Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Special Revenue Funds	Insurance Bond Funds	Equipment Replacement Funds	Capital Improvement & Equipment Fund	County Farm Fund	
ASSETS						
Cash and cash equivalents	\$ 4,122,213	\$ 51	\$ 207,568	\$ 7,863	\$ 52,537	\$ 4,390,232
Investments	1,190,000	-	-	-	43,689	1,233,689
Receivables, net:						
State of Illinois	173,848	-	-	-	-	173,848
Property taxes	1,731,389	-	-	-	-	1,731,389
Other	257,804	-	-	-	-	257,804
Due from other funds	231,953	-	15,064	2,700	-	249,717
Due from component unit	17,138	-	-	-	-	17,138
Prepaid items	205,328	-	-	-	-	205,328
TOTAL ASSETS	\$ 7,929,673	\$ 51	\$ 222,632	\$ 10,563	\$ 96,226	\$ 8,259,145
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 79,276	\$ -	\$ 6,917	\$ -	\$ -	\$ 86,193
Due to others	-	-	-	-	43,689	43,689
Due to other funds	230,473	-	-	-	-	230,473
Total liabilities	410,814	-	6,917	-	43,689	461,420
Deferred inflows of resources						
Unavailable property taxes	1,731,389	-	-	-	-	1,731,389
Total deferred inflows of resources	1,731,389	-	-	-	-	1,731,389
Total liabilities and deferred inflows of resources	2,142,203	-	6,917	-	43,689	2,192,809
Fund balances:						
Nonspendable - prepaids	205,328	-	-	-	-	205,328
Restricted for highways and streets	1,286,429	-	-	-	-	1,286,429
Restricted for public safety	113,660	-	-	-	-	113,660
Restricted for economic development	62,014	-	-	-	-	62,014
Restricted for health and welfare	698,854	-	-	-	52,537	751,391
Restricted for specific purpose	1,991,559	-	-	-	-	1,991,559
Unrestricted						
Committed for highways and streets	235,181	-	-	-	-	235,181
Assigned for highways and streets	971,519	-	-	-	-	971,519
Assigned for public safety	304	-	-	-	-	304
Assigned for economic development	1,550	-	-	-	-	1,550
Assigned for health and welfare	37,218	-	-	-	-	37,218
Assigned for specific purpose	183,854	51	215,715	10,563	-	410,183
Unassigned	-	-	-	-	-	-
Total fund balances	5,787,470	51	215,715	10,563	52,537	6,066,336
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,929,673	\$ 51	\$ 222,632	\$ 10,563	\$ 96,226	\$ 8,259,145

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended November 30, 2018

	Debt Service Fund		Capital Projects Funds		Permanent	Total Nonmajor Governmental Funds
	Special Revenue Funds	Insurance Bond Funds	Equipment Replacement Funds	Capital Improvement & Equipment Fund	County Farm Fund	
REVENUE						
Property taxes	\$ 1,679,102	\$ -	\$ -	\$ -	\$ -	\$ 1,679,102
State of Illinois:						
Sales tax	510,401	-	-	-	-	510,401
Motor fuel tax allotments	371,280	-	-	-	-	371,280
State grants and expenditure reimbursements	570,473	-	-	-	-	570,473
Fees for services and materials	835,195	-	-	-	-	835,195
Investment income	27,282	-	560	4	435	28,281
Other	299,396	-	5,446	-	40,000	344,842
Total revenues	<u>4,293,129</u>	<u>-</u>	<u>6,006</u>	<u>4</u>	<u>40,435</u>	<u>4,339,574</u>
EXPENDITURES						
Current:						
General government	303,194	-	-	-	4,319	307,513
Public safety	72,180	-	-	-	-	72,180
Corrections	271,434	-	-	-	-	271,434
Judiciary and court related	602,586	-	-	-	-	602,586
Public health	630,015	-	-	-	44,058	674,073
Public welfare	173,718	-	-	-	-	173,718
Transportation	2,203,276	-	-	-	-	2,203,276
Capital outlay	35,106	-	274,231	-	-	309,337
Total expenditures	<u>4,291,509</u>	<u>-</u>	<u>274,231</u>	<u>-</u>	<u>48,377</u>	<u>4,614,117</u>
Excess (deficiency) of revenues over expenditures	<u>1,620</u>	<u>-</u>	<u>(268,225)</u>	<u>4</u>	<u>(7,942)</u>	<u>(274,543)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	553,690	-	169,609	-	-	723,299
Transfers out	<u>(733,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(733,478)</u>
Total other financing sources (uses)	<u>(179,788)</u>	<u>-</u>	<u>169,609</u>	<u>-</u>	<u>-</u>	<u>(10,179)</u>
NET CHANGE IN FUND BALANCES	<u>(178,168)</u>	<u>-</u>	<u>(98,616)</u>	<u>4</u>	<u>(7,942)</u>	<u>(284,722)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>5,886,124</u>	<u>51</u>	<u>314,331</u>	<u>10,559</u>	<u>60,479</u>	<u>6,271,544</u>
Prior period adjustment	<u>79,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,514</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>5,965,638</u>	<u>51</u>	<u>314,331</u>	<u>10,559</u>	<u>60,479</u>	<u>6,351,058</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,787,470</u>	<u>\$ 51</u>	<u>\$ 215,715</u>	<u>\$ 10,563</u>	<u>\$ 52,537</u>	<u>\$ 6,066,336</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid Matching Fund
ASSETS				
Cash and cash equivalents	\$ 477,733	\$ 557,255	\$ 435,487	\$ 769,305
Investments	-	-	50,000	-
Receivables, net:				
State of Illinois	-	32,808	-	-
Property taxes	355,000	-	160,886	201,003
Other	-	-	-	-
Due from other funds	97,591	-	-	-
Due from component unit	17,138	-	-	-
Prepaid items	-	-	-	-
	<u>947,462</u>	<u>590,063</u>	<u>646,373</u>	<u>970,308</u>
TOTAL ASSETS	<u><u>\$ 947,462</u></u>	<u><u>\$ 590,063</u></u>	<u><u>\$ 646,373</u></u>	<u><u>\$ 970,308</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 37,398	\$ -	\$ 6,704	\$ 5,898
Due to other funds	6,383	61,654	61,332	-
Total liabilities	<u>43,781</u>	<u>61,654</u>	<u>68,036</u>	<u>5,898</u>
Deferred inflows of resources				
Unavailable property taxes	355,000	-	160,886	201,003
Total deferred inflows of resources	<u>355,000</u>	<u>-</u>	<u>160,886</u>	<u>201,003</u>
Total liabilities and deferred inflows of resources	<u>398,781</u>	<u>61,654</u>	<u>228,922</u>	<u>206,901</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	527,103	-	759,326
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	-	-	-
Restricted for specific purpose	-	-	-	-
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	548,681	1,306	417,451	4,081
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	-	-	-
Assigned for specific purpose	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>548,681</u>	<u>528,409</u>	<u>417,451</u>	<u>763,407</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 947,462</u></u>	<u><u>\$ 590,063</u></u>	<u><u>\$ 646,373</u></u>	<u><u>\$ 970,308</u></u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

November 30, 2018

	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund	Building Rental Fund
ASSETS				
Cash and cash equivalents	\$ 24,690	\$ 78,598	\$ 152,091	\$ -
Investments	100,000	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	5,000	40,000	350,000
Other	-	-	-	-
Due from other funds	110,692	-	-	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
	<u>\$ 235,382</u>	<u>\$ 83,598</u>	<u>\$ 192,091</u>	<u>\$ 350,000</u>
TOTAL ASSETS				
	<u>\$ 235,382</u>	<u>\$ 83,598</u>	<u>\$ 192,091</u>	<u>\$ 350,000</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 201	\$ -	\$ 2,177	\$ -
Due to other funds	-	2,937	-	-
Total liabilities	<u>201</u>	<u>2,937</u>	<u>2,177</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	5,000	40,000	350,000
Total deferred inflows of resources	<u>-</u>	<u>5,000</u>	<u>40,000</u>	<u>350,000</u>
Total liabilities and deferred inflows of resources	<u>201</u>	<u>7,937</u>	<u>42,177</u>	<u>350,000</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	75,384	146,160	-
Restricted for specific purpose	-	-	-	-
Unrestricted				
Committed for highways and streets	235,181	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	277	3,754	-
Assigned for specific purpose	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>235,181</u>	<u>75,661</u>	<u>149,914</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
	<u>\$ 235,382</u>	<u>\$ 83,598</u>	<u>\$ 192,091</u>	<u>\$ 350,000</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Cooperative Extension Fund	Animal Control Fund	Mental Health Fund	Law Library Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 208,914	\$ 2,509	\$ 23,583
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	172,000	-	401,500	-
Other	-	10,578	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Prepaid items	-	-	205,328	-
TOTAL ASSETS	\$ 172,000	\$ 219,492	\$ 609,337	\$ 23,583
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,041	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	1,041	-	-
Deferred inflows of resources				
Unavailable property taxes	172,000	-	401,500	-
Total deferred inflows of resources	172,000	-	401,500	-
Total liabilities and deferred inflows of resources	172,000	1,041	401,500	-
Fund balances:				
Nonspendable - prepaids	-	-	205,328	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	211,899	1,929	-
Restricted for specific purpose	-	-	-	23,481
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	6,552	580	-
Assigned for specific purpose	-	-	-	102
Unassigned	-	-	-	-
Total fund balances	-	218,451	207,837	23,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 172,000	\$ 219,492	\$ 609,337	\$ 23,583

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Recorder Automation Fund	Court Automation Fund	Vital Records Automation Fund	Drug Enforcement Fund
ASSETS				
Cash and cash equivalents	\$ 58,477	\$ 157,141	\$ 31,813	\$ 66,222
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	-	-	-
Other	-	-	-	-
Due from other funds	3,391	-	464	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 61,868</u>	<u>\$ 157,141</u>	<u>\$ 32,277</u>	<u>\$ 66,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 198	\$ 400	\$ 600	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>198</u>	<u>400</u>	<u>600</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>198</u>	<u>400</u>	<u>600</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	66,046
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	-	-	-
Restricted for specific purpose	61,447	156,318	31,558	-
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	176
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	-	-	-
Assigned for specific purpose	223	423	119	-
Unassigned	-	-	-	-
Total fund balances	<u>61,670</u>	<u>156,741</u>	<u>31,677</u>	<u>66,222</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 61,868</u>	<u>\$ 157,141</u>	<u>\$ 32,277</u>	<u>\$ 66,222</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Senior Citizens' Transportation Fund	Support Processing Fund	State's Attorney Victim/Witness Fund	Treasurer's Automation Fund
ASSETS				
Cash and cash equivalents	\$ 97,327	\$ 62,296	\$ 5,972	\$ 45,655
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	1,246	7,000	-
Property taxes	22,000	-	-	-
Other	-	-	-	-
Due from other funds	-	-	3,007	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 119,327</u>	<u>\$ 63,542</u>	<u>\$ 15,979</u>	<u>\$ 45,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	22,000	-	-	-
Total deferred inflows of resources	<u>22,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>22,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	-	-	-
Restricted for specific purpose	-	63,469	15,946	34,125
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	-	-	-
Assigned for specific purpose	97,327	73	33	11,530
Unassigned	-	-	-	-
Total fund balances	<u>97,327</u>	<u>63,542</u>	<u>15,979</u>	<u>45,655</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 119,327</u>	<u>\$ 63,542</u>	<u>\$ 15,979</u>	<u>\$ 45,655</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Document Storage Fund	County Waste Management Fund	Economic Development Revolving Loan Fund	Court System Maintenance Fund
ASSETS				
Cash and cash equivalents	\$ 120,714	\$ 101,095	\$ -	\$ 41,922
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	-	24,000	-
Other	-	9,374	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 120,714</u>	<u>\$ 110,469</u>	<u>\$ 24,000</u>	<u>\$ 41,922</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,413	\$ 4,657	\$ -	\$ 209
Due to other funds	-	-	-	-
Total liabilities	<u>7,413</u>	<u>4,657</u>	<u>-</u>	<u>209</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	24,000	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>7,413</u>	<u>4,657</u>	<u>24,000</u>	<u>209</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	105,435	-	-
Restricted for specific purpose	112,853	-	-	41,298
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	377	-	-
Assigned for specific purpose	448	-	-	415
Unassigned	-	-	-	-
Total fund balances	<u>113,301</u>	<u>105,812</u>	<u>-</u>	<u>41,713</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 120,714</u>	<u>\$ 110,469</u>	<u>\$ 24,000</u>	<u>\$ 41,922</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Arrestees' Medical Cost Fund	Sheriff's DUI Equipment Fund	State's Attorney Drug Enforcement Fund	GIS Fee Fund
ASSETS				
Cash and cash equivalents	\$ 9,626	\$ 14,415	\$ 24,998	\$ 40,021
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	-	-	-
Other	-	298	-	-
Due from other funds	-	-	-	5,712
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 9,626</u>	<u>\$ 14,713</u>	<u>\$ 24,998</u>	<u>\$ 45,733</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,595	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>1,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	8,001	14,689	24,924	-
Restricted for economic development	-	-	-	44,250
Restricted for health and welfare	-	-	-	-
Restricted for specific purpose	-	-	-	-
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	30	24	74	-
Assigned for economic development	-	-	-	1,483
Assigned for health and welfare	-	-	-	-
Assigned for specific purpose	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>8,031</u>	<u>14,713</u>	<u>24,998</u>	<u>45,733</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 9,626</u>	<u>\$ 14,713</u>	<u>\$ 24,998</u>	<u>\$ 45,733</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	Animal Control Memorial Fund	Animal Pet Population Fund
ASSETS				
Cash and cash equivalents	\$ 17,459	\$ 96,198	\$ 105,145	\$ 79,288
Investments	-	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	-	-	-
Other	-	-	-	-
Due from other funds	372	-	-	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 17,831</u>	<u>\$ 96,198</u>	<u>\$ 105,145</u>	<u>\$ 79,288</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 708	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>708</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>708</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	17,764	-	-	-
Restricted for health and welfare	-	-	79,091	78,956
Restricted for specific purpose	-	95,939	-	-
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	67	-	-	-
Assigned for health and welfare	-	-	25,346	332
Assigned for specific purpose	-	259	-	-
Unassigned	-	-	-	-
Total fund balances	<u>17,831</u>	<u>96,198</u>	<u>104,437</u>	<u>79,288</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 17,831</u>	<u>\$ 96,198</u>	<u>\$ 105,145</u>	<u>\$ 79,288</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Insurance Reserve Fund	Child Advocacy Fund	Coroner's Automation Fund	Circuit Clerk Electronic Citation Fund
ASSETS				
Cash and cash equivalents	\$ 13,468	\$ 18,808	\$ 22,838	\$ 33,237
Investments	1,040,000	-	-	-
Receivables, net:				
State of Illinois	-	-	-	-
Property taxes	-	-	-	-
Other	4,892	-	-	-
Due from other funds	-	-	-	-
Due from component unit	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>\$ 1,058,360</u>	<u>\$ 18,808</u>	<u>\$ 22,838</u>	<u>\$ 33,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable - prepaids	-	-	-	-
Restricted for highways and streets	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for economic development	-	-	-	-
Restricted for health and welfare	-	-	-	-
Restricted for specific purpose	987,570	18,808	22,800	33,184
Unrestricted				
Committed for highways and streets	-	-	-	-
Assigned for highways and streets	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for economic development	-	-	-	-
Assigned for health and welfare	-	-	-	-
Assigned for specific purpose	70,790	-	38	53
Unassigned	-	-	-	-
Total fund balances	<u>1,058,360</u>	<u>18,808</u>	<u>22,838</u>	<u>33,237</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,058,360</u>	<u>\$ 18,808</u>	<u>\$ 22,838</u>	<u>\$ 33,237</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	State's Attorney Recorders Automation Fund	Adult Redeploy Grant Fund	Court Appointed Special Advocacy Fund
ASSETS			
Cash and cash equivalents	\$ 8,898	\$ 50,543	\$ 10,511
Investments	-	-	-
Receivables, net:			
State of Illinois	-	-	-
Property taxes	-	-	-
Other	-	232,662	-
Due from other funds	-	-	-
Due from component unit	-	-	-
Prepaid items	-	-	-
TOTAL ASSETS	<u>\$ 8,898</u>	<u>\$ 283,205</u>	<u>\$ 10,511</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 10,077	\$ -
Due to other funds	-	98,167	-
Total liabilities	<u>-</u>	<u>209,309</u>	<u>-</u>
Deferred inflows of resources			
Unavailable property taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>209,309</u>	<u>-</u>
Fund balances:			
Nonspendable - prepaids	-	-	-
Restricted for highways and streets	-	-	-
Restricted for public safety	-	-	-
Restricted for economic development	-	-	-
Restricted for health and welfare	-	-	-
Restricted for specific purpose	8,888	73,896	10,497
Unrestricted			
Committed for highways and streets	-	-	-
Assigned for highways and streets	-	-	-
Assigned for public safety	-	-	-
Assigned for economic development	-	-	-
Assigned for health and welfare	-	-	-
Assigned for specific purpose	10	-	14
Unassigned	-	-	-
Total fund balances	<u>8,898</u>	<u>73,896</u>	<u>10,511</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 8,898</u>	<u>\$ 283,205</u>	<u>\$ 10,511</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

November 30, 2018

	Transportation Sales Tax Fund	Total Nonmajor Special Revenue Funds
ASSETS		
Cash and cash equivalents	\$ 57,961	\$ 4,122,213
Investments	-	1,190,000
Receivables, net:		
State of Illinois	132,794	173,848
Property taxes	-	1,731,389
Other	-	257,804
Due from other funds	10,724	231,953
Due from component unit	-	17,138
Prepaid items	-	205,328
	<u>\$ 201,479</u>	<u>\$ 7,929,673</u>
TOTAL ASSETS		
	<u>\$ 201,479</u>	<u>\$ 7,929,673</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 79,276
Due to other funds	-	230,473
Total liabilities	<u>-</u>	<u>410,814</u>
Deferred inflows of resources		
Unavailable property taxes	-	1,731,389
Total deferred inflows of resources	<u>-</u>	<u>1,731,389</u>
	<u>-</u>	<u>2,142,203</u>
Fund balances:		
Nonspendable - prepaids	-	205,328
Restricted for highways and streets	-	1,286,429
Restricted for public safety	-	113,660
Restricted for economic development	-	62,014
Restricted for health and welfare	-	698,854
Restricted for specific purpose	199,482	1,991,559
Unrestricted		
Committed for highways and streets	-	235,181
Assigned for highways and streets	-	971,519
Assigned for public safety	-	304
Assigned for economic development	-	1,550
Assigned for health and welfare	-	37,218
Assigned for specific purpose	1,997	183,854
Unassigned	-	-
Total fund balances	<u>201,479</u>	<u>5,787,470</u>
	<u>\$ 201,479</u>	<u>\$ 7,929,673</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
	<u>\$ 201,479</u>	<u>\$ 7,929,673</u>

(Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	County Highway Fund	County Motor Fuel Fund	County Aid to Bridges Fund	Federal Aid Matching Fund
REVENUES				
Property taxes	\$ 295,123	\$ -	\$ 161,749	\$ 202,082
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	371,280	-	-
State grants and expenditure reimbursements	-	190,954	-	-
Fees for services and materials	42,468	-	106,019	-
Investment income	1,641	479	901	1,335
Other	118,554	-	-	-
Total revenues	<u>457,786</u>	<u>562,713</u>	<u>268,669</u>	<u>203,417</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	938,861	-	149,370	76,251
Capital outlay	-	-	-	-
Total expenditures	<u>938,861</u>	<u>-</u>	<u>149,370</u>	<u>76,251</u>
Excess (deficiency) of revenues over expenditures	<u>(481,075)</u>	<u>562,713</u>	<u>119,299</u>	<u>127,166</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	525,140	-	-	-
Transfers out	-	(587,849)	(120,450)	-
Total other financing sources (uses)	<u>525,140</u>	<u>(587,849)</u>	<u>(120,450)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	44,065	(25,136)	(1,151)	127,166
FUND BALANCES, BEGINNING OF YEAR	<u>504,616</u>	<u>553,545</u>	<u>418,602</u>	<u>636,241</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	<u>504,616</u>	<u>553,545</u>	<u>418,602</u>	<u>636,241</u>
FUND BALANCES, END OF YEAR	<u>\$ 548,681</u>	<u>\$ 528,409</u>	<u>\$ 417,451</u>	<u>\$ 763,407</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Engineering Revolving Fund	Tuberculosis Fund	Veterans' Assistance Fund	Building Rental Fund
REVENUES				
Property taxes	\$ -	\$ 5,045	\$ 40,244	\$ 351,874
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	70,368	-	-	-
Investment income	504	41	151	-
Other	1,640	-	351	-
Total revenues	<u>72,512</u>	<u>5,086</u>	<u>40,746</u>	<u>351,874</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	251,874
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	44,322	100,000
Transportation	100,230	-	-	-
Capital outlay	2,008	-	-	-
Total expenditures	<u>102,238</u>	<u>-</u>	<u>44,322</u>	<u>351,874</u>
Excess (deficiency) of revenues over expenditures	<u>(29,726)</u>	<u>5,086</u>	<u>(3,576)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,550	-	-	-
Transfers out	-	(14,821)	-	-
Total other financing sources (uses)	<u>13,550</u>	<u>(14,821)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(16,176)	(9,735)	(3,576)	-
FUND BALANCES, BEGINNING OF YEAR	<u>251,357</u>	<u>85,396</u>	<u>153,490</u>	<u>-</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	<u>251,357</u>	<u>85,396</u>	<u>153,490</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 235,181</u>	<u>\$ 75,661</u>	<u>\$ 149,914</u>	<u>\$ -</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Cooperative Extension Fund	Animal Control Fund	Mental Health Fund	Law Library Fund
REVENUES				
Property taxes	\$ 172,935	\$ -	\$ 403,619	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	-	157,493	-	16,473
Investment income	-	828	71	11
Other	-	584	-	23
Total revenues	<u>172,935</u>	<u>158,905</u>	<u>403,690</u>	<u>16,507</u>
EXPENDITURES				
Current:				
General government	172,935	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	14,572
Public health	-	149,942	403,682	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	177	-	-
Total expenditures	<u>172,935</u>	<u>150,119</u>	<u>403,682</u>	<u>14,572</u>
Excess (deficiency) of revenues over expenditures	-	8,786	8	1,935
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(10,358)	-	-
Total other financing sources (uses)	-	(10,358)	-	-
NET CHANGE IN FUND BALANCES	-	(1,572)	8	1,935
FUND BALANCES, BEGINNING OF YEAR	-	220,023	207,829	21,648
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED	-	220,023	207,829	21,648
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 218,451</u>	<u>\$ 207,837</u>	<u>\$ 23,583</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Recorder Automation Fund	Court Automation Fund	Vital Records Automation Fund	Drug Enforcement Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	34,410	61,752	6,038	5,452
Investment income	26	80	15	33
Other	-	-	-	97,451
Total revenues	<u>34,436</u>	<u>61,832</u>	<u>6,053</u>	<u>102,936</u>
EXPENDITURES				
Current:				
General government	21,737	-	2,215	-
Public safety	-	-	-	72,180
Corrections	-	-	-	-
Judiciary and court related	-	60,222	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	1,942	-	2,536	15,773
Total expenditures	<u>23,679</u>	<u>60,222</u>	<u>4,751</u>	<u>87,953</u>
Excess (deficiency) of revenues over expenditures	<u>10,757</u>	<u>1,610</u>	<u>1,302</u>	<u>14,983</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,757	1,610	1,302	14,983
FUND BALANCES, BEGINNING OF YEAR	<u>50,913</u>	<u>155,131</u>	<u>30,375</u>	<u>51,239</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED	<u>50,913</u>	<u>155,131</u>	<u>30,375</u>	<u>51,239</u>
FUND BALANCES, END OF YEAR	<u>\$ 61,670</u>	<u>\$ 156,741</u>	<u>\$ 31,677</u>	<u>\$ 66,222</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Senior Citizens' Transportation Fund	Support Processing Fund	State's Attorney Victim/Witness Fund	Treasurer's Automation Fund
REVENUES				
Property taxes	\$ 22,146	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	27,000	-
Fees for services and materials	-	9,812	-	2,280
Investment income	246	31	5	23
Other	-	-	-	3,496
Total revenues	<u>22,392</u>	<u>9,843</u>	<u>27,005</u>	<u>5,799</u>
EXPENDITURES				
Current:				
General government	-	-	-	5,417
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	1,492	26,833	-
Public health	-	-	-	-
Public welfare	29,396	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>29,396</u>	<u>1,492</u>	<u>26,833</u>	<u>5,417</u>
Excess (deficiency) of revenues over expenditures	<u>(7,004)</u>	<u>8,351</u>	<u>172</u>	<u>382</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(7,004)	8,351	172	382
FUND BALANCES, BEGINNING OF YEAR	104,331	55,191	15,807	45,273
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	104,331	55,191	15,807	45,273
FUND BALANCES, END OF YEAR	\$ 97,327	\$ 63,542	\$ 15,979	\$ 45,655

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Document Storage Fund	County Waste Management Fund	Economic Development Revolving Loan Fund	Court System Maintenance Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ 24,285	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	61,576	57,595	-	26,736
Investment income	51	50	-	24
Other	-	-	-	-
Total revenues	<u>61,627</u>	<u>57,645</u>	<u>24,285</u>	<u>26,760</u>
EXPENDITURES				
Current:				
General government	-	-	24,285	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	41,635	-	-	34,132
Public health	-	55,520	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>41,635</u>	<u>55,520</u>	<u>24,285</u>	<u>34,132</u>
Excess (deficiency) of revenues over expenditures	<u>19,992</u>	<u>2,125</u>	<u>-</u>	<u>(7,372)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	19,992	2,125	-	(7,372)
FUND BALANCES, BEGINNING OF YEAR	<u>93,309</u>	<u>103,687</u>	<u>-</u>	<u>49,085</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	<u>93,309</u>	<u>103,687</u>	<u>-</u>	<u>49,085</u>
FUND BALANCES, END OF YEAR	<u>\$ 113,301</u>	<u>\$ 105,812</u>	<u>\$ -</u>	<u>\$ 41,713</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Arrestees' Medical Cost Fund	Sheriff's DUI Equipment Fund	State's Attorney Drug Enforcement Fund	GIS Fee Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	8,227	5,153	-	67,326
Investment income	6	8	11	23
Other	1,456	-	7,447	426
Total revenues	<u>9,689</u>	<u>5,161</u>	<u>7,458</u>	<u>67,775</u>
EXPENDITURES				
Current:				
General government	-	-	-	71,462
Public safety	-	-	-	-
Corrections	19,560	-	-	-
Judiciary and court related	-	-	720	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	11,344	-	-
Total expenditures	<u>19,560</u>	<u>11,344</u>	<u>720</u>	<u>71,462</u>
Excess (deficiency) of revenues over expenditures	<u>(9,871)</u>	<u>(6,183)</u>	<u>6,738</u>	<u>(3,687)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	5,129	(6,183)	6,738	(3,687)
FUND BALANCES, BEGINNING OF YEAR	<u>2,902</u>	<u>20,896</u>	<u>18,260</u>	<u>49,420</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	<u>2,902</u>	<u>20,896</u>	<u>18,260</u>	<u>49,420</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,031</u>	<u>\$ 14,713</u>	<u>\$ 24,998</u>	<u>\$ 45,733</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	County Clerk GIS Fee Fund	State's Attorney Child Advocacy Fund	Animal Control Memorial Fund	Animal Pet Population Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	3,299	36,337	4,499	13,330
Investment income	9	47	37	41
Other	-	-	66,785	-
Total revenues	<u>3,308</u>	<u>36,384</u>	<u>71,321</u>	<u>13,371</u>
EXPENDITURES				
Current:				
General government	1,000	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	38,500	-	-
Public health	-	-	8,538	12,333
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	1,326	-	-	-
Total expenditures	<u>2,326</u>	<u>38,500</u>	<u>8,538</u>	<u>12,333</u>
Excess (deficiency) of revenues over expenditures	982	(2,116)	62,783	1,038
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	982	(2,116)	62,783	1,038
FUND BALANCES, BEGINNING OF YEAR	<u>16,849</u>	<u>98,314</u>	<u>41,654</u>	<u>78,250</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED	<u>16,849</u>	<u>98,314</u>	<u>41,654</u>	<u>78,250</u>
FUND BALANCES, END OF YEAR	<u>\$ 17,831</u>	<u>\$ 96,198</u>	<u>\$ 104,437</u>	<u>\$ 79,288</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Insurance Reserve Fund	Child Advocacy Fund	Coroner's Automation Fund	Circuit Clerk Electronic Citation Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Fees for services and materials	-	-	5,845	4,098
Investment income	19,471	-	9	16
Other	-	300	883	-
Total revenues	<u>19,471</u>	<u>300</u>	<u>6,737</u>	<u>4,114</u>
EXPENDITURES				
Current:				
General government	4,143	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	1,636	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>4,143</u>	<u>1,636</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15,328</u>	<u>(1,336)</u>	<u>6,737</u>	<u>4,114</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	15,328	(1,336)	6,737	4,114
FUND BALANCES, BEGINNING OF YEAR	<u>1,043,032</u>	<u>20,144</u>	<u>16,101</u>	<u>29,123</u>
Prior period adjustment	-	-	-	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE	<u>1,043,032</u>	<u>20,144</u>	<u>16,101</u>	<u>29,123</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,058,360</u>	<u>\$ 18,808</u>	<u>\$ 22,838</u>	<u>\$ 33,237</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	State's Attorney Recorders Automation Fund	Adult Redeploy Grant Fund	Court Appointed Special Advocacy Fund
REVENUES			
Property taxes	\$ -	\$ -	\$ -
State of Illinois:			
Sales tax	-	-	-
Motor fuel tax allotments	-	-	-
State grants and expenditure reimbursements	-	352,519	-
Fees for services and materials	2,236	-	26,373
Investment income	3	59	3
Other	-	-	-
Total revenues	<u>2,239</u>	<u>352,578</u>	<u>26,376</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Judiciary and court related	-	358,624	24,220
Public health	-	-	-
Public welfare	-	-	-
Transportation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>358,624</u>	<u>24,220</u>
Excess (deficiency) of revenues over expenditures	<u>2,239</u>	<u>(6,046)</u>	<u>2,156</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,239	(6,046)	2,156
FUND BALANCES, BEGINNING OF YEAR	<u>6,659</u>	<u>428</u>	<u>8,355</u>
Prior period adjustment	-	79,514	-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED	<u>6,659</u>	<u>79,942</u>	<u>8,355</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,898</u>	<u>\$ 73,896</u>	<u>\$ 10,511</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended November 30, 2018

	Transportation Sales Tax Fund	Total Nonmajor Special Revenue Funds
REVENUES		
Property taxes	\$ -	\$ 1,679,102
State of Illinois:		
Sales tax	510,401	510,401
Motor fuel tax allotments	-	371,280
State grants and expenditure reimbursements	-	570,473
Fees for services and materials	-	835,195
Investment income	993	27,282
Other	-	299,396
Total revenues	511,394	4,293,129
EXPENDITURES		
Current:		
General government	-	303,194
Public safety	-	72,180
Corrections	-	271,434
Judiciary and court related	-	602,586
Public health	-	630,015
Public welfare	-	173,718
Transportation	938,564	2,203,276
Capital outlay	-	35,106
Total expenditures	938,564	4,291,509
Excess (deficiency) of revenues over expenditures	(427,170)	1,620
OTHER FINANCING SOURCES (USES)		
Transfers in	-	553,690
Transfers out	-	(733,478)
Total other financing sources (uses)	-	(179,788)
NET CHANGE IN FUND BALANCES	(427,170)	(178,168)
FUND BALANCES, BEGINNING OF YEAR	628,649	5,886,124
Prior period adjustment	-	79,514
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED	628,649	5,965,638
FUND BALANCES, END OF YEAR	\$ 201,479	\$ 5,787,470

(Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	County Highway		County Motor Fuel Tax	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 290,300	\$ 295,123	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	420,000	370,790
State grants and expenditure reimbursements	-	-	129,000	272,190
Federal revenue	-	-	-	-
Fees for services and materials	370,000	436,376	-	-
Investment income	1,500	1,641	250	479
Other	300,000	99,616	-	-
Total revenues	961,800	832,756	549,250	643,459
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	1,391,305	1,027,261	529,250	526,196
Capital outlay	-	-	-	-
Total expenditures	1,391,305	1,027,261	529,250	526,196
Excess (deficiency) of revenues over expenditures	(429,505)	(194,505)	20,000	117,263
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	84,642	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	100,000	84,642	-	-
NET CHANGE IN FUND BALANCES	\$ (329,505)	(109,863)	\$ 20,000	117,263
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		153,928		(142,399)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		504,616		553,545
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		504,616		553,545
FUND BALANCES (DEFICIT), END OF YEAR		\$ 548,681		\$ 528,409

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	County Aid to Bridges		Federal Aid Matching	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 160,000	\$ 161,749	\$ 192,000	\$ 202,082
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	215,000	212,304
Fees for services and materials	40,000	106,019	-	-
Investment income	1,000	901	640	1,335
Other	-	-	-	-
Total revenues	201,000	268,669	407,640	415,721
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	350,000	246,620	400,000	70,353
Capital outlay	-	-	-	-
Total expenditures	350,000	246,620	400,000	70,353
Excess (deficiency) of revenues over expenditures	(149,000)	22,049	7,640	345,368
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (149,000)	22,049	\$ 7,640	345,368
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(23,200)		(218,202)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		418,602		636,241
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		418,602		636,241
FUND BALANCES (DEFICIT), END OF YEAR		\$ 417,451		\$ 763,407

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Engineering Revolving		Tuberculosis Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 5,000	\$ 5,045
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	110,000	58,108	-	-
Investment income	500	505	45	41
Other	80	1,640	-	-
Total revenues	<u>110,580</u>	<u>60,253</u>	<u>5,045</u>	<u>5,086</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	25,000	17,302
Public welfare	-	-	-	-
Transportation	133,450	100,070	-	-
Capital outlay	5,000	3,040	-	-
Total expenditures	<u>138,450</u>	<u>103,110</u>	<u>25,000</u>	<u>17,302</u>
Excess (deficiency) of revenues over expenditures	<u>(27,870)</u>	<u>(42,857)</u>	<u>(19,955)</u>	<u>(12,216)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	13,550	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>13,550</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,870)</u>	<u>(29,307)</u>	<u>\$ (19,955)</u>	<u>(12,216)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		13,132		2,481
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>251,357</u>		<u>85,396</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>251,357</u>		<u>85,396</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 235,182</u>		<u>\$ 75,661</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Veterans' Assistance		Building Rental Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 40,000	\$ 40,244	\$ 350,000	\$ 351,874
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	-	-
Investment income	15	151	-	-
Other	-	351	-	-
Total revenues	40,015	40,746	350,000	351,874
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	250,000	251,874
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	62,359	45,519	100,000	100,000
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	62,359	45,519	350,000	351,874
Excess (deficiency) of revenues over expenditures	(22,344)	(4,773)	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (22,344)	(4,773)	\$ -	-
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		1,197		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		153,490		-
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		153,490		-
FUND BALANCES (DEFICIT), END OF YEAR		\$ 149,914		\$ -

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	<u>Special Revenue</u>			
	<u>Cooperative Extension</u>		<u>Animal Control Fund</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES				
Property taxes	\$ 172,000	\$ 172,935	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	163,400	174,098
Investment income	-	-	650	828
Other	-	-	1,250	584
Total revenues	<u>172,000</u>	<u>172,935</u>	<u>165,300</u>	<u>175,510</u>
EXPENDITURES				
Current:				
General government	172,000	172,935	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	163,031	152,099
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	2,500	1,574
Total expenditures	<u>172,000</u>	<u>172,935</u>	<u>165,531</u>	<u>153,673</u>
Excess (deficiency) of revenues over expenditures	-	-	(231)	21,837
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	(10,358)
Total other financing sources (uses)	-	-	(10,000)	(10,358)
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>-</u>	<u>\$ (10,231)</u>	<u>11,479</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS				(13,051)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		-		<u>220,023</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		-		<u>220,023</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ -</u>		<u>\$ 218,451</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Mental Health Fund		Law Library Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 391,170	\$ 403,619	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	19,200	16,777
Investment income	-	71	10	11
Other	-	-	-	23
Total revenues	391,170	403,690	19,210	16,811
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	19,352	14,572
Public health	391,170	403,682	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	391,170	403,682	19,352	14,572
Excess (deficiency) of revenues over expenditures	-	8	(142)	2,239
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ -	8	\$ (142)	2,239
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		-		(304)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		207,829		21,648
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		207,829		21,648
FUND BALANCES (DEFICIT), END OF YEAR		\$ 207,837		\$ 23,583

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	<u>Special Revenue</u>			
	<u>Recorder Automation</u>		<u>Court Automation Fund</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	35,000	33,897	80,000	62,543
Investment income	20	26	60	80
Other	-	-	-	-
Total revenues	<u>35,020</u>	<u>33,923</u>	<u>80,060</u>	<u>62,623</u>
EXPENDITURES				
Current:				
General government	30,000	21,718	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	80,000	72,607
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	5,000	1,942	-	-
Total expenditures	<u>35,000</u>	<u>23,660</u>	<u>80,000</u>	<u>72,607</u>
Excess (deficiency) of revenues over expenditures	<u>20</u>	<u>10,263</u>	<u>60</u>	<u>(9,984)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 20</u>	<u>10,263</u>	<u>\$ 60</u>	<u>(9,984)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		494		11,594
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>50,913</u>		<u>155,131</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>50,913</u>		<u>155,131</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 61,670</u>		<u>\$ 156,741</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Vital Records Automation		Drug Enforcement Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	6,000	5,956	-	5,452
Investment income	10	15	-	33
Other	-	-	10,000	97,451
Total revenues	<u>6,010</u>	<u>5,971</u>	<u>10,000</u>	<u>102,936</u>
EXPENDITURES				
Current:				
General government	3,000	1,615	-	-
Public safety	-	-	10,000	72,180
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	4,000	2,536	-	15,773
Total expenditures	<u>7,000</u>	<u>4,151</u>	<u>10,000</u>	<u>87,953</u>
Excess (deficiency) of revenues over expenditures	<u>(990)</u>	<u>1,820</u>	<u>-</u>	<u>14,983</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (990)</u>	<u>1,820</u>	<u>\$ -</u>	<u>14,983</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(518)		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>30,375</u>		<u>51,239</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		<u>30,375</u>		<u>51,239</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 31,677</u>		<u>\$ 66,222</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Senior Citizens' Transportation Fund		Support Processing Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 22,000	\$ 22,146	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	18,000	10,568
Investment income	-	246	-	31
Other	-	-	-	-
Total revenues	<u>22,000</u>	<u>22,392</u>	<u>18,000</u>	<u>10,599</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	40,000	1,492
Public health	-	-	-	-
Public welfare	42,000	29,396	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>42,000</u>	<u>29,396</u>	<u>40,000</u>	<u>1,492</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(7,004)</u>	<u>(22,000)</u>	<u>9,107</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (20,000)</u>	<u>(7,004)</u>	<u>\$ (22,000)</u>	<u>9,107</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		-		(756)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>104,331</u>		<u>55,191</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>104,331</u>		<u>55,191</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 97,327</u>		<u>\$ 63,542</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	State's Attorney Victim/Witness Fund		Treasurer's Automation	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	26,000	20,000	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	3,000	2,280
Investment income	-	5	23	23
Other	-	-	4,000	3,496
Total revenues	<u>26,000</u>	<u>20,005</u>	<u>7,023</u>	<u>5,799</u>
EXPENDITURES				
Current:				
General government	-	-	30,000	5,975
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	26,833	26,833	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>26,833</u>	<u>26,833</u>	<u>30,000</u>	<u>5,975</u>
Excess (deficiency) of revenues over expenditures	<u>(833)</u>	<u>(6,828)</u>	<u>(22,977)</u>	<u>(176)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (833)</u>	<u>(6,828)</u>	<u>\$ (22,977)</u>	<u>(176)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		7,000		558
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>15,807</u>		<u>45,273</u>
Prior period adjustment		<u>-</u>		<u>-</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>15,807</u>		<u>45,273</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 15,979</u>		<u>\$ 45,655</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Document Storage Fund		County Waste Management Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	75,000	62,520	55,000	57,220
Investment income	65	51	40	50
Other	-	-	-	-
Total revenues	<u>75,065</u>	<u>62,571</u>	<u>55,040</u>	<u>57,270</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	90,000	38,840	-	-
Public health	-	-	76,500	54,413
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>90,000</u>	<u>38,840</u>	<u>76,500</u>	<u>54,413</u>
Excess (deficiency) of revenues over expenditures	<u>(14,935)</u>	<u>23,731</u>	<u>(21,460)</u>	<u>2,857</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (14,935)</u>	<u>23,731</u>	<u>\$ (21,460)</u>	<u>2,857</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(3,739)		(732)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>93,309</u>		<u>103,687</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>93,309</u>		<u>103,687</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 113,301</u>		<u>\$ 105,812</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Economic Development Revolving Loan Fund		Court System Maintenance Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ 26,000	\$ 24,285	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	30,000	27,116
Investment income	-	-	20	24
Other	-	-	-	-
Total revenues	<u>26,000</u>	<u>24,285</u>	<u>30,020</u>	<u>27,140</u>
EXPENDITURES				
Current:				
General government	26,000	24,285	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	40,000	33,923
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>26,000</u>	<u>24,285</u>	<u>40,000</u>	<u>33,923</u>
Excess (deficiency) of revenues over expenditures	-	-	(9,980)	(6,783)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>-</u>	<u>\$ (9,980)</u>	<u>(6,783)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS				(589)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR				<u>49,085</u>
Prior period adjustment				-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED				<u>49,085</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ -</u>		<u>\$ 41,713</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Arrestees' Medical Cost		Sheriff's DUI Equipment	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	1,000	8,177	7,000	5,153
Investment income	5	6	5	8
Other	2,500	1,456	-	-
Total revenues	3,505	9,639	7,005	5,161
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	25,000	21,674	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	10,810	11,344
Total expenditures	25,000	21,674	10,810	11,344
Excess (deficiency) of revenues over expenditures	(21,495)	(12,035)	(3,805)	(6,183)
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	15,000	15,000	-	-
NET CHANGE IN FUND BALANCES	\$ (6,495)	2,965	\$ (3,805)	(6,183)
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		2,164		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		2,902		20,896
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		2,902		20,896
FUND BALANCES (DEFICIT), END OF YEAR		\$ 8,031		\$ 14,713

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	State's Attorney Drug Enforcement Fund		GIS Fee Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	70,000	67,200
Investment income	5	11	20	23
Other	5,000	7,447	-	426
Total revenues	<u>5,005</u>	<u>7,458</u>	<u>70,020</u>	<u>67,649</u>
EXPENDITURES				
Current:				
General government	-	-	76,154	71,462
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	5,000	720	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,000</u>	<u>720</u>	<u>76,154</u>	<u>71,462</u>
Excess (deficiency) of revenues over expenditures	<u>5</u>	<u>6,738</u>	<u>(6,134)</u>	<u>(3,813)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5</u>	<u>6,738</u>	<u>\$ (6,134)</u>	<u>(3,813)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		-		126
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>18,260</u>		<u>49,420</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		<u>18,260</u>		<u>49,420</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 24,998</u>		<u>\$ 45,733</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	County Clerk GIS Fee		State's Attorney Child Advocacy Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	3,500	3,193	40,000	36,286
Investment income	5	9	10	47
Other	-	-	-	-
Total revenues	<u>3,505</u>	<u>3,202</u>	<u>40,010</u>	<u>36,333</u>
EXPENDITURES				
Current:				
General government	1,000	1,000	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	40,490	38,500
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	3,000	1,597	-	-
Total expenditures	<u>4,000</u>	<u>2,597</u>	<u>40,490</u>	<u>38,500</u>
Excess (deficiency) of revenues over expenditures	<u>(495)</u>	<u>605</u>	<u>(480)</u>	<u>(2,167)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (495)</u>	<u>605</u>	<u>\$ (480)</u>	<u>(2,167)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		377		51
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>16,849</u>		<u>98,314</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>16,849</u>		<u>98,314</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 17,831</u>		<u>\$ 96,198</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Animal Control Memorial		Animal Pet Population	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	2,800	4,077	13,000	13,330
Investment income	25	37	40	41
Other	5,000	66,785	-	-
Total revenues	<u>7,825</u>	<u>70,899</u>	<u>13,040</u>	<u>13,371</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	16,000	8,854	23,038	12,963
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>16,000</u>	<u>8,854</u>	<u>23,038</u>	<u>12,963</u>
Excess (deficiency) of revenues over expenditures	<u>(8,175)</u>	<u>62,045</u>	<u>(9,998)</u>	<u>408</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (8,175)</u>	<u>62,045</u>	<u>\$ (9,998)</u>	<u>408</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		738		630
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>41,654</u>		<u>78,250</u>
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		<u>41,654</u>		<u>78,250</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 104,437</u>		<u>\$ 79,288</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Insurance Reserve Fund		Coroner's Automation Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	5,000	5,845
Investment income	7,000	19,471	5	9
Other	-	-	-	883
Total revenues	7,000	19,471	5,005	6,737
EXPENDITURES				
Current:				
General government	-	4,143	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	4,143	-	-
Excess (deficiency) of revenues over expenditures	7,000	15,328	5,005	6,737
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(30,000)	-	-	-
Total other financing sources (uses)	(30,000)	-	-	-
NET CHANGE IN FUND BALANCES	\$ (23,000)	15,328	\$ 5,005	6,737
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		1,043,032		16,101
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		1,043,032		16,101
FUND BALANCES (DEFICIT), END OF YEAR		\$ 1,058,360		\$ 22,838

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Special Revenue			
	Circuit Clerk Electronic Fund		State's Attorney Recorders Automation Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	5,000	4,184	2,500	2,224
Investment income	10	16	3	3
Other	-	-	-	-
Total revenues	5,010	4,200	2,503	2,227
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	5,000	-	750	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	5,000	-	750	-
Excess (deficiency) of revenues over expenditures	10	4,200	1,753	2,227
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 10	4,200	\$ 1,753	2,227
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		(86)		12
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		29,123		6,659
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		29,123		6,659
FUND BALANCES (DEFICIT), END OF YEAR		\$ 33,237		\$ 8,898

(Continued)

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	Special Revenue			
	Adult Redeploy Grant Fund		Court Appointed Special Advocacy Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax	-	-	-	-
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	422,210	326,474	30,500	26,367
Investment income	-	59	5	3
Other	-	-	-	-
Total revenues	<u>422,210</u>	<u>326,533</u>	<u>30,505</u>	<u>26,370</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	422,210	350,202	30,500	24,220
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>422,210</u>	<u>350,202</u>	<u>30,500</u>	<u>24,220</u>
Excess (deficiency) of revenues over expenditures	-	(23,669)	5	2,150
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>(23,669)</u>	<u>\$ 5</u>	<u>2,150</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		17,623		6
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>428</u>		<u>8,355</u>
Prior period adjustment		<u>79,514</u>		<u>-</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		<u>79,942</u>		<u>8,355</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 73,896</u>		<u>\$ 10,511</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended November 30, 2018

	<u>Special Revenue</u>	
	<u>Transportation</u>	
	<u>Sales Tax Fund</u>	
	<u>Final</u>	
	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ -	\$ -
State of Illinois:		
Sales tax	400,000	508,909
Motor fuel tax allotments	-	-
State grants and expenditure reimbursements	-	-
Federal revenue	-	-
Fees for services and materials	-	-
Investment income	250	993
Other	-	-
Total revenues	<u>400,250</u>	<u>509,902</u>
EXPENDITURES		
Current:		
General government	-	-
Public safety	-	-
Corrections	-	-
Judiciary and court related	-	-
Public health	-	-
Public welfare	-	-
Transportation	1,059,000	945,746
Capital outlay	-	-
Total expenditures	<u>1,059,000</u>	<u>945,746</u>
Excess (deficiency) of revenues over expenditures	<u>(658,750)</u>	<u>(435,844)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (658,750)</u>	<u>(435,844)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		8,674
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		<u>628,649</u>
Prior period adjustment		<u>-</u>
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATE		<u>628,649</u>
FUND BALANCES (DEFICIT), END OF YEAR		<u>\$ 201,479</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS NONMAJOR GOVERNMENTAL FUNDS

Year Ended November 30, 2018

	Capital Projects			
	Equipment Replacement Fund		Capital Improvement & Equipment Fund	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
State of Illinois:				
Sales tax				
Motor fuel tax allotments	-	-	-	-
State grants and expenditure reimbursements	-	-	-	-
Federal revenue	-	-	-	-
Fees for services and materials	-	-	-	-
Investment income	400	560	5	4
Other	140,000	159,991	-	-
Total revenues	140,400	160,551	5	4
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Judiciary and court related	-	-	-	-
Public health	-	-	-	-
Public welfare	-	-	-	-
Transportation	-	-	-	-
Capital outlay	279,150	279,139	2,500	-
Total expenditures	279,150	279,139	2,500	-
Excess (deficiency) of revenues over expenditures	(138,750)	(118,588)	(2,495)	4
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ (138,750)	(118,588)	\$ (2,495)	4
RECONCILIATION TO MODIFIED ACCRUAL BASIS - NET CHANGE RESULTING FROM RECORDING ACCOUNTS RECEIVABLE, PAYABLE, AND OTHER ACCRUED ITEMS		19,972		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR		314,331		10,559
Prior period adjustment		-		-
FUND BALANCES (DEFICIT), BEGINNING OF YEAR RESTATED		314,331		10,559
FUND BALANCES (DEFICIT), END OF YEAR		\$ 215,715		\$ 10,563 (Concluded)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

November 30, 2018

	Liability Insurance Fund	Self Insurance Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,021,461	\$ 2,888,532	\$ 3,909,993
Receivables, net:			
Property taxes	470,000	-	470,000
Prepaid insurance	77,952	-	77,952
Due from other funds	108,443	9,726	118,169
TOTAL ASSETS	1,677,856	2,898,258	4,576,114
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities:			
Claims payable	2,129,033	219,731	2,348,764
Due to other funds	12,561	-	12,561
Total liabilities	2,141,594	219,731	2,361,325
Deferred inflows of resources:			
Unearned revenue - property taxes	470,000	-	470,000
Total deferred inflows of resources	470,000	-	470,000
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,611,594	219,731	2,831,325
NET POSITION			
Unrestricted	(933,738)	2,678,527	1,744,789
TOTAL NET POSITION	\$ (933,738)	\$ 2,678,527	\$ 1,744,789

McDONOUGH COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended November 30, 2018

	<u>Liability Insurance Fund</u>	<u>Self Insurance Fund</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Charges for services	\$ 169,778	\$ 2,628,553	\$ 2,798,331
OPERATING EXPENSES			
Unemployment	32,437	-	32,437
Liability insurance	187,441	-	187,441
Workman's compensation	251,683	-	251,683
Medical claims and administration fees	207,669	2,739,475	2,947,144
Total operating expenses	<u>679,230</u>	<u>2,739,475</u>	<u>3,418,705</u>
Operating income (loss)	<u>(509,452)</u>	<u>(110,922)</u>	<u>(620,374)</u>
NONOPERATING REVENUES (EXPENSES)			
Property taxes	456,007	-	456,007
Investment income	2,060	1,184	3,244
Grants	20,226	-	20,226
Other	423	-	423
Total nonoperating revenue	<u>478,716</u>	<u>1,184</u>	<u>479,900</u>
Income (loss) before transfers	<u>(30,736)</u>	<u>(109,738)</u>	<u>(140,474)</u>
TRANSFERS			
Transfers out	-	(1,184)	(1,184)
Total other financing sources (uses)	<u>-</u>	<u>(1,184)</u>	<u>(1,184)</u>
EXTRAORDINARY ITEM			
Legal settlement	<u>(61,508)</u>	<u>-</u>	<u>(61,508)</u>
CHANGE IN NET POSITION	(92,244)	(110,922)	(203,166)
TOTAL NET POSITION - BEGINNING	<u>(841,494)</u>	<u>2,789,449</u>	<u>1,947,955</u>
TOTAL NET POSITION - ENDING	<u>\$ (933,738)</u>	<u>\$ 2,678,527</u>	<u>\$ 1,744,789</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the year ended November 30, 2018

	Liability Insurance Fund	Self Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (718,216)	\$ (2,638,859)	\$ (3,357,075)
Receipts from employees and others	-	117,438	117,438
Internal activity-payments from other funds	169,778	2,511,115	2,680,893
Net cash from operating activities	<u>(548,438)</u>	<u>(10,306)</u>	<u>(558,744)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	456,007	-	456,007
Other nonoperating revenue (expense)	423	-	423
Grants received	20,226	-	20,226
Interfund borrowing	1,795	810	2,605
Transfers out	-	(1,184)	(1,184)
Net cash from noncapital financing activities	<u>478,451</u>	<u>(374)</u>	<u>478,077</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	2,060	1,184	3,244
Net cash from investing activities	<u>2,060</u>	<u>1,184</u>	<u>3,244</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,927)	(9,496)	(77,423)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,089,388</u>	<u>2,898,028</u>	<u>3,987,416</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,021,461</u>	<u>\$ 2,888,532</u>	<u>\$ 3,909,993</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating loss	\$ (509,452)	\$ (110,922)	\$ (620,374)
Adjustments to reconcile operating loss to net cash from operating activities			
Change in assets and liabilities:			
Prepaid insurance	(37,815)	-	(37,815)
Accounts payable	(1,171)	100,616	99,445
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (548,438)</u>	<u>\$ (10,306)</u>	<u>\$ (558,744)</u>

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

November 30, 2018

	County Collector's Tax Fund		
	Current Tax Collection Account	Mobile Home Privilege Tax Account	Court Services Fund
ASSETS			
Cash and cash equivalents	\$ 24,257	\$ 1,138	\$ 793,259
Investments	-	-	200,000
Receivables:			
State of Illinois	-	-	463,487
Due from other funds	-	-	98,167
TOTAL ASSETS	<u>\$ 24,257</u>	<u>\$ 1,138</u>	<u>\$ 1,554,913</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 673
Due to other funds	-	-	-
Due to other taxing units	24,257	1,138	-
Due to others	-	-	1,554,240
Total liabilities	<u>24,257</u>	<u>1,138</u>	<u>1,554,913</u>
TOTAL LIABILITIES	<u>\$ 24,257</u>	<u>\$ 1,138</u>	<u>\$ 1,554,913</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

November 30, 2018

	Multi-County Chief Judge Fund	Probation Service Fund	Condemnation Fund
ASSETS			
Cash and cash equivalents	\$ 110,827	\$ 314,235	\$ 22,238
Investments	-	-	20,000
Receivables:			
State of Illinois	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 110,827</u>	<u>\$ 314,235</u>	<u>\$ 42,238</u>
LIABILITIES			
Accounts payable	\$ -	\$ 3,608	\$ -
Due to other funds	-	267	-
Due to other taxing units	-	-	-
Due to others	110,827	310,360	42,238
Total liabilities	<u>110,827</u>	<u>314,235</u>	<u>42,238</u>
TOTAL LIABILITIES	<u>\$ 110,827</u>	<u>\$ 314,235</u>	<u>\$ 42,238</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

November 30, 2018

	Unclaimed Estates Fund	Advocacy Fund	Dive and Rescue Team Fund
ASSETS			
Cash and cash equivalents	\$ 1,718	\$ 158	\$ 392
Investments	-	-	-
Receivables:			
State of Illinois	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 1,718</u>	<u>\$ 158</u>	<u>\$ 392</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	359	-	-
Due to other taxing units	-	-	-
Due to others	1,359	158	392
Total liabilities	<u>1,718</u>	<u>158</u>	<u>392</u>
TOTAL LIABILITIES	<u>\$ 1,718</u>	<u>\$ 158</u>	<u>\$ 392</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

November 30, 2018

	Sheriff's Inmate Commissary Fund	State's Attorney Restitution Fund	Township MFT Fund	Township Bridge Fund
ASSETS				
Cash and cash equivalents	\$ 29,851	\$ 3,711	\$ 1,226,247	\$ 218,030
Investments	-	-	-	-
Receivables:				
State of Illinois	-	-	94,648	-
Due from other funds	-	-	-	6,383
	<u>\$ 29,851</u>	<u>\$ 3,711</u>	<u>\$ 1,320,895</u>	<u>\$ 224,413</u>
TOTAL ASSETS	<u>\$ 29,851</u>	<u>\$ 3,711</u>	<u>\$ 1,320,895</u>	<u>\$ 224,413</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 37,192	\$ 21,705
Due to other funds	-	-	100,361	-
Due to other taxing units	-	-	1,183,342	202,708
Due to others	29,851	3,711	-	-
Total liabilities	<u>29,851</u>	<u>3,711</u>	<u>1,320,895</u>	<u>224,413</u>
TOTAL LIABILITIES	<u>\$ 29,851</u>	<u>\$ 3,711</u>	<u>\$ 1,320,895</u>	<u>\$ 224,413</u>

(Continued)

See accompanying Independent Auditor's Report.

McDONOUGH COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS**

November 30, 2018

	Tax Sale Indemnity Fund	County Clerk	Circuit Clerk	Total
ASSETS				
Cash and cash equivalents	\$ 110,467	\$ 62,426	\$ 161,852	\$ 3,080,806
Investments	-	-	50,000	270,000
Receivables:				
State of Illinois	-	-	-	558,135
Due from other funds	-	-	-	104,550
	<u>\$ 110,467</u>	<u>\$ 62,426</u>	<u>\$ 211,852</u>	<u>\$ 4,013,491</u>
TOTAL ASSETS	<u>\$ 110,467</u>	<u>\$ 62,426</u>	<u>\$ 211,852</u>	<u>\$ 4,013,491</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 63,178
Due to other funds	-	25,496	-	126,483
Due to other taxing units	-	36,930	211,852	1,660,227
Due to others	110,467	-	-	2,163,603
Total liabilities	<u>110,467</u>	<u>62,426</u>	<u>211,852</u>	<u>4,013,491</u>
TOTAL LIABILITIES	<u>\$ 110,467</u>	<u>\$ 62,426</u>	<u>\$ 211,852</u>	<u>\$ 4,013,491</u> (Concluded)

See accompanying Independent Auditor's Report.

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended November 30, 2018

	<u>Restated Balances, December 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances, November 30, 2018</u>
Total All Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 2,741,144	\$ 55,066,215	\$ 54,726,553	\$ 3,080,806
Investments	70,000	230,000	30,000	270,000
Accounts receivable	812,678	558,135	812,678	558,135
Due from other funds	98,167	6,383	-	104,550
TOTAL ASSETS	<u>\$ 3,721,989</u>	<u>\$ 55,860,733</u>	<u>\$ 55,569,231</u>	<u>\$ 4,013,491</u>
LIABILITIES				
Accounts payable	\$ 27,557	\$ 63,178	\$ 27,557	\$ 63,178
Due to other funds	118,584	125,857	117,958	126,483
Due to other taxing units	1,603,768	51,305,052	51,248,593	1,660,227
Due to others	1,972,080	4,366,646	4,175,123	2,163,603
TOTAL LIABILITIES	<u>\$ 3,721,989</u>	<u>\$ 55,860,733</u>	<u>\$ 55,569,231</u>	<u>\$ 4,013,491</u>
1. County Collector - Current Tax Collection Account				
ASSETS				
Cash and cash equivalents	\$ 4,897	\$ 47,829,142	\$ 47,809,782	\$ 24,257
TOTAL ASSETS	<u>\$ 4,897</u>	<u>\$ 47,829,142</u>	<u>\$ 47,809,782</u>	<u>\$ 24,257</u>
LIABILITIES				
Due to other taxing units	\$ 4,897	\$ 47,829,142	\$ 47,809,782	\$ 24,257
TOTAL LIABILITIES	<u>\$ 4,897</u>	<u>\$ 47,829,142</u>	<u>\$ 47,809,782</u>	<u>\$ 24,257</u>
2. County Collector - Mobile Home Privilege Tax Account				
ASSETS				
Cash and cash equivalents	\$ 251	\$ 44,575	\$ 43,688	\$ 1,138
TOTAL ASSETS	<u>\$ 251</u>	<u>\$ 44,575</u>	<u>\$ 43,688</u>	<u>\$ 1,138</u>
LIABILITIES				
Due to other taxing units	\$ 251	\$ 44,575	\$ 43,688	\$ 1,138
TOTAL LIABILITIES	<u>\$ 251</u>	<u>\$ 44,575</u>	<u>\$ 43,688</u>	<u>\$ 1,138</u>

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2018

	Restated Balances, December 1, 2017	Additions	Deductions	Balances, November 30, 2018
3. Court Services				
ASSETS				
Cash and cash equivalents	\$ 639,771	\$ 3,160,580	\$ 3,007,092	\$ 793,259
Investments	-	200,000	-	200,000
Accounts receivable	718,333	463,487	718,333	463,487
Due from other funds	98,167	-	-	98,167
TOTAL ASSETS	\$ 1,456,271	\$ 3,824,067	\$ 3,725,425	\$ 1,554,913
LIABILITIES				
Accounts payable	\$ 2,189	\$ 673	\$ 2,189	\$ 673
Due to others	1,454,082	3,823,394	3,723,236	1,554,240
TOTAL LIABILITIES	\$ 1,456,271	\$ 3,824,067	\$ 3,725,425	\$ 1,554,913
4. Multi-County Chief Judge				
ASSETS				
Cash and cash equivalents	\$ 102,642	\$ 20,389	\$ 12,204	\$ 110,827
TOTAL ASSETS	\$ 102,642	\$ 20,389	\$ 12,204	\$ 110,827
LIABILITIES				
Due to others	\$ 102,642	\$ 20,389	\$ 12,204	\$ 110,827
TOTAL LIABILITIES	\$ 102,642	\$ 20,389	\$ 12,204	\$ 110,827
5. Probation Service				
ASSETS				
Cash and cash equivalents	\$ 262,417	\$ 85,958	\$ 34,140	\$ 314,235
TOTAL ASSETS	\$ 262,417	\$ 85,958	\$ 34,140	\$ 314,235
LIABILITIES				
Accounts payable	\$ 9,196	\$ 3,608	\$ 9,196	\$ 3,608
Due to other funds	267	-	-	267
Due to others	252,954	82,350	24,944	310,360
TOTAL LIABILITIES	\$ 262,417	\$ 85,958	\$ 34,140	\$ 314,235

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2018

	<u>Restated Balances, December 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances, November 30, 2018</u>
6. Condemnation				
ASSETS				
Cash and cash equivalents	\$ 22,096	\$ 342,700	\$ 342,558	\$ 22,238
Investments	20,000	20,000	20,000	20,000
TOTAL ASSETS	<u>\$ 42,096</u>	<u>\$ 362,700</u>	<u>\$ 362,558</u>	<u>\$ 42,238</u>
LIABILITIES				
Due to others	\$ 42,096	\$ 362,700	\$ 362,558	\$ 42,238
TOTAL LIABILITIES	<u>\$ 42,096</u>	<u>\$ 362,700</u>	<u>\$ 362,558</u>	<u>\$ 42,238</u>
7. Unclaimed Estates				
ASSETS				
Cash and cash equivalents	\$ 1,717	\$ 1	\$ -	\$ 1,718
TOTAL ASSETS	<u>\$ 1,717</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,718</u>
LIABILITIES				
Due to other funds	\$ 359	\$ -	\$ -	\$ 359
Due to others	1,358	1	-	1,359
TOTAL LIABILITIES	<u>\$ 1,717</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,718</u>
8. Advocacy				
ASSETS				
Cash and cash equivalents	\$ 158	\$ -	\$ -	\$ 158
TOTAL ASSETS	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158</u>
LIABILITIES				
Due to others	\$ 158	\$ -	\$ -	\$ 158
TOTAL LIABILITIES	<u>\$ 158</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158</u>
9. Dive and Rescue Team				
ASSETS				
Cash and cash equivalents	\$ 392	\$ -	\$ -	\$ 392
TOTAL ASSETS	<u>\$ 392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>
LIABILITIES				
Due to others	\$ 392	\$ -	\$ -	\$ 392
TOTAL LIABILITIES	<u>\$ 392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392</u>

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2018

	<u>Restated Balances, December 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances, November 30, 2018</u>
10. Sheriff's Inmate Commissary Account				
ASSETS				
Cash and cash equivalents	\$ 11,144	\$ 69,084	\$ 50,377	\$ 29,851
TOTAL ASSETS	<u>\$ 11,144</u>	<u>\$ 69,084</u>	<u>\$ 50,377</u>	<u>\$ 29,851</u>
LIABILITIES				
Due to others	\$ 11,144	\$ 69,084	\$ 50,377	\$ 29,851
TOTAL LIABILITIES	<u>\$ 11,144</u>	<u>\$ 69,084</u>	<u>\$ 50,377</u>	<u>\$ 29,851</u>
11. State's Attorney Restitution Account				
ASSETS				
Cash and cash equivalents	\$ 3,251	\$ 2,264	\$ 1,804	\$ 3,711
TOTAL ASSETS	<u>\$ 3,251</u>	<u>\$ 2,264</u>	<u>\$ 1,804</u>	<u>\$ 3,711</u>
LIABILITIES				
Due to others	\$ 3,251	\$ 2,264	\$ 1,804	\$ 3,711
TOTAL LIABILITIES	<u>\$ 3,251</u>	<u>\$ 2,264</u>	<u>\$ 1,804</u>	<u>\$ 3,711</u>
12. Township MFT				
ASSETS				
Cash and cash equivalents	\$ 1,190,401	\$ 1,231,460	\$ 1,195,614	\$ 1,226,247
Accounts receivable	94,345	94,648	94,345	94,648
TOTAL ASSETS	<u>\$ 1,284,746</u>	<u>\$ 1,326,108</u>	<u>\$ 1,289,959</u>	<u>\$ 1,320,895</u>
LIABILITIES				
Accounts payable	\$ 13,421	\$ 37,192	\$ 13,421	\$ 37,192
Due to other funds	88,101	100,361	88,101	100,361
Due to other taxing units	1,183,224	1,188,555	1,188,437	1,183,342
TOTAL LIABILITIES	<u>\$ 1,284,746</u>	<u>\$ 1,326,108</u>	<u>\$ 1,289,959</u>	<u>\$ 1,320,895</u>

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2018

	<u>Restated Balances, December 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances, November 30, 2018</u>
13. Township Bridge				
ASSETS				
Cash and cash equivalents	\$ 167,531	\$ 323,325	\$ 272,826	\$ 218,030
Due from other funds	-	6,383	-	6,383
TOTAL ASSETS	<u>\$ 167,531</u>	<u>\$ 329,708</u>	<u>\$ 272,826</u>	<u>\$ 224,413</u>
LIABILITIES				
Accounts payable	\$ 2,751	\$ 21,705	\$ 2,751	\$ 21,705
Due to other taxing units	164,780	308,003	270,075	202,708
TOTAL LIABILITIES	<u>\$ 167,531</u>	<u>\$ 329,708</u>	<u>\$ 272,826</u>	<u>\$ 224,413</u>
14. Tax Sale Indemnity				
ASSETS				
Cash and cash equivalents	\$ 104,003	\$ 6,464	\$ -	\$ 110,467
TOTAL ASSETS	<u>\$ 104,003</u>	<u>\$ 6,464</u>	<u>\$ -</u>	<u>\$ 110,467</u>
LIABILITIES				
Due to others	\$ 104,003	\$ 6,464	\$ -	\$ 110,467
TOTAL LIABILITIES	<u>\$ 104,003</u>	<u>\$ 6,464</u>	<u>\$ -</u>	<u>\$ 110,467</u>
15. County Clerk				
ASSETS				
Cash and cash equivalents	\$ 61,540	\$ 843,473	\$ 842,587	\$ 62,426
TOTAL ASSETS	<u>\$ 61,540</u>	<u>\$ 843,473</u>	<u>\$ 842,587</u>	<u>\$ 62,426</u>
LIABILITIES				
Due to other funds	\$ 29,857	\$ 25,496	\$ 29,857	\$ 25,496
Due to other taxing units	31,683	817,977	812,730	36,930
TOTAL LIABILITIES	<u>\$ 61,540</u>	<u>\$ 843,473</u>	<u>\$ 842,587</u>	<u>\$ 62,426</u>

MCDONOUGH COUNTY, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended November 30, 2018

	Restated Balances, December 1, 2017	Additions	Deductions	Balances, November 30, 2018
16. Circuit Clerk				
ASSETS				
Cash and cash equivalents	\$ 168,933	\$ 1,106,800	\$ 1,113,881	\$ 161,852
Investments	50,000	10,000	10,000	50,000
	\$ 218,933	\$ 1,116,800	\$ 1,123,881	\$ 211,852
LIABILITIES				
Due to other taxing units	\$ 218,933	\$ 1,116,800	\$ 1,123,881	\$ 211,852
	\$ 218,933	\$ 1,116,800	\$ 1,123,881	\$ 211,852

SUPPLEMENTAL INFORMATION

McDONOUGH COUNTY, ILLINOIS

SCHEDULE OF TAX INFORMATION

Last Three Levy Years

	Year Ended November 30, 2018		
	2017		
	Levy	Rate	Collection
General Corporate **	\$ 1,130,000	0.24986	\$ 1,133,928
County Highway	293,559	0.06676	294,828
County Aid to Bridges	160,886	0.03659	161,587
Federal Aid Matching	201,003	0.04572	201,880
Tuberculosis	5,000	0.00114	5,040
Veterans' Assistance	40,000	0.00911	40,204
Municipal Retirement	1,328,000	0.30189	1,333,708
Social Security	720,000	0.16372	723,122
Building Rental (Building Commission)	350,000	0.08045	351,522
Cooperative Extension	172,000	0.03912	172,762
Mental Health	401,464	0.09129	403,215
County Health	337,508	0.07675	338,983
Senior Citizens' Transportation	22,000	0.00501	22,124
Economic Development Revolving Loan	-	-	45,905
Liability Insurance	348,585	0.07927	455,551
The Elms	401,464	0.09129	403,215
TOTALS	\$ 5,911,469	1.33797	\$ 6,087,574
ASSESSED VALUATION		\$ 421,209,203	

Note: The amounts reported as collections reflect only the distribution from the current year's tax settlement.

** For the year ended November 30, 2018, the assessed valuations used for General Corporate was \$497,595,320, which includes the assessed valuation of Enterprise Zone properties. Collections of \$45,905 of taxes extended for the General Corporate levies of McDonough County, City of Macomb, and Macomb City Township were distributed to the Economic Development Revolving Loan Fund (Enterprise Zone).

Year Ended November 30, 2017			Year Ended November 30, 2016		
2016			2015		
Levy	Rate	Collection	Levy	Rate	Collection
\$ 1,102,800	0.25338	\$ 1,082,407	\$ 1,082,950	0.25351	\$ 1,068,073
287,803	0.06833	286,491	281,300	0.06851	286,838
157,731	0.03745	157,021	154,200	0.03756	157,210
197,062	0.04679	196,202	192,600	0.04691	196,417
25,578	0.00608	4,894	25,000	0.00609	25,521
61,895	0.01470	39,093	60,500	0.01474	61,707
1,223,000	0.29036	1,295,519	1,190,450	0.28992	1,218,875
677,310	0.16081	702,584	662,000	0.16123	675,050
350,000	0.08310	345,243	350,000	0.08524	348,838
174,260	0.04138	167,877	174,260	0.04244	173,704
393,592	0.09345	391,760	384,700	0.09369	392,287
330,890	0.07856	329,362	323,475	0.07878	329,782
42,000	0.00998	21,498	42,000	0.01023	41,894
-	-	40,540	-	-	42,337
341,750	0.08114	340,176	329,150	0.08017	340,609
393,592	0.09345	391,760	384,700	0.09369	392,287
<u>\$ 5,759,263</u>	<u>1.35896</u>	<u>\$ 5,792,427</u>	<u>\$ 5,637,285</u>	<u>1.36271</u>	<u>\$ 5,751,429</u>
	<u>\$ 421,209,203</u>		<u>\$ 410,615,362</u>		

COMPLIANCE SECTION

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
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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***

Members of the County Board,
the Circuit Clerk and Management
McDonough County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of McDonough County, Illinois (County) as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated June 19, 2019.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify deficiencies in internal control, that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses as items 2018-003, 2018-004, and 2018-005 to be significant deficiencies.

Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

Sincerely,

Sikich LLP
Sikich LLP
Springfield, Illinois

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended November 30, 2018

2018-001 Internal Controls over Financial Reporting

Criteria

The County is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles.

Condition

The County's internal controls over GAAP financial reporting should include adequately trained personnel with knowledge and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free of material misstatements and include all disclosures as required by the Government Accounting Standards Board (GASB).

Cause and Effect

During the audit, material adjustments were recommended to adjust from cash basis to the modified accrual/accrual basis of accounting. There are also several funds for which the accounting and record keeping are performed outside the Treasurer's Office and the general ledger system. In addition, the County does not capitalize property and equipment acquisitions during the year. Therefore, information is outside the scope of the County's internal control structure and outside the scope of the County's controls for accuracy and completion.

Recommendation

We recommend the County accumulate any year end conversion adjustments from cash to modified accrual/accrual basis of accounting and record all other necessary adjustments before the fiscal year end. We also recommend that monthly summary of activity be submitted to the Treasurer's Office with enough sufficient detail to allow the entries to be recorded in the County's general ledger system and available for review and oversight. We also recommend the County maintain a separate general capital asset fund in the general ledger system to capture information on the capital assets necessary for conversion to the government-wide financial statements.

Auditee Response

The County will record all audit adjustments and work towards developing procedures to accumulate conversion to present financial statements in accordance with generally accepted accounting principles. The County will evaluate a process for reporting activity within the various funds not maintained in the County's general ledger system and reporting capital asset activity during the fiscal year.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended November 30, 2018

2018-002 Segregation of Duties

Criteria

The County should implement procedures regarding segregation of duties to prevent employees from having access to financial records and/or assets of the County which could allow employees to perpetrate fraud for their personal financial benefit. A proper segregation of duties is an integral part of an internal controls system to safeguard an organization's assets.

Condition

During the audit, we noted instances where employees have access to financial records and/or assets of the County. We noted instances where a Circuit Clerk employee records transactions, makes deposits, prepares checks, has access to a stamp of the required signature, mails checks, and reconciles the bank statements. Individuals also have the ability to collect receipts, record the receipt in the system, and delete receipts from the system. We also noted instances where the individual responsible for the Sheriff's jail commissary account has the ability to make deposits, reconcile the bank statement, and is an authorized signer on the account. A County Clerk employee responsible for the payroll processing has the ability to add employees to the payrolls system, make changes to existing payroll, and remove employees from the active payroll listing. A formal review process is not performed when payroll and withholding checks are generated along with the supporting documentation.

Cause and Effect

Due to the size of the County and the limited staffing available, there was a lack of segregation of duties within the Sheriff's Department, Circuit Clerk's Office, and the County's Clerk's Office. Errors may occur and go undetected and it increases the risk of fraud.

Recommendation

We recommend the County evaluate the procedures performed within those departments to determine if the procedures could be divided among other employees or if transactions can be reviewed and approved by a second individual not responsible for collecting or disbursing funds.

Auditee Response

The Circuit Clerk's office will continue to require employees to take vacation, which requires other employees to assume some of the above responsibilities. The Circuit Clerk will also continue to monitor monthly financial results and obtain explanations for unexpected variances. The County will segregate accounting duties as much as possible and monitor payroll accounts for unexpected variances from budget appropriations and prior year results.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended November 30, 2018

2018-003 Bank Reconciliations

Criteria

The County should perform monthly bank reconciliations that agree to the general ledger system used for financial reporting purposes for all cash accounts of the County. The bank reconciliation should include a detailed list of all outstanding checks and deposits with the book balance per the reconciliation agrees to the book balance per the general ledger at month end and at fiscal year end.

Condition

During our testing of cash we noted that the Mobile Home Tax, Mutual Medical, Payroll Clearing, Health Payroll Clearing, and Withholding Clearing bank reconciliations did not agree to the trial balance. We also noted the Health Operating account and three cash accounts at the Elms for which bank reconciliations were not being properly reconciled to the general ledger throughout the year, creating unreconciled differences at year end. In addition, we noted three cash accounts maintained by the Sheriff's Department where the November bank reconciliation was not performed as of November 30.

Cause and Effect

Bank reconciliations that are not reconciled to the general ledger system could cause errors in the cash balance or errors in the general ledger system to go undetected and unresolved on a timely basis. The lack of reconciliation could also cause fraudulent activity to go undetected or cash accounts to be materially misstated.

Recommendation

We recommend the County perform monthly bank reconciliations in which the book balance per the reconciliation agrees with the book balance per the general ledger. We also recommend the bank reconciliations be performed as the last date of the month to properly show the cash balance as of the end of the fiscal year.

Auditee Response

The Elms has adjusted the procedures to reconcile all cash accounts monthly. The Health Department has evaluated the reconciling process to make sure that the bank reconciliation reconciles to the accounting system monthly. All other funds will be adjusted so that monthly bank reconciliations will agree to the accounting system going forward.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended November 30, 2018

2018-004 Grant Administration

Criteria

The County should maintain a central grant administration process to monitor all grants of the County for compliance and to determine if a single audit is required.

Condition

During our testing of grants, we noted that the County does not have a central administrator of grants received by the County. Various departments receive grants for various purposes and a central listing of grant activity is not maintained for the County as a whole.

Cause and Effect

As a central listing of all grants awarded to the County is not maintained, the County is unable to determine if a single audit is required. The lack of the centralized grant reporting could also increase the risk that grants are not being appropriately monitored for grant compliance.

Recommendation

We recommend the County maintain a schedule of all grants awarded and in progress during the fiscal year and establish a process to accumulate all grant information in one location to determine if a single audit is required or if additional grant reporting compliance is necessary.

Auditee Response

The County will evaluate and implement procedures to centralize the necessary information for the proper reporting of grant expenditures and receipts.

MCDONOUGH COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended November 30, 2018

2018-005 Fines and Fees Assessed by the Court

Criteria

The Clerk of the Circuit Court should ensure all fines and fees are properly assessed in accordance with the Illinois Compiled Statutes.

Condition

During the audit, we noted certain fines and fees that were not properly assessed by the Circuit Court in accordance with the Illinois Compiled Statutes. Additionally, the Circuit Clerk's Office failed to assess a court-ordered fee on one case selected for testing.

Cause and Effect

Due to judicial orders issued and oversight of the numerous fines and fee requirements, the fines and fees may not be properly assessed and therefore, would not be distributed to the appropriate entities as directed by the Statutes.

Recommendation

We recommend the County implement a review process to determine that all fines and fees are assessed in accordance with the Illinois Compiled Statutes.

Auditee Response

The County will continue to research and monitor updates and changes made to the Illinois Compiled Statutes, especially for fines and fees assessed frequently.